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**AUDIT COMMITTEE MEETING WEDNESDAY 17 JUNE 2020**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>3.</b>	Minutes of Audit Committee Meeting 11 March 2020	<b><i>Confirmed</i></b>
<b>4.</b>	Northern Ireland Audit Office (NIAO)	
	<b>4.1</b> NIAO Causeway Coast and Glens Borough Council Audit Strategy 2019-2020	<b><i>Deferred</i></b>
<b>5</b>	Internal Audit (Causeway Coast and Glens Borough Council)	
	<b>5.1</b> Annual Internal Audit Plan – 2020/2021 Quarterly Plan	<b><i>Noted</i></b>
	<b>5.2</b> Annual Internal Audit Report 2019/20, and Annual Assurance Report	<b><i>Noted</i></b>
	<b>5.3</b> NIAO Fraud Assessment Questionnaire 2019-20 –completed assessment	<b><i>Information</i></b>
	<b>5.4</b> Managing Fraud Risk in a Changing Environment Self-Assessment Checklist 2019-20	<b><i>Information</i></b>
	<b>5.5</b> Proper Arrangements Questionnaire	<b><i>Information</i></b>
<b>6.</b>	Internal Audit Reports	
	<b>6.1</b> Income and Debtors	<b><i>Accepted</i></b>
	<b>6.2</b> Leisure Services	<b><i>Accepted</i></b>
	<b>6.3</b> Review of the Prior Year Recommendations – 2016/17, 2017/18, 2018/19	<b><i>Information</i></b>
	<b>6.4</b> Assessing Conformance with Public Sector Internal Audit Standards and the Local Government Application Note - Internal Audit Self-Assessment Checklist 2019/20 has been completed	<b><i>Information</i></b>
<b>7.</b>	Report to Those Charged With Governance - Progress report June 2020	<b><i>Information</i></b>
<b>8.</b>	Direct Award Contracts	<b><i>Information</i></b>
<b>9.</b>	Absence Report Months 1-12 2019/2020	<b><i>Information</i></b>

No	Item	Summary of key Recommendations
10.	Performance	
	10.1 Update on 2019/20 Performance Improvement Plan Quarter 3	<i>Information</i>
11.	Matters for Reporting to Partnership Panel	<i>Nil</i>
<b>IN COMMITTEE (Items 12-15)</b>		
12.	Corporate Risk Review with Corporate Risk Matrix	<i>Information</i>
13.	Legal Cases Activity	<i>Information</i>
14.	Whistle Blowing /Fraud	<i>Information</i>
15.	Any Other Relevant Business (notified in accordance with Standing Order 12(o))	<i>Nil</i>
16.	Date of Next Meeting - Wednesday 9 September 2020	<i>Information</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF  
THE AUDIT COMMITTEE  
HELD IN COUNCIL CHAMBER CIVIC HEADQUARTERS AND VIA VIDEO  
CONFERENCE ON  
WEDNESDAY 17 JUNE 2020 AT 7PM**

**In the Chair:** Councillor Wallace

**Members Present:** Alderman Robinson (remote), McKeown and S  
McKillop (remote);  
Councillors Anderson, Beattie (remote), Holmes,  
Mc Laughlin (remote), McMullan, McQuillan, P  
McShane, Mulholland (remote), Peacock (remote),  
Quigley (remote), Schenning and Watton

**Officers Present:** M Quinn, Director of Corporate Services  
J McCarron, Performance and Transformation  
Officer  
S Duggan, Civic Support & Committee and Member Services Officer

**In Attendance:** D Dickson, Head of Planning (remote)  
P Donaghy, Democratic & Central Services Manager (remote)  
A Ruddy, Audit, Risk & Governance Officer (remote)  
C Kane, Director, NI Audit Office (remote)  
A Allen, NI Audit Office (remote)  
C McHugh, Senior Internal Auditor, Moore (NI) (remote)

**1. APOLOGIES**

There were no apologies recorded.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES OF AUDIT COMMITTEE MEETING 11 MARCH 2020**

The Minutes of the Audit Committee held 11 March 2020 were confirmed as a correct record.

