



**AUDIT COMMITTEE MEETING WEDNESDAY 9 DECEMBER 2020**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
3.	Minutes of Audit Committee Meeting 9 September 2020	<b>Confirmed</b>
4.	Northern Ireland Audit Office (NIAO)	
4.1	2019-20 Interim Report to Those Charged with Governance	<b>The Chief Executive be allowed to recruit an interim Finance Director to head up Council's Finance department, until the personnel issues are resolved and the PWC organisation structure review is completed</b>
5.	Internal Audit (Causeway Coast and Glens Borough Council)	
5.1	Quarter 3 Internal Audit Plan 2020-21	<b>Information</b>
5.2	Appointment of Raising Concerns Champions	<b>Information</b>
5.3	Raising Concerns Report and Policy	<b>Approve the Raising Concerns Policy</b>
6.	Internal Audit (Moore NI)	
6.1	Corporate Health & Safety	<b>Note</b>
6.2	Performance Improvement 2018/19	<b>Note</b>
6.3	Human Resources – Use of Agency Staff	<b>Note</b>
7.	Direct Award Contracts	<b>Information</b>
8.	Report to Those Charged with Governance - Progress report December 2020	<b>Information</b>
9.	Absence Report Months 1-6 2020/2021	<b>Note</b>

No	Item	<b>Summary of key Recommendations</b>
		<b>The Director of Corporate Services agreed to invite Inspire to present to the next Audit Committee Meeting</b>
10.	Matters for Reporting to Partnership Panel	<b>Nil</b>
11.	Correspondence	
	11.1 NIAO Procurement Fraud Guide	<b>Information</b>
	11.2 DFC Ministerial Direction re Extraordinary Audit	<b>Information</b>
12.	Corporate Risk Review with Corporate Risk Matrix	<p><b>to recommend that Council notes and approves the changes to the Corporate Risk Register.</b></p> <p><b>The Director of Corporate Services agreed to bring a report on the Risk associated with Brexit.</b></p> <p><b>The Audit, Risk and Governance Officer agreed to consider the Risk associated with Climate challenges.</b></p>
13.	Legal Cases Activity	<b>Information</b>
14.	Whistle Blowing /Fraud	<b>Information</b>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF  
THE AUDIT COMMITTEE  
HELD IN COUNCIL CHAMBER CIVIC HEADQUARTERS AND VIA VIDEO  
CONFERENCE ON  
WEDNESDAY 9 DECEMBER 2020 AT 7PM**

**In the Chair:** Councillor Holmes, Vice-Chair

**Members Present:** Alderman Robinson (R), McKeown (C), S McKillop (R);  
Councillors Anderson (R), Beattie (R), Callan (R),  
Dallat O'Driscoll (R), MA McKillop (R), McMullan (R)  
McQuillan (C), P McShane (R), Nicholl (R) Peacock  
(R) and Schenning (R)

**Ind. Member Present:** L Mitchell (R)

**Non-Committee**

**Member In Attendance:** Alderman Duddy (R)

**Officers Present:** M Quinn, Director of Corporate Services  
A McPeake, Director of Environmental Services (R)  
A Ruddy, Audit, Risk & Governance Officer  
P Donaghy, Democratic & Central Services Manager (R)  
S Duggan, Civic Support & Committee and Member Services Officer  
(C)

**In Attendance:** C Kane, Director, NI Audit Office (R)  
C McHugh, Internal Auditor, Moore (NI) (R)  
  
J Winfield, ICT Operations Manager (C)  
C Thompson, ICT Officer (C)  
  
Press (1no.) (R)  
Public (1no.) (R)

**Key:** (R) = Remotely in attendance

**SUBSTITUTION**

Councillor Callan substituted for Councillor Wallace

**1. APOLOGIES**

Apologies recorded for Councillor Wallace.

## **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **3. MINUTES OF AUDIT COMMITTEE MEETING 9 SEPTEMBER 2020**

Summary minute, previously circulated.

The Minutes of the Audit Committee Meeting held 9 September 2020 were confirmed as a correct record.

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

### **4.1 2019-20 Interim Report to those charged with Governance**

Report, previously circulated, presented by C Kane, NIAO.

C Kane reported on the status of the Audit, she stated the audit was on-going. On 30<sup>th</sup> November 2020 the Minister for Communities directed the Local Government Auditor to hold an extraordinary audit of Causeway Coast and Glens Borough Council, concentrating on land disposals and easements and related asset management policies and procedures. The Local Government Auditor decided that certification of the 2019-20 financial statements will not take place by 31<sup>st</sup> December 2020 as planned, pending assessment of the Minister's request. To date, NIAO have identified eight priority one recommendations in relation to the internal control environment. Two priority two and three priority three recommendations. C Kane wished to give Members an overview as the Financial Audit was so advanced.

