

**AUDIT COMMITTEE MEETING WEDNESDAY 14 MARCH 2018**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>2</b>	Declarations of Interest	<b><i>Councillor P McShane Item 13 - Legal Cases Activity</i></b>
<b>3</b>	Minutes of Audit Committee held 13 December 2017	<b><i>Confirmed</i></b>
<b>4</b>	Northern Ireland Audit Office	
	<b>4.1</b> NIAO Causeway Coast and Glens Borough Council Audit Strategy 2017-2018	<b><i>Noted</i></b>
<b>5</b>	Causeway Coast and Glens Borough Council (CC&GBC) Progress Reports	
	<b>5.1</b> Report to Those Charged with Governance 2015-2016 Progress Report	<b><i>Noted</i></b>
	<b>5.2</b> Report to Those Charged with Governance Progress Report as at March 2018	<b><i>Noted</i></b>  <b><i>Progress Report on Organisation Structure be brought to CP&amp;R in April</i></b>
	<b>5.3</b> Request to change the date of audit committee in September 2018 to allow certification of accounts	<b><i>Approve</i></b>  <b><i>Finalised Audit reports to be issued to Members 2 weeks prior to Audit meeting</i></b>
	<b>5.4</b> NIAO Fraud Assessment Questionnaire 2017-18 –completed assessment attached for information	<b><i>Noted</i></b>

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
	<b>5.5</b> Managing Fraud Risk in a Changing Environment Self-Assessment Checklist 2017-18	<b>Noted</b>
<b>6</b>	Internal Audit Reports – Causeway Coast and Glens Borough Council In-house	
	<b>6.1</b> Community Facilities	<b>Noted</b>
	<b>6.2</b> Asset Management	<b>Noted</b>
	<b>6.3</b> Tenders and Contracts	<b>Noted</b>
	<b>6.4</b> Creditors	<b>Noted</b>
	<b>6.5</b> Prior year Recommendations	<b>Noted</b>
<b>7</b>	Internal Audit Reports – Moore Stephens	
	<b>7.1</b> Corporate and Business Planning	<b>Noted</b>
	<b>7.2</b> Review of Prior Year Recommendations – Invoicing and Debtor Management	<b>Noted</b>
	<b>7.3</b> Review of Prior Year Recommendations – Business Continuity and Emergency Planning	<b>Noted</b>
	<b>7.4</b> Review of Prior Year Recommendations – ICT	<b>Noted</b>
<b>8</b>	Annual Reports	
	<b>8.1</b> Annual Internal Audit Report 2017/18 and Annual Assurance Report	<b>Noted</b>
	<b>8.2</b> Annual Audit Plan 2018/19	<b>Noted</b>
	<b>8.3</b> Assessing Conformance with Public Sector Internal Audit Standards and the Local Government Applications Note – Internal Audit Self-Assessment Checklist	<b>Noted</b>
	<b>8.4</b> Audit Committee Self-Assessment Checklist	<b>Checklist to be sent to Members</b>
<b>9</b>	Other Reports	
	<b>9.1</b> Absenteeism report (ODHR Q1-Q3 April-December 2017)	<b>Noted</b>
	<b>9.2</b> Corporate Strategy – Annual Review	<b>Noted</b>
<b>10</b>	Matters for Reporting to Partnership Panel	<b>None</b>
<b>11</b>	Correspondence	
	<b>11.1</b> NIAO Notice of Change Letter	<b>Noted</b>

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
	<b>11.2</b> Designation of Local Government Auditor	<b><i>Noted</i></b>
<b>12</b>	Risk Management – Risk Registers Update	<b><i>Noted</i></b>
<b>13</b>	Legal Cases Activity	<b><i>Noted</i></b>
<b>14</b>	Whistle Blowing/Fraud Update	<b><i>None</i></b>
<b>15</b>	Any Other Relevant Business	<b><i>None</i></b>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF  
THE AUDIT COMMITTEE  
HELD IN COUNCIL CHAMBER, CIVIC HEADQUARTERS ON  
WEDNESDAY 14 MARCH 2018 AT 7 PM**

