

**AUDIT COMMITTEE MEETING HELD  
WEDNESDAY 12 JUNE 2024, RECONVENED ON WEDNESDAY 19 JUNE 2024**

**Table of Recommendations**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
1.	Apologies	<b><i>Councillors McGurk and McMullan</i></b>
2.	Declarations of Interest	<b><i>None</i></b>
3.	Minutes of Audit Committee Meeting held Wednesday 13 March 2023	<b><i>Confirmed as a correct record</i></b>
4.	Northern Ireland Audit Office Report	
4.1	Audit Strategy 2023/23	<b><i>Noted</i></b>
4.2	CCGBC Report to Those Charged with Governance	<b><i>Noted</i></b>
5.	Draft Year End Accounts 2023/24	<b><i>Noted</i></b>
6.	Annual Governance Statement 2023/24	<b><i>Noted</i></b>
7.	Internal Audit (Causeway Coast and Glens Borough Council)	
7.1	Annual report on Audit Committee Performance 2023-24 'In Public'	<b><i>To recommend that Council: Approves the work plan (Appendix I, previously circulated) for the 2024/25 financial year; Notes the dates (Appendix II, previously circulated) for the 2024/25 financial year</i></b>
7.2	Extension to the Independent Members Appointment	<b><i>To recommend that Council approve the extension of the contract</i></b>

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
		<b>for the Independent Member to Audit Committee for a further 12-month period</b>
<b>8.</b>	Internal Audit Resourcing Paper 2024-25	<b>To recommend that Council secure additional resource to assist with work demands and implementation of the Governance actions in the interim period, pending the outcome of the Organisation review</b>
<b>9.</b>	Direct Award Contracts	<b>Noted</b>
<b>10.</b>	Risk Management Strategy	<b>To recommend that Council approve the Revised Risk Management Strategy as set out in Appendix 1, previously circulated</b>
<b>11.</b>	Correspondence	<b>None</b>
<b>12.</b>	Matters for Reporting to Partnership Panel	<b>None</b>
	<b>'In Committee' (Items 13-20.1 inclusive)</b>	
<b>13.</b>	Quarterly Assurance Statement from the Oversight Panel	<b>Noted</b>
<b>14.</b>	Internal Audit (Causeway Coast and Glens Borough Council) <i>'In Committee'</i>	<b>Noted</b>
<b>14.1</b>	Policing Community Safety Partnership (PCSP) Internal Audit 2023-24	<b>Noted</b>
<b>15.</b>	Internal Audit (Cavanagh Kelly)	
<b>15.1</b>	Labour Market Partnership	<b>Noted</b>
<b>15.2</b>	Business Development	<b>Noted</b>
<b>15.3</b>	Procurement	<b>Noted</b>

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>15.4</b>	Prior Year Recommendations	<b><i>To recommend that report on historic recommendations are brought to September Audit Committee with Heads of Service in attendance</i></b>
<b>16.</b>	Absence Report	<b><i>Noted</i></b>
<b>17.</b>	Corporate Risk Matrix and Register	<b><i>Noted</i></b>
<b>18.</b>	Legal Cases Activity	<b><i>Noted</i></b>
<b>19.</b>	Raising Concerns/Fraud	
<b>19.1</b>	Appointment of Independent Investigator	<b><i>To recommend further information is brought back to Full Council to enable an informed decision to be made</i></b>
<b>20.</b>	Internal Audit (Causeway Coast and Glens Borough Council) (cont)	<b><i>Noted</i></b>
<b>20.1</b>	Annual Assurance Report and Opinion 2023-24	<b><i>Noted</i></b>
<b>21.</b>	Any Other Business (notified in accordance with Standing Order 12 (o))	<b><i>None</i></b>
<b>22.</b>	Date of Next Meeting – Wednesday 12 September 2024	<b><i>Noted</i></b>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF  
THE AUDIT COMMITTEE MEETING  
HELD IN THE COUNCIL CHAMBER ON  
WEDNESDAY 12 JUNE 2024 AT 7.00PM**

**In the Chair:** Councillor Chivers

**Members Present:** Alderman McAuley and Stewart  
Councillor Archibald, Huggins, Storey

L Mitchell, Independent Member

**Officers Present:** M Quinn, Director of Corporate Services  
D Wright, Chief Finance Officer  
A Ruddy, Audit, Risk & Governance Manager  
J McCarron, Performance Officer  
I Owens, Committee & Member Services Officer

**In Attendance:** P O'Sullivan, Audit Manager, Northern Ireland Audit Office  
C McHugh, Senior Manager, Cavanagh Kelly

A Lennox, ICT Officer

Press 1 no. (R)

**Key:** (R) = Remotely in attendance

The Chair stated as there was no quorum the meeting would be reconvened to Wednesday 19 June 2024 at 7.00pm.

**AGREED** – that the meeting is adjourned to Wednesday 19 June 2024 at 7.00pm.

**The meeting adjourned at 7.08pm**

**MINUTES OF THE PROCEEDINGS OF THE RECONVENED AUDIT COMMITTEE  
MEETING HELD IN THE COUNCIL CHAMBER ON  
WEDNESDAY 19 JUNE 2024 AT 7.00 PM**

**In the Chair:** Councillor Chivers

**Members Present:** Alderman Callan, McAuley, Stewart  
Councillors Archibald, Callaghan, Mairs, McAuley, McQuillan,  
Storey, Stirling, Wisener,

L Mitchell, Independent Member

**Officers Present:** M Quinn, Director of Corporate Services  
D Wright, Chief Finance Officer  
A Ruddy, Audit, Risk & Governance Manager  
J McCarron, Performance Officer  
I Owens, Committee & Member Services Officer

**In Attendance:** P O'Sullivan, Audit Manager, Northern Ireland Audit Office

C Thompson, ICT Officer

Press 1 no. (R)

**Key:** (R) = Remotely in attendance

**SUBSTITUTIONS:-** Councillor Stirling substituted for Councillor Huggins

The Chair advised Audit Committee of its obligations and protocol whilst the meeting was being audio recorded.

**1. APOLOGIES**

Apologies were recorded for Councillors McGurk and McMullan.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest from Elected Members.

Independent Member, declared an interest in Item - Extension to the Independent Members Appointment. The Independent Member did not leave the meeting for the duration of the item.

### **3. MINUTES OF AUDIT COMMITTEE MEETING HELD WEDNESDAY 13 MARCH 2024**

Copy, previously circulated.

**AGREED** - The Minutes of the Audit Committee meeting held Wednesday 13 March 2024 were confirmed as a correct record.

### **4. NORTHERN IRELAND AUDIT OFFICE REPORT**

#### **4.1 Audit Strategy 2023/24**

Copy, previously circulated, presented by Audit Manager, NIAO.

The Audit Manager, NIAO advised that this was the standard audit strategy for 2023/24 financial audit detailing timetable, staffing and key risks. The Audit Manager, NIAO referred to four key risk areas, two of which were standard - managing overriding controls and resilience and a two further risks being Procurement and Management of Lands and Buildings. The Audit Manager, NIAO said that there would be a continuation of monitoring and reporting findings to the Audit Committee.

The Independent Member referred to page 11 and the significant risk in relation to Procurement and said she believed this would be a recurring theme for the Audit Committee which they will need to be focused on closely.

#### **4.2 CCGBC Report to those Charged with Governance**

Copy, previously circulated, presented by Audit Manager, NIAO, taken as read.

### **5. DRAFT YEAR END ACCOUNTS 2023/24**

A verbal update was given by the Chief Finance Officer.