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

**4.1 NIAO CAUSEWAY COAST AND GLENS BOROUGH COUNCIL  
AUDIT STRATEGY 2019-2020**

Report previously circulated, presented by C Kane, the 2019-20 Audit Strategy in respect of the Council's Statement of Accounts, Proper Arrangements and the Improvement Audit.

The Audit Strategy is intended to provide the Council with a clear understanding of how NIAO plan to carry out its audit. It gives a summary of the purpose of the audit, NIAO audit approach, the risks NIAO have identified that could impact on the audit opinion and other matters of interest. NIAO report also provided an explanation of the concept of materiality and how it impacts on the audit.

C Kane drew Committee's attention to the following pages within the report:

- Page 6, the overall 'materiality' calculation of £1.1m is based on 2018/19 gross expenditure of £78m, with an error reporting threshold of £11,000 for all adjusted or unadjusted misstatements.
- Page 7, the NIAO are Independent of Council and have required quality standards, how the NIAO manage personal data and liaison until complete;
- Page 9, As part of NIAO's work to develop its audit plan, NIAO have identified the following significant risk of material misstatement and provided the approach to address these risks: Financial Position - The Council's Gross Expenditure exceeded Gross Income in 2017-18 and 2018-19 resulting in a Deficit on the Provision of Services in both years, leading to a reduction in the Council's Reserves (General Fund). The Council's 2018-19 Annual Report and Accounts indicated that the Reserves would reduce further in 2019/20 to £1.382 million and that officers would bring recommendations to Council in order to reduce the need to utilise reserves. It is likely that the Covid-19 pandemic will also impact on the Council's financial position. C Kane advised of the Audit Response, An adequate level of usable reserves is essential to ensure that the Council can manage its commitments. NIAO will review what action has been taken by the Council to manage its financial position in 2019-20. This review will include consideration of the budget setting process and the adequacy of financial information provided to Officers and Members for monitoring of spend against budget to inform decision making.
- NIAO will review the Council's assessment of the impact of the Covid-19 pandemic on its financial resilience and its impact on the LGA's audit opinion
- In addition to the significant risk NIAO have identified above, it has also identified a number of other risk factors. NIAO do not consider these to represent a significant risk of material misstatement in the financial statements but are matters which

- we will continue to monitor and respond to as appropriate throughout the audit. These areas include:
- Procurement – In previous audits NIAO have raised issues in relation to purchase ordering and procurement. NIAO noted that purchase orders were raised after the goods were invoiced. In addition, procurement procedures had not been followed, including the completion of direct award contract documentation. NIAO will review the Council's new electronic purchase order system and examine a sample of contracts awarded in year, including direct award contracts;
  - Land and Property Registration - In previous audits NIAO identified that 80 percent of Council land and property not being registered. NIAO will review the progress made by the Council in the registration of land and property;
  - Page 11, Financial Audit and Proper Arrangements Timetable Audit Timetable, changed in light of Covid, deadline for delivery and audit changed and is now 31 December, submission of Accounts 31 August, with the requirement for an Audit Committee early December;
  - Page 13, Improvement Audit and Assessment Timetable, timetable for the performance improvement audit and assessment will be agreed with management once the Department for Communities has undertaken its assessment of the impact of the Covid-19 pandemic on Councils' ability to comply with their performance improvement responsibilities.

C Kane invited questions from committee.

Councillor Quigley stated she required clarification of terminology within the report for example page 4 of the Audit Strategy refers to qualitative and quantitative aspects and sought Finance training. Councillor Quigley stated she was not comfortable accepting a report that had not looked at the past and required an update position on the, 'Call In'.

C Kane provided an explanation surrounding the materiality test, qualitative and quantitative issues that are not determined by the test.

The Director of Corporate Services advised a Legal Opinion on the, 'Call In' regarding the Forensic Audit, would be brought to 7<sup>th</sup> July 2020 Council Meeting.