- In the Chair:** Councillor Beattie
- Members Present:** Alderman McKeown,  
Councillors Blair, Callan, Deighan, Fitzpatrick,  
Holmes, Knight-McQuillan, McShane P and Watton
- Independent Member Present:** G Ireland
- Officers Present:** M Quinn, Director of Corporate Services  
D Wright, Chief Finance Officer  
D Allen, Committee and Member Services Officer
- In Attendance:** C Kane, NIAO Office  
D Campbell, NIAO Office  
C McHugh, Senior Internal Auditor, Moore Stephens

**1. APOLOGIES**

Apologies were recorded from Councillors Hunter and C McShane.

**2. DECLARATIONS OF INTEREST**

Declarations of Interest were recorded for Councillor P McShane relating to Item 13 Legal cases Activity.

**3. MINUTES OF AUDIT COMMITTEE MEETING 13 DECEMBER 2017**

The Chair advised that the minutes of Audit Committee Meeting held 13 December 2017 had been ratified at the Council Meeting held Tuesday 19 December 2017.

**4. NORTHERN IRELAND AUDIT OFFICE (NIAO)**

**4.1 NIAO Causeway Coast and Glens Borough Council Audit Strategy 2017-2018**

C Kane, NIAO Auditor presented the NIAO Causeway Coast and Glens Borough Council Audit Strategy 2017-2018 to the Committee. Areas covered included key messages, materiality, audit approach and audit timetable, staffing and fees.

It was confirmed by the NIAO Auditor that Gary Christie had replaced Richard Emerson as Audit Manager.

\* Councillor Holmes arrived at the meeting at 7:10pm.

Members of the Committee were informed that NIAO had not identified any significant audit risks at the planning stage which would impact on their audit approach.

## **5. CAUSEWAY COAST AND GLENS BOROUGH COUNCIL (CCGBC) – Progress Reports**

### **5.1 Audit of 2015-2016 Financial Statements NIAO Report to Those Charged with Governance (RTTCWG) as at March 2018**

The Committee received a progress report on the Audit of 2015-2016 Financial Statements from NIAO RTTCWG. The report listed 13 Audit recommendations, management response and position at March 2018 on issues being addressed.

The Audit Committee **NOTED** the progress report.

### **5.2 Audit of 2016-2017 Financial Statements NIAO Report to Those Charged with Governance (RTTCWG) as at March 2018**

The Committee received a progress report on the Audit of 2016-2017 Financial Statements from NIAO RTTCWG. The report listed 14 Audit recommendations, management response and position at March 2018 on issues being addressed.

In relation to Item 12 on the Report, Agency Staff, Councillor Holmes raised a number of queries in relation to the different Terms and Conditions applied to Council employees, timescale associated with both standardisation of Terms and Conditions and population of the Organisation Structure.

The Director of Corporate Services advised that work has commenced in terms of identifying and auditing the range of terms and conditions across the legacy Councils and that TUPE (Transfer of Undertakings, Protection Employment) applies to legacy staff.

All new CCGBC staff commence employment on CCGBC terms and conditions. Consultation is ongoing with Trade Unions through both the Action Group and the Joint Consultative Negotiating Committee (full name)

On completion of the audit, the different terms and conditions will be highlighted and options to address inconsistencies will be considered by Council.

The Director agreed that a report would be brought through Corporate Policy and Resources in April 2018 in terms of progress to date in populating the Organisation Structure.

The Audit Committee **NOTED** the progress report.

### **5.3 Request to Change the Date of Audit Committee in September 2018 to Allow Certification of Accounts (attached)**

The Committee received a report seeking approval to change the date of the September Audit Committee meeting from 12 September to 19 September 2018, as outlined in the Northern Ireland Audit Office (NIAO) Audit Strategy, Audit Timetable P10.