The Chief Finance Officer advised the draft year end Accounts were being compiled for the Department for Communities for submission on 28<sup>th</sup> June and that since the draft accounts were presented at the June Finance Committee meeting, there had been a slight improvement in figures. The Chief Finance Officer said Finance Committee had agreed an increase in Election Reserve for £50k in order to avoid a burden to the ratepayer in the run up to the next Election, as well as the Local Area Plan Reserve for £70k. The Chief Finance Officer said that this reduced the amount of general fund balance, the financial position was good, mostly fuelled by income levels and flattening out and

easing off in relation to utility bills. The Chief Finance Officer said that while the financial position was welcomed, it was not likely to be repeated year on year.

The Chair welcomed the update from the Chief Finance Officer.

At the request of Councillor Storey, the Chief Finance Officer provided an update on reclaiming of VAT from HMRC, that certain elements were agreed with HMRC as part of accounts closing out process and agreeing calculation of certain elements with HMRC. The Chief Finance Officer said that HMRC are ruling out some claims which Council are continuing to pursue.

The Chief Finance Officer said that HMRC are adhering to Guidance Notes which limits claims to sporting activities and that Council's claim is Article 10 of Youth and Recreation Order, which has a wider remit than the HMRC guidance note. The Chief Finance Officer said that the claim originally in excess of £10M with caravan parks disallowed has resulted in £5.4m, has been agreed, with no confirmation on interest payable. The Chief Finance Officer said that an update was provided to the June Finance Committee in relation to accounting for the Leisure Services claim, which will be put in the Finance Recovery Reserve which he hoped would be expediated.

## **6. ANNUAL GOVERNANCE STATEMENT 2023/24**

Report, previously circulated, was presented by Audit, Risk and Governance Manager.

### **Purpose of Report**

The purpose of this report is to present the draft Annual Governance Statement, For Information, attached at Appendix 1, previously circulated.

### **Background**

In line with legislation, local authorities have to prepare an Annual Governance Statement (AGS) and report publicly on the effectiveness of governance and control. The AGS should be reviewed and then approved by the Council prior to being signed by the Mayor and the Councils Chief Executive.

Typically, audit committees undertake the role of reviewing the AGS prior to approval and sign off. It is requested that Audit Committee notes the content of the draft Annual Governance Statement, narrative within the Annual Governance Statement may require updated to reflect the position as at the 30<sup>th</sup> September 2024.

### **Recommendation**

It is recommended that the Audit Committee notes the draft Annual Governance Statement for inclusion in the draft 2023/24 Financial Statements.

The Audit, Risk and Governance Manager referred to continued good practice to present in tandem with the Financial Statements.

Audit Committee NOTED the report.

## **7. INTERNAL AUDIT (CAUSEWAY COAST AND GLENS BOROUGH COUNCIL)**

The Audit Risk and Governance Manager advised that there would be no representation from Cavanagh Kelly and that she would present the report on their behalf using draft speaking notes provided.

### **7.1 Annual Report on Audit Committee Performance 2023-24**

Report, previously circulated, was presented by Audit Risk and Governance Manager.

#### **Overview**

Chartered Institute of Public Finance and Accountancy (CIPFA) has recommended that the Audit Committees should produce an annual report. The annual audit committee report should be used to provide accountability to those charged with governance on compliance with the Committees performance and provide assurance over the areas within its terms of reference.

The conclusions within the report can be used to support the Annual Governance Statement on Council.

The Audit Committee met on four occasions throughout 2023/24 on the following dates:

- 14<sup>th</sup> June 2023
- 20<sup>th</sup> Sept 2023
- 13<sup>th</sup> December 2023
- 13<sup>th</sup> March 2024

The position for Independent Member of the Audit Committee was advertised during July 2023, and Mrs Lesley Mitchell was appointed as an Independent Member of the Audit Committee for a further 12 months with a possible extension of 24 months.

*This report has been prepared for the Members of Causeway Coast and Glens Borough Council and should not be disclosed to any third party, quoted or referred to without prior written consent of the author.*



## **Attendance**

Members attendance at audit committee meetings was previously circulated.

The Chair of the Audit Committee is appointed at the first Annual General Meeting (AGM) of each new Council for the term of the Council. For the 2023/24 the chair of the Audit Committee is Councillor Ciaran McQuillan and vice chair for the Committee is Alderman John McAuley. During the year one political party had a reshuffle resulting in a change of membership to the Audit Committee.

## **Performance Evaluation**

In accordance with best practice, the Audit Committee should benchmark its performance on a regular basis. For the 2023/24 the Audit Committee assessed its effectiveness against National Audit Office (NAO) checklist and a report was presented at Audit Committee held on the 20<sup>th</sup> September 2023.

An evening training event on the role of the Audit Committee was held on 7<sup>th</sup> September 2023 for Members of the Audit Committee and any additional Members interested in attending the training.

## **Terms of Reference and Audit Charter**

The Audit Committee terms of reference were agreed at the 20<sup>th</sup> September 2023 Audit Committee and formally ratified at full Council on 3<sup>rd</sup> October 2023. The terms of reference for the will be reviewed on an annual basis to ensure completeness.

The Internal Audit Charter Review was presented at the Audit Committee on the 20<sup>th</sup> September 2023 and formally ratified at full Council on 3<sup>rd</sup> October 2023.

## **Audit Committee Meetings**

The Audit Committee meetings require the attendance of the Chief Executive on an annual basis, for the 2023/2024 financial year Chief Executive attended the Audit Committee on the 13<sup>th</sup> March 2024. The Director of Corporate Services and the Internal Auditor(s) attends all Audit Committees. The Audit, Risk and Governance Manager who delivers part of the annual planned internal audit work for the Council, the Head of Finance, the NIAO and the Independent Member also usually attend. The programme of audit work undertaken for 2023/24 had been agreed by the Audit Committee in the audit strategy for 2023/27 and is presented over the meetings during the year.

The Audit Committee may ask any other officials of the Council to attend to assist it with its discussions on any matter.

The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters; and

The Accounting Officer (Chief Executive) or Elected Members (Board) may ask the Audit Committee to convene further meetings to discuss issues on which they want the Audit Committee's advice.

### **Draft Financial Statements & Annual Governance Statement**

The draft Financial Statements including the Annual Governance Statement for the Council will be reviewed and approved for signing at a Special Council Committee meeting in June 2024.

### **Risk Management**

The Director of Corporate Services presents the quarterly corporate risk matrix and register to the Audit Committee.

### **Internal Audit**

Cavanagh Kelly were appointed to deliver the co-sourcing element of the annual internal audit work contracted out and provide the annual assurance rating for the Council in 2023/24. The Audit Risk and Governance Manager will deliver the second element of the planned internal audit work.

The Audit Committee at its meeting on 20<sup>th</sup> September reviewed and approved the Internal Audit plan for 2023/24.

The Committee will note the Internal Audit's Draft Assurance Report for 2023/24 at its meeting in June 2024. The Committee will also consider a comprehensive follow up report on the progress of the Implementation of Prior Year Internal Audit recommendations. The Audit committee will continue to emphasise the importance of the implementation of the recommendations to strengthen internal controls to ensure that they are implemented in a timely manner.

The Audit Committee will receive quarterly assurance statements from the Transformation Team that the recommendations contained within the Extraordinary audit report are being delivered in line with the prescribed timeframe.

### **External Audit**

The NIAO have yet to present their Annual Audit Strategy for the Year Ending 31 March 2024. It is anticipated that the Audit Strategy will be presented at the June 2024 Audit Committee. Within the strategy will highlight the significant areas of risk to Council.

The deadline for certifying local government bodies Accounts has been changed to 30 September and to ensure compliance with the Audit Committee certifying the accounts the Audit Committee will be scheduled for the third week in September to approve the financial accounts.

