

**AUDIT COMMITTEE MEETING HELD
WEDNESDAY 18 SEPTEMBER 2024**

Table of Recommendations

| No | Item | Summary of key Recommendations |
|------------|---|---|
| 1. | Apologies | Councillor Wisener |
| 2. | Declarations of Interest | None |
| 3. | Minutes of Audit Committee Meeting held Wednesday 12 June 2024 | |
| 3.1 | Points of Accuracy | Signed as a correct record including the points of accuracy at 3.1 above |
| 4. | Northern Ireland Audit Office Report | Noted |
| 5. | Internal Audit (Causeway Coast and Glens Borough Council) reports | |
| 5.1 | Internal Audit Plan 2024/25 | To recommend that Council note: <ul style="list-style-type: none"> • Council Areas to be audited and • Potential timings to deliver the annual Internal Audit plan for the financial year 2024-25. |
| 5.2 | Internal Audit Charter 2024/25 | To recommend that Council approve the Internal Audit Charter. |
| 5.3 | Audit Committee Self-Assessment Report 2024/25 | To recommend that Council note the contents of this report and approve the completed Self-Assessment results contained herein. |
| | | |

| No | Item | Summary of key Recommendations |
|-------------|--|--|
| 6. | Year-end Accounts 2023/24 | Noted |
| 7. | Direct Award Contracts | Noted |
| 8. | Correspondence | |
| 8.1 | NIAO - Public Bodies' Response to the Misrepresented Soil Analysis | Noted |
| 8.2 | NIAO - Review of Waste Management in Northern Ireland | Noted |
| 9. | Matters for reporting to Partnership Panel | Nil |
| | 'In Committee' (Items 10 - 15 inclusive) | |
| 10. | Internal Audit (CavanaghKelly) Reports | |
| 10.1 | Accounts Payable and Creditors | Noted |
| 11. | Prior Year Recommendations | To recommend that Council notes the progress on the Prior Year Recommendations Progress Report |
| 12. | Quarterly Assurance Statement from the Oversight Panel | To recommend that Council notes this update report as well as the progress against the Transformation Programme Action Plan recommendations |
| 13. | Absence Report (Quarter 1) | To recommend that Council notes the report presented |
| 14. | Corporate Risk Matrix and Register | Noted |
| 15. | Raising Concerns/Fraud | Noted |
| 16. | Any Other Relevant Business (notified in accordance with Standing Order 12(o)) | None |

| No | Item | <i>Summary of key Recommendations</i> |
|------------|---|--|
| 17. | Date of Next Meeting – Wednesday 11 December 2024 | <i>Noted</i> |

UNCONFIRMED

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE AUDIT COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBER ON
WEDNESDAY 18 SEPTEMBER 2024 AT 7.00PM**

In the Chair: Councillor Chivers (C)

Members Present: Alderman Stewart (R)
Councillors N Archibald (C), Callaghan (R), Huggins (C),
McGurk (R), McMullan (R), McQuillan (C), Schenning (R)

L Mitchell, Independent Member (C)

Officers Present: D Jackson, Chief Executive (C)
D Wright, Chief Finance Officer (R)
A Ruddy, Audit, Risk & Governance Manager (C)
S Chambers, Risk Officer and Assistant Internal Auditor (C)
J Mills, Council Solicitor, Land and Property (R)
J Keen, Committee & Member Services Officer (C)

In Attendance: Patrick Barr, Director, Northern Ireland Audit Office (R)
C McHugh, Senior Manager, CavanaghKelly (R)

A Lennox, ICT Officer (C)

Press 1 no. (R)

Key: (R) = Remotely in attendance
(C) = Attendance in the Chamber

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

1. APOLOGIES

Apologies were recorded for Councillor Wisener.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

**3. MINUTES OF AUDIT COMMITTEE MEETING HELD WEDNESDAY 12 JUNE
2024**

Copy, previously circulated.