Councillor P McShane stated he wished to move, 'In Committee', and that Senior Executive Management not be involved in discussion.

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

Proposed by Councillor Anderson  
Seconded by Councillor Schenning and

**AGREED** – to recommend that Committee move, ‘In Committee’.

- **Director of Corporate Services left the meeting at 7.15PM.**
- **Performance and Transformation Officer left the meeting at 7.15PM.**

Councillor P McShane addressed C Kane, he stated within the Audit reports last year, there were control issues regarding procurement. Lands sold at low prices and the figure had been known up to four years previous. Councillor P McShane advised a Solicitor had brought the matter to the attention of the Chief Executive and Senior Executive Officer and it had been downplayed. Councillor P McShane stated there were significant issues in relation to governance, fraud and error of £1.9M.

Councillor P McShane addressed C Kane, he sought further explanation of the £1.17M threshold.

C Kane further clarified, errors over £11,000 on the 2019/20 financial statements would be brought to attention, she clarified the report presented was on work due to commence.

Councillor P McShane stated on 24 October, he had requested detail of known costs within the PWC observations report and a list of the coding errors in Council and had not received a response.

C Kane responded, referring to Page 9 with the report, significant risk was Council’s financial position, financial management carried out in Council, C Kane confirmed the PWC report and CIPFA work undertaken would form part of the Audit and would conclude after the process.

Councillor P McShane stated he had received information in response to a Freedom of Information request in relation to correspondence received by the NIAO by Senior Management within the Council, at 4.24PM earlier in the day and stated concern as to how Council was operating.

C Kane indicated she would look at the document referred to again.

#### **MOTION TO PROCEED ‘IN PUBLIC’**

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

- **Director of Corporate Services re-joined the meeting at 7.35PM.**
- **Performance and Transformation Officer re-joined the meeting at 7.35PM.**

Proposed by Councillor Holmes  
Seconded by Alderman Robinson

- to recommend that Council accept the report.

### Amendment

Proposed by Councillor P McShane

Seconded by Councillor C Mc Laughlin

- to recommend that Council defer consideration for 2 weeks and return to consider the document in due course.

Councillor Mulholland sought clarification of Page 9 within the report; under Significant Audit Risks and as to how timely management accounts were being presented.

C Kane stated that under ISA 240, there was presumed risk arising from management override of controls, this could be a risk, exercised control and statement in accounts, random testing would try and determine any potential risk of that and (2) presumed risk of fraud revenue, a lot of cash means the potential for a higher risk of fraud, the focus would be on income generation areas to look at fraud.

The Director of Corporate Services advised P12 draft management accounts would be presented to the Finance Committee on 30<sup>th</sup> June, due to Covid payment processing and invoicing, there were delays finalising invoices and accruals.

The Chair put the Amendment to the committee to vote.  
8 Members voted For; 7 Members voted against.  
The Chair declared the Amendment carried.

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

Reports previously circulated, presented by the Audit, Risk & Governance Officer.

### **5.1 ANNUAL INTERNAL AUDIT PLAN – 2020/2021 QUARTERLY PLAN**

The purpose of the report was to provide an update in terms of progress against the Annual Internal Audit Plan 19/20, which was previously agreed and sets out the audit areas, days, timing and scope of activities for the year ended March 2020.

Progress for the first quarter of 20/21, period April 2020 - June 2020.