### **Conclusion**

The Audit Committee should note the work completed to date by Officers, Internal and External Auditors to ensure that the Council complies with their regulatory and statutory requirements, thereby allowing it to meet its objectives.

**It is recommended** that Committee approves the work plan (Appendix I, previously circulated) for the 2024/25 financial year.

**It is recommended** that Committee notes the dates (Appendix II, previously circulated) for the 2024/25 financial year.

The Audit Risk and Governance Manager referred the Audit Committee to page 3, which reported that 4 Audit Committee meetings had taken place with good Elected Member attendance and page 4, detailing the evaluation by Audit Committee completed earlier in year, which will be repeated for 2024/25.

The Audit Risk and Governance Manager referred the Audit Committee to page 5 and 6 outlining the Audit Committee responsibility in terms of financial statements and annual governance which have just been fulfilled for 2023/24 and internal and external audit arrangements which remain unchanged.

The Audit, Risk and Governance Manager provided commentary on the Appendices 1 and 2.

Appendix 1 (previously circulated) outlines work undertaken by Committees for any given year;

Appendix 2 (previously circulated) outlines 24/25 commitments for Audit Committee for 24/25.

**AGREED** – To recommend that Council:

Approves the work plan (Appendix I, previously circulated) for the 2024/25 financial year.

Notes the dates (Appendix II, previously circulated) for the 2024/25 financial year.

### Questionnaires Completed

- Fraud Assessment Questionnaire 2023-24 – Complete Assessment
- Managing Fraud Risk in a Changing Environment Checklist 2023-24
- Proper Arrangements Questionnaire 2023-24

## 7.2 Extension to the Independent Members Appointment

Report, previously circulated, was presented by the Audit Risk and Governance Manager.

### **Purpose of Report**

Council agreed the appointment of a new Independent Member to the Audit Committee at the June 2023 Audit Committee meeting. This report is seeking the extension of the original appointment.

### **Background**

The successful applicant for the position of Independent Member is Lesley Mitchell. The original offer was for 12-month appointment with possible extension for a further 24 months.

This contract is due to expire on the 10<sup>th</sup> September 2024 in advance of the next Audit Committee meeting. To ensure that Council retain a suitably qualified individual in the role, permission is sought to extend Lesley's contract with Council for a further 12 months (with one further possible extension of 12 months – to be reviewed in September 2025). This will ensure consistency and expertise knowledge is retained for the Committee.

### **Recommendation**

**It is recommended** that the Audit Committee recommends to Council the extension of the contract for the Independent Member to Audit Committee for a further 12-month period.

Proposed by Alderman Callan  
Seconded by Councillor Archibald and

**AGREED** – To recommend that Council approve the extension of the contract for the Independent Member to Audit Committee for a further 12-month period.

\* **Councillor Stirling joined the meeting at 7.20 pm**

## 8. INTERNAL AUDIT RESOURCING PAPER 2024/25

Report, previously circulated, was presented by the Director of Corporate Services.

### **Purpose of Report**

The purpose of this report is to inform Members of the resourcing requirements for the Audit, Risk and Governance section of council in relation to the 2024/25 financial year.

## **Background**

For the 2023/24 financial year, Council extended the co-sourcing internal audit contract with CavanaghKelly following a successful tender exercise in 2022/23. The Internal Audit programme of work for the Council is delivered via a co-sourcing contract with the current in-house Audit, Risk and Governance Manager.

There is one post within the structure which is currently vacant (Assistant Internal Audit/Risk Officer). Attempts are being made to temporarily fill this post on an interim basis as the Organisation Review progresses.

Due to increased operational work demands, and actions associated with implementation of the Transformation Plan in relation to Governance, and Prior Year Recommendations, it is recommended that additional resource (2 x Assistant Internal Audit/Risk Officer/Governance Officer) is obtained in the interim period, until the Organisation review is finalised. (1 x Additional Officer)

## **Recommendation**

It is recommended that the Audit Committee secure additional resource to assist with work demands and implementation of the Governance actions in the interim period, pending the outcome of the Organisation review.

Alderman Callan sought clarity on the associated cost and definition of 'interim' tenure of the post. The Director of Corporate Services advised that one post had been filled through Agency and the postholder had now found alternative employment, thus in-year savings from April. The Director of Corporate Services advised the posts would be required for 3-6 months, the budget used would be Reorganisation Reserve and salary £30,000, with an update expected at the Transformation Plan meeting on 1<sup>st</sup> August 2024.

Alderman Callan questioned the level of caution, given the long term structural issues being faced. The Director of Corporate Services advised that Officers were erring on the side of caution and referred to the recommendations around governance that two postholders could be fully utilised given the governance workload, and that she would provide a business plan for a second permanent post, but that it was still unclear what the outworkings of the Review would determine in relation to resource levels required.

Alderman Callan said he would welcome a paper for a second post and take a rational approach if required, given previous reporting, indicating issues with governance and referred to the absence of detail contained in the paper.

The Independent Member echoed the comments made by Alderman Callan and referred to the absence of costs and detail of the posts and said that it would be

difficult to resource a post for a period of only 3 months. The Independent Member said there was a need for clarity on what the Audit Committee is being asked to approve.

The Director of Corporate Services said she appreciated the comments, that there was a wider review which may result in further resourcing requests and agreed to bring a report to the September Audit Committee on the back of the Organisation Review.

Proposed by Alderman Callan  
Seconded by Councillor Storey and

**AGREED** – To recommend that Council secure additional resource to assist with work demands and implementation of the Governance actions in the interim period, pending the outcome of the Organisation review.

## **9. DIRECT AWARD CONTRACTS**

Report, previously circulated, was presented by the Chief Finance Officer.

### **Background**

Causeway Coast and Glens Borough Council approved an updated Procurement Policy in November 2023.

### **Detail**

The revised policy had addressed a number of recommendations that had been made in reference to the old policy. One such recommendation was the inclusion of guidance around single tender actions or Direct Award Contracts (DAC). The policy gives guidance and sets out a procedure to follow in such circumstances.

### **DAC Process**

In all cases where council staff are considering the use of the award of a contract without competition, they must seek guidance from the procurement officer before proceeding as such an approach will be easily challenged in the courts unless rigorously supported by appropriate documentation and completed in accordance with the legislative requirements.

### **Authorisation required**

When a member of council staff has spoken with the procurement officer - and discussed all the alternative options available - and wishes to proceed with the award of a contract without competition the staff member should seek approval of their approach from the Senior Management Team before seeking Council approval to award.

A detailed report should be completed by the member of staff requesting the contract award explaining their rationale and the consideration given to all alternative options in conjunction with discussions between the staff member and the procurement officer. The template provided in Annexe 6 – Direct Award Contract Form should be fully completed by the member of staff requesting the contract award.

Once completed, this document will require authorisation from the Senior Management Team before proceeding to the relevant committee for consideration. Upon agreement from the Council the staff member should contract the procurement officer to assist with the contract award to the chosen supplier.

### **DAC Approvals**

The purpose of this short report is to inform members of those DAC's which have been approved since 1 January 2021 and these are listed below, it should be noted that eight of these required Council approval at the point of award which was granted, there have been three DAC's awarded since the last Audit Committee in March.

The Chief Finance Officer confirmed there had been three additional Direct Award Contracts since the last reporting.

The Independent Member said that, given concerns in relation to Procurement, was there a possibility there were gaps not being reported in relation to Direct Award Contracts. The Chief Finance Officer said that everything which had gone through Procurement had been reported, but that other Direct Award Contracts could exist.

