

Causeway Coast and Glens Borough Council

Audit Committee Meeting Wednesday 14th October 2015

Key Decisions

No	Item	Decision
4.	Annual Accounts	<i>For Information</i>
5.	Draft Risk Management Strategy	<i>Approve</i>
6.	Performance Improvement Assessment return to Local Government Auditor	<i>For Information</i>
7.	Internal Audit Report April-June 2015	<i>For Information</i>
8.	Internal Audit Report relating to Seasonal Recreation Facilities July-Sept 2015	<i>For Information</i>
9.	Summary Risk Matrix	<i>For Information</i>
10.	Legal Activity	<i>For Information</i>

Audit Committee

Minutes of the Meeting of Causeway Coast and Glens Borough Council Audit Committee, held in the Council Chamber, on Wednesday 14th October at 7.00 pm.

In the Chair: Councillor C McShane

Present: Aldermen Finlay, McKeown, Robinson.
Councillors Baird, Beattie, Blair, Clarke, Fitzpatrick, Holmes, Hunter, Loftus, McGlinchey, P McShane, Stevenson, Watton

In attendance: D Jackson, Clerk and Chief Executive
M Quinn, Director of Performance
D Wright, Chief Finance Officer
K Doherty, Legacy Council
I McCleery, Legacy Council
G McCourt, Legacy Council
S McMaw, Head of Convergence
L Clyde, Financial and Management Accountant
S Duggan, Committee and Member Services Officer

Also in Attendance: A Knox, NI Audit Office
J Poole, KPMG
J Taggart, McClure Watters

Press
Public

1. Apologies

There were no apologies recorded.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of Audit Committee Meeting 29th June 2015

The Chair advised the Minutes of the Meeting had been ratified by Council.

4. Annual Accounts

The Chief Finance Officer presented the information report as undernoted:

Councils and other public bodies are required to prepare and submit to the Department of the Environment (DoE) by 30 June each year their annual accounts for the previous financial period(s).

At a meeting of this committee on 29 June 2015 under DoE regulation and Guidance the following bodies:

***North East Peace III Partnership
Causeway Coast and Glens Statutory Transition Committee
Causeway Coast and Glens District Council (Operating in Shadow Form)
Ballymoney Borough Council
Coleraine Borough Council
Limavady Borough Council
Moyle District Council***

had their individual annual reports and statements of accounts approved for submission to DoE. Subsequently Northern Ireland Audit Office (NIAO) has carried out their audits of the accounts of each body and I am pleased to report that this work has now been concluded meaning that these accounts can now be published. None of the audits resulted in any material amendments to any of the accounts therefore they do not require re-approval by this committee or council hence this report is an information item.

Statements of Accounts

The summary table below shows the combined position for the four legacy councils. This sets out the financial position that will transfer over to Causeway Coast and Glens Borough Council as the opening balance at 1st April 2015. The key figures that members may be most interested in are the general fund balances to be transferred, which are all within the levels recommended by the DoE. In addition members may be interested to note the level of fixed assets, borrowings and other useable reserves being transferred.

Summary Financial Information from draft Financial Statements at 31 March 2015

	Ballymoney £	Coleraine £	Limavady £	Moyle £	TOTAL £
Fixed Assets					
Property, Plant & Equipment	27,739,543	86,348,626	27,390,232	33,246,677	174,725,078
Loans					
Short Term Borrowing i.e loans to be repaid within 1 year.	895,425	1,866,577	506,408	495,241	3,763,651
Long Term Borrowing	13,882,432	31,445,313	14,514,239	9,201,424	69,043,408
Provisions					
Provisions - for landfill sites	3,550,290	3,394,676	6,978,402	0	13,923,368
Landfill Regulation & Discount Rate Reserves	435,000		3,119,010	0	3,554,010
USABLE RESERVES:					
Capital Receipts Reserve	263,485			519,960	783,445
Sinking Fund		2,628,884			2,628,884
General Fund	1,203,143	4,051,580	1,292,166	313,684	6,860,573
Total to transfer to CC&G	1,466,628	6,680,464	1,292,166	833,644	10,272,902
					-
Net Expenditure	8,286,266	19,529,840	9,934,403	6,215,336	43,965,845
General Fund as a % of Net Expenditure (DOE guidance on level of reserves is 5% - 7.5%)	15%	21%	13%	5%	

At the time of writing the report the reports to those charged with governance for each of the bodies detailed above were not available, six reports were therefore circulated prior to the meeting and tabled for Members' information.

The Auditors presented each of the Annual Accounts for North East Peace III Partnership, Causeway Coast and Glens Statutory Transition Committee, Ballymoney Borough Council, Coleraine Borough Council, Limavady Borough Council, Moyle District Council and referred to audit findings and management responses.

The Accounts for Causeway Coast and Glens District Council (Operating in Shadow Form), were, as yet, outstanding and would be reported at a future date.

A Knox advised Causeway Coast and Glens Borough Council Year 1 Accounts 2015/16 would be presented earlier in September 2016. The Auditors thanked the four legacy Council officials for their assistance.

- * Alderman Finlay left the meeting at 7.30pm.
- * K Doherty, G McCourt, I McCleery, L Clyde left the meeting at 7.37pm.
- * J Poole and J Taggart left the meeting at 7.37pm.