## Internal Audit Plan 2019/20

<b>Audit Area</b>	<b>Days</b>	<b>Auditor</b>	<b>Timing</b>	<b>Progress</b>
Waste Services	8	In-House	January 2020	Completed
Fuel Management	7	Moore NI	January 2020	Completed
Capital Projects (including Strategic Projects)	10	Moore NI	February 2020	Final Report – <b>September AC</b>
Income and Debtors	8	Moore NI	February 2020	Final Report – <b>June AC</b>
Staff recruitment, retention, development and appraisal	10	Moore NI	March 2020	Incomplete – due to COVID 19
ICT Environment	8	In house	March 2020	Not Completed – due to COVID 19
Information Governance/Data Protection/FOI/EIR	10	In house	March 2020	Not Complete – due to COVID 19
Corporate Governance	8	Moore NI	February 2020	Incomplete – due to COVID 19
Leisure Services	8	Moore NI	February/ March 2020	Final Report – <b>June AC</b>
PCSP	6	In house	February 2020	Complete
Follow up audits of prior year reports	15	Moore NI & In house	March 2020	In Complete

## Internal Audit Plan 2020/21

In light of Covid 19 it is planned to present a quarterly audit plan to the audit committee for consideration based on priorities within the Council



and what is achievable whilst complying to health regulations. A number of auditable areas have been selected from the original 2019-23 internal audit strategy that can be completed largely through correspondence. These include:

<b>Audit Area</b>	<b>Days</b>	<b>Auditor</b>	<b>Timing</b>	<b>Progress</b>
<b>Environmental Services Directorate</b>				
Business Continuity & Emergency Planning		Moore NI	TBC	
<b>Financial Directorate</b>				
Use of Corporate Credit Card		Moore NI	TBC	
Treasury Management		Moore NI	TBC	
<b>Corporate Directorate</b>				
Corporate health & safety		Moore NI	TBC	
Community Planning		Moore NI	TBC	

**It is recommended** that the Audit Committee note the updated position.

Proposed by Councillor McQuillan  
 Seconded by Councillor Schenning and

**AGREED** – to recommend that Council note the updated position.

## **5.2 ANNUAL INTERNAL AUDIT REPORT 2019/20, AND ANNUAL ASSURANCE REPORT**

The Audit, Risk & Governance Officer advised Internal Audit section was a small section within the Council and with limited resources available. The key challenges for Internal Audit during 2019/20 was resourcing and Internal Audit were asked to complete a review in relation to Council, Land Easements and Disposals. This audit absorbed a lot of the time and resources for the year.

The Audit, Risk & Governance Officer referred to the document, and advised, based on the audit work carried out, she was able to provide the Council with the following overall assurance rating in relation to its system of internal control: Limited.

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.

In response to Councillor P McShane, the Audit, Risk & Governance Officer clarified the reasons for the overall rating of Limited.

Councillor McQuillan sought an explanation for the reference made to Chief Financial Officer. The Audit, Risk & Governance Officer clarified this was the Chief Executive whom she was ultimately responsible to.

The Audit, Risk & Governance Officer advised Questionnaires completed (Items 5.3-5.6 inclusive) may be emailed to any Member requesting a copy.

**AGREED** – to recommend that Council note the Item.

Councillor P McShane stated concern regarding reporting mechanisms, C Kane advised she was content to speak to anyone and to receive evidence.

### **5.3 NIAO FRAUD ASSESSMENT QUESTIONNAIRE 2019-20 – COMPLETED ASSESSMENT**

Members were advised the Questionnaire was available upon request.

### **5.4 MANAGING FRAUD RISK IN A CHANGING ENVIRONMENT SELF-ASSESSMENT CHECKLIST 2019-20**

Members were advised the Questionnaire was available upon request.

### **5.5 PROPER ARRANGEMENTS QUESTIONNAIRE**

Members were advised the Questionnaire was available upon request.

## 6. INTERNAL AUDIT REPORTS (MOORE STEPHENS)

Reports, previously circulated, presented by Senior Internal Auditor, Moore (NI), C McHugh.

### 6.1 INCOME AND DEBTORS

C McHugh referred to the summary of the Internal Audit, Invoices and Debtors and provided an overall level of assurance as satisfactory, since the previous functions had been centralised and referred to page 2-page 3 of the report and Issues 1-3.

Proposed by Councillor Schenning  
Seconded by Councillor Anderson and

**AGREED** – to recommend that Council note the Internal Audit Report, Income and Debtors.

### 6.2 LEISURE SERVICES

C McHugh drew members' attention to a typing error within the report at paragraph 6.2 which should have said 'used', a correction would be made and the report re-issued.