C Kane drew Committee's attention to Audit Findings and Recommendations:

#### **Draft Annual Financial Statements and backup documentation (Finding 1)**

*The Council formally submitted draft Annual Financial Statements to the Department for Communities (DfC) and the Northern Ireland Audit Office (NIAO) on 7<sup>th</sup> August 2020. However, a revised set of accounts, which included client adjustments, was subsequently passed to the audit team on 30<sup>th</sup> August 2020, prior to the audit commencing. There was little evidence that either draft of the accounts had been reviewed prior to submission. As a result a significant number of amendments were required to the accounts, in terms of narrative changes and financial adjustments.*

Recommendation

*The Council should ensure that the Finance team is suitably resourced*

*to enable a thorough review of the accounts before they are submitted to audit.*

*Significant issues, which are to be adjusted in the final accounts, included:*

*Creditors and debtors were both overstated by £1.2m as the general ledger had been kept open for April 2020 payments. Certain payments made in the month were incorrectly disclosed as prepayments in the 2019-20 draft accounts.*

**Recommendation**

*The Council should ensure its procedures are updated to prevent recurrence of the issues identified during the 2019-20 audit.*

*Whilst acknowledging the impact of the Covid- 19 pandemic and reduced resources in the senior Finance team, there were significant delays in the provision of audit information. For example, information requested in March 2020 was not provided until August and later.*

**Recommendation**

*Council staff should be reminded that all audit requests should be dealt with in a prompt manner.*

*In addition, Council staff were unable to provide a suitable explanation and documentary evidence of how the £40k accrual for legal expenses included in the accounts had been derived. Documentation issues were also identified in relation to Procurement and Prompt Payments (see points 7 and 13 below).*

**Recommendation**

*Sufficient documentary evidence should be obtained and retained for all accounting entries and transactions.*

## **Agency Costs (Finding 2)**

*In previous years' audits we noted that the Council has significant spend in relation to Agency staff. In 2019-20, these costs accounted for 33% of the total wage bill compared with 31% in 2018-19.*

*Council agreed with our recommendation in the 2018-19 Report to those Charged with Governance (RTTCWG) that it should identify its permanent staff requirement and commence recruitment as appropriate. We note Agency staff costs had increased by 7% from £7.3m in 2018-19 to £7.8m in 2019-20.*

**Recommendation**

*Council should identify its permanent staff requirement and commence recruitment as appropriate as soon as possible.*

### **Land Registration (Finding 3)**

*In the 2018-19 RTTCWG we advised that 80% of the land and property owned by the Council had yet to be registered with Land and Property Services (LPS).*

*We note an additional staff member has been recruited to address this issue, appropriately, however 50% of the Council's land and property has still not been registered.*

#### **Recommendation**

*Council should ensure that all land and property owned is registered with LPS as soon as possible.*

### **Leases (Finding 4)**

*Our review of leases identified that: two rent reviews were outstanding; three leases had expired at year-end; and a further six leases due to expire after the financial year-end, had not been renewed. Similar issues were identified in the 2018-19 RTTCWG and the Council agreed to allocate sufficient resources to ensure that rent reviews and leases renewals were dealt with as soon as they are due.*

*Similar issues were identified in the 2018-19 RTTCWG and the Council agreed to allocate sufficient resources to ensure that rent reviews and leases renewals were dealt with as soon as they are due.*

#### **Recommendation**

*Council should ensure all rent reviews and leases renewals are dealt with as soon as they are due.*

### **Management accounts and budgeting (Finding 5)**

*As reported in prior years, the variance analysis produced as part of the monthly management accounts process is very limited.*

#### **Recommendation**

*Council should ensure that a detailed variance analysis is submitted with each month's management accounts.*

*In addition, we noted that the management accounts continue to be produced on a net balance basis, and do not disclose income and expenditure separately for locations. In response to the 2018-19 RTTCWG the Council indicated that a fundamental requirement identified for the proposed new finance system was the ability of preparing management accounts which report income and expenditure separately.*

#### **Recommendation**

*In advance of the purchase of a new system, the Council should explore whether it is possible to prepare management accounts which identify*

*income and expenditure separately.*

*We noted from a review of the budget setting process that it is very informal and that there is limited documentary evidence of the discussions held with heads of service/directors or of final budgets being formally agreed.*

Recommendation

*Council should strengthen the documentation surrounding its budget setting process, ensuring it a more robust and transparent process.*

### **Proper Arrangements (Finding 6)**

*Our review of the Proper Arrangements questionnaire completed by the Council identified the following issues:*

*The contracts' register has not been updated since April 2019 and only includes contracts arising from publicly advertised procurement. We also noted that there was no member of staff responsible for procurement in 2019-20, as the Procurement Officer was on secondment until March 2020.*

Recommendation

*Council should ensure that the contracts register is kept up-to-date and includes all contracts, regardless of the method of procurement. In addition, the Council should ensure that appropriately qualified staff are in post at all times to deal with procurement.*

- *The business continuity plan has not been fully tested for finance or payroll to ensure that these functions can operate from an alternative site should the Coleraine office be unavailable.*

Recommendation

*Council should ensure that the business continuity plan for finance and payroll is tested fully as soon as possible.*

- *A number of Council strategies, policies and codes are out of date or absent:*
  - *The Corporate Strategy 2015-19 expired on 31<sup>st</sup> March 2019. Staff advised that preparation of an updated plan was paused and re-worked due to the Covid-19 pandemic. A paper to develop the Corporate Strategy was taken to the CPR Committee on 25<sup>th</sup> August 2020.*
  - *The Whistle blowing policy was last updated in 2015 and the named contact is no longer with the Council.*
  - *The Council does not currently have an approved scheme of budget delegation in place. We understand that a draft scheme*

