



AUDIT COMMITTEE MEETING WEDNESDAY 11 MARCH 2020

No	Item	Summary of key Recommendations
1.	Apologies	<i>Alderman Robinson Councillor Quigley</i>
2.	Declarations of Interest	<i>None</i>
3.	Minutes of Audit Committee Meeting Wednesday 11 December 2019	<i>Information</i>
4	Northern Ireland Audit Office (NIAO)	
	4.1 NIAO Causeway Coast and Glens Borough Council Audit Strategy 2019- 2020	<i>Withdrawn</i>
5.	Internal Audit Reports	
	Moore NI	
	5.1 Moore NI - Fuel Management	<i>Amendment CARRIED</i>
	5.2 Causeway Coast and Glens Borough Council -Waste Services	<i>Information</i>
	5.3 Causeway Coast and Glens Borough Council - PCSP	<i>Information</i>
	5.4 Causeway Coast and Glens Borough Council - Annual Internal Audit Plan 2019-2020 progress	<i>Information</i>
6.	Appointment of Independent Member – Vacancy	<i>Approve and write to Independent Member acknowledging thanks and appreciation</i>
7.	Direct Awards Contracts (DAC's)	<i>Information</i>
8.	Absence Report Months 1-9 2019/2020	<i>Information</i>

No	Item	Summary of key Recommendations
9.	Report to those Charged With Governance 2019 – Progress Report as at March 2020	<i>Information</i>
10.	Council Strategy Workshop	<i>Saturday 29 February 2020</i>
11.	Matters for Reporting to Partnership Panel	<i>None</i>
12.	Correspondence	
	12.1 G Ireland, dated 1 March 2020	<i>Information As per Item 6</i>
	IN COMMITTEE (ITEMS 13 – 15 INCLUSIVE)	
13.	Corporate Risk Matrix	<i>Information Motion LOST</i>
14.	Legal Cases Activity	<i>Information</i>
15.	Whistle Blowing/Fraud	<i>Verbal Update</i>
16.	Any Other Relevant Business (notified in Accordance with Standing Order 12(o))	<i>None</i>
17.	Date of Next Meeting – Wednesday 10 June 2020	<i>Information</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE AUDIT COMMITTEE
HELD IN COUNCIL CHAMBER, CIVIC HEADQUARTERS ON
WEDNESDAY 11 MARCH 2020 AT 7PM**

In the Chair: Councillor McAuley

Members Present: Alderman McCandless
Councillors Anderson, Beattie, McQuillan,
P McShane, Mulholland, Nicholl, Peacock,
Schenning Wallace, Watton and Wilson

Officers Present: M Quinn, Director of Corporate Services
A Ruddy, Audit, Risk & Governance Officer
A McPeake, Director of Environmental Services

In Attendance: C McHugh, Senior Internal Auditor, Moore (NI)

SUBSTITUTIONS

Councillor D Wilson substituted for Alderman McKeown.

1. APOLOGIES

Apologies were recorded for Alderman Robinson and Councillor Quigley.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest recorded.

3. MINUTES OF AUDIT COMMITTEE MEETING HELD THURSDAY 11 DECEMBER 2019

The summary minutes of the Audit Committee meeting held Thursday 11 December 2019 were received and noted.

4. NORTHERN IRELAND AUDIT OFFICE (NIAO)

4.1 NIAO Causeway Coast and Glens Borough Council Audit Strategy 2019-2020

The Director of Corporate Services advised that officers from NIAO

would not be in attendance and the item be withdrawn from the agenda, and deferred to June Audit Committee Meeting.

5. INTERNAL AUDIT REPORTS

5.1 Moore (NI) Fuel Management

The Senior Internal Auditor from Moore Stephens presented the Internal Audit Report summarised as follows:

There were three Priority 2, and four Priority 3 risks identified.

Based on the audit testing, a satisfactory level of assurance had been achieved in the audit of Fuel Management.

Risk 1 - There may be a risk that ordering of and access to fuel is not effectively controlled leading to fraud, misappropriation or misuse of fuel and not achieving value for money for Council.

Risk 2 - There may be a risk that fuel usage is not appropriately monitored which could lead to fuel not being efficiently used or Council not obtaining proper value for money.

A number of recommendations were made within the Internal Audit report and Management have agreed to the recommendations with an associated implementation date.

The Independent Internal Auditor and Director of Environmental Services responded to Members' queries regarding budgets and variances, bulk storage facilities and capacity issues in terms of duration of supply, procurement issues.

Proposed by Councillor D Wilson and
Seconded by Councillor P McShane

- that a report be brought to full Council detailing exactly how the budget was set for fuel for Environmental Services this year, (*from the cradle to grave, who was responsible, who set,*) in fine simplistic detail.

Amendment

Proposed by Councillor McQuillan
Seconded by Councillor P McShane

- that the scope of the Internal Audit Report on Fuel Management be extended to address the associated budgetary issues.

Councillor P McShane suggested that it would be better to come through the Audit Committee system, then to Full Council.

The initial proposal was withdrawn and Committee agreed to the Amendment, with the Internal Audit Report being presented to Audit Committee.