3.1 Points of Accuracy

L Mitchell stated that under Item 2 Declarations of Interest in the table of contents should read that she declared an interest in Item 7.2 Extension to the Independent Members Appointment.

The Chief Executive advised that under Item 22 Date of Next Meeting – Wednesday 12 September 2024 in the table of contents it should read Date of Next Meeting – Wednesday 18 September 2024

AGREED - The Minutes of the Audit Committee meeting held Wednesday 12 June 2024 were confirmed as a correct record including the points of accuracy at 3.1 above.

4. NORTHERN IRELAND AUDIT OFFICE REPORT

A verbal update was provided by the Director, NIAO.

The NIAO Director stated that the report is going through the NIAO internal reviews. NIAO are proposing it will be an unqualified opinion without modification, this will be a clean audit opinion and a couple of small issues identified which NIAO are still clarifying for discussion. In terms of findings, there will be a couple of findings that will be put in the report, one is around procurement and one or two other small points around internal audit and management of land and buildings for sale. There are a couple of errors that have been adjusted for and a couple of unadjusted errors which will be detailed in the report. The report itself is going through the final review stages and NIAO aim to have the report with Council by the end of tomorrow or first thing on Friday for full review and discussion with the Executive and then NIAO will share the report as it will have been completed. The NIAO director stated he is happy to take any questions once the report is shared with Council and any questions can be addressed in writing if that is helpful.

Independent Member stated she appreciates the difficulties with getting a report to Audit Committee and it is unfortunate the report was not presented to the Audit Committee at this meeting. Independent Member stated that she is pleased to note that it is an unqualified opinion on the accounts and conveyed congratulations to the Finance team in terms of the preparation of the accounts and facilitating the audit, she advised members this is a very good outcome for Council.

* **Councillor Schenning joined the meeting remotely at 7:14pm**

5. INTERNAL AUDIT (CAUSEWAY COAST AND GLENS BOROUGH COUNCIL) REPORTS

5.1 INTERNAL AUDIT PLAN 2024/25

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

Introduction

The purpose of this report is to set out the programme for the provision of Internal Audit services to Causeway Coast and Glens Borough Council for 2024/25 and is based on our audit needs assessment as detailed in the Internal Audit Strategy 2023-2027.

Background

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps organisations accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes.

The internal audit for 2024-25 will continue to be delivered as a shared service comprised of an in-house Audit Risk & Governance Manager and a team from an out-sourced provider (CavanaghKelly).

Summary

We intend to carry out 110 days detailed assurance work. In our opinion, this should be sufficient to cover an adequate range of risks and systems to enable us to provide an overall assurance statement on the Council's system of risk management and internal control to inform the annual Governance Statement. This is dependent on the input from officers on a timely basis and satisfactory management responses being received.

The internal audit approach is risk based. We recognise that the risks to Council may change during the current financial year, and we will endeavour to take any significant changes in the Council's risk profile into account in our internal audit work.

Internal Audit Plan 2024/25

The following table sets out our proposed Audit Plan for the year 2024-25. A possible outline scope is included, but this may be amended to reflect key risks identified at audit planning stage. We will develop a timetable for each audit area to be covered following approval of this plan and discussion with senior management.

Table circulated detailing indicative Timescales for audits within Causeway Coast and Glens Borough Council.

The plan is reviewed on a regular basis by internal audit and may be subject to change as the priorities/risks within Council evolve.

Table circulated detailing backlog audits carried forward.

Appendix A (circulated) shows how the resources available to internal audit are divided into the various audit areas for the year. In addition to the audit assurance work listed above, internal audit will co-ordinate, advise and lead on all investigations/whistleblowing concerns within 2024-25 that require audit input/resources.

Review of Governance

Contained within the Review of Governance includes the recommendation: *The Council should review the model of internal audit provision to ensure the Council obtains the most effective model of provision and maximises value for money.*

The organisational review ongoing may impact on the structure and provision of the internal audit section, therefore the model listed above may be subject to in year change.