5. Draft Risk Management Strategy

The Head of Convergence presented the report as undernoted:

Risk Management is an integral part of good management practice. A formal systematic approach to risk management is important to improving decision making, performance and accountability and fostering confidence in the Council's Corporate Governance Arrangements.

It is best practice to address risk management through a Risk Management Strategy that sets out how risk will be identified, assessed, managed, reviewed and audited. Roles and responsibilities for the management of risk need to be defined and communicated to staff with appropriate training in place.

Detail

Effective implementation of a Risk Management Strategy will achieve the following objectives:

- a) ***Provide a framework that enables Causeway Coast and Glens Borough Council to achieve its strategic objectives in a consistent and controlled environment;***
- b) ***Improve decision making, planning and prioritisation of activities, and enhance the understanding of opportunities and threats;***
- c) ***Safeguard the Council's assets – people, financial, property and information; and***
- d) ***Create an environment where all staff assume responsibility for risk management.***

A draft Risk Management Strategy for the Causeway Coast and Glens Borough Council is attached as Appendix 1¹.

It was proposed by Alderman Robinson, seconded by Councillor Hunter and **AGREED** that the Causeway Coast and Glens Borough Council Audit Committee approve the Draft Risk Management Strategy, circulated.

6. Performance Improvement Assessment return to Local Government Auditor

The Head of Convergence presented the report, summarised as undernoted:

In line with the Improvement Duty under the Local Government Act (NI) 2014 (the Act), the Causeway Coast and Glens Borough Council (the Council) is required to have in place a Corporate Strategy from which key improvement objectives are identified and a subsequent Performance Improvement Plan developed.

¹ Within the report, circulated

The Council is also required each year to agree at least one improvement objective from the prescribed list within the Act and to set appropriate improvement targets within the Council's Performance Improvement Plan. The seven prescribed objectives are as follows:

- ***Strategic effectiveness***
- ***Service quality***
- ***Service availability***
- ***Fairness***
- ***Sustainability***
- ***Efficiency***
- ***Innovation***

It was agreed by the Department of the Environment that for year 1 of the new 11 Councils coming into being, the Local Government Auditor (the Auditor) would apply a "light touch" to auditing each Council's obligations under the Improvement Duty.

The Causeway Coast and Glens Borough Council Corporate Strategy is currently out to Public Consultation and to meet its obligations under the Act, the Council agreed that the key performance improvement objective for 2015/2016 was Efficiency. Targets in relation to efficiency were subsequently agreed by Council as an integral part of the rates setting process.

The Auditor is currently asking each Council for evidence of its approach to meeting the Year 1 Performance Improvement Duty guidance. The guidance was issued in July 2015 and there is some degree of confusion across the 11 Councils with regard to the nature of the evidence required and the interpretation by each Council and that of the Auditor.

It is fair to assume that the Auditor will take the opportunity to clarify interpretation of the guidance as an out turn of the Audit Report/Letter of Assurance, however there currently remains a degree of disparity in interpretation.

In the absence of clarity in relation to Audit, a Performance Improvement Plan has been developed to focus on the agreed Efficiency Performance Improvement Objective. The plan has been submitted to the Auditor as part of a wider submission of information aimed at evidencing the Council's approach to meeting its obligations under the Improvement Duty. A copy of the Performance Improvement Plan is attached as Appendix 1².

7. Internal Audit Report April-June 2015, Causeway Coast and Glens Borough Council

The Director of Performance presented the report, circulated and advised a further progress report would be brought to committee prior to year end.

8. Internal Audit Report relating to Seasonal Recreation Facilities July-Sept 2015

² Within the report, circulated.

It was proposed by Councillor Stevenson, seconded by Councillor P McShane and **AGREED that committee move in committee to consider the items.**

* *Press left the meeting at 8.00pm.*

The Director of Performance presented the report, circulated.

9. **Summary Risk Matrix**

The Chief Executive presented a risk matrix, identifying 15 risks, low, medium or high in likelihood of occurring and possible low, medium or high impact on Causeway Coast and Glens Borough Council. The Chief Executive made particular reference to; the Health and Safety of the workforce being paramount; external pressures/cuts impacting Council such as Living Wage proposals, Rates Support grant cuts and landfill tax provision; he responded to Member concerns surrounding Waste charges increases, waste disposal and recycling, which he advocated should be looked at in a Regional perspective; Major Incidents' Emergency Planning measures and mitigating the risk of legal action with the new Planning function transferring.

The Chief Executive will re-circulate the Emergency Plan agreed by Council and further investigate safeguarding measures for Council in terms of Planning. A Personnel matter raised will be highlighted to the Human Resources team for fresh consideration.

A report on an Independent Member for the Audit Committee will be brought to the December Committee meeting with a proposal and Options.

10. **Legal Activity**

The above overview of live legal cases was circulated for information.

11. **Matters for Reporting to Partnership Panel**

It was proposed by Councillor Stevenson, seconded by Councillor P McShane and **AGREED that committee resolve itself out of committee.**

There were no matters to report to the Partnership Panel.

12. **Any Other Relevant Business**

Councillor P McShane requested that Council look at the arrangements for an "internal call-in" for Planning to avoid a re-occurrence of the Special Planning Committee meeting that occurred last week.

13. **Date of Next Meeting**

- Wednesday 9th December 2015 at 7.00pm in the Council Chamber, Civic Headquarters, Coleraine

This being all the business the meeting closed at 8:24 pm.