

**AUDIT COMMITTEE MEETING WEDNESDAY 21 SEPTEMBER 2022**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>1.</b>	Apologies	<b>Councillor P McShane</b>
<b>2.</b>	Declarations of Interest	<b>None</b>
<b>3.</b>	Minutes of Audit Committee Meeting held Wednesday 8 June 2022	<b>Taken as read and signed as correct</b>
<b>4.</b>	Northern Ireland Audit Office (NIAO)	
<b>4.1</b>	Draft Report to those charged with Governance 2021/22	<p><b>Accept the draft findings within the Northern Ireland Audit Office Report as presented by the Auditor, NIAO LGA (Local Government Auditor)</b></p> <p><b>to recommend that NIAO present at the next Audit Committee to go through the detail of the Extraordinary Report findings;</b></p> <p><b>to recommend that NIAO present to the Audit Committee as soon as possible; subject to availability within the Corporate Calendar</b></p>
<b>5.</b>	Finance	
<b>5.1</b>	Causeway Coast and Glens Borough Council Final Annual Accounts 2021/22	<b>Information</b>
<b>6.</b>	Internal Audit	
<b>6.1</b>	Audit Committee Terms of Reference Review	<b>Information</b>

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>6.2</b>	Internal Audit Charter Review	<i>Information</i>
<b>6.3</b>	Audit Committee Self-Assessment 2022/23	<i>Information</i>
<b>6.4</b>	Insurance Internal Audit	<i>Information</i>
<b>7.</b>	Internal Audit (Moore NI)	
<b>7.1</b>	Time Recording and Overtime	<i>Information</i>
<b>8.</b>	Direct Award Contracts	<i>Information</i>
<b>9.</b>	Prior Year Recommendations – Action Plan 2022/23	<i>Information</i>
<b>10.</b>	Matters for Reporting to Partnership Panel	<i>None</i>
<b>11.</b>	Correspondence	
<b>11.1</b>	NIAO National Fraud Initiative Report 2022	<i>Information</i>
<b>11.2</b>	NIAO Survey of Audited Bodies 2022	<i>Information</i>
	<b>IN COMMITTEE (Items 12-16)</b>	
<b>12.</b>	Internal Audit Co-sourcing Tender report	<b><i>To recommend that Council approve the appointment of Cavanagh Kelly and proceed with award of this contract for a period of 12 months commencing 11<sup>th</sup> October 2022 with an option to extend for four further periods of 12 months, subject to performance</i></b>
<b>13.</b>	Absence Report Quarter 1 2002/23	<i>Information</i>
<b>14.</b>	Corporate Risk Matrix	<i>Information</i>
<b>15.</b>	Legal Cases Activity	<i>Information</i>
<b>16.</b>	Whistle Blowing/Fraud	<i>Information</i>
<b>17.</b>	Any Other Relevant Business	<i>None</i>
<b>18.</b>	Date of Next Meeting – Wednesday 14 <sup>th</sup> December 2022 at 7 pm.	<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 21 SEPTEMBER 2022 AT 7.55 PM**

- In the Chair:** Alderman McKeown (C)
- Members Present:** Alderman S McKillop (C), McLean (C), <sup>1</sup>A McQuillan (C);  
Councillors Anderson (C), Beattie (R), Dallat O'Driscoll (R),  
Holmes (R), MA McKillop (R), McMullan (R), Peacock (R),  
Nicholl (R), Schenning (C), Storey (C), Wallace (C),  
Watton (C)
- Ind. Member Present:** L Mitchell (C)
- Officers Present:** M Quinn, Director of Corporate Services (C) Items 5-  
16  
A McPeake, Director of Environmental Services (R)  
Item 4.1  
  
D Wright, Chief Finance Officer (C)  
I Owens, Committee & Member Services Officer (C)
- In Attendance:** C Kane, Local Government Auditor, NI Audit Office (R)A Allen,  
Local Government Auditor, NI Audit Office (R)  
  
C Thompson, ICT Officer (C)  
C Ballentine, ICT Officer (C)  
A Lennox, ICT Mobile Operations (R)  
  
Press no  
Public no 1 (R)

**Key:** (C) = Attended in The Chamber  
(R) = Remotely in attendance

The Director of Corporate Services undertook a roll call.

The Chair apologised to the Committee for the late start due to the previous meeting which commenced at 6.30 pm and ran over.

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<sup>1</sup> Council Meeting held 4<sup>th</sup> October 2022, reconvened 10<sup>th</sup> October 2022, "The Chair advised Alderman McLean was not in attendance".

The Chair and advised Committee of its obligations and protocol whilst the meeting was being audio recorded; and with the remote meetings protocol.

## **1. APOLOGIES**

Apologies were recorded for Councillor P McShane.

## **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **3. MINUTES OF AUDIT COMMITTEE MEETING HELD WEDNESDAY 8 JUNE 2022**

Copy, previously circulated.