*was taken to the Governance working group in June 2019.*

**Recommendation**

*Council should ensure that all outstanding strategies, policies and codes are developed and approved as soon as possible. The Council should also ensure that policies are reviewed on a regular basis and updated as necessary.*

*Council's information security arrangements are not ISO 27001 accredited. The Council advised that it complies with ISO27001 for certain aspects and that the allocation of additional staff time and budget is required for the full security systems to be in place.*

**Recommendation**

*Council should ensure that its information security arrangements are ISO 27001 compliant and seek accreditation.*

**Procurement (Finding 7)**

*In the 2018-19 RTTCWG, we advised that the contract for the hire of vehicles had expired and that whilst an EU procurement process had taken place, the Council had not awarded a contract. In response, the Council advised that a tender was being finalised prior to advertising. However, the Council has yet to advertise this tender and is currently using a contract which expired in March 2018.*

**Recommendation**

*Council should ensure that a tendering process for the hire of vehicles is completed as soon as possible.*

*A new bank contract was taken out in 2019-20 for two years with Bank of Ireland. Whilst we note that the contract was approved by the Council, there was no tendering for the contract and a Direct Award Contract was not completed.*

*Further procurement issues were noted during audit testing of Expenditure and Property, Plant and Equipment:*

- The Council was unable to provide tender documentation for the purchase of a transit van costing £21,500.*
- While the Council was able to provide tenders received for the purchase of bin lorries costing £466,500, it was unable to provide the tender evaluation documentation.*

*The Council was unable to provide evidence that the required number of quotations had been obtained for a further eight items of expenditure selected for examination by the audit team.*



#### Recommendation

*The Council should ensure that all procurement is completed in accordance with the Council's guidance and that all procurement documentation is retained.*

#### **Heritage Assets (Finding 8)**

*In the 2018-19 RTTCWG we advised that although heritage assets within museums had been revalued in year, civic regalia and artefacts had not been. In addition, Council was unable to confirm the completeness of the heritage asset listing.*

*Although Council advised that a valuation of civic regalia and artefacts would take place in 2019-20, this did not happen.*

#### Recommendation

*Council should ensure that a valuation is obtained for all civic regalia and artefacts held in Town Halls and Civic Centres, as soon as possible to ensure the completeness and accuracy of the asset register.*

#### **VAT (Finding 9)**

*In February and March 2020, Council received payments of static caravan site charges and marina fees for 2020-21, which included VAT at 20%.*

*The HMRC rules require VAT to be reported in the period in which a payment is received, when this occurs prior to invoicing. However, the VAT received of £271k in respect of the advance payments was not included in the Council's VAT return for quarter ending 31<sup>st</sup> March 2020 or paid to HMRC.*

*Subsequently a partial refund was provided to customers due to Covid-19 closures. However, this should not have prevented the VAT being paid to HMRC in the first instance, with any subsequent refund dealt with when it occurred, and VAT reclaimed as appropriate at that point.*

*Whilst it does not impact upon the 2019-20 financial statements, we also noted that the Council has applied the reduced 5% VAT rate which did not come into effect until 15 July 2020 to caravan site charges from 1 April 2020.*

*The Council advised us that application of the new 5% VAT rate was based on (most verbally) advice from a consultant currently working at the Council. The consultant advised the NIAO that the discussions with the Council did not represent formal VAT advice.*

#### Recommendation

*Any tax advice received from advisers that will be relied on by Council should be received in writing and retained for future inspection. Furthermore, two of the four quarterly VAT returns for 2019/20 appear to have been submitted after the return due date (by eight days on each occasion).*

Recommendation

*Council's accounting treatment of VAT should be reviewed and revised as necessary to comply with HMRC guidance, with clarification sought from HMRC as necessary.*

Recommendation

*VAT returns should be submitted in accordance with HMRC's deadlines.*

**Grant schemes monitoring (Finding 10)**

*During the course of the audit we noted that there has been inadequate monitoring and accounting for capital and revenue grant schemes. Our testing identified £128k of ineligible expenditure which had been included as grant schemes debtors. The 2019-20 accounts submitted for audit are to be adjusted for these debtors. Furthermore, funding received in respect of the EU Peace IV scheme has not been matched with the expenditure incurred and claims submitted. Consequently, a breakdown of the amounts still to be reimbursed is not available. Until this task is completed, there is a risk that the debtor recorded in the 2019-20 accounts includes expenditure which will be disallowed.*

Recommendation

*Council should undertake a review of funding for all grant schemes, to ensure that funding received is matched with the corresponding expenditure and any disallowed costs are identified.*

**Corporate Risk Register (Finding 11)**

*The Corporate Risk Register presented at Audit Committee meeting does not comply with best practice. For example, risk descriptions are missing or not fully articulated; the risk appetite for each risk is not specified; there are inconsistencies in risk scores; and the migrating actions included in the register are a mixture of current controls and actions to be taken to reduce the risk and target dates for the latter are not specified.*

Recommendation

*Council should review and amend the Corporate Risk Register to ensure that it complies with best practice.*

**Journals (Finding 12)**

*During the testing of financial journals we noted that the same person can raise and post a journal.*