The timetable comprises an interim visit commencing on 29 January 2018 for 2 weeks and a final visit commencing 16 July 2018, with certification planned for 28 September 2018. The timetable has been agreed with management.

**It is recommended** that the date of the September Audit Committee meeting be changed from 12 September to 19 September 2018 to comply with the legislative timetable for producing and publishing audited financial statements.

Councillor Holmes enquired as to whether it was possible for the Audit Committee to receive the Audit papers 2 weeks prior to the meeting as he felt 1 week was not sufficient time to read and digest all the reports.

Proposed Councillor Holmes  
Seconded by Councillor Knight McQuillan and

**AGREED** – that the date of the September Audit Committee meeting be changed from 12 September to 19 September 2018 to comply with the legislative timetable for producing and publishing audited financial statements.

It was also **AGREED** that any completed Audit reports would be issued to Members two weeks prior to each meeting with the remainder to follow one week prior to each meeting.

#### **5.4 NIAO Fraud Assessment Questionnaire 2017-2018**

The Committee received the NIAO Fraud Assessment Questionnaire 2017-2018 which detailed Councils' response to 9 audit enquires.

The Audit Committee **NOTED** the information report.

#### **5.5 Managing Fraud Risk in a Changing Environment Self-Assessment Checklist 2017-2018**

The Committee received the NIAO Managing Fraud Risk in a Changing Environment self-assessment checklist 2017-2018.

The Audit Committee **NOTED** the information report.

### **6. INTERNAL AUDIT REPORTS – CAUSEWAY COAST AND GLENS BOROUGH COUNCIL IN-HOUSE**

#### **6.1 Community Facilities**

The Director of Corporate Services presented the Internal Audit Report which summarised the findings arising from a review of Community Facilities.

Based on the audit testing, the Internal Auditor was able to provide a limited level of assurance. Overall there are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

The Audit identified two priority 1 recommendations, where controls could be enhanced.

#### **Risk 1 – Receipt of Income**

**Observation** - It was noted that some community facilities did not have any cash handling procedures in place and others were using old legacy cash handling procedures which have not been updated.

**Recommendation** - Cash handling procedures should be put in place as a matter of urgency. Due diligence and transparency involving regular management activity (including creating and updating cash policy and procedures) sets a tone that professionalism is the standard.

**Management Response** - Business Support Review currently under way in the Sport & Wellbeing Unit. This will standardise cash handling procedures across all facilities and is expected to include removal of cash handling in community centres. The implementation of associated protocols will be dictated by introduction of Booking Management systems across the 3 Areas of Facility Management and will be led by the new Business Support Manager (currently subject to a matching process with HR)

## **Risk 2 – Venue Hire**

**Observation** - It was noted during the audit that streamlined booking forms are not in place and are not being consistently completed for each booking.

**Recommendation** - Streamlined booking forms should be put in place for all community centre lettings which details the necessary terms and conditions.

**Management Response** - Business Support Review is currently under way in the Sport & Wellbeing Unit. This will standardise booking procedures across all facilities and is expected to include a computerised booking management system with associated booking form templates and protocols.

In response to a query raised by Councillor Deighan in relation to cash payments, the Chief Finance Officer confirmed that there were numerous Council owned assets generating cash, which would differ in scale. He also informed Members that Council were looking to encourage payments other than by cash, e.g. debit and contactless payments.

The Chief Finance Officer also confirmed that on-line payments were available in relation to caravan parks and dog licenses etc. and that Council were looking to expand direct debit facilities over more areas.

## **6.2 Asset Management**

The Director of Corporate Services presented the Internal Audit Report which summarised the findings arising from a review of Asset Management.

Based on the audit testing, the Internal Auditor was able to provide a satisfactory level of assurance. Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

The Audit identified two priority 2 recommendations, where controls could be enhanced.

### **Risk 1 – Asset Management Policy**

**Observation** - The Senior Project accountant advised that a draft capitalisation policy was drawn up in May 2017 but this has not been approved by Management or Council.