**AGREED** – that the Minutes of the Audit Committee meeting held Wednesday 8 June 2022 were taken as read and signed as correct.

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

### **4.1 Draft Report to those charged with Governance 2021-22**

Report, previously circulated, was presented by NIAO LGA (Local Government Auditor), the Local Government Auditor.

Director & Local Government Auditor advised that the report marks the conclusion of the annual audit of financial statements for 2021/22. Director & Local Government Auditor thanked the Director of Finance (Interim) and his staff for their assistance for the duration of the audit.

The NIAO representative provided commentary on the report previously circulated, as follows:-

- This is an unqualified audit opinion without modification and the proposed audit certificate is set out at Appendix 2 of tabled report.
- Financial statement identified a number of adjustments to be made to draft accounts totalling just over £1 million, details of which is contained within report, previously circulated.
- There are 4 Findings to report, 2 of which were Priority 1 recommendations which is down from 5 Priority 1 recommendations in previous year.
- The NIAO is required to report on proper arrangements for ensuring economy of efficiency and effectiveness and use of resources.
- The Audit is largely complete subject to a final check of accounts at agenda Item 5 however it is unlikely that findings will result in inability to approve signing off of accounts.

- Performance improvement audit report will be taken separately and reported on separately. A Section 95 report will be tabled at next Audit Committee meeting and issued on 30<sup>th</sup> November 2022, specific to this area.
- Page 2 - Audit approach will be changing next year (2022-23) and the NIAO will be in contact with Council in this regard.
- Page 3 – NIAO advised that the actions for Audit Committee is to review the draft findings set out within the report, the Draft Letter of Representation and the audit certificate
- Page 3 - There are no new matters to communicate re planned scope and timing of audit
- Regarding significant risks at planning stage and audit strategy, there was 1 significant risk identified regarding override of controls, no issues arose. As a result of testings of those transactions, no additional risk was identified in course of audit.
- Section 4 Findings From The Audit – Financial Reporting. There are a number of headings required to cover accounting policies-estimates and financial statement disclosures. There were no significant disclosures. In terms of Going concern, there was nothing to draw attention to. There were some narrative changes to remuneration report and annual report however these are not significant enough to warrant findings.
- **Finding 1 Priority 1** - Procurement. This is largely due to absence of Direct Award Contracts for a number of transactions selected for testing and categorised as Priority 1 as it is a repeat finding. Also Direct Award Contract for vehicle hire not yet awarded, which was previously raised a number of years ago as a priority.
- **Finding 2 Priority 1** - Expired leases detailed within the findings of the report.
- **Finding 3 Priority 2** - Proper arrangements. Previously Priority 1 around business continuity plan and asset management strategy.
- **Finding 4 Priority 2** - Review of income control at a number of Council sites, identified a number of common issues - cash security, reconciliations not signed off and lodgements not being made on a regular basis.
- For each of the above findings appropriate recommendations have been discussed with finance team.
- Page 9 – Prior Year Recommendations
- Page 10 – Set out audit adjustments discussed and agreed with finance team and those changes incorporated in accounts at Item 5
- No uncorrected statements to report
- Page 12 - Letter of representation required to be signed at same time as annual report and accounts. This is standard letter of

- representation apart from figures or circumstances specific to Council ie pension and landfill provision.
- Appendix 2 - Proposed Audit Certificate which is an unqualified audit opinion, without modification
  - Page 20 - Regarding extraordinary audit that report has been published and a number of recommendations for Council to take forward.
  - Appendix 3 – Sets out implementation of prior year 1 recommendations identified of which fewer points than in section 4
  - Procurement – This is a repeat Priority so Priority 1 in Section 4
  - Land Registration and Council Title - Findings from this year's audit reveal that amount of land unregistered down from 47% to 29% at end of Council year for Unregistered Land. Considering 80% in first instance when audited identified there is no formal recommendation as we see great work which is being undertaken by Council. NIAO will continue to review without formal recommendation.
  - Agency costs increased year on year – A lot of work continuing regarding the harmonisation of terms and conditions and managing use of agency cost evident so no need for a repeat recommendation around that.
  - Follow up of leases - As noted at Section 4 above.

The Independent Member said it was a pleasing report and particularly to note the unqualified opinion on Accounts for 2021/22 and congratulated the Director of Finance and his team.

She advised that, In terms of the draft report to those charged with governance – the Audit Committee is asked to consider the findings and approve the draft letter of report and audit certification, and aware of the Extraordinary Audit which includes recommendations, the Independent member asked why there was no reference to this within the report in terms of internal controls. The Independent Member suggested there should be at the very least brief commentary.

Director & Local Government Auditor said the Extraordinary Audit was undertaken by the Direction of the Minister and NIAO would be monitoring the implementation of the recommendations, but this report is reflecting the Audit Office findings in terms of financial statements, and would be deemed inappropriate to have commentary relating to this incorporated. Director & Local Government Auditor confirmed the Certificate which will be signed next week will refer to the Extraordinary Audit as having taken place with recommendations therein.