*We noted that Council keeps a register of all journals. However, there is no evidence of senior management reviewing a sample of journals.*

Recommendation

*Council should ensure that where staff resourcing does not allow for adequate segregation of duties, a sample of journals posted is reviewed each month to ensure that they are accurate and appropriate.*

### **Prompt Payments (Finding 13)**

*In 2019-20, 79% of invoices were paid within 30 days compared with 82% in 2018-19.*

#### **Recommendation**

*Council should remind staff of the importance of authorising invoices and forwarding to Finance on a timely basis to allow prompt payment to suppliers.*

*Council had not retained the Quarter 1 report from the Total system showing the number of invoices paid within 10 and 30 days.*

#### **Recommendation**

*Council should also ensure that reports in support of prompt payment performance are retained for audit purposes.*

In response to requests for clarification, the Director of Corporate Services advised no-one was invited from Finance Department to attend the meeting, as the Year-End Accounts were not on the Agenda, the Interim RTTCWG was received on Monday afternoon and Management were considering the contents of the Report, with Management responses and associated timescales to follow at the next meeting. DOCS referred Members to Item 8 on the Agenda, Progress Report to those Charged with Governance 2018-19. Councillor McQuillan stated he wished it passed on that personnel with responsibility should be in attendance at meetings.

In response to questions, C Kane clarified the second submission of accounts had been received in August. C Kane clarified the decision to delay the signing off the Accounts was by the Local Government Auditor General, a decision on a date for the final signing would not be made at this stage and impacted by the Ministers Letter of 30 November 2020; the interim report would allow Council to take the recommendations forward in the interim period.

L Mitchell referred to the unusual element of an interim report which she stated was disappointing in content and concerning. L Mitchell questioned the significant number of misstatements and therefore quality of the accounts submitted.

In response to Councillor P McShane's comments and queries, C Kane advised that Audit always looked for the documentary evidence and provided the following responses;

- C Kane would get back to Councillor P McShane with the figure for the future Capital Commitments unadjusted value; and the number of the sample for and value of, leases;
- There was no explanation provided for the £40,000 Legal accrual and the detail was being perused;
- It was acceptable to keep the general ledger open as long as a reference is made to the 2019/20 Year;
- Procurement – further details to be provided on the number of items selected for examination;
- Council received income in 2019/20 for Caravans for the 2020/21 period. The amount should have been declared to HMRC in 2019/20 had been held and declared in 2020/21 and was a misinterpretation of HMRC rules; .Councillor P McShane queried the rating awarded to this management letter point and asked NIAO to consider the rating in light of the issues contained;
- Colette Kane noted that there appeared to be limited discussions around the budget setting process and the process required strengthening. There is an expectation to have minutes or documents that a budget holder would sign off, to state they are content with the budget allocation for the period.

In response to Councillor Holmes, on the question of how did CCGBC compare to other Councils regarding Land Registration, C Kane clarified she had not seen land registration issues across other Councils for a number of years.

Councillor Mc Quillan queried whether the meeting should continue in the absence of finance staff. Councillor Holmes reassured members that finance would be facilitated an opportunity to respond to some of the issues raised in the report at a later date. The report was for noting at present and opportunity would be available for comment when the final report was issued.

Action points raised was that the relevant officers should attend audit committee going forward where reports in relation to their service areas were being presented to include specifically legal and finance. It was agreed that a representative from finance would attend the full Council meeting in January to provide comment.

Councillor Callan stated, in light of the issues highlighted by the NIAO interim report, it would appear the finance team are lacking in resources to see them through critical year-end functions, as well as the challenge of the Covid pandemic and resultant financial demands placed on the organisation. Councillor Callan put forward a proposal.

Alderman McKeown referred to difficult times recognising staff pressures and queried what progress could be made. The Director of Corporate Services outlined interlinked issues, the timeline difficult to predict.

In response to further comments and queries, the Director of Corporate Services clarified

- There were 23.7 Finance staff, of which, 22 Permanent employees plus 2 Agency staff members;
- Superior Finance IT Systems are available, this would be explored with Finance Department;
- The Best Guidance document would be referred to, in relation to whom should be in attendance at Audit Committee meetings, but that it was good practice to have Personnel in attendance from Finance Department;
- The interim Report To Those Charged With Governance was received on Monday afternoon which allowed limited time for Management consideration and response to the Findings and recommendations;
- That no-one from Finance Department had been formally invited; the Audit Office had discussions with the Finance Department.

Proposed by Councillor Callan

Seconded by Alderman McKeown and

**AGREED** – to recommend that the Chief Executive be allowed to recruit an interim Finance Director to head up Council's Finance department, until the personnel issues are resolved and the PWC organisation structure review is completed.

The Chair put the motion to the Committee to vote.

14 Members vote For, 0 Members Voted Against, 1 Member Abstained.

The Chair declared the motion carried.

- \* **The Director of Environmental Services joined the meeting at 8.00PM approximately, during consideration of the above Item.**

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

Report, previously circulated, presented by the Audit, Risk and Governance Officer.