The Chief Finance Officer advised that a Procurement Officer was now in post and that their role included revising policies and acting on recommendations and that they were making good progress.

Audit Committee NOTED the report.

## **10. RISK MANAGEMENT STRATEGY**

Report previously circulated, was presented by the Director of Corporate Services.

### **Purpose of Report**

The purpose of this report is to present Members with the Revised Risk Management Strategy for consideration and recommended for approval.

## **Background**

The Risk Management Strategy forms part of the Causeway Coast & Glens Borough Council's internal control and corporate governance framework. The Strategy has been developed to provide clarity and direction on current and future risk management activity across Council.

As a local government body, Council is required by way of, [Part 2 of The Local Government \(Accounts and Audit\) Regulations \(Northern Ireland\) 2015 – 4 \(1\) \(b\)](#), to ensure that it has a sound system of internal control in place which facilitates the effective exercise of its functions, and which includes arrangements for the management of risk. Council draws on the approach set out in, [The Orange Book, Management of Risk, Principles and Concepts](#), revised by HM Treasury in 2023.

Causeway Coast & Glens Borough Council recognises its responsibility to manage risk effectively, while understanding that risk can never be fully eliminated. Council is committed to the proactive management of key internal and external risks.

It is important that the Elected Members and all employees (including agency workers and contractors), have a clear understanding of how risk management operates and that the process of risk management is consistent, appropriate, and embedded across all Council activities.

The Revised Risk Management Strategy is attached in Appendix 1, previously circulated.

This revised strategy addresses some of the recommendations carried forward from previous Internal Audit recommendations, and current actions contained within the Transformation Plan under Governance.

Following approval of the Risk Management Strategy, steps will be taken to secure resources to deliver the Strategy. This will ensure Prior Year Recommendations (carried forward from previous Internal Audit Report) and associated actions contained within the Governance Section of the Transformation Plan are progressed.

## **Recommendation**

**It is recommended** that the Audit Committee recommends to Council the approval of the Revised Risk Management Strategy as set out in Appendix 1, previously circulated.

The Director of Corporate Services referred to outstanding recommendations from a previous Internal Audit report and said that a series of training and development in relation to the policy would assist in embedding a fuller



understanding across Council, taking account of recommendations and good practices and policies. The Director of Corporate Services said that the strategy presented was recommended for approval.

Proposed by Alderman Stewart  
Seconded by Alderman Callan and

**AGREED** – To recommend that Council approve the Revised Risk Management Strategy as set out in Appendix 1, previously circulated.

## 11. CORRESPONDENCE

There were no items of Correspondence.

## 12. MATTERS FOR REPORTING TO PARTNERSHIP PANEL

There were no matters for reporting to Partnership Panel.

Proposed by Councillor Storey  
Seconded by Alderman Callan and

**AGREED** – to recommend that Council move ‘*In Committee*

\* **Press were ejected from the meeting at 7.35 pm.**

***The information contained in the following item is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.***

## 13. QUARTERLY ASSURANCE STATEMENT FROM THE OVERSIGHT PANEL

Confidential report, previously circulated, was presented by the Performance Officer.

Confidential by virtue of paragraphs (s) 3 and 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014

### **Purpose of Report**

The purpose of this report is to update Members on progress in relation to the Transformation Programme Action Plan.

### **Background**

The Implementation Oversight Panel has now been meeting on a monthly basis since its first meeting on Monday 12<sup>th</sup> February 2024. A Chair and Vice

Chair were nominated from within the six Elected Members who make up the Oversight Panel.

The Implementation Steering Group has also continued to meet on a monthly basis since its first meeting on Monday 5<sup>th</sup> February 2024. The appointed Independent Advisor Chairs this Meeting.

Weekly meetings of the Officer led Implementation Working Group have continued, with these ensuring a regular focus on progress. This meeting is Chaired by the Chief Executive.

### **Reporting**

Since the last Audit Committee update on 13<sup>th</sup> March 2024, Members have received Action Plan thematic updates at the following Council Committees:

- Implementation Oversight Panel on 8 April, 13 May and 10 June
- Land and Property Sub Committee on 10 April, 1 May and 5 June
- Corporate Policy and Resources Committee on 21 March, 23 April and 28 May
- Finance Committee on 14 March and 9 May

On 12<sup>th</sup> April 2024, Council received a letter from Minister Lyons, Department for Communities (DfC), in which he shared his thanks for update reports received as well as noting the positive progress made to date.

Following Audit Committee on 12 June 2024, Council will issue the next quarterly update to Minister Lyons, Department for Communities (DfC).

Engagement and update meetings continue between the DfC, the Independent Advisor and Council. The most recent of these meetings was held on 23<sup>rd</sup> May 2024, where DfC receives an update report from Council and the Independent Advisor.

The report detailed the following:

- Organisational “Health Check” and review of the Senior Leadership
- Structure and
- Transformation Programme Implementation Action Plan

### **Recommendations**

It is recommended that the Oversight Panel notes this update report as well as the progress against the Transformation Programme Action Plan recommendations.

The Performance Officer spoke of close engagement and good levels of support and a strong ongoing positive progress which continued and

referred the Audit Committee updated Action Plan, confirming that 96% of actions were completed with those not completed close completion.

Audit Committee NOTED the report.

## **14. INTERNAL AUDIT (CAUSEWAY COAST AND GLENS BOROUGH COUNCIL)**

### **14.1 Policing Community Safety Partnership (PCSP) Internal Audit 2023-24**

A verbal update was provided by the Audit, Risk and Governance Manager.

The Audit Risk and Governance Manager said that the statutory annual mandatory audit was not completed but that the fieldwork had been completed with a Satisfactory level awarded and referred to recommendations within the report which would be brought to the September Audit Committee meeting.

The Audit Risk and Governance Manager referred to issues raised in relation to procurement and association documentation.

## **15. INTERNAL AUDIT (CAVANAGH KELLY)**

The Audit Risk and Governance Manager advised that there would be no representation from Cavanagh Kelly and that she would be would present the report, referring to draft speaking notes provided.

### **15.1 Labour Market Partnership**

Confidential report, previously circulated, was presented by the Audit Risk and Governance Manager.

Confidential by virtue of paragraphs (s) 3 and 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014

In relation to Labour Market Partnership detail was provided under the following headings:

Internal Audit Opinion/Assurance Rating

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2023/24. This report summarises the findings arising from a review of the Labour Market Partnership arrangements. The table below summarises the key areas of potential risk which were considered and reviewed (controls considered for each risk are detailed in Appendix B, previously circulated).

Definitions of levels of assurance and the priority ratings for recommendations are included in Appendix A, previously circulated.

### **Objectives**

To ensure that there are adequate arrangements in place to ensure a joined-up approach to Labour Market Partnership and that Labour Market Partnership activities are effectively planned, monitored, and reported.

### **Background**

Employability NI in conjunction with Department of Communities have an initiative where they are providing support for unemployed individuals looking to get back into work. The project has been implemented within each council where they will develop a 'Labour Market Partnership' (LABOUR MARKET PARTNERSHIP) with the aim of creating new jobs to meet the needs of employers within the borough.

The design of local action plans is to:

Deliver a reduction in economic inactivity and long-term unemployment to bring NI closer in line with UK rates.

Provide increased support for those with health conditions (esp. mental health) and disabilities; and

Create a mechanism for government to collaborate with Councils and other Departments to offer local solutions.

One of the key elements of the programme design was the proposal to create 'Local Inclusive Labour Market Partnerships' in each council area. They intend to:

Provide leadership and lead on the integration of services.

Develop local area plans including setting targets for performance.