C McHugh advised of satisfactory assurance level, a Priority Rating of – 3, the lowest level, documents and procedures for managing leisure income and cash required to be updated.

C McHugh referred to the issue of Contract Management, a recommendation was that a contract is formally managed by one individual in Council.

Councillor Holmes expressed alarm at this finding.

- **Alderman McKillop joined the meeting at 8.08PM.**

Proposed by Councillor Schenning  
Seconded by Councillor Anderson and

**AGREED** – to recommend that Council note the Internal Audit Report, Leisure Services.

### **6.3 REVIEW OF THE PRIOR YEAR RECOMMENDATIONS – 2016/17, 2017/18, 2018/19**

C McHugh referred Committee to Page 5 of the report, overall progress of 88 recommendations, 39 of which had been addressed and 35 of which, were being addressed. Due to the pressure of Covid on ICT, 10 responses were outstanding and would be followed up for in advance of the September Audit Committee meeting.

Councillor Holmes stated an ambition would be to have the management accounts in place for a week or two weeks maximum.

C McHugh concurred with Councillor Holmes, advising there had been improvements within the past 5-6 months, however, there were further improvements to be made. The Finance Committee were implementing recommendations from the PWC report.

The Director of Corporate Services referred to the Report to Those Charged with Governance, she stated there had not been enough progress made within budgetary control. Training and Development was required for Supervisors and Managers for timely information and input of financial information, additionally, in two years' time the current financial system would not be in place and a procurement exercise would be required.

Councillor McMullan requested information on the position of Council's cash flow and PEACE IV funding.

The Director of Corporate Services outlined the position of 3 grant schemes Council had applied to, in light of Covid 19, Department for Communities (DFC), Scheme of Emergency Financial Assistance (SEFA) and Department of Agriculture, Environment and Rural Affairs (DEARA) Waste Scheme, Council had received 1 of the 3 claims to date, the Finance Committee would be presented with the final draft of the financial statements.

### **6.4 ASSESSING CONFORMANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS AND THE LOCAL GOVERNMENT APPLICATION NOTE - INTERNAL AUDIT SELF-ASSESSMENT CHECKLIST 2019/20 HAS BEEN COMPLETED**

C McHugh advised the report was available upon request.

## **7. REPORT TO THOSE CHARGED WITH GOVERNANCE - PROGRESS REPORT JUNE 2020**

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

The Director of Corporate Services drew members' attention to the progress column on the right hand side, issue, findings and recommendation.

The Director of Corporate Services stated last year there were 5 Priority 1 issues and provided narrative on the report:

- Agency staff costs analysis was now under greater scrutiny;
- An update on Leases was provided to the Land and Property Sub Committee in January;
- Land and Property Registrations were now provided in a monthly update, including a Legal update;
- A Capital Asset Management Strategy and Land and Property Policy was agreed in February;
- Business continuity plan had been tested, however, not documented;
- The issue of a Procurement Officer has now been resolved with the return of the Officer from a period of secondment;
- Direct Award Contracts now listed;
- Procurement issues resolved;
- Electronic Order system now in place;
- Issues in relation to Management Accounts were now taken to the Finance Committee;
- Heritage Assets;
- Income/Debit report Priority 2 recommendation had now been completed regarding cash handling;
- Prompt Payments figures may be reduced in light of recent events.

Councillor Homes commented on the additional Legal resource provided for Leases and Licences, he stated Council was losing income by not dealing with the area strategically.

The Director of Corporate Services advised that these were being dealt with on a priority basis, with highest value income properties progressed first, and outlined the workload of the Land and Property team.

Councillor McMullan commented on the issue of procurement and leasing. The Director of Corporate Services advised at a recent Environmental Services meeting an analysis had been presented of hire versus purchase.

## **8. DIRECT AWARD CONTRACTS**

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

Causeway Coast and Glens Borough Council approved an updated Procurement Policy in March 2019.