### **5.1 Quarter 3 Internal Audit Plan 2020-21**

This document sets out the programme for the provision of Internal Audit Services to Causeway Coast and Glens Borough Council for Quarter 3

2020/21 and is based on the audit needs assessment as detailed in the Internal Audit Strategy 2019-2023, revised to take account of the Covid-19 pandemic. The purpose of this report is to provide an update in terms of proposed internal audit plan for the year 2020/2021.

### Quarter 1- 3 Internal Audit Plan 2020/21

Following Covid-19 it was agreed at the June Audit Committee that the audit plan would be considered on a quarterly basis. With the pandemic resulting in the closure of facilities and what actually remained operational throughout the pandemic, it was agreed that internal audit would audit the additional areas of ICT and payroll. No changes are proposed for quarter 3. The table below shows the timetable of audit completed to date.

<b>Audit Area</b>	<b>Auditor</b>	<b>Timing</b>	<b>Progress</b>
<b>Finance Directorate</b>			
Use of Corporate Credit Card	In-house	November	Ongoing
Treasury Management	Moore NI	Quarter 3	Deferred –
<b>Corporate Directorate</b>			
Community Planning	Moore NI	August	Complete
Use of Agency Staff	Moore NI	November	Complete
Time Recording & Overtime	TBC	Quarter 3	
<b>Environmental Services Directorate</b>			
Business Continuity & Emergency Planning	In-house	February	Ongoing
Environment Health	Moore NI	Quarter 3	
Corporate Health & Safety	Moore NI	December	Complete
Fleet Management	In-house	February	
<b>Planning Directorate</b>			
Regeneration & Business Development	In-house	TBC	Deferred to quarter 4
<b>Leisure &amp; Development Directorate</b>			
Leisure facilities	Moore NI	TBC	
<b>Chief Executive Directorate</b>			

Performance Improvement	Moore NI	TBC	18/19 complete 19/20 audit ongoing
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It is envisaged that in quarter 4 the audit plan may need revised to consider audits that require follow-up or immediate review.

### **Recommendation**

This report is for the information purposes only for the members to consider and does not require approval.

L Mitchell queried whether there would be more audit work on financial controls, in light of Covid and Working from Home.

The Audit, Risk and Governance Officer advised that internal audit had liaised with Finance to review the emergency amendments to finance procedures during the pandemic and as noted in the RTTCWG presented by NIAO no concerns were raised in relation to the work of the Accounts Payable and Grants Funding Unit of the Council. Consideration would be given to bringing forward planned internal audit work in the Finance Directorate.

It was agreed that Treasury Management would be given priority going forward, subject to Moore NI availability.

## **5.2 Appointment of Raising Concerns Champions**

Following the September Audit Committee, it was proposed and agreed to Council would encourage staff to volunteer as a raising concerns champion to pioneer the Raising Concerns policy within the Council. The Audit, Risk and Governance Officer was pleased to inform the committee that we had indeed a volunteer, Wayne Hall from the Environmental Services Directorate.

Report, previously circulated, presented by the Audit, Risk and Governance Officer.

### **Introduction**

It is important for a public sector organisation to have effective arrangements for receiving concerns from the wider public and ensuring that they are properly considered and appropriately acted upon.

A raising concerns champion can be a source of advice and support for staff but, in addition, a key resource for connecting the organisation to

service users and the wider public. Whilst this position is not remunerated it provides a development opportunity for the individuals involved.

### **Progress update**

At the September Audit Committee members agreed the appointment of a raising concerns champion within the Council. This development opportunity was offered for staff to volunteer for the position. An advertisement was placed in the October Staff News Letter, with a closing date of 21<sup>st</sup> November.

The raising concerns champions for Causeway Coast and Glens Borough Council is Wayne Hall and Aileen Ruddy.

The opportunity will remain open for other volunteers as ideally it would be beneficial to have a volunteer from each directorate.

### **Background**

Wayne Hall works within the Environmental Services Directorate.

Aileen Ruddy works within the Internal Audit section and is a fully qualified accountant with over 18 years public sector audit experience, having previously worked in the NIAO.

### **Summary**

Once Council has adopted the new Raising Concerns policy, training will be provided to the raising concerns champions.

## **5.3 Raising Concerns Report and Policy**

Report and Policy, previously circulated, presented by the Audit, Risk and Governance Officer.

Purpose of report – to update the Whistleblowing Policy for best practice guidance issued from Northern Ireland Audit Office.

### **Background**

The updated guide developed by the NIAO is aimed at helping employees and public sector organisation to understand the value of an open and honest reporting culture, where concerns can be raised and dealt with effectively as part of normal business, leading to strengthened governance.



The Council is committed to developing a culture where all employees are encouraged to raise concerns about poor and unacceptable practice and misconduct safely. Raising Concerns/Whistleblowing provides employees with an opportunity to raise serious, genuine concerns rather than overlooking the problem or blowing the whistle outside.

Workers are often best placed to identify deficiencies and problems before any damage is done, so the importance of their role as the 'eyes and ears' of organisations cannot be overstated.

Whistleblowing legislation offers protection to workers who disclose serious concerns and the Council is committed to ensuring that anyone who blows the whistle will not be victimised, harassed or suffer any detriment as a consequence.

The benefits of raising concerns to the Council include:

- safeguarding the integrity of the Council;
- safeguarding the employees and the wider public; and
- identifying damage and wrongdoing as early as possible.