Manage devolved funding and its delivery; and

Manage arrangements for the evaluation of local interventions

### **Risks**

This audit will consider what actions are underway within Council in relation to key aspects of Labour Market Partnership:

There may be inadequate arrangements in place to ensure that the Labour Market Partnership complies with its statutory functions and with Council's requirements.

There may be insufficient procedures in place to ensure that funding applications are appropriately assessed resulting in funding being allocated to activities or organisations which do not meet the Labour Market Partnership's objectives

There may be insufficient documentation may be maintained on file as evidence that grant funding awarded was used in accordance with the original application and Labour Market Partnership objectives have been achieve

### **Approach**

We conducted our internal audit work in accordance with the Public Sector Internal Audit Standards (“PSIAS”). We planned and performed our work to obtain assurance over the operating effectiveness of arrangements in place to address the agreed risks. However, you should not rely on our work to identify all instances of fraud or error which may exist. The responsibility for these matters rest with management of the organisation.

Our audit fieldwork comprised:

Documenting the systems via discussions with key staff

Consideration of the key risks within each audit area

Examining relevant documentation

Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council

Testing the key arrangements and controls

Testing the completeness and accuracy of records

The table, previously circulated, shows the staff consulted with and Internal Audit would like to thank them for their assistance and co-operation.

### **Audit Findings**

Full detail of Audit Findings were detailed within the Confidential report.

The Audit Risk and Governance Manager referred the Audit Committee to recommendations regarding Terms of Reference for the Labour Market Partnership for greater understanding of roles and functions and this has been accepted by management.

Also identified was requirement for declarations of interest for procurement processes as number of independent members sit on partnerships.

The Independent Member highlighted the good report giving Satisfactory assurance with only 2 priority recommendations to take forward and welcomed the implementation date of 10<sup>th</sup> June 2024 for both. The Independent Member also highlighted the issue in relation to procurement.

## **15.2 Business Development**

Confidential report, previously circulated, was presented by the Audit Risk and Governance Manager.

Confidential by virtue of paragraphs (s) 3 and 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014

In relation to Business Development detail was provided under the following headings:

### **Internal Audit Opinion / Assurance Rating**

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2023/24.

This report summarises the findings arising from a review of Business Development within the Causeway Coast & Glens Borough Council (CCAG). The table below summarises the key areas of potential risk which were considered and reviewed (controls considered for each risk are detailed in Appendix B, previously circulated

Based on our audit testing we are able to provide the following overall level of assurance:

Definitions of levels of assurance and the priority ratings for recommendations are included in Appendix A, previously circulated.

### **Objective**

The Objective of this Internal Audit Review was to provide the Audit and Risk Committee with assurance that there are adequate arrangements in place to ensure a consistent, fair and equitable approach to Business Development management of the Alchemy mentoring programme and Enterprise Fund grants.

### **Background**

Business Development activities are delivered within the operational area of Prosperity and Place. The vision for the Prosperity & Place team is aligned to the Causeway Economic Development Strategy (2020-2035) i.e. Recovery and Renewal - to deliver a green, connected and fair economy in Causeway Coast and Glens'.

A Business Development Manager works with a team of 3 officers to provide support to local businesses. (There is currently vacancy of 1 and recruitment to fill this vacancy is prioritised within the Business Plan). This team of officers manage engagement and communications with the local business community to make them aware of programmes and support available within Council and on offer by other development agencies. This team manage a number of programmes offering support, which are delivered by third party advisors and facilitators e.g. Alchemy. The Business Development team also oversee an annual Enterprise Fund grant offered by Council to businesses trading less than 2 years and in key local sectors within the Borough.

The areas for inclusion in the scope of the audit were determined through discussion with management. The scope of this audit was to review the arrangements in place in relation to Business Development, focusing on the main risks associated with the two largest value activities (amounting to approximately 47% of the 2023-24 budget for Business Development activities):

- Enterprise Fund grant award and payment
- Planning, managing, and implementing the Alchemy support programme.

### **Risks**

This audit considered what actions in relation to key aspects of business development support focusing on the following key risks:

- There may be inadequate arrangements around the Alchemy mentoring programme leading to inefficient use of Council resources.
- There may be inadequate arrangements around the Enterprise Fund grant management leading to inappropriate awarding and payment of grants.

### **Approach**

We conducted our internal audit work in accordance with the Public Sector Internal Audit Standards ("PSIAS"). We planned and performed our work to obtain assurance over the operating effectiveness of arrangements in place to address the agreed risks. However, you should not rely on our work to identify all instances of fraud or error which may exist. The responsibility for these matters rest with management of the organisation.

Our audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records

The table, previously circulated, shows the staff consulted with and we would like to thank them for their assistance and co-operation.

### **Audit Findings**

Full detail of Audit Findings were detailed within the Confidential report.

The Audit Risk and Governance Manager referred Audit Committee to page 3 outlining risks where there was 1 priority 3 recommendation and overall satisfaction noted. The Audit Risk and Governance Manager highlighted the

reference to good work on LMP and progress undertaken and the excellent record keeping evidenced in this area.

Councillor Storey referred to an ongoing PSNI investigation into potential fraud and asked for detail of how it was identified, asking if it was the robustness of processes or an external source.

Councillor Storey referred to the good work undertaken as part of the internal and external auditing activities and wished his comments to be noted.

The Director of Corporate Services said she would not be in a position to comment on the ongoing PSNI investigation in order not to jeopardize due process.

### **15.3 Procurement**

Confidential report, previously circulated, was presented by the Audit Risk and Governance Manager.

Confidential by virtue of paragraphs (s) 3 and 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014

In relation to Procurement detail was provided under the following headings:

#### **Internal Audit Opinion / Assurance Rating**

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2023/24. This report summarises the findings arising from a review of Procurement arrangements. The table below summarises the key areas of potential risk which were considered and reviewed (controls considered for each risk are detailed in Appendix B, previously circulated):

Based on our audit testing we are able to provide the following overall level of assurance:

Definitions of levels of assurance and the priority ratings for recommendations are included in Appendix A, previously circulated.

We reviewed all the controls outlined for each risk in Appendix B, previously circulated. Our detailed audit findings are noted in Section 6. Only controls where issues were identified are included within Section 6, all other controls reviewed were found to be operating effectively.

The weaknesses identified during our audit have been brought to the attention of Management. The weaknesses outlined are those, which have come to our



attention during the normal audit work and are not necessarily all the weaknesses, which may exist.

The content of this report has been discussed with officers and management to confirm factual accuracy. The assistance and cooperation received during our review is gratefully acknowledged.

### **Objectives**

To ensure that:

- There are adequate arrangements in place to facilitate an effective and efficient Procurement process.
- Procurement procedures are appropriately followed to ensure transparency of process and value for money around the acquisition of goods and services for Council.

### **Background**

Procurement is a critical function of government. Public bodies depend upon procurement to purchase goods, services and construction works that enable them to deliver the services they are responsible for. The Chartered Institute of Procurement and Supply (CIPS) says that procurement and supply management “involves buying the goods and services that enable an organisation to operate in a profitable and ethical manner”.

Strong procurement contributes to the achievement of organisational objectives, achievement of value for money and good financial viability. All public procurement in the UK is required to achieve value for money and is governed by public procurement rules to ensure that it is fair and open.

It is essential that procurement activity is well managed to secure the maximum possible value from this expenditure. At a transactional level this will ensure that Council does not waste money by paying more than is necessary to achieve outcomes. At a strategic level, proper procurement means each of those purchase decisions can make a positive impact towards achievement of the Council’s aims and objectives.

### **Risks**

The scope of this audit is to review the arrangements in place within the Council in relation to the management of Procurement focusing on the main risks associated with:

- Procurement Policy and procedures.
- Tendering processes
- Documentation of the decision-making process for awarding tenders and contracts.