The new policy addresses 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 Leadership Team before proceeding to the relevant committee for consideration. Upon agreement from the Council the staff member should

contact 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 2 December 2019 and these are listed below, it should be noted that none of these required Council approval at the point of award:

Councillor Mulholland questioned why Direct Award Contracts did not require Council approval. Councillor Mulholland requested the name of the Individual referred to anonymously in the List provided. Members commented that the DAC's were all from the one department.

The Director of Corporate Services advised she would investigate and provide the detail.

## **9. ABSENCE REPORT MONTHS 1-12 2019/2020**

Report previously circulated, presented by the Director of Corporate Services, to provide Members with Quarter 4 or full year (April-March 2019/2020) information regarding Absenteeism throughout the Council.

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

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

**It is recommended** that Council notes the report presented.

Councillor McQuillan questioned what was being done regarding the levels of stress and depression evident within the Council building. Councillor McQuillan stated he was aware of a member of staff whom had been unduly loaded with work, he commented it was a very serious situation.

The Director of Corporate Services concurred, the environment was very difficult to work within at all levels, there were budget challenges

and manpower planning challenges. She advised Senior Leadership Team were looking at the issue and a report would be brought to the next meeting.

Councillor Anderson questioned what initiatives and counselling support were put in place to alleviate stress?

The Director of Corporate Services summarised employees positions in relation to home working, which worked well for some employees and for others their stress had become worse in the period of uncertainty. She advised remote access and support were offered including Inspire Online support and face-to-face support. The Director of Corporate Services confirmed the absence figure did not include Agency staff and agreed that further analysis would be carried out in relation to the breakdown of work related stress and non-work related.

## **10. PERFORMANCE**

### **10.1 UPDATE ON 2019/20 PERFORMANCE IMPROVEMENT PLAN QUARTER 3**

Report previously circulated, presented by the Performance and Transformation Officer, an update on the projects and improvement objectives listed within the Council's 2019/20 Performance Improvement Plan, covering the period April 2019 – Jan 2020.

The Council's Performance Improvement Plan for 2019/20 was approved by Council in June 2019. The Plan contained improvement projects which will help to meet the Council's Performance Improvement Objectives for 2019/20.

The Council's Audit Committee assumes a monitoring role in relation to the Performance Improvement Plan and receives update reports to enable this monitoring function. Members were invited to review the attached progress report at Appendix 1 (circulated) and take the opportunity to seek any further information necessary with regard to the various Objectives that are detailed.

Councillor McLaughlin requested the Head of Planning provide detail on the Statutory Planning Indicators.

The Head of Planning provided detail of 3 Statutory Planning Indicators set by the Department for Infrastructure (DfI) on Major Applications, Local Applications and Enforcement. The Head of



Planning advised these were reported monthly to the Planning Committee.

Councillor McMullan requested information on leisure facilities that positively targeted disabled people in relation to take up of membership packages and the percentage of facilities not disabled friendly. The Performance and Transformation Officer advised he would raise the matter with the Director of Leisure and Development and provide a response.

Councillor McMullan sought reassurance public meetings would be held in every community for example, within The Glens. The Performance and Transformation Officer advised the issue had been a consideration from the beginning, however, was delayed at present.

Councillor Holmes considered rural proofing had been built in within a 12/15miles radius.

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

There were no matters for reporting to the Partnership Panel.

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

Proposed by Councillor Schenning  
Seconded by Councillor Anderson and

**AGREED** – to recommend that Committee move, 'In Committee'.

#### **12. CORPORATE RISK REVIEW WITH CORPORATE RISK MATRIX**

Confidential report previously circulated, presented by the Audit, Risk & Governance Officer.

The emergence of the pandemic disease has increased demand on key Council services and will have an impact on the financial and service planning within the Council. This has had a profound impact on the key risks facing the Council. This report compares the March risk register to the June risk register documenting the escalation of some risks whilst other risks facing the Council are unlikely to materialise.