The Independent Member felt there should be a note within the report referring to the Extraordinary Audit and said she understood the draft Letter of Representation which will be signed by the Chief Executive does not make any reference to the Extraordinary Audit. The Independent

Member further commented the letter should be expanded by a sentence to recognise that that is an Extraordinary Audit taking place which is dealing with a range of issues.

Director and Local Government Auditor felt that there was reference within the governance statement, which is part of the accounts, which is signed off by Chief Executive, and this was sufficient and assured this issue was being taken seriously and taken forward by Council.

The Independent Member referred to the two Priority 1 Finding in relation to Procurement with emphasis on Direct Award Contracts, commenting that a report was tabled at every Audit Committee but that it did not reflect the size of the Council and considered there was a weakness in Council in terms of identifying opportunities for Direct Award Contracts. The Independent Member suggested that Management could carry out Procurement training for Managers so they are aware of when they should raise a Direct Award Contract.

In the response, the Chief Finance Officer explained that Council had recruited a Procurement Officer and steps were being taken to reinforce procedure and policy around awarding of Direct Award Contracts. The Chief Finance Officer explained that Direct Award Contracts were a last resort and that he would not expect to see a large number of these as it may indicate an issue elsewhere in finances. The Chief Finance Officer advised that communication will take place with Officers involved in Procurement to advise of the relevance of Direct Award Contracts now that Council were in a position to scrutinise this better.

Councillor Holmes enquired as to why the NIAO Extraordinary Report had not been tabled and why NIAO had not come along to go through with Elected Members the detail within the Extraordinary Audit Report and recommendations, referring to the cost and timescale incurred and since the findings were published.

The Director of Corporate Services advised she was not in a position to comment on the findings of the Extraordinary Audit but the Director of Environmental Services was in the meeting and may wish to answer the Member's question. The Director of Environmental Services advised NIAO were best placed to deal with the matter.

The Director of Environmental Services felt it was a matter for the NIAO to answer and confirmed that it was agreed by Council how to manage actions through Special meetings of Council.

Director and Local Government Auditor said the status of audit was unique as it was directed by the Minister for Communities, therefore the reporting line was direct to the Minister for Communities. Director and Local Government Auditor advised the report was circulated to the Minister of Communities, Causeway Coast and Glens Borough Council and Elected Members.

Director and Local Government Auditor said that a decision was made to allow Council space to develop an Action Plan which was sent back to the Department which was the right and proper course of action and confirmed NIAO had facilitated and completed the Audit, the outworkings of which, at this stage, were quite far advanced and that she could see no benefit from going through the report again, saying there was an expectation that everyone understood the actions within the report.

Alderman A McQuillan felt it was imperative the NIAO went through the report with Elected Members to aid understanding, as the document was left with Council to manage the outworkings.

At the request of Alderman A McQuillan, in relation to how many times the report had been issued to the Minister, the NIAO representative confirmed the report had been sent directly to the Minister for Communities on completion, with no influence from the Minister or further amendments made whatsoever, and further confirmed no changes were made at the Minister's request.

Proposed by Councillor Holmes  
Seconded by Alderman A McQuillan

-to recommend that NIAO present at the next to Audit Committee to go through the details of the Extraordinary Report findings.

Councillor Peacock said that she expected NIAO to take Council through the report at full Council when the report was published and the findings were first reported and not now that a Panel had been set up. Councillor Peacock said that Elected Members could have benefited from some more assistance, had the request been more timely said she recognised that some of the content was beyond Elected Members' area of expertise.

The Chair put the proposal to the Committee to vote.  
8 Members voted For; 7 Members voted Against; 0 Members Abstained  
The Chair declared the Motion Carried.

Proposed by Councillor Anderson  
Seconded by Alderman S McKillop and

AGREED - to recommend that NIAO present to Audit Committee as soon as possible subject to availability within the Corporate Calendar.

The Chair put the proposal to the Committee to vote.  
8 Members voted For; 7 Members voted Against; 0 Members Abstained  
The Chair declared the Motion carried.

## **5. FINANCE**



## 5.1 Causeway Coast and Glens Borough Council Final Annual Accounts 2021/22

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

### **Purpose of Report**

The purpose of this report is to present the draft annual accounts for Causeway Coast and Glens Borough Council for the financial year ended 31 March 2022 for consideration. Final accounts will be presented for approval at the special Council meeting on 26 September.

### **Background**

Councils and other public bodies are required to prepare and submit to the Department for Communities (DfC) by 30 June each year their annual accounts for the previous financial period. I am pleased to report that Council complied with this requirement.

### **Detail**

Attached as an appendix, previously circulated, is a copy of the Annual Statement of Accounts for Causeway Coast and Glens Borough Council, previously circulated.