## **Audit Approach**

We conducted our internal audit work in accordance with the Public Sector Internal Audit Standards (“PSIAS”). We planned and performed our work to obtain assurance over the operation effectiveness of arrangements in place to address the agreed risks. However, you should not rely on our work to identify all instances of fraud or error which may exist. The responsibility for these matters rest with management of the organisation

Our audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records

The table below shows the staff consulted with and Internal Audit would like to thank them for their assistance and co-operation.

## **Audit Findings**

Full detail of Audit Findings were detailed within the Confidential report report.

The Audit Risk and Governance Manager referred the Audit Committee to page 3 risks reviewed where a Limited level of assurance was noted stating that improvements are required in relation to management of tender processes (including templates for procurement), evaluation panels and relevant declaration of interest forms (including retention of same) and improvements in record keeping. The Audit Risk and Governance Manager said that whilst policy was in place, processes could be improved further for staff to be compliant and know what was required of them.

The Audit Risk and Governance Manager referred to pages 7-9 which noted recommendations to update policy and provide strong guidance for staff and referred to the priority 2 recommendation to roll out training once policy and guidance is in place and to update annually.

The Audit Risk and Governance Manager said that the priority 3 recommendation to lower thresholds had been actioned.

The Independent Member spoke of her concern at the report which provided Limited assurance and referred to the need for a lot of work. She welcomed the recruitment of a Procurement Officer and questioned whether one post was sufficient.

The Chief Finance Officer confirmed there was 1 full time Procurement Officer in post and their role was to keep processes under review.

The Chief Finance Officer said that recommendations suggest a lot of paperwork and processes to be centralized, which could require a further resource and the matter would remain under review and said that staff in other departments work on procurement also.

Councillor Storey questioned, given the size of the organization, why Procurement was not a centralised function to enable purchasing goods and services and sought clarity on whether there was a balance between the good guide and current Council practices and referred to means of ensuring procurement is conducted in a profitable and ethical manner.

The Chief Finance Officer referred to the aim of maximising profit and minimising subsidies and said that only one of the 4 legacy Councils had a Procurement function, which was retained in an advisory capacity to enhance compliance with legislation. The Chief Finance Officer said he understood there was a strong argument for a centralised solution which came with its own issues and said it was a case of striking a balance to bring necessary assurance on controls and measures being used.

#### **15.4 Prior Year Recommendations**

Confidential report, previously circulated was presented by the Audit Risk and Governance Manager.

Confidential by virtue of paragraphs (s) 3 and 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014

##### **Introduction**

This report summarises the findings arising from a review of the progress made by CCAG in implementing the prior year internal audit recommendations made as a result of internal audits carried out in 2022/23 - this includes Priority 1, 2 and 3 recommendations.

This report also includes a review of Priority 1 and 2 internal audit recommendations made in 2016/17, 2017/18, 2018/19 and 2019/20 and P1-3 recommendations in 2020/2021 and 2021/22 which were being addressed (or had not been addressed) at the time of the previous review of recommendations (in May 2023). Priority 3 recommendations were not reviewed for the earlier years 2016/17-2019/20.

Our audit fieldwork comprised:

- Reviewing progress against recommendations via obtaining feedback and holding discussions with key staff
- Examining relevant documentation where provided (for P2 & P1 findings)
- Testing controls and accuracy of records (for P2 & P1 findings)

## **Background**

CCAG is committed to ensuring that key risks are identified and addressed as far as possible, the system of internal control is adequate and operating effectively and the policies and procedures in place are up to date and being followed.

As Internal Audit reports, and findings identify possible risk areas, an important part of the internal audit service is to review the progress made in addressing recommendations made in prior years.

We have reviewed progress in implementing Priority 1, 2 and 3 recommendations made in the year 2022/23 and the number made in that year have been summarized in Table A, previously circulated.

We have also reviewed the internal audit recommendations which were still being addressed (or not addressed) at the time of the previous review of recommendations (in May 2023) for 2016/17, 2017/18, 2018/19 and 2019/20 2020/21 and 2021/22.

## **Recommendations**

For each recommendation, we contacted the relevant officer to discuss progress of implementation and to review evidence of progress of implementing recommendations.

## **Results of Review - Summary progress P1/P2/P3 Recommendations per Financial Year**

Table B, previously circulated, provided a breakdown of the progress of implementing outstanding P1 and P2 recommendations made in 2016/17 to 2019/20 and all recommendations made in 2020/21 to 2022/23.

## **Conclusion - Summary Progress of all Recommendations Reviewed**

Table C, previously circulated, notes overall progress against the 101 recommendations reviewed at the time of our review (June 2024).

Further table, previously circulated, shows that, for all the recommendations, for which a response was available, have either been addressed are being addressed.

The Audit Risk and Governance Manager referred the Audit Committee to the 101 Prior Year Recommendations, 45 of which were for 2023.

The Audit Risk and Governance Manager said that for earlier years there was a focus on 1 and 2 Priority Recommendations and the outcomes were listed on page 6 with good, but slow progress noted. The Audit Risk and Governance Manager said that work was ongoing in relation to Prior Year Recommendations with 36% of priority 2 recommendations actioned and 62% being addressed.

The Independent Member said she was disappointed that recommendations dating back to 2016/17 were still being featured.

Alderman Callan concurred with the Independent Member's remarks and asked the Director of Corporate Services why these recommendations continue to feature on reports, given the passage of time.

The Director of Corporate Services referred to the appendix and advised that a number of different service areas were involved with some of the recommendations, referred to system and resourcing issues and advised that for the September Audit Committee she would have Service Managers attend to give an update on their area.

The Director of Corporate Services said that Service Managers were asked to provide commentary on a quarterly basis, after which, internal audit validate information provided at year end and explained that some actions appear in more than one occasion as an internal audit may have featured twice ie Essential Car User Policy.

The Director of Corporate Services advised that some of the outstanding actions will now be completed as part of the Transformation Action Plan.

Alderman Callan said that there was no timeframe or responsible person noted in relation to these longstanding recommendations and felt there should be a rationale for the status of these recommendations.

Proposed by Alderman Callan  
Seconded by Councillor McQuillan and

**AGREED** – To recommend to Council that a report on historic recommendations is brought to September Audit Committee with Heads of Service in attendance.

## **16. ABSENCE REPORT (QUARTER 4)**

Confidential report, previously circulated, was presented by the Director of Corporate Services.

Confidential by virtue of paragraph (s) 2 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

### **Purpose of Report**

The purpose of this report is to provide Members with Quarter 4 (1 April 2023 to 31 March 2024) information regarding Absenteeism throughout the Council.

### **Background**

Absenteeism within the Council is closely monitored and managed in accordance with Councils Policies and Procedures, and in line with NJC Terms and Conditions.

The ODHR team work closely with each of the Directors, Managers and Supervisors to assist and support through a range of preventative proactive measures alongside the reactive to include referrals to Occupational Health, absence review meetings, referrals for Ill Health Retirement.

### **Performance Improvement 2023/2024**

**Progress to date – Quarter 4 (1 April 2023 to 31 March 2024)**

### **Outputs**

- Council's Sickness Absence Policy came into effect on 1 July 2020.
- Line managers and employees have been trained on the new policy and absence management training (total 324 employees).
- Work is ongoing with stakeholders to identify and agree further measures to support employees such as access to private Health Care, access to specific treatments, etc.
- Since COVID-19 Occupational Health appointments are mostly conducted by telephone, however face to face appointments can be arranged, if required.
- Councils' highest reason for sickness absence is the Sickness Category including conditions such as stress, depression, mental health, bereavement and fatigue syndrome. It is noted there is a reduction of 113.59 days from the 2022/23 figures (See Table 4, previously circulated, for further analysis).
- Employees who are absent due to a stress or a stress related absence are referred immediately to Occupational Health so that interventions can be put in place at an early stage. Employees are also reminded of the counselling services provided by Inspire. Additionally, Council continues to fund more in-depth counselling services, such as CBT as recommended by Occupational Health.
- In Quarter 4, 20 brief solution focused counselling sessions were accessed by employees.