Recommendation

It is recommended that the Audit Committee note:

- Council Areas to be audited and
- Potential timings to deliver the annual Internal Audit plan for the financial year 2024-25.

In response to questions the Audit, Risk and Governance Manager advised that most audits can be delivered in the 8 days indicated in the report, but some audits can be delivered in 6 or 7 days and other audits can run over, the number of days tabled are estimates. The Audit, Risk and Governance Manager stated that on page 5, appendix 1, shows there is 112 days to play about with. The Audit, Risk and Governance Manager explained there can be a change or variation due to the availability of Officers, the availability of the required information and there can be a bit of stopping and starting between field work and getting the draft report so timescales can change.

The Independent Member commented that the plan is a very extensive programme which also includes 3 audits last year that also had to be covered. The Independent Member referred to the report which mentions that resources have been an issue and that there is a risk of fraud and whistleblowing which may divert resources and queried if any of the audits had slipped so far and if the Audit, Risk and Governance Manager was confident that the plan can be delivered this year.

In response to questions from the Independent member the Audit, Risk and Governance Manager advised that within the report there is the caveat in paragraph 1.4 that internal audit will coordinate, advise and lead in any investigations or any concerns raised so that may require audit input and resources. The report states that the review of governance as currently ongoing as a result of the extraordinary audit which may impact on the structure and provision of internal audit to be provided in year. There is a new employee who has started within the Department who will assist in a number of the internal audits. At this point in time the Audit, Risk and Governance Manager is confident that the planned programme of work can be completed but as with everything this is subject to change and the Audit Committee will be informed if the work programme is not on target or if coverage may dip but there should be enough coverage until the end of the financial year.

AGREED – to recommend that Council note:

- Council Areas to be audited and
- Potential timings to deliver the annual Internal Audit plan for the financial year 2024-25.

5.2 INTERNAL AUDIT CHARTER 2024/25

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

Purpose of Report

To seek approval from the Audit Committee in relation to the updated Internal Audit Charter for Council in line with Public Sector Internal Audit Standards (PSIAS).

Background

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The relevant internal audit standard setters within the UK have adopted the Public Sector Internal Audit Standards (PSIAS). The standards dictate that the chief audit executive (Audit Risk and Governance Manager) must periodically review the Internal Audit Charter and present it to senior management and the board (Audit Committee) for approval.

The Internal Audit Charter is attached (Appendix 1 (circulated)) for Members consideration. The Internal Audit Charter is a formal document that defines the internal audit activity's position with the organisation including:

- The nature of the chief audit executives functional reporting relationship with the board
- Authorise access to records
- Personnel and physical properties relevant to the performance of engagements, and
- Defines the scope of internal audit activities

Final approval of the Internal Audit Charter resides with the board, in the case of Causeway Coast and Glens Borough Council the Audit Committee. There have been no amendments to the Internal Audit Charter agreed in September 2023.

Recommendation

It is recommended that the Audit Committee approve the Internal Audit Charter.

There were no questions for the Officer.

AGREED – to recommend that Council approve the Internal Audit Charter.

5.3 AUDIT COMMITTEE SELF-ASSESSMENT REPORT 2024/25

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

Purpose of Report

The purpose of this report is to seek Members approval on the annual self-assessment exercise of the effectiveness of the Audit Committee required to be completed by Elected Members via a Survey Monkey.

Background

The Audit Committee is required to evaluate its effectiveness annually in accordance with best practice.

For 2023/24, the Committee was requested to complete the National Audit Office checklist to assess its effectiveness.

For 2024/25, the Committee will be requested to complete the Self-assessment of good practice, which incorporates the key principles set out in CIPFA's Position Statement and Guidance. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee. A regular self-assessment should be used to support the planning of the audit committee work programme and training plans.