The Director of Corporate Services has advised that a piece of work has commenced which looks at Asset Management in the broader strategic sense bringing together all of the processes which Council currently have whilst providing strategic direction. All of this information will be pulled together into one overarching strategic document, in accordance with best practice.

**Recommendation** - The Council should finalise the overarching strategic policy in relation to asset management. This policy should be communicated to staff and reviewed regularly.

**Management Response** - Finalise draft policy, including procedural supplements and submit to SMT for consideration followed by submission to the consultation and Council approval processes.

### **Risk 2 – Recording and Accounting of Fixed Assets**

**Observation** - The senior Project Accountant has advised that a draft procedural Supplement to the Council's Capitalisation Policy and to the Councils Accounting Policies in relation to additions, disposals and transfers has been drawn up but this has not been approved by management or Council.

**Recommendation** - Procedures in relation to additions, disposals and transfers should be incorporated within the overarching strategic policy as per risk 1.

**Management Response** - See 6.1 Risk 1 Management Response.

Alderman McKeown suggested that a report be compiled in relation to projects undertaken with delegated authority (under Councils Procurement Policy threshold) by officers. The report should include the number of projects on-going, those completed, costs and any problems arising from these projects. This was agreed.

Councillor P McShane commented that the priority rating associated with the two recommendations should have been priority one and not priority two, because of Council's requirement to register all of its lands as per legal advice provided to the Land & Property Sub-committee.

### **6.3 Tenders and Contracts**

The Director of Corporate Services presented the Internal Audit Report which summarised the findings arising from a review of Tenders and Contracts.

Based on the audit testing, the Internal Auditor was able to provide a satisfactory level of assurance. Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

The Audit identified two priority 2 recommendations, where controls could be enhanced.

#### **Risk 1 – Documented Procurement Procedures**

**Observation** - Council has Procurement Policy and Procedures in place since 2014. However, the thresholds in place have since been updated and the policy does not reflect these changes.

**Recommendation** - The Council should update the Procurement Policy and Procedures to reflect changes made to the procurement thresholds.

**Management Response** - Procurement policy currently being reviewed.

## **Risk 2 – Tendering Process**

**Observation** - The tendering and contracting process is managed and overseen to ensure that it is followed correctly, however, since the policy was approved in 2014 there have been changes to the process. Since 2015 all tenders are received electronically via eSourcing NI which removes any need for tender return dates/time to be recorded.

**Recommendation** - Procedures in relation to the tendering process should be updated to reflect changes since the procurement policy was approved in 2014.

**Management Response** - Procurement policy currently being reviewed.

Councillor Holmes raised concerns in relation to the tendering process. The Chief Finance Officer clarified that the procurement policy, which was set up in 2015, was to be reviewed to reflect the current electronic procurement process, which would also include single tender actions.

### **6.4 Creditors**

The Director of Corporate Services presented the Internal Audit Report which summarised the findings arising from a review of Creditor Payments and Purchasing.

Based on the audit testing, the Internal Auditor was able to provide a satisfactory level of assurance. Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

The Audit identified two priority 2 recommendations, where controls could be enhanced.

### **Risk 1 – Safeguards & Controls over Purchasing Arrangements**

**Observation** - Council has Procurement Policy and Procedures in place since 2014. However, the thresholds in place have since been updated and the policy does not reflect these changes.

**Recommendation** - Council should update the Procurement Policy and Procedures to reflect changes made to the procurement thresholds.

**Management Response** - Procurement policy currently being reviewed.

## **Risk 2 – Invoice Payments**

**Observation** - Having reviewed the procurement policy, it was noted that there is no reference to the prompt payment policy or the Council's target for the payment of invoices.

**Recommendation** - The Council's Procurement Policy should be updated to include the Prompt Payment Policy.

**Management Response** - Procurement policy being reviewed.

The Internal Audit reports 6.1-6.4 were **NOTED** by the Committee.