- In Quarter 4, an additional 59 high Intensity counselling interventions were accessed by employees on the basis of referrals from Occupational Health. These sessions are funded by Council.
- ODHR have now implemented the **Staywell** Hub which is a regional Local Government initiative to support wellbeing and has supported by a training programme for employees. ODHR work closely with the PR department providing wellbeing content for the fortnightly Staff News, covering a variety of topics in relation to general health and wellbeing including Mental Health.
- Council are providing Westfield Health cover to all employees and members from 1 July 2024.

### **Target Outcomes**

- A 2.75% reduction in the number of days lost to Council through long term sickness.
- A 2.5% reduction in the average number of days lost per employee through sickness absenteeism.
- We will maintain the average time for an Occupational Health Review from 4 weeks to 2 weeks.

### **Quarter 4 Performance Against Targets**

Table 1, previously circulated, shows the Quarter 4 Performance Against Targets and in-Year Comparisons

### **Analysis of Quarter 4 Data**

Table 2, previously circulated, shows the Analysis of Absenteeism Data.

Table 3, previously circulated, shows the top 5 reasons for Absence.

Table 4, previously circulated shows Analysis of Stress and Stress Related Absences.

Table 5, previously circulated, shows Analysis of the Cost of Absence.

Table 6, previously circulated, shows Analysis of exits due to Ill Health Retirement / Capability.

This quarterly report will continue to be provided to Audit Committee.

### **Recommendation:**

It is recommended that Council notes the report presented.

The Director of Corporate Services said that long term sickness figures contributed to 90% of the statistics which was concerning and that 10% accounted for short term sickness. The Director of Corporate Services advised that there were mechanisms in place to tackle absence statistics.

## 17. CORPORATE RISK MATRIX AND REGISTER

Confidential report, ,previously circulated, was presented by the Director of Corporate Services.

Confidential by virtue of paragraph 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014, was presented by the Director of Corporate Services for Information.

The Director of Corporate Services provided commentary on the Corporate risk matrix updated for April, May and June and explained that the document was currently updated manually but that this would soon be electronically populated and confirmed that details contained within the reporting would continue to be kept under review.

## 18. LEGAL CASES ACTIVITY

Confidential report, previously circulated, was presented by the Director of Corporate Services.

Confidential by virtue of paragraph(s) 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

### **Purpose of Report**

The purpose of this report is to provide Members with a Quarterly update on the legal cases activity including first registration and transfer/registration of Off Street Car Parks from DFI, which are being dealt with “in-house” including the number of active legal cases, split between Directorate, the number of new cases, and the number of closed cases.

### **Background**

#### **Position as at May 2024**

The table, previously circulated, provides information on number of cases open and closed across the service areas during the period 22<sup>nd</sup> February 2024 to 22<sup>nd</sup> May 2024. Note- Some files may relate to more than one service area for example those concerning Land and Property Matters.

First Registrations and transfer/registration of Off Street Car Parks from DFI are shown at Appendix 1 & 2, previously circulated.

Legal cases which are being dealt with by external providers were not shown in table.

The report outlined the number of live Legal Services files and Pending files (where advice has been provided, which may or may not proceed).



### **Recommendation(s)**

**It is recommended** that the Audit Committee recommends to Council to note the Legal Cases Activity Report.

The Director of Corporate Services provided commentary on the report.

Alderman Callan sought an update on the running total of costs broken down into closed cases, ongoing cases and man hours involved, as well as detail of advice obtained whether from an external or internal source, particularly the cost of Barristers. Alderman Callan said that he had asked specifically for this breakdown of information previously. The Director of Corporate Services acknowledged the request and suggested incorporating this information going forward, and exploring ways of making this report more meaningful to Members, as some of the information included within the report (1<sup>st</sup> Registration of Council Land and Council Car Parks) was a duplication of the quarterly reports to Land and Property Sub-Committee.

## **19. RAISING CONCERNS/FRAUD**

A verbal update was provided by the Audit Risk and Governance Manager.

The Audit Risk and Governance Manager read a prepared statement to the Committee and confirmed that she was not in a position to take questions from Elected Members.

The Audit Risk and Governance Manager said that given this was the second occasion there was a live PSNI investigation a Limited level of assurance (Annual Governance Statement) will be noted.

### **19.1 Appointment of Independent Investigator**

Confidential report, previously circulated, was presented by the Audit, Risk and Governance Manager.

Confidential by virtue of paragraph(s) 7 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

#### **Purpose of Report**

The purpose of this report is to inform Audit Committee in relation to the appointment of an independent investigator to investigate procurement and financial irregularities.

#### **Background**

Following a preliminary investigation in relation to procurement and financial

irregularities it has been determined under the Anti-Fraud, Bribery and Corruption Policy that a full formal investigation is required.

A procurement exercise has been undertaken and KPMG have been appointed to undertake this investigation.

### **Recommendation**

**It is recommended** that the Audit Committee recommends to Council the appointment of the independent investigator to investigate the procurement and financial irregularities.

Alderman Callan spoke of the lack of detail contained within the report and requested further information to enable Elected Members to make an informed decision.

The Director of Corporate Services spoke of the confidentiality and sensitivity around the complex matter and assured Elected Members of adherence to Anti Fraud, Bribery and Corruption policy in conjunction with seeking legal advice and adherence to associated policies and procedures.

Proposed by Alderman Callan  
Seconded by Alderman McAuley and

**AGREED** – To recommend that further information is brought back to Full Council to enable an informed decision to be made.

## **20. INTERNAL AUDIT (CAUSEWAY COAST AND GLENS BOROUGH COUNCIL) (cont)**

### **20.1 Annual Assurance Report and Opinion 2023-24**

Confidential report, previously circulated, was presented by the Internal Audit and Governance Manager.

Confidential by virtue of paragraphs (s) 3 and 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

#### **Introduction**

The Public Sector Internal Audit Standards (PSIAS) and the International Professional Practices Framework (IPPF) are the agreed professional standards for internal audit in local government. These standards set out the requirement for the Head of Internal Audit to produce an annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control framework.

The Head of Internal Audit must produce a report that can be used to support the Council's Annual Governance Statement. The Internal Audit Function within the Causeway Coast and Glens Borough Council is provided by a co-sourcing arrangement between CavanaghKelly and the Audit, Risk and Governance Manager, who reports to the Director of Corporate Services.

### **Audit Plan**

The Audit Plan for 2023/24 is determined on the Council's 4-year Internal Audit Strategy which was presented to and approved by the Audit Committee in September 2023.

The plan of work is designed to ensure that:

- There is a robust system of internal audit of key Council activities and processes through a plan of work which affords suitable priority to the Council's objectives and risks.
- There is a process of ensuring improvements to the Council's control environment, providing management with advice, training, and recommendations for improvement, which will include a formal monitoring of the internal audit recommendations.
- The audit, risk and governance manager will be in a position to provide a professional, evidence-based opinion on the adequacy of the Council's risk management, control and governance arrangements which in turn will feed into the Council's Annual Governance Statement.
- The Council meets its legislative responsibilities for internal control, risk management and internal audit.