All Committee members are invited to complete the SurveyMonkey questionnaire which will feed into the effectiveness and performance of the Committee going forward. This invitation is also extended to the Independent Member on the Audit Committee.

Recommendation

It is recommended that the Audit Committee note the contents of this report and approve the completed Self-Assessment results contained herein.

There were no questions for the Officer.

AGREED – to recommend that Council note the contents of this report and approve the completed Self-Assessment results contained herein.

6. YEAR-END ACCOUNTS 2023/24

Verbal update provided by the Chief Finance Officer.

The Chief Finance Officer advised that Councils are required to submit their accounts to the Department for Communities by 30 June each year for Audit. The Chief Finance Officer confirmed that Council delivered the accounts on the 28 June therefore complying with that regulation. The Chief Finance Officer reiterated remarks from the NIAO Director, to state that the audit of those accounts is nearing completion, and the Council hope to have the full findings very shortly. A final set of accounts has been circulated to Members for the Special Council Meeting on Monday 23 September 2024 to approve those accounts. At the moment Council is not aware if there are any changes to the accounts, if there are any changes Elected Members will be notified at the Special Council Meeting. It is not anticipated that there will be any changes but if there is any changes they will be fairly minor. The Chief Finance Officer stated he was pleased to report there is a small increase to the general fund for the year of £573k which keeps Council well within the Department for Communities guidance in terms of the level of reserves to keep. This is a small change from the draft accounts that were submitted for audit due to the inclusion of an extra debtor in PeacePlus under the Leisure and Development Directorate. The Chief Finance Officer was pleased to reiterate what the NIAO Director, said that Council have been given an unqualified opinion on the accounts which is always aimed for. Council have always achieved this which is a record we intend to continue.

The Chief Finance Officer referred to the term unadjusted errors and stated that he does not like the terminology because it suggests that Council have made mistakes, he would call them adjustments to the accounts rather than errors because they are not necessarily mistakes.

There were no questions for the Officer.

Committee noted the verbal update.

7. DIRECT AWARD CONTRACTS

Report, previously circulated, was presented as read by the Chair.

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 five DAC's awarded since the last Audit Committee in June

The Independent Member stated she was pleased to note there is a revised policy in terms of procurement and there have been more resources brought in to focus on this area. The Independent Member stated the report goes back to 2021 and suggested that the Audit Committee should only be interested in the Direct Award Contracts awarded in this financial year and this is something for consideration.

The Chief Executive advised that if it is the will of Members the information presented can be more succinct and up to date.

The Chair stated that if everyone was happy with that the Chief Finance Officer can do that going forward.

There were no comments or questions from Committee Members.

8. CORRESPONDENCE

8.1 NIAO - PUBLIC BODIES' RESPONSE TO THE MISREPRESENTED SOIL ANALYSIS

Copy, previously circulated, presented as read by the Chair.

8.2 NIAO - REVIEW OF WASTE MANAGEMENT IN NORTHERN IRELAND

Copy, previously circulated, presented as read by the Chair.

9. MATTERS FOR REPORTING TO PARTNERSHIP PANEL

There were no matters to report to the Partnership Panel.

The Chief Executive advised that the Partnership Panel met this afternoon and there was a full discussion regarding the Rates Support Grant.

Proposed by Councillor McQuillan

Seconded by Councillor N Archibald and

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

* **Press left the meeting at 7.22pm.**

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.

10. INTERNAL AUDIT (CAVANAGHKELLY) REPORTS

10.1 Accounts Payable and Creditors

Report previously circulated, was presented by Senior Manager, CavanaghKelly.

Confidential by virtue of paragraph(s) 3 of Part 1 of Schedule Local Government Act (Northern Ireland) 2014.

Further information contained within the confidential report.

In response to questions regarding the recommendations in relation to raising purchase orders Senior Manager, CavanaghKelly advised that normally in February/March every year she follows up to check whether the recommendations have been implemented.