## **6.5 Review of Prior Year Recommendations**

The Audit Committee received a report which summarised the findings arising from a review of the progress made by the Council in implementing the prior year internal audit recommendations.

In the six internal audit assignment completed in 2016/17, 4 priority 1 recommendations had been addressed; 12 of the 16 priority 2 recommendations had been addressed and 17 of the 21 priority 3 recommendations had been addressed.

As at March 2018 all but 8 of the 41 recommendations had been addressed. The Director of Corporate Services informed Members that these would be addressed by September 2018.

G Ireland, Independent Committee Member acknowledged the work of management in implementing these recommendations.

The progress reports was **NOTED** by the Audit Committee.

## **7. INTERNAL AUDIT REPORTS – MOORE STEPHENS**

### **7.1 Corporate and Business Planning**

The Senior Internal Auditor, Moore Stephens presented the Internal Audit Report which summarised the findings arising from a review of Corporate and Business Planning.

Based on the audit testing, the Internal Auditor was able to provide a satisfactory level of assurance. Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

The Audit identified two priority 2 recommendations and 2 priority 3 recommendations, where controls could be enhanced.

### **Risk 1 - Inadequate Arrangements for Corporate Planning Issue1 – Public Consultation**

**Observation** – The Corporate Strategy (2015-19) preparation process took place during a period of significant change and development when the Shadow council and transition arrangements were in place. A vision and mission were developed and workshops to analyse the new council functions, direction, strengths and weaknesses were held to facilitate drafting of the strategy. However, it was observed by Audit that the process allowed only a very short time for public consultation, review and discussion.

**Recommendation** – When Council is developing its plan to support the preparation of the next Corporate Strategy they must ensure that sufficient time is allowed to facilitate greater levels of public consultation.

**Management Response** – The project plan for development of the new Corporate Strategy is currently being developed for consideration by senior management and by Council and it will recommend greater levels of public consultation as part of the process.

### **Risk 2 - Inadequate Business Planning Issue 2 – Guidance for Business Plan Development**

**Observation** – Testing revealed that business plans (BPs) (2017/18), are in place which detail the various service level objectives and these are linked to the Corporate Strategy.

There are no guidelines and templates available for preparation of the BPs. Despite this a consistent format is in use and contains all relevant information.

There is however no formal process in place to ensure evidencing of appropriate consultation during preparation of the business plans.

It was also noted that the Planning BP is not approved by a Council Committee.

**Recommendation** – Council should develop a Business Plan development procedure providing guidance at the Directorate and Service level to ensure appropriate levels of consultation take place. Heads of Service should be reminded to maintain notes of such consultations and staff meetings relating to the development of the Business Plans.

All Business Plans should be presented to the relevant Council Committee before they are implemented.

**Management Response** – A guide for the development of Business Plans is currently being developed for consideration by senior management and these recommendations will be included in this guidance document.

Publication of an Annual Progress Report on the Council website will be considered by senior management.

### **Risk 3 – Irregular View of Corporate Business Plans Issue 3 – Monitoring and Reporting of Progress**

**Observation** – Audit was advised that there is an annual review of the Corporate Strategy via a workshop for elected members. Discussions with Directors and Heads of Service revealed some informal ad hoc reviewing of progress against business plans at the operational level. A review of a sample of Committee minutes revealed no evidence of consistent, regular and comprehensive reporting of such progress through the various management tiers to Council Committees.

Audit was also advised that progress against the Corporate Strategy and Business Plans are discussed at SMT on an ad hoc basis, but that this is not always recorded.

**Recommendation** – A formal process of documented monitoring should be introduced for both the Corporate Strategy and Business Plans. Business Plans should be monitored quarterly and reported to SMT and the respective Committee. Monitoring should clearly state whether actions are completed, in progress or outstanding. The corporate strategy should be reviewed half way through the year and also include a consideration of half year progress of the respective Business Plans. A progress report should be prepared and presented through Committee to Council, at least annually. Council should consider publishing an Annual Progress report on its website.