The main figure members will be interested in can be found in being the Movement in Reserves statement which details an in-year movement in the General Fund Summary of a decrease of £26k giving a carrying total of £4,505k. Under regulation we are recommended to carry a minimum fund balance in the range of 5% to 7.5% of our Net Operating Expenditure (£57,064k) which translates into a recommended balance between £2,853k and £4,280k. Causeway Coast and Glens Borough Council is in compliance with these limits. In the same period other useable reserves have increased by £5,391k to £17,485k enhancing Council's healthy reserve position.

A more detailed report will be presented to full Council for the approval of the accounts, this report allows audit committee a first look at the annual accounts in conjunction with Northern Ireland Audit Office reports to demonstrate that the proper accounting procedures and guidance has been followed in their preparation.

The Chief Finance Officer advised that following on from report to those charged with governance that the draft accounts was tabled for information only with no decision required. The Chief Finance Officer advised that approval of accounts was tabled for Special Council meeting scheduled for Monday 26th Monday September taking into account Letter of Representation and Report to those Charged with Governance.

The Chief Finance Officer highlighted the following from the report for an insight to Elected Members:-

- General fund decreased by £26,000 giving a carrying value of £4.505 million
- Regulation is range between 5 % and 7.5 % of net operating expenditure
- Recommended balance of £2.85 million and £4.28 million so Causeway Coast and Glens is compliant and within the limits
- Other usable reserves increased by £5.39 million to £17.485 million as mentioned earlier in Special Council meeting.
- More information will be available at Special Council meeting once Audit Committee have had sight of report in first instance. Proper accounting procedures and guidelines have been followed in the provision of these accounts and they are ready for consideration and certification.

The Independent Member congratulated the Chief Finance Officer and the Finance team on the completion of accounts saying it was good to have an unqualified opinion and achieve financial targets.

The Chief Finance Officer said he would pass on the Independent Member's comments to staff and thanked her.

At the request of the Independent Member, the Chief finance Officer explained the reason for the increased cash flow from £11 to £18 million was due to the Cash position that had improved over last couple of years. He advised that during the pandemic there was increased funding for Local Government and a positive finalisation of rates income by way of a rates support grant. That these factors had contributed to cash balance and usable reserves and general fund reaching up to £17M.

The Chief Finance Officer said he was aware of pressures coming in saying he was not sure how next year would emerge.

**\*Alderman S McKillop left the meeting at 8.35 pm**

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

### **6.1 Audit Committee Terms of Reference Review**

For information report, previously circulated, was presented by the Director of Corporate Services on behalf of the Audit Risk and Governance Manager who was not in attendance.

#### **Purpose of Report**

The purpose of this report is to seek Members approval on the annual review of the Terms of Reference for Audit Committee – attached at Appendix 1, previously circulated.

#### **Background**

In line with good practice, the Terms of Reference for the Audit Committee should be reviewed on a regular basis, to ensure they remain effective, reflect best practice and align with CIPFA guidance.

The last update of the Terms of Reference was December 2021.

### **Key Issues**

The Audit Committee Terms of reference were scrutinised and no updates were required to ensure that Council remain compliant with CIPFA best practice.

### **Recommendation**

It is recommended that the Audit Committee notes the annual review of the Terms of Reference for the Audit Committee.

The Director of Corporate Services said that it was best practice to review the Terms of Reference of the Audit Committee annually with the last update taking place in December 2021. No changes have been required since that date and the Terms of Reference remained compliant with CIPFA best practice.

Councillor Storey wished to obtain clarity in terms of the membership of the committee referring to paragraph 23 quoting that there were 16 members and 1 CIPFA qualified individual. Councillor Storey asked if it was normal practice to have this ratio suggesting that it seemed somewhat light in terms of overall composition given the size of Council.

The Director of Corporate Services said that some Council's have appointed a second Independent Member given the volume of work and said she was thankful for the work of the Independent Member, that Elected members could consider the matter going forward should they wish to appoint an additional resource in that area.

Councillor Storey asked for direction on the suggested timeline for giving the matter consideration and the Director of Corporate Services advised the Terms of Reference could be tabled at the Committee any time and it would be prudent on commencement of the new Council Term in May with Elected Member agreement.

## **6.2 Internal Audit Charter Review**

For information report, previously circulated, was presented by the Director of Corporate Services.

### **Purpose of Report**

The purpose of this report is to seek Members comments and approval on the Internal Audit Charter – attached at Appendix 1, previously circulated.

### **Background**

The Public Sector Internal Audit Standards requires Internal Audit Sections to review and update the Internal Audit Charter on an annual basis. The Internal Audit Charter describes the purpose, authority, and responsibilities of the Council's Internal Audit Section.

### **Key Issues**

The Audit Charter has been reviewed and there are no amendments required as they are compliant with CIPFA best practice guidance.

### **Recommendation**

It is recommended that the Audit Committee notes and approve the annual Internal Audit Charter.