All whistleblowing/concerns raised are reported to Members through the Audit Committee and are investigated in line with Council policy where evidence was sought to substantiate any allegations made.

The Policy sets out the principles that the Council will use to identify, assess and management concerns raised.

### **Context for Raising Concerns Policy**

It is accepted as good practice that all organisations should have a raising concerns policy in place. The revised Raising Concerns Policy provides a framework that will allow Causeway Coast and Glens Borough Council to improve upon the way in which it deals with concerns raised.

The policy makes it clear that all concerns are welcomed and will be treated seriously, and reassure those who may be thinking of raising a concern that the organisation's leadership will take the concern seriously and will not punish the employee if the concern turns out to be untrue, as long as they had reasonable suspicion of wrongdoing.

The new and revised policy makes it clear about how concerns can be raised and includes a step-by-step process of avenues for raising a concern within the Council. The policy also makes employees aware of how they can raise concerns outside the organisation, e.g. to the external auditor or prescribed person.

The policy also reassures those who may wish to raise a concern that it is an offence for management and staff to victimise employees who may raise a concern.

Following implementation of the new raising concerns policy, a raising concerns champion (s) will be appointed and training rolled out to staff across various locations.

**It is recommended** that the Causeway Coast and Glens Borough Council Audit Committee approve the Raising Concerns Policy.

The Audit, Risk and Governance Officer clarified internal controls were strong in relation to anonymous allegations and best practice dictates that all allegations are investigated.

Councillor P McShane advised in the past, whistle blowers were not seen in the best interests of Council.

Proposed by Councillor Callan  
Seconded by Alderman McKeown and

**AGREED** – to recommend that Council approve the Raising Concerns Policy.

Councillor P McShane abstained from the agreement.

The Chair declared the motion carried in favour with one abstention.

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

Reports, previously circulated, presented by C McHugh.

### **6.1 Corporate Health & Safety**

C McHugh drew committee's attention to the following Issues, based on audit testing the overall level of assurance: Satisfactory. She stated there were two Priority two and four Priority three recommendations.

#### **Issue 1 – Risk Assessment Guidance (Priority Rating 3)**

##### *Recommendation*

*The Health and Safety Unit (HSU) should review the current risk assessment guidance and if necessary, update it whilst tracking the different versions with relevant date and sign off by responsible owner. If no update is required, the team should still record that the document has been reviewed.*

#### **Issue 2 – Emergency Plans (Priority Rating 3)**

##### *Recommendation*

*All council facilities should be reminded of the importance of having emergency plans in place and that these need to be provided to staff and on display. All staff should be regularly reminded of their facility's emergency plan.*

### **Issue 3 – Weekly facility checks (Priority Rating 3)**

#### *Recommendation*

*Managers should be reminded that they need to review, and counter sign the weekly inspection form and in situations where they are unable to physically sign the form an acknowledgment of review by e-mail should be retained.*

*The leisure centres should review their checklists and introduce the additional checks from the OSH template onto the current template.*

### **Issue 4 – Training for undertaking risk assessments (Priority Rating 2)**

#### *Recommendation*

*The HSU should also remind those responsible officers and staff to ensure that the remedial action status is updated on AssessNET in a timely manner. All implemented remedial actions should only be set to complete when evidence has been provided to the HSU.*

### **Issue 5 – Central list of remedial actions and inspection updates (Priority Rating 2)**

#### *Recommendation*

*The HSU should create a central list of remedial actions arising from inspections or investigate if such information can be generated in report form within AssessNet, The central list should be added to as and when remedial actions are recommended to service areas. This central list should also be used to remind responsible managers of any outstanding remedial actions when necessary.*

*The HSU should also remind those responsible officers and staff to ensure that the remedial action status is updated on AssessNET in a timely manner. All implemented remedial actions should only be set to complete when evidence has been provided to the HSU.*

### **Issue 6– Inspection Reports (Priority Rating - 3)**

#### *Recommendation*

*The H&S team should introduce a schedule of refresher training for undertaking risk assessments and all staff who are responsible for carrying out risk assessments should attend. There should also be a record of training delivered with those staff attendance being tracked to ensure all relevant staff refresh their knowledge every 2-3 years.*

L Mitchell commended management with the rating, she commented that it was a really good report and stated she was impressed with the weekly premises checks and it was very reassuring.

Alderman Robinson sought clarification of the Environmental Services Health and Safety Officer staff complement.

The Director of Environmental Services clarified there was one Health and Safety Officer for Operations and Estates.

Proposed by Councillor McQuillan  
Seconded by Councillor Schenning and

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

## **6.2 Performance Improvement 2018/19**

C McHugh advised of One Priority 2 recommendation and Four Priority 3 recommendations. Based on audit testing provided the overall level of assurance: Satisfactory.

This report summarised the findings arising from a review of the management of a sample of projects within the Council's Performance Improvement Plan 2018/19 which was allocated 7 days.

The main conclusion drawn from this review is that there is an inconsistent approach to project management for those performance improvement projects sampled for testing.

Councillor Holmes commented that advances had been made since the 2018/19 inspection, C McHugh clarified further developments and benchmarking were now taking place and would be presented in the next report.