**Management Response** – A guide for the development of Business Plans is currently being developed for consideration by senior management and these recommendations will be included in this guidance document.

Publication of an Annual Progress Report on the Council website will be considered by senior management.

#### **Risk 4 – A Lack of Awareness of Organisational Performance Issue 4 – Observations**

**Observation** – Audit was advised that a Performance Improvement Policy has been drafted. A review of the draft policy revealed that it discusses the various strategic, performance and operational plans, their connectivity and their link to the Community Plan; the policy also discusses the need for monitoring and evaluation. The process for developing the Performance Improvement Plan is still developing; but audit found evidence of consultation taking place during preparation with elected members and the public. Audit was also advised that SMT were informed at a meeting on 13th November (2017) that the Performance Improvement Plan reporting cycle would be September, November, January and May to the Corporate Policy and Resources Committee with additional scrutiny being provided via the December and June Audit Committee meetings.

The draft Performance Improvement Policy includes a Performance Process cycle diagram which highlights the links between the Corporate Strategy, Business Plans, Community Plan and the Performance Improvement Plan. The cycle provides a good basis for helping in the identification of poor performance, however, more work could be done to improve awareness and understanding of the impact of poor performance on Council.

**Recommendation** – Council should continue to build on the Performance Process cycle which has been developed within the draft Performance Improvement Policy and review if a link to the individual level appraisal process can be created and referred to the in the Performance Process Cycle.

**Management Response** – Agreed.

The Internal Audit report was **NOTED** by the Committee.

## **7.2 Review of Prior Year Recommendations – Invoicing and Debtor Management**

The Senior Internal Auditor, Moore Stephens presented the Internal Audit Report which summarised the findings arising from a review of the progress made by CC&GBC in implementing the prior year internal audit recommendations in the area of Invoicing and Debtor Management.

The recommendations have been revisited as part of this year's internal audit work programme. For each recommendation, progress has been discussed with the relevant officer and reviewed evidence of progress.

Following the review of Invoicing and Debtor Management, three priority 2 recommendations and two priority 3 recommendations had been addressed, two priority 1 recommendations, one priority 2 recommendation and 1 priority 3 recommendations were in the process of being addressed.

Councillor Holmes raised concerns that outstanding rent issues of 6 months to 1 year had been the subject of discussion at a Land and Property Sub-Committee meeting and felt that debt management should not be for discussion at these meetings.

The Director of Corporate Services advised that the particular case referred to was brought before the Land and Property Sub-Committee in relation to a Tenancy agreement which the debt issue had an impact on. The Director further advised that debt management cases would not routinely be brought to the Land and Property Sub-Committee but dealt with in accordance with Debt Management Policy.

### **7.3 Review of Prior Year Recommendations – Business Continuity and Emergency Planning**

The Senior Internal Auditor, Moore Stephens presented the Internal Audit Report which summarised the findings arising from a review of the progress made by CC&GBC in implementing the prior year internal audit recommendations in the area of Business Continuity and Emergency Planning.

The recommendations have been revisited as part of this year's internal audit work programme. For each recommendation, progress has been discussed with the relevant officer and reviewed evidence of progress.

Following the review of Business Continuity and Emergency Planning, four priority 2 recommendations and two priority 3 recommendations were in the process of being addressed,

There were no priority 1 recommendations and no priority 3 recommendations made.

### **7.4 Review of Prior Year Recommendations – ICT**

The Senior Internal Auditor, Moore Stephens presented the Internal Audit Report which summarised the findings arising from a review of the progress made by CC&GBC in implementing the prior year internal audit recommendations in the area of ICT Environment.

The recommendations have been revisited as part of this year's internal audit work programme. For each recommendation, progress has been discussed with the relevant officer and reviewed evidence of progress.