The Director of Corporate Services said the Report for 2022/23 looked at internal audit charter in Council and public sector and internal standards required to update to the charter annually. No changes were required and was compliant with CIPFA.

## **6.3 Audit Committee Self-Assessment 2022-23**

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

### **Purpose of Report**

The purpose of this report is to seek Members comments and approval on the annual self-assessment exercise of the effectiveness of the Audit Committee completed by Elected Members via a Survey Monkey. Attached at Appendix 1, previously circulated.

### **Background**

Similar to previous years, the Audit Committee are required to assess their effectiveness annually in line with best practice. For 2021/22 this Committee reviewed and considered the National Audit Office checklist that can be used to consider the effectiveness of the Audit Committee. For the 2022/23 the Committee were asked to consider the Self-assessment of good practice that incorporates the key principles set out in CIPFA's Position Statement and Guidance. Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the committee is soundly based and has in place a knowledgeable membership.

Members were circulated a survey monkey to complete with the CIPFA self-assessment questionnaire attached (Appendix 1, previously circulated) for comments and to consider responses.

### **Key Issues**

From the 16 audit committee Members circulated, four responses were received representing 25% of the total Committee.

The Committee can take assurance from the number of good practice questions that we have been able to answer 'yes' demonstrating that the Audit Committee is operating effectively. However, having reviewed the completed the self-assessment checklist, the following recommendations to build the effectiveness of the Committee are tabled for Member's consideration:

75% of the respondents answered partly or no to the question 'Has the committee evaluated whether and how it is adding value to the organisation? And 50% of the respondents answered partly to 'Does the committee have an action plan to improve any areas of weakness. As a result of these responses, it is proposed that a performance report will come back to the Committee on an annual basis.

### **Recommendation**

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

The Director of Corporate Services said it was agreed at the Audit Committee to undertake the survey on this occasion instead of a checklist. Actual self-assessment was undertaken via survey monkey in compliance with best practice and survey results yielded only 4 responses from the Audit Committee which she advised was disappointing but gave a platform to grow and develop going forward. The Director of Corporate Services felt that with the guidance of Internal Auditor and development of the questionnaire, Council could do better with engagement with Audit Committee Members as she agreed that some areas were technical in nature.

## **6.4 Insurance Internal Audit**

For information report, previously circulated, was presented by the Director of Corporate Services on behalf of Audit and Risk Governance Manager who was not in attendance.

As part of internal audit plan agreed for 2022/23 the Director of Corporate Services summarised the findings from internal audit for Insurance. There were 2 Priority 2 recommendations and 2 Priority 3 recommendations resulting in satisfactory level of assurance for insurance function for Council.

All 4 have been agreed with implementation process ranging from Nov 2022 to Apr 2023 and review of proposal and assurance of reporting of insurance performance programme.

The Independent Member said it was good to see report given a Satisfactory level of assurance, however, would like to highlight section 6.2

and how insurance cover had increased to over £1 million in 2021/22 an increase of 40% over a 2 year period.

She advised that given the level of significant increase year on year recommendation it was good to consider Council self-insuring elements of insurance given the extent of the increase year on year.

The Director of Corporate Services said that claims history and whether they had been successful or not was currently being considered as well as looking at and trying to reduce the premium.

## **7. INTERNAL AUDIT (MOORE NI)**

### **7.1 Time Recording and Overtime**

For information report, presented by Director of Corporate Services who advised that Moore NI are no longer Council's internal audit co-sourcing partner.

The Director of Corporate Services advised of the findings:-

- 4 Priority 2 and 2 Priority 3 arising from report with a limited level of assurance.
- Of the recommendations made 3 will be completed by January 2023 and further 3 by November 2022
- 6 recommendations straddle Human Resources and Pensions/Payroll department and Council are mindful given the limited level of assurance that recommendations are implemented in next 3-4 months.

Councillor Storey questioned that there was no Council guidance on monitoring of overtime and time recording.

The Director of Corporate Services advised there are informal arrangements in place and these needed to become formalised policy and procedures via Trade Unions and Council. Some overtime occurs regularly at the week end on a regular basis ie street cleaning and bank holiday cover. Overtime outside of that needed to be included in one Council wide Policy.

Councillor Storey asked how Council were dealing with the practicalities of time recording for people working from home.

The Director of Corporate Services advised that Managers managed staff working from home carrying out a 9-5 job that individuals were working from their desk at home as an alternative to being in the office undertaking the same job with same productivity. She advised behind this sits the new Agile Working Policy recently implemented.

The Independent Member said it was very disappointing that internal audit report gives an impression of casual approach to overtime, timesheets and

Time Off in Lieu and took reassurance that Audit Committee action identified will be taken forward quite quickly. The Independent Member said she looked forward to next year and seeing internal audit revisit the recommendation to follow through on implementation.

## **8. DIRECT AWARD CONTRACTS**

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

### **Background**

Causeway Coast and Glens Borough Council approved an updated Procurement Policy in March 2021.