Further details on the 2023/24 audit plan are included in Appendix II, previously circulated. The audit approach is risk based and the strategy and plan were developed following an audit needs assessment exercise with senior officers to identify and prioritise key risk areas. It must also be noted that the audit plan cannot address all risks across the Council and represents the best use of audit resources available.

### **Independence and Objectivity**

The work performed by internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. All work has been conducted within the scope as defined in the Internal Audit Charter

The internal auditors are independent of the management of the Council and have direct access to the Chair of the Audit Committee if required. They provide

a regular update to the Committee at each of the quarterly meetings and attend any special meetings that may be convened during the year.

### **Audit Committee**

The Audit Committee meet on a quarterly basis and internal audit reports are presented to the Committee, summarising the results of internal audit assignments completed since the last meeting.

These reports detail progress against the plan and for each assignment completed, a report provides a summary of the audit objectives tested, audit findings and overall assurance rating in relation to that area.

The Audit Committee met four times during the year on the following dates:

- 14th June 2023
- 20st September 2023
- 13th December 2023
- 13th March 2024

The annual report builds on the information contained in these internal audit reports and does not replicate details of the audit objectives, identified risks and our findings for each area tested. Rather, the report focuses on the overall conclusion in each area audited. This annual report should, therefore, be read in conjunction with the internal audit reports produced and presented to the Audit Committee throughout the year.

### **Assurance Work - Audit Approach and Assurance Process**

The primary objective for each assurance assignment is to provide an overall assurance rating in relation to the area being audited. For each assurance assignment, the audit commences with the identification of audit objectives and risks for the area being audited. Audit testing is then carried out in relation to each risk to evaluate the efficiency and effectiveness of the controls within that area.

The internal audit assurance process involves a two-stage assessment:

- Firstly, based on the audit work we report findings in relation to each risk. Each finding is given a priority ranking, ranging from 1 to 3, with 1 being a high-risk exposure and requiring urgent attention. If there are no findings in relation to an audit area, and the controls are operating effectively, we report this.
- Secondly, based on our assessment at risk level, we provide an overall assurance rating in relation to the area being audited, a full explanation of which is provided at Appendix I, previously circulated to this report.

## **Summary of Assurance Work – Year 2023/24**

As noted previously, Causeway Coast and Glens Borough Council delivers the internal audit service through a co-sourcing arrangement. This consists of an in-house Audit, Risk and Governance Manager and a contract with CavanaghKelly to ensure that the programme of internal audit work is delivered. CavanaghKelly were appointed in September 2022.

Approximately 80% of the audit plan has been completed, with the remaining fieldwork and reports rolling forward into the next financial year (2024/25).

For part of the year the Council had a risk officer in place who delivered a new Risk Management strategy which will help to strengthen the risk management processes and document the processes in place.

Details were contained within the report of ongoing auditing in Causeway Coast and Glens Borough Council.

### **Management Responses**

As noted previously, our approach is to identify risks for each area under review and to assess the controls in place to mitigate these risks. If we find that controls are not adequate or effective, we raise the matter in the management action plan contained in the assignment report, setting out our observation, the risks arising from the issues identified and our recommended action to address the issues. These matters are discussed with management and their response is also included in the reports.

During 2023/24 a positive response has been received from management in respect of all the recommendations made and a course of action to address the issues identified has been agreed.

### **Other Areas of Assurance**

In addition to the assurance work carried out by the internal audit service in preparing our annual report, we also considered the reports arising from the following pieces of assurance work performed outside of Council.

### **Other Work**

In addition to routine internal audits performed, the internal audit section delivers the following additional work:

- > Ad hoc advisory
- > Whistleblowing/Raising Concerns
- > Fraud Training
- > Co-ordination of risk management processes
- > NIAO Liaison/preplanning meeting
- > Fraud/Proper Arrangements Questionnaire

Internal audit provides responses to the annual fraud assessment questionnaire required to be submitted each year to the Northern Ireland Audit Office by 31st March.

Internal Audit delivered Audit Committee training to Elected Members with the aim of improving staff awareness and knowledge in relation to the role of the Audit Committee and their responsibilities with regards to the Committee.

In preparing the overall opinion the Audit, Risk & Governance Manager has reviewed all audit and risk activity carried out in the period from April 2023 to March 2024. Internal audit has also considered the outputs from the proper arrangements audit and the financial audit performed by the Northern Ireland Audit Office.

### **Effectiveness of the Internal Audit Service**

As a pre-requisite for giving an assurance opinion on the overall adequacy and effectiveness of the control environment within Council, we are required to confirm the effectiveness of our internal audit service and therefore its fitness for purpose to carry out work that informs the opinion.

In March 2021, an External Quality Assessment (EQA) of CavanaghKelly's internal audit service was carried out by the Institute of Internal Auditors (IIA), with a follow up review in August 2021. This process concluded that the internal audit service, delivered by CavanaghKelly 'Generally, conforms to the Public Sector Internal Audit Standards and the Institute of Internal Audit's International Standards Professional Practices Framework'.

We also completed a self-assessment of the internal audit function against the Standards, using the CIPFA checklist in the Local Government Application Note on the Public Sector Internal Audit Standards. We can report a substantial level of compliance with the Standards and do not consider there to be any significant deviations from the Public Sector Internal Audit Standards which warrant inclusion in the Council's Annual Governance Statement.

Our review supports the 'generally conforms' conclusion reached by IIA in August 2022 in relation to the IPPF and PSIAS and did not identify any matters requiring urgent attention or reporting to the Audit Committee. As our internal audit practice continues to evolve, we have identified several general considerations that we will explore as part of our Quality Assurance and Improvement Programme.

Continuing professional development is a key aspect of the quality assurance programme, to ensure staff have the skills to carry out their responsibilities. Internal Audit utilise webinars, external training events and team meetings to deliver training.

## **Conclusions**

In line with PSIAS, Internal Audit are required to provide an opinion as to the adequacy and effectiveness of the governance, risk management and control environment.

Detailed was contained within the report specifically stating how this opinion has been arrived at:-

## **Overall Assurance Statement**

Details of the overall assurance level were contained within the confidential report.

The Audit, Risk and Governance Manager referred Audit Committee to page 5 outlining 11 audits undertaken with 8 satisfactory assurance, 3 limited assurance and 3 which be carried forward to 24/25.

The Audit, Risk and Governance Manager referred to page 8 showing that Council received a Limited level of assurance for the year and spoke of the arrangement between Cavanagh Kelly and herself to look at historic overview of Council in relation to Procurement, Concessionary Trading and Management of Commercial Waste at Recycling Centres.

The Audit Risk and Governance Manager said that whilst some progress is noted there is a requirement to address a number of Prior Year Recommendations which should be moving at pace.

The Audit Risk and Governance Manager referred to the number of suspected frauds and PSNI involvement and reminded Audit Committee that Cavanagh Kelly and Internal Audit team were available to support Audit Committee as required.

At this point in the proceedings The Chief Finance Officer advised of the initial estimate for the Independent Investigator as £11,500, however it depended on the scale and scope of the work.

Alderman McAuley said that the absence of the cost within the report was a prime example in basic form of insufficient information being provided to Elected Members.

## **21. ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDNG ORDER 12 (0))**

There were no matters of Any Other Relevant Business.

**MOTION TO PROCEED ‘IN PUBLIC’**

Proposed by Alderman Callan  
Seconded by Councillor Archibald and

**AGREED** – to recommend that Council move ‘*In Public*’.

**22. DATE OF NEXT MEETING – WEDNESDAY 18 SEPTEMBER 2024**

Committee NOTED the date of the next meeting.

There being no further business the meeting concluded at 8.35pm.

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Chair