Proposed by Alderman McKeown  
Seconded by Councillor MA McKillop and

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

## **6.3 Human Resources – Use of Agency Staff**

Based on audit testing NIAO provided the overall level of assurance: Limited. C Kane detailed four Priority Rating – 2 and four Priority Rating 3 recommendations.

### **Agency Worker Managers' Guidelines (Issue 1)**

Recommendation

*In line with the current (Agency Staff) guidelines quarterly reviews by line managers, should be undertaken of the length of all Agency Staff assignments and the reasons for long term use should be discussed with the relevant director who should actively challenge the numbers of agency staff in long-term posts.*

### **Tracking Long-term use of Agency Staff (Issue 2)**

Recommendation

*Council should ensure that there is clarity around the precise nature of the triangular relationship between Council, the agency and agency staff in relation to responsibility for and management of*

*performance/errors/wrongful acts of agency staff. OD/HR should document the current process for dealing with issues with performance of agency staff and make it available to the HR team and relevant Managers and Heads of Service. Line managers can then refer to the document and be more certain of their actions when they are dealing with such situations.*

#### Recommendation

*Audit acknowledges that in the last 6 months that there has been increased focus on reducing the reliance on Agency Staff by SLT. However, it is recommended that to keep the focus on this matter, Agency staff numbers and costs should be an agenda item at SLT meetings (at least once per month). The monthly HR spreadsheets (or a summary report of these figures) should be discussed at SLT meetings and the various reasons for the long-term use of agency staff should be documented in detail and actions identified to reduce the numbers of agency staff. Progress of the actions to reduce agency staff costs should be monitored, discussed and documented at SLT meetings.*

L Mitchell commented she was not surprised the assurance level Limited given the position of merger and restructuring, the increased usage level concerning, she advised management were gripping the problem by implementing tight deadlines and it is important to see progress. The focus will be on the 2021/22 internal audit plan to ensure progress being made and reliance on Agency staff reducing.

The Audit, Risk and Governance Officer stated a Limited level early would mean the issues can be revisited, before an allocation of assurance rating given for the year.

Councillor McQuillan stated Council had not gripped the merger, especially within Environmental Services, that a report should be brought back.

The Director of Corporate Services advised the majority Agency employees were within Operations and Estates Departments, Tier, 6 and 7 and within Leisure and Development Department, that following service reviews and Route Optimisation, Council was now in a better position to progress with filling posts.

Proposed by Councillor McQuillan  
Seconded by Alderman McKeown and

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

## **7. 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 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 2 December 2019 and these are listed below, it should be noted that none of these required Council approval at the point of award:

(Table 1 – Direct Award Contracts from 1<sup>st</sup> March 2020 circulated).

## **8. REPORT TO THOSE CHARGED WITH GOVERNANCE - PROGRESS REPORT DECEMBER 2020**

Report, previously circulated, the Director of Corporate Services invited questions.

Councillor Callan suggested a traffic light prioritisation illustration would be useful for the document.

The Director of Corporate Services agreed to consider this.

## **9. ABSENCE REPORT MONTHS 1-6 2020/2021**

Report, previously circulated, presented by the Director of Corporate Services, to provide Members with Quarter 2 (April-September 2020/2021) information regarding Absenteeism throughout the Council.

### **Background**

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.

### **Performance Improvement Plan 2019/2020, continuing in 2020/2021 Progress to date – Quarter 2 (April –September 2020) Objective 4, Performance Improvement Plan**

#### **Outputs**

- OD/HR continues to co-ordinate a programme of training for employees and line managers on the Council's newly revised Sickness Absence Policy which came into effect on 1<sup>st</sup> July 2020.
- To date 116 line managers and 182 employees have been trained on the new policy (total 298 employees).
- The next phase of Sickness Absence Policy training will focus on Operations and Sport & Wellbeing and will commence in December 2020
- 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.
- In light of COVID-19 Occupational Health appointments are continuing mainly by telephone call. However, Occupational Health are providing some face to face appointments and OD/HR are working with Occupational Health to ensure appropriate measures are in place.
- Continuing on from the previous quarter, Councils' highest reason for sickness absence is ill mental health (stress/depression/fatigue etc.). Employees who are absent due

to stress 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 and over this period a number of employees availed of these services.

- The Health & Well Being Group activities for employees continue to be cancelled as a result of COVID 19 for this period.
- OD/HR continue to issue emails to all staff covering a variety of topics in relation to general health and wellbeing including Mental Health.
- OD/HR have sourced and planned training for line managers who are currently managing people/teams who are working remotely. This will cover elements of wellbeing and resilience.