## **Background**

The table below aims to compare the March risk matrix (Appendix 1, circulated) to the June risk matrix (Appendix 2, circulated) by seeking to highlight the impact the pandemic has had on the key business of Council.

<b>Risk</b>	<b>March Risk Register</b>	<b>June Risk Register</b>
1	Finance	Corona Virus
1b	Corona Virus	Finance
2a	ICT	ICT
2b	One Off Projects	Absenteeism
2c	Information Governance	Information Governance
2d	Tourism Infrastructure	Reputation
3a	Assets	Assets
3b	Health & Safety	Health & Safety
3c	Capital Projects	Fraud & Error
4a	Planning	Planning
4b	Staff Councillor (relationships)	Staff Councillor (relationships)
4c	Brexit	Brexit
4d	Absenteeism	One Off Projects
5	Reputation	Tourism Infrastructure
6	Recycling Targets	Recycling Targets
6b	Business Continuity	Business Continuity
7	Emergency Planning Incidents	Emergency Planning Incidents
8	Business Processes not Optimised	Business Processes not Optimised
9	Harmonisation of Terms & Conditions	Harmonisation of Terms & Conditions

Coronavirus is now the key risk for the Council in terms of the unknown longer term impact this will have on key services and the community as a whole. Finance remains the second key risk in relation to the ongoing financial sustainability with the loss of income and the additional costs the Council have incurred in relation to the pandemic.

Due to the number of whistleblowing incidents since a qualified Audit, Risk and Governance officer was appointed within the Council a risk of fraud and error has been added to the risk matrix. The risk has been categorised as medium.

## **Proposals**

Agreement of the selection of the changes as proposed in paragraph 2.1 to paragraph 2.3 to the Corporate Risk Register are presented to the Audit Committee for more detailed discussion and agreement

**It is recommended** that the Audit Committee notes the significant changes to the Corporate Risk Register.

- **Performance and Transformation Officer left the meeting at 9.17PM.**

In response to questions, The Audit, Risk and Governance Officer clarified 'Staff Councillor' was in relation to Staff/Councillor relationships.

The Audit, Risk and Governance Officer advised staff had brought a significant number of items of concern to her attention.

### **13. LEGAL CASES ACTIVITY**

Confidential report previously circulated, presented by The Director of Corporate Services to provide Members with an update on progress of legal cases and activity and first registration of Councils land and Property.

#### **Background**

The NIAO Report to those Charged with Governance (RTTCWG 2019) found that

*“Review of the minutes of Land and Planning Sub-Committee meetings and subsequent discussion with the Senior Accountant revealed that some 80% of the land and property owned by the Council has yet to be registered with Land and Property Services (LPS).*

*In addition, the Council does not hold title deeds to a number of sites including the Limavady, Portstewart and Coleraine Town Halls and the Joey Dunlop Leisure Centre in Ballymoney”*

and Recommended that

*“The Council should ensure that all land and property owned is registered with LPS”*

It was agreed that updates on progress would be presented to Land and Property Sub-committee.

#### **Progress as at June 2020**

Appendix 1 (circulated) detailed First Registration of Council Lands

Appendix 2 (circulated) detailed Registration of Council Car Parks

**It is recommended** that the Audit Committee notes the Registration of Council lands update.

Councillor P McShane requested the percentage of first registrations, pre-registered.

The Director of Corporate Services approximated 5-10% had been carried out and provided a timescale of up to 5 years for completion.

**14. WHISTLE BLOWING /FRAUD**

The Audit, Risk & Governance Officer provided a verbal update on one new matter; 3 cases provided to the March Audit Committee were still live.

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

There were no matters of Any Other Relevant Business.

**MOTION TO PROCEED 'IN PUBLIC'**

Proposed by Councillor Schenning  
Seconded by Councillor Anderson and

**AGREED** – to recommend that Committee move 'In Public'.

**16. DATE OF NEXT MEETING - WEDNESDAY 9 SEPTEMBER 2020**

Information.

The business concluded at 9.25PM.

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Chair