### **Detail**

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, previously circulated, should be fully completed by the member of staff requesting the contract award.

Once completed, this document will require authorisation from the Senior Management Team before proceeding to the relevant committee for consideration. Upon agreement from the Council the staff member should contract the procurement officer to assist with the contract award to the chosen supplier.

## **DAC Approvals**

The purpose of this short report is to inform members of those DAC's which have been approved since 1 January 2021 and these are listed below, it should be noted that none of these required Council approval at the point of award.

## **9. PRIOR YEAR RECOMMENDATIONS – ACTION PLAN 2022/23**

Report, previously circulated, was presented by the Director of Corporate Services who advised that this report was a follow on from Audit report tabled at the June Committee meeting.

### **Introduction**

The purpose of this report is update Members in terms of Progress on Prior Year Recommendations, following the Report to Audit Committee by Moore NI in June 2022.

### **Background**

The Internal Audit Report – Review of Prior Year Recommendations was presented to Audit Committee in June 2022. The report summarised the findings arising from a review of the progress made by CCAG in implementing the prior year internal audit recommendations made as a result of internal audits carried out in 2020/21. This report also included a review of all internal audit recommendations made in 2016/17, 2017/18, 2018/19 and 2019/20 which were being addressed (or had not been addressed) at the time of the previous review of recommendations (in June 2021).

As at September 2022 – progress since June 2022, on Internal Audit Recommendations up to Year-End 2021. Appendix 1, previously circulated, provides further details in terms of progress.

The Director of Corporate Services referred to table E summary of a number of recommendations for a number of years as at year end 2021 and the table below which illustrated progress since June 2022 on these outstanding recommendations. Of these, 16 have been addressed, and further 28 being addressed, with 2 not being addressed and an overlap on the bottom 2.

The Director of Corporate Services stated the process for monitoring and reviewing these was currently under review and advised of the direction of travel which was the matter being tabled at December Council Meeting. This will provide detail of every recommendation from every Audit up to 2022 and will log all audits in one place with a master schedule highlighted in red, amber and green. To focus on outstanding recommendations and this was being reviewed by Senior Leadership Team quarterly but being changed to monthly. She advised a lot will be addressed in the very near future and there was a lot of work going on in this regard.



## 10. MATTERS FOR REPORTING TO PARTNERSHIP PANEL

There were no matters for reporting to the Partnership Panel.

## 11. CORRESPONDENCE

### 11.1 NIAO National Fraud Initiative Report 2022

Correspondence, previously circulated, was presented by Director and Local Government Auditor.

Director and Local Government Auditor. explained that as part of the national fraud initiative this was carried out every 2 years with Council being a mandatory part of this process with £44M fraud being averted this year, although actual figures for current year have decreased primarily due to Covid. She advised that figures were decreasing because people were aware that data matching is being done and less inclined to take opportunities. The bigger part of fraud is from blue badges, housing benefit and other participants although Council contribution is key due to provision of payroll, pension and creditors.

### 11.2 NIAO Survey of Audited Bodies 2022

Correspondence, previously circulated, was presented by Director and Local Government Auditor. who advised that Survey is undertaken annually with audited bodies which includes Causeway Coast and Glens Borough Council.

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

Proposed by Councillor Anderson  
Seconded by Councillor Watton

**AGREED** - to recommend that Council move '*In Committee*'.

\* **Press were disconnected from the meeting at 8.40pm.**

***The information contained in the following item is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.***

## 12. INTERNAL AUDIT CO-SOURCING TENDER REPORT

Confidential report, previously circulated, was presented by the Chief Finance Officer on behalf of Audit, Risk and Governance Manager who was not in attendance.

### **Purpose of Report**

To inform members of the committee of a procurement exercise conducted to engage with Internal Audit service suppliers

### **Background**

A tender exercise was conducted to engage with a supplier of internal audit services as the previous contract expired.

The previous audit co-sourcing arrangement expired in June 2022, no mechanism to extend, or negotiate with the previous supplier, Moore NI was available as the previous contract period had been concluded, it was necessary to initiate the procurement process to let a new contract.

The tender exercise was run from 14<sup>th</sup> July to 12<sup>th</sup> August 2022 using Councils online tendering system eSourcing, six suitably qualified suppliers who are registered on the portal had been invited via eSourcing to participate during the process, five of which declined to participate.

One supplier submitted a tender, Cavanagh Kelly, this submission was checked for completeness and compliance with the requirements of the tender before being assessed in accordance with the scoring criteria, the response was fully compliant with the specification required.

The tender submission by Cavanagh Kelly was subsequently reviewed and scored by the panel on 16<sup>th</sup> August.

Stage One of the selection process which was an experience based criteria was met with a pass in both internal audit and corporate governance investigations.