AGREED - the scope of the Internal Audit Report on Fuel Management be extended to address the associated budgetary issues as agreed at Audit Committee.

Councillor McCandless commented that he hoped the best price in respect of the procurement of fuel was being achieved. The Director of Environmental Services confirmed that it was bought in bulk.

5.2 Causeway Coast and Glens Borough Council - Waste Services

Audit, Risk and Governance Officer (ARGO) presented the Internal Audit Report summarised as follows:

There were two Priority 2, and three Priority 3 risks identified.

Based on the audit testing, a satisfactory level of assurance had been achieved in the audit of Waste Services.

Risk 1 - There may be ineffective management of the collection of the domestic and commercial waste which may lead to inefficient service delivery.

Risk 2 - Invoices for recyclable and non-recyclable waste may reflect incorrect waste tonnage volumes and/or contamination rates (MRF), which may lead to either a loss of income (if the company is under-charged) or reputational damage and potential financial penalties (if the company is over-charged), or increased costs to the Council (if the Council is overcharged), or increased liabilities for the Council (if the Council is under-charged). Inaccuracies in waste reporting may impact negatively under NILAS.

Risk 3 - The landfill sites are not managed appropriately leading to noncompliance with NIEA regulations, potential fines to the Council and ineffective use of Council's waste management resources.

Risk 4 - Waste performance by the Council is not monitored and reported on a timely basis, leading to potential non-compliance with waste regulation and fines for the Council.

A number of recommendations were made within the Internal Audit Report and Management have agreed to the recommendations with an associated implementation date.

The ARGO responded to Members queries regarding the Management and collection of domestic and commercial waste, with reference to the recommendation that contractor performance review meetings be scheduled with the main contractors and should be held with smaller contractors on a less frequent basis, and highlighted that Council may be exposed to reputational and financial risk if contractors are not in compliance with contractual and statutory obligations.

AGREED - to recommend that Council accept the report.

5.3 Causeway Coast and Glens Borough Council - Policing & Community Safety Partnership (PCSP)

Information report previously circulated, presented by the Audit, Risk and Governance Officer (ARGO) summarised as follows:

There were two Priority 2 risks identified.

Based on the audit testing, a satisfactory level of assurance had been achieved in the audit of PCSP.

Risk 1 - Recording of Decision Making.

Risk 2 - Financial Reporting to the PCSP Committee.

A number of recommendations were made within the Internal Audit report and Management have agreed to the recommendations with an associated implementation date.

The ARGO responded to Members' queries and confirmed the recommendation regarding the recording of decisions onto the system was accepted and being implemented for all future PCSP grant programmes.

AGREED - to recommend that Council accept the report.

5.4 Causeway Coast and Glens Borough Council - Annual Internal Audit Plan 2019-2020 Progress

Report previously circulated, which provided an update in terms of progress against the Annual Internal Audit Plan 2019/20, which was previously agreed and sets out the audit areas, timing and scope of activities for the period January 2020 – March 2020.

It is recommended that the Audit Committee note the update.

AGREED - that the Audit Committee note the update.

6. INDEPENDENT MEMBER VACANCY AND APPOINTMENT PROCESS

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

Council agreed to the Appointment of an Independent Member in December 2015.

The Chief Executive has now received notification of the resignation of the current Audit Committee Independent Member, with immediate effect.

In order to fill the vacancy which now exists, an advertisement will be placed within the Belfast Telegraph and Coleraine Chronicle at the earliest convenience. A shortlisting and interview process will commence thereafter.

It is recommended that the Audit Committee note the resignation of the Independent Member.

It is recommended that the Audit Committee Chair sits on the Interview Panel, as part of the recruitment and selection process for the appointment of the Independent Member

Members expressed their appreciation and gratitude for the Independent Member's valuable input over the past 4 years. In response to a members query the DOCS read the Independents resignation letter to the Committee.

Proposed by Councillor P McShane
Seconded by Councillor Schenning and

AGREED - that the Audit Committee note the resignation of the Independent Member.

AGREED - that the Audit Committee Chair sits on the Interview Panel, as part of the recruitment and selection process for the appointment of the Independent Member

AGREED - that a letter be written to the Independent Member, acknowledging Council's thanks and appreciation for her valuable input over the past number of years, with best wishes on her future endeavours.

7. DIRECT AWARD CONTRACTS (DAC's)

Information report, previously circulated was presented by the Chief Finance Officer.

The purpose of the report is to inform members of those DAC's which have been approved since 2 December 2019 and these were listed within the report, it should be noted that none of these required Council approval at the point of award

Members **NOTED** the report.

8. ABSENTEEISM REPORT MONTHS 1-9 2019/2020

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

Members were provided with Quarter 3 (April – December) information regarding Absenteeism throughout the Council.

Progress to date against Objective 4 in the Performance Plan was presented within the Report.

The DOCS responded to a number of queries relating including Stress Related absences, Mental Health Issues, Organisation Structure, Training and Development, Industrial Relations issues and Grievances, Cost associated with absences. Members welcomed the positive initiatives and steps that Council had taken, and hoped that these would result in reduced absences, and looked forward to seeing further detail in the future reports around the costs of absenteeism.