### Outcomes

- A 2.5% reduction in the number of days lost to Council through long term sickness (4,447.25 in 2019/20)
- A 2.5% reduction in the average number of days lost per employee through sickness absenteeism (7.97 days per employee in 2019/20)
- We will maintain the average time for an Occupational Health Review from 4 weeks to 2 weeks

### Quarter 2 Performance Against Targets

	6 months ending 30/09/19	2.5% reduction target against same period last year	6 months ending 30/09/20	On Target/ Not On Target
Average number of days lost per employee through	7.97	7.77	7.05 (11.60% reduction)	On Target
Number of Days lost to Council through long	4,447.25	4,336.07	3869.79 (12.98% reduction)	On Target
Average time for an Occupational Health Review - We will maintain the average time for an	4 weeks	2 weeks (from 4 weeks to 2 weeks)	2 weeks	On Target



Staff members engaging in Council's wellbeing activities			17 employees availed of gym membership	
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## Analysis of Quarter 2 Data

Quarter 2 details are summarised as follows:-

<b>April – September</b>	<b>2020/21</b>	<b>2019/20</b>
No. of employees absent	125	190
Long Term as % of total absence <i>(absence greater than 20 days)</i>	90.55%	89.45%
Short Term as % of total absence <i>(absence less than 20 days)</i>	9.44%	10.54%
Average days lost per employee <i>(combined short and long term)</i>	7.05	7.97

Appendix 1 provides details in terms of the reasons for absence (circulated). The top 5 are as follows:-

<b>April – September</b>	<b>2020/21</b>	<b>2019/20</b>
Stress, depression, mental health and fatigue	60.61%	43.19%
Infections	8.23%	1.94%
Other (eg Cancer, RTC, Surgery, Post op recovery)	7.21%	19.81%
Back and neck problems	7.14%	5.73%
Musculo-skeletal problems	5.89%	10.36%

This quarterly report will continue to be provided to Audit committee, and the information will also be feed through Council's Performance Improvement Plan.

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

In response to questions, the Director of Corporate Services confirmed Working From Home was effective, depending on individual circumstances and a Flexible Working Policy had recently been adopted. The Director of Corporate Services outlined the role of Occupational Health and interventions.

Councillor Anderson requested 'Inspire' are invited to present to Committee. The Director of Corporate Services agreed to undertake this.

**It was AGREED** – to recommend that Council note the report.

\* **Councillor McQuillan left the meeting at 8.55pm during consideration of the Item.**

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

There were no matters for reporting to the Partnership Panel.

## **11. CORRESPONDENCE**

### **11.1 NIAO PROCUREMENT FRAUD GUIDE**

Previously circulated.

### **11.2 DfC MINISTERIAL DIRECTION RE EXTRAORDINARY AUDIT**

Previously circulated.

Councillor Callan referred to the final paragraph, he advised DfC had not indicated there were any further requirements of Council in connection with the information submitted.

Following discussion, Members expressed concerns and agreed they wished the matters raised in the correspondence be dealt with in a timely fashion.

Councillor Holmes would like the above issue progressed with the Department to determine what the issues were.

In response to Councillor P McShane, C Kane clarified that there were no Terms of Reference at this point. DfC would draw up the Terms of Reference for the Extraordinary Audit and agree them with the Local Government Auditor. C Kane noted that if anyone had documentary

evidence that may be of assistance for the audit, NIAO would welcome the receipt of such information. Councillor P McShane stated concern.

Councillor Peacock advised of awaiting the outcome of the Extraordinary Audit and to not pre-empt.

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

Proposed by Councillor Schenning  
Seconded by Councillor Callan and

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

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

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

Confidential report, presented by the Audit, Risk and Governance Officer.

This report compares the September risk register to the December risk register documenting the movement of risks.

### **Background**

In advance of the audit committee, internal audit attended the senior management meeting on the 23<sup>rd</sup> November 2020 to undertake a review of the corporate risk register. The corporate risk register is a summary of the risks that could prevent the Council from realising its strategic objectives. Mitigating actions are reviewed to ensure that these risks are managed to an acceptable level.

The goal of risk management is to manage these risks to an acceptable level, not to eliminate risk completely. Where risks are managed effectively, our objectives and priorities are more likely to be achieved.

The table circulated aims to compare the September risk matrix to the December risk matrix seeking to highlight the impact the pandemic and external environment has had on the key business of Council within the quarter.

Further detail was provided in the confidential report, circulated.

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

The Director of Corporate Services agreed to bring a report on the risk associated with Brexit.

The Audit, Risk and Governance Officer agreed to consider the Risk associated with Climate challenges.

Proposed by Councillor Callan  
Seconded by Councillor McMullan and

**AGREED** – to recommend that Council notes and approves the changes to the Corporate Risk Register.

#### **11. LEGAL CASES ACTIVITY**

Report, previously circulated, presented by the Director of Corporate Services; Legal cases, First Registration of Council Lands, First Registration of Council Car Parks and other Legal activity, not yet referenced to progression.

The Director of Corporate Services drew Committee's attention to Land and Property at a cost of 0.26% of the annual budget and the cost of servicing 0.06% of Council's fixed assets, of £223M. Whilst Internal Audit was 0.16%, a request would be made to resource.

The Director of Corporate Services agreed seek an update report through Leisure and Development on Public Rights of Way.

#### **12. WHISTLE BLOWING /FRAUD**

The Audit, Risk and Governance Officer provided an update of ongoing and progressing cases, in line with Council's Policies and Procedures.

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

Proposed by Alderman McKeown  
Seconded by Councillor Schenning and

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

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

There were no matters of AORB submitted.

#### **14. DATE OF NEXT MEETING - WEDNESDAY 10 MARCH 2021**

Circulated.

This being all the business the Chair thanked everyone for their attendance and the meeting concluded at 9.41PM.

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Chair

Unconfirmed