Stage Two of the process was a price methodology, as only one tender was submitted an automatic score of 60% was awarded, methodology was a maximum score of 40%, Cavanagh Kelly provided a response that warranted a maximum score of 40% as set out, Excellent, clear, concise and comprehensive response that addressed all the aspects of the methodology criteria.

### **Financials**

Cost to Council per annum is £41,150, this contract is initially a 12 month contract with the potential to be extended by four separate 12 months periods if the supplier has been deemed to provide a quality service.

Maximum cost if all extension periods are activated is £205,750 over the potential life of the contract.

### **Recommendation**

It is recommended that Council approve the appointment of Cavanagh Kelly and proceed with award of this contract for a period of 12 months commencing 11<sup>th</sup> October 2022 with an option to extend for four further periods of 12 months, subject to performance.

Councillor Holmes questioned the reasoning for 5 companies dropping out of the competition. The Chief Finance Officer said that the company would not be asked why they wished not to compete. unless the reason was offered.

Proposed by Councillor Schenning  
Seconded by Alderman A McQuillan and

AGREED – to recommend that Council approve the appointment of Cavanagh Kelly and proceed with award of this contract for a period of 12 months commencing 11<sup>th</sup> October 2022 with an option to extend for four further periods of 12 months, subject to performance.

The Chair put the proposal to the Committee to vote.  
13 Members voted For; 0 Members voted Against; 0 Members.  
The Chair declared the Motion carried.

### **13. ABSENCE REPORT QUARTER 1 2022/23**

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

#### **Purpose of Report**

The purpose of this report is to provide Members with Quarter 1 (1 April 2022 to 30 June 2022) information regarding Absenteeism throughout the Council.

#### **Background**

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

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

#### **Performance Improvement 2022/2023**

##### **Progress to date – Quarter 1 (1 April 2022 – 30 June 2022)**

#### **Outputs**

Council's newly revised Sickness Absence Policy came into effect on 1 July 2020.

Line managers and employees have been trained on the new policy (total 392 employees).

Further sessions have been facilitated in September 2022, to ensure any new employees / managers have received training.

Work is ongoing with stakeholders to identify and agree further measures to support employees such as access to private Health Care, access to specific treatments, health insurance etc.

Since COVID-19 Occupational Health appointments are mostly conducted by telephone, however face to face appointments can be arranged, if required.

Councils' highest reason for sickness absence is the Sickness Category including conditions such as stress, depression, mental health, bereavement and fatigue syndrome. However, it is noted there is increase of 440 days from the 2021/22 figures (See Table 4 for further analysis). Employees who are absent due to a stress or a stress related absence are referred immediately to Occupational Health so that interventions can be put in place at an early stage. Employees are also reminded of the counselling services provided by Inspire. Additionally, Council continues to fund more in-depth counselling services, such as CBT as recommended by Occupational Health.

In Quarter 1, 25 counselling sessions were accessed by employees.

Councils Health and Well Being Working Group organised a Team Golf Event in June 2024.

Councils Health and Well Being Working Group are currently planning Health Checks for the Depot staff in November 2022. This will include some key checks such as blood pressure and cholesterol checks.

ODHR have now implemented the **Staywell** Well Hub which is a regional Local Government initiative to support wellbeing and has supported by a training programme for employees.

ODHR work closely with the PR department providing wellbeing content for the weekly Staff News, covering a variety of topics in relation to general health and wellbeing including Mental Health.

Council is mindful of the unique and difficult time we are working in and have been providing practical advice and solutions for staff who continue to work from home. Further details provided in Section 6.

### **Target Outcomes**

A 2.75% reduction in the number of days lost to Council through long term sickness

A 2.5% reduction in the average number of days lost per employee through sickness absenteeism

We will maintain the average time for an Occupational Health Review from 4 weeks to 2 weeks.

Tables, previously circulated included:

Quarter 1 Performance Against Targets

Analysis of Absenteeism Data

Top 5 reasons for Absence

Analysis of Stress and Stress Related Absences

## **Mental Health and Wellbeing Strategy and Action Plan**

The Council have been involved in the development of a Mental Health and Wellbeing Strategy and Action Plan. This Strategy has been developed to guide the work of the Local Government in the longer term, and to focus on the action plan for 2020 - 2023. The Vision for the Strategy is based on the acronym **ASK**:

### **Accept**

One of the key messages to come out of the consultation was the need to accept that anyone at any level in Councils and the NIHE can have poor mental health, and to work towards a culture where mental health can be discussed openly. As organisations, we need to demonstrate a visible commitment to mental health in the workplace by providing an environment where individuals feel accepted and safe to speak openly about mental health including their personal experiences.

### **Support**

The Group seeks to ensure that individuals in Councils and the NIHE feel supported in relation to their health and wellbeing and that, if they are experiencing poor mental health, they know how and where to access support.