Following the review of ICT, two priority 2 recommendations and one priority 3 recommendation had been addressed, one priority 1 recommendation, two priority 2 recommendations and four priority 3 recommendations were in the process of being addressed and one priority 2 recommendation and two priority 3 recommendations had not yet been addressed.

The Internal Audit reports 7.2 - 7.4 were **NOTED** by the Committee

## 8. ANNUAL REPORTS

### 8.1 Annual Internal Audit Report 2017/18 and Annual Assurance Report

The Senior Internal Auditor, Moore Stephens presented the report which builds on the individual audit reports and quarterly progress reports presented to the Audit Committee during this period and provide an overall conclusion on the system of governance, risk management and internal control operating in the Council during the year.

Based on the audit work carried out an overall assurance rating of **SATISFACTORY** was provided to Council in relation to its system of internal control.

In relation to a query from Councillor Callan with reference to the Land and Property Audit, the Director of Corporate Services clarified that this had been deferred to 2018/2019 due to timescale and that a Land and Property Officer was now in post.

### 8.2 Annual Internal Audit Plan 2018/2019

The Senior Internal Auditor, Moore Stephens presented the report which sets out the programme for the provision of Internal Audit Services to Causeway Coast and Glens Borough Council and is based on audit needs assessment as detailed in the Internal Audit Strategy 2016-2019.

Report 8.1 and 8.2 were **NOTED** by the Audit Committee.

### 8.3 Assessing Conformance with Public Sector Internal Audit Standards and the Local Government Application Note – Internal Audit Self-Assessment Checklist

The Senior Internal Auditor, Moore Stephens presented the checklist developed by Moore Stephens and follows the recommended checklist provided in the CIPFA Local Government Applications Note for the UK Public Sector Internal Audit Standards (PSIAS), updated March 2017.

The report was **NOTED** by the Audit Committee.

## 8.4 Audit Committee Self-Assessment Checklist

The purpose of an Audit Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place. (CIPFA Guide on Audit Committees in Local Authorities).

As a key component of an organisation's governance arrangements, the audit committee has the potential to be a valuable resource to the whole authority. Where they operate effectively, audit committees add value to their authorities by supporting improvement across a range of objectives.

A regular self-assessment can be used to support the planning of the audit committee work programme and improve the effectiveness of the committee.

CIPFA have developed an Audit Committee Self-Assessment checklist as part of their Guide on Audit Committees in Local Authorities. It contains a list of 20 questions covering membership, terms of reference, internal audit, external audit, meetings, training and administration.

While completion of the CIPFA Self-Assessment Checklist is not a requirement, it is included as a tool within the CIPFA guidance and hence the checklist represents good practice with regard to Audit Committees and the standards to which the Council should aspire. Moreover, it is important that the effectiveness of the Audit Committee is periodically reviewed.

It is proposed that all Audit Committee Members (including the Independent Member) carry out an assessment of the Audit Committee by completing the Self- Assessment Checklist and returning it to Senior Internal Auditor, Moore Stephens by the end of May 2018. Internal Audit will collate and summarise the results and present a summary report of the key findings, with recommendations (if applicable) at a future meeting of the Audit Committee.

**It is recommended** that all Audit Committee Members (including the Independent Member) carry out an assessment of the Audit

Committee by completing the Self- Assessment Checklist and returning it to Senior Internal Auditor by the end of May 2018.

**AGREED** - to recommend that all Audit Committee Members (including the Independent Member) carry out an assessment of the Audit Committee by completing the Self- Assessment Checklist and returning it to Senior Internal Auditor by the end of May 2018.

## **9. OTHER REPORTS**

### **9.1 Absenteeism Report (ODHR – Q1-Q3 April-December 2017)**

The Director of Corporate Services presented the Committee with a report detailing absenteeism statistics for the period April to December 2017 and informed the Committee that although indicators up to the end of December 2017 showed an improvement in absenteeism, 328 days had been lost so far in 2018 due to colds and flu.