It is recommended that Council notes the report presented.

AGREED – to recommend that Council notes the report presented.

**9. REPORT TO THOSE CHARGED WITH GOVERNANCE 2019 –
PROGRESS REPORT AS AT MARCH 2020**

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

This report demonstrates the progress to date in implementing the actions coming from recommendations from NIAO Report to those Charged with Governance.

The Director of Corporate Services highlighted to Members the position as at 11th March as set out within the template, under each of findings and stated that significant work was being carried out to ensure continuous progress.

Members expressed concerns at the time reports for Committee were received and suggested that papers be issued earlier to allow Members time to consider, and also referred to the importance of training for the Audit Committee Meetings.

DOCS suggested issuing Agenda and Reports two weeks in advance, similar to the Planning Committee meeting, and also to revisit the Training Needs Analysis document previously circulated.

Members welcomed and agreed these suggestions.

It was agreed to issue Agenda and Reports two weeks in advance, similar to the Planning Committee meeting, and to revisit the Training Needs Analysis document previously circulated.

Committee **NOTED** the report.

10. COUNCIL STRATEGY WORKSHOP

The DOCS reminded Members that the Council Strategy Workshop had been rescheduled previously on a number of occasions at Members requests and was held on Saturday 29th February at 09.30 in Portrush Town Hall.

11. MATTERS FOR REPORTING TO PARTNERSHIP PANEL

There were no matters for reporting to the Partnership Panel.

12. CORRESPONDENCE

The Audit Committee were advised of the following item of correspondence for information.

The purpose of the report is to present correspondence for Members' consideration.

12.1 G Ireland, dated 1 March 2020

The Chief Executive has received correspondence from G Ireland, Audit Committee Independent Member, advising of her resignation from the Audit Committee with immediate effect.

It is recommended that Council consider the correspondence.

This item was covered in Item 6 during the Committee.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor Wilson

Seconded by Councillor C McShane and

AGREED – that the Committee proceed to conduct the following business '*In Committee*'

13. CORPORATE RISK MATRIX

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

Members discussed the Risk Matrix in detail, raising queries in relation to calls previously made for a Full Audit. Following lengthy discussion and debate it was:

Proposed by Councillor Wilson

Seconded by Alderman McCandless

- that a Special Council Meeting be arranged where the unanswered questions of Members raised in relation to allegations previously made and discussed at Council Meetings can be focused on and to share these with the rest of the Elected Members.

The Chair put the motion to the Committee to vote. 3 Members voted For, 5 Members voted Against and 2 Members Abstained.

The Chair declared the Motion **LOST**.

Members also discussed Finance including linkages within the Matrix, eg Tourism and Infrastructure, issues affecting reputation. Councillor McShane noted that in light of the Coronavirus the risk to Tourism Infrastructure should be reduced.

Committee noted the Corporate Risk Matrix.

14. LEGAL CASES ACTIVITY

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

Committee noted the Report.

15. WHISTLE BLOWING /FRAUD

A verbal update was provided by the Director of Corporate Services. Members were advised that there were three new disclosures within the last quarter, bringing the total for the year to date to five.

The DOCS advised members of the outcome of the first two Whistleblowing Incidents. Both had been fully Investigated, (by Internal Audit and ODHR) recommendations were made and implemented.

The ARGO provided Members with details of three new Whistleblowing incidents received, two in February and one in March.

Number 1 - Allegation that a member of staff has not followed policies and processes.

From a preliminary investigation conducted by internal audit, an Officer has been asked to take annual leave pending a full and thorough independent investigation into the payment of VAT to third parties. An external firm namely Kosicorp Ltd has been employed and commenced today to undertake an investigation in conjunction with HR to determine the extent of the issue and the impact to the Council. Pending the findings of the investigation, disciplinary action may follow. An update will be provided at the June Audit Committee.

Number 2 - Concerns have been raised about the quality of information provided in support of a grant application.

Queries are being raised in relation to invoices submitted to support a grant funding application. This investigation is in the early stages and the Funding Unit are currently making enquiries. The grant applicant will be invited in for interview to provide explanations or produce additional invoices to support their application for funding.

Number 3 - Allegations have been made against an employee currently on suspension for a separate issue.

Internal Audit have been consulted about a possible financial irregularity and the relevant business area is to carry out a preliminary investigation and internal audit will perform follow-up review of their work and produce a short report on the issue.

Again, pending the findings of the investigation, disciplinary action may follow.

All of these investigations are in the early stages. An update will be provided at the June Audit Committee Meeting.

All of the above have been communicated to NIAO.

MOTION TO PROCEED 'IN PUBLIC'

Proposed by Councillor Beattie
Seconded by Alderman McCandless and

AGREED - that the Committee proceed to conduct the following business '*In Public*'.

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

There was no other relevant business.

17. DATE OF NEXT MEETING

The next Audit Committee Meeting would convene on Wednesday 10 June 2020.

There being no other business, the Chair thanked Members for their attendance and the business concluded at **9.30pm**.

Chair

UNCONFIRMED