In response to questions, the Chief Finance Officer advised the deadline date of March 2025 was the date for the move to a no purchase order number no pay scenario, there are a number of steps before getting to this point to address the issues surrounding the process with purchase order numbers. The Chief Finance Officer advised he is aware of the issues surrounding purchase orders and this was raised with the Senior Management team during the summer who are working on fixing the issues. The Chief Finance Officer also advised there are issues with purchase orders across the board, there are no particular hotspots. The Chief Finance Officer stated there may be some technicality issues, some training issues with end users or some reasons Senior Management are not aware of. The next step is to identify what exactly the issues are and how they can be addressed.

Councillor Schenning stated her surprise at there being issues with invoices, she reflected on her experience of submitting invoices to Council through her work and stated she could not submit an invoice without a purchase order number.

The Chief Executive cited the direction given to the Senior Management Team which was given to ensure best practice is in place. The Chief Executive stated the issue with non compliance of purchase order process will be looked into a bit deeper and resolutions put in place.

Committee noted the report.

11. PRIOR YEAR RECOMMENDATIONS

Confidential report, previously circulated, was presented by the Chief Executive.

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

Purpose of Report

The purpose of this report is to provide Members with an update in terms of progress made/being made in relation to recommendations made in previous Internal Audits.

Recommendation

It is recommended that the Audit Committee recommends to Council to note the progress on the Prior Year Recommendations Progress Report.

The Chief Executive advised the focus has been on implementing recommendations from the Extraordinary Audit and substantial efforts will be made to get back on track once the recommendations have been implemented.

The Independent Member stated she appreciates the focus of Council has been on the Extraordinary Audit and is reassured that efforts will be made to clear the lengthy list of prior year end recommendations.

AGREED – to recommend that Council notes the progress on the Prior Year Recommendations Progress Report.

12. QUARTERLY ASSURANCE STATEMENT FROM THE OVERSIGHT PANEL

Confidential report, previously circulated, was presented by the Chief Executive.

Confidential by virtue of paragraph(s) 3 & 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 the Audit Committee on progress in relation to the Transformation Programme Action Plan.

Recommendations

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

The Chief Executive advised that 81 of the 101 recommendations in the transformation programme action plan, have been implemented, the remaining 20 are on track to be completed and the Chief Executive is

confident that they will be implemented on time, excellent progress has been made.

There were no questions for the Officer.

AGREED – to recommend that Council notes this update report as well as the progress against the Transformation Programme Action Plan recommendations.

13. ABSENCE REPORT (QUARTER 1)

Confidential report, previously circulated, was presented as read by the Chair.

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 1 (1 April 2024 to 30 June 2024) information regarding Absenteeism throughout the Council.

Recommendation

It is recommended that Council notes the report presented.

There were no questions from Elected Members.

AGREED – to recommend that Council notes the report presented.

14. CORPORATE RISK MATRIX AND REGISTER

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

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

The Chief Executive endorsed reference made by the Audit, Risk and Governance Manager in relation to the announcement of the Growth Deal and hope there will be some regain on that before the next Audit Committee meeting.

Committee noted the report.

15. RAISING CONCERNS/FRAUD

The Audit, Risk and Governance Manager provided a verbal update.

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

The Audit, Risk and Governance Manager advised there are no new whistleblowing incidents or allegations of fraud for this quarter to report to the Audit Committee and all other investigations are currently ongoing.

Committee noted the verbal update.

16. ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDING ORDER 12(O))

There were no items of Any Other Relevant Business.

17. DATE OF NEXT MEETING – WEDNESDAY 11 DECEMBER 2024

Committee NOTED the date of the next meeting.

MOTION TO PROCEED ‘IN PUBLIC’

Proposed by Councillor McQuillan

Seconded by Councillor N Archibald and

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

There being no further business the meeting concluded at 8:46pm.

Chair