In relation to a query from Councillor Holmes the Director of Corporate Services clarified that five different policies and procedures were in place to manage absenteeism; the 4 legacy Councils and Planning.

Following a query raised by Councillor Holmes, in relation to Absenteeism data at points 15-19 within the report, The Director agreed that this information would be included in future reports.

The report was **NOTED** by the Audit Committee.

### **9.2 Corporate Strategy – Annual Review (April/May)**

The Director of Corporate Services informed Members that the Corporate Strategy Annual Review would take place on Saturday 21 April 2018, in the Town Hall, Portrush

## **10. MATTERS FOR REPORTING TO PARTNERSHIP PANEL**

There were no items for reporting to the Partnership Panel.

## **11. CORRESPONDENCE**

The Audit Committee were advised of the following items of correspondence:

### **11.1 Northern Ireland Audit Office – Notice of Change of Letter**

Correspondence from NIAO informing Council of the resignation of the Local Government Auditor and that the Department for Communities will designate a member of NIAO staff to this role.

### **11.2 Department for Communities – Designation of Local Government Auditor**

Circular in relation to a forthcoming change in the designation of the Local Government Auditor.

Article 4(1) of the amended Local Government (Northern Ireland) Order 2005 (the 2005 Order) provides that the Department may, with the consent of the Comptroller and Auditor General for Northern Ireland (the C&AG), designate a member of staff of the Northern Ireland Audit Office (NIAO) as the local government auditor.

Under Article 4(2) of the amended 2005 Order, the local government auditor may make arrangements with the C&AG for members of the staff of the NIAO to assist in the performance of the local government auditor's functions.

Article 4(3) of the amended 2005 Order further provides that the Department may, with the consent of the C&AG, designate a member of the staff of the NIAO to be known as the deputy local government auditor.

The Department has consulted with the C&AG and, with effect from 1 February 2018, has designated Pamela McCreedy as Local Government Auditor and assigned Pamela to audit the accounts of every local government body.

**AGREED** - to note the correspondence outlined.

### **MOTION TO PROCEED 'IN COMMITTEE'**

Proposed by Councillor Knight-McQuillan  
Seconded by Alderman McKeown and

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

## **12. RISK MANAGEMENT UPDATE - RISK REGISTERS**

A copy of Councils' Summary Risk Matrix 2018 and Corporate Risk Register was circulated to the Committee.

The Director of Corporate Services presented Council's Summary Risk Matrix 2018 and associated Risk Register, and provided Committee with explanation on the presentation of the information and how the Risk Management process has evolved.

In response to a query from Councillor Holmes the Chief Finance Officer informed Members that Council were formulating a medium term financial plan to be taken through the Efficiency Sub-Committee Meeting and Corporate Policy and Resources Committee Meeting.

G Ireland, Independent Committee Member acknowledged the work done in compiling the Risk Register and agreed with the Director that Council Senior Management Team would continue to work to fully embed the risk management process at all levels of organisation.

## **13. LEGAL CASES ACTIVITY**

Members received, for information, a confidential updated report with regard to the Council's legal cases.

The report was **NOTED** by the Audit Committee.

## **14. WHISTLEBLOWING/FRAUD**

The Director of Corporate Services reported that there had been no whistleblowing/fraud incidents during the quarter.

In response to a query from Councillor P Mc Shane, the Director confirmed Council has a Whistleblowing Policy which details how concerns can be raised by individuals, including employees.

## **MOTION TO PROCEED 'IN PUBLIC'**

Proposed by Councillor Fitzpatrick  
Seconded by Councillor Deighan and

**AGREED** - that the Committee would conduct the remainder of the business '**In Public**'.

**15. ANY OTHER RELEVANT BUSINESS (IN ACCORDANCE WITH STANDING ORDER 12 (O))**

There was no other relevant business.

**16. DATE OF MEETING**

- 13 June 2018

There being no other business, the Chair thanked members for their attendance and the business concluded at 8:21 pm.

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Chair