### **Knowledge**

Mental health is about wellness rather than illness and is not merely the absence of a mental health condition. Mental health exists on a continuum, or range: from positive, healthy functioning at one end through to severe symptoms of mental health conditions at the other. The Group seeks to support individuals at all levels in Councils and the NIHE to have access to the knowledge and tools to support anyone experiencing poor mental health and create healthy workplaces.

### **Support provided to Staff during year – COVID arrangements**

- Flexible working arrangements available such as parental leave, special leave, annual leave, toil and flexi
- Encouraging staff to have breaks during the day and to take annual leave
- Importance of regular staff contact/communication using methods such as WhatsApp, MS Teams, Phone calls, Staff Newsletter
- Initiatives from Inspire
- Health and Well Being Groups Walking Challenge
- Regional Well Being initiatives such as 'One Billion Steps'
- Stress Control Classes through Health Trusts delivered by professionals offering suggestions/advice/support, and providing staff time to attend same
- Supervisors and Managers applying practical and sensible solutions, managing workloads and priorities, whilst delivering services, mindful of public and expectations
- The Agile Working Policy has been approved by Council and will be implemented from 19 September 2022.

- A programme of training has been delivered to managers and staff with 84 managers attending, and 210 staff attending.

This quarterly report will continue to be provided to Audit Committee.

**Recommendation:**

It is recommended that Council notes the report presented.

The Director of Corporate Services advised the report covered the quarter for April to June which includes outputs, figures and statistics and provided the following narrative:-.

- Council below target in 1<sup>st</sup> quarter of this year due to long term sickness absence which is having a detrimental impact on figures and targets;
- Long term absence overall is an issue with 84% of employees not absent but of the 16% of employees absent the majority are long term;
- There are less employees in Council since 2015 so ratios make sickness higher;
- Long term absence continues to be a challenge and there is a reliance on consultants and occupational health to give appropriate guidance in this regard;
- Average age of an employee at this time is age 50 with 15/16% over the age of 60;
- There is more long term absence in the 50+ age bracket which includes those with muscular skeletal and stress related health issues and in terms of long term absence this continues to be a challenge.

In response to queries from members, the Director of Corporate Services provided further information on ill-health retirement, including Policies and Procedures, statistics, range of ill-health factors, costs and impact, age profile, pro-active and re-active measures, initiatives and programmes.

The Director of Corporate Services advised that the Staff Newsletter was issued weekly, a copy provided to Elected Members and referred to the StayWell Hub being reinstated in addition to the support available to staff via local government and Inspire. The Director of Corporate Services said that regular reports detailing uptake in terms of assistance provided is sent to Council for consideration.

#### **14. CORPORATE RISK MATRIX**

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

The Director of Corporate Services provided a summary highlighting the top 3 risks identified in the quarterly update illustrated by a traffic light system ie red, amber and green.

The Director of Corporate Services said that Compliance and Regulation in relation to the Extraordinary Audit, Finance and Compliance and Regulation around GDPR, Governance issues, Section 75 and Health and Safety were categorised as red.

Further risks were identified around cyber security, maintenance and realisation of Council assets.

The Director of Corporate Services said there were further details within the report and welcomed feedback on the level of risks identified or questions from Elected Members.

## **15. LEGAL CASES ACTIVITY**

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

### **Purpose of Report**

The purpose of this report is to identify potential future liabilities and areas of concern and provide Members with a Quarterly update on the Legal cases activity, which are being dealt with “in-house” including the number of active legal cases, split between Directorate, the number of new cases, and the number of closed cases.

The table, previously circulated, provides information on number of cases open and closed across the service areas during the period 21/05/2022 – 31/08/2022.

The above figures do not include First Registrations (Appendix 1, previously circulated) and Car Parks (Appendix 2, previously circulated), General advice sought from the Legal Services Team and Legal cases which are being dealt with by External providers.

### **Recommendation**

It is recommended that Audit Committee note the Legal Cases Activity Report

The Director of Corporate Services explained the report highlighted the number of cases by directorate August 2022 there were 23 open cases in the following directorates:-

Environmental Services; Leisure and Development; Corporate, Policy and Resources; Finance; Planning; Land and Property.

The Director of Corporate Services advised that a number of cases had closed in last quarter, that further reporting regarding First Registration and Council carparks was reported to Land and Property on a quarterly basis.

**16. WHISTLE BLOWING/FRAUD**

A verbal updated was provided by the Director Corporate Services.

The Director of Corporate Services said there was no update at this time, however the Audit Risk and Governance Manager had received some concerns which were being dealt with and an update will be received at the December Audit Committee meeting.

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

None

**18. DATE OF NEXT MEETING**

The date of the next meeting is Wednesday 14<sup>th</sup> December 2022 at 7 pm.

**MOTION TO PROCEED ‘IN PUBLIC’**

Proposed by Councillor Schenning  
Seconded by Councillor Anderson and

**AGREED** – that Audit Committee move ‘*In Public*’.

This being all the business, The Chair thanked those in attendance and the meeting concluded at 9.30pm

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Chair