

## Causeway Coast and Glens Borough Council

### Draft RTTCWG

#### ACTIONS – 3 MAR 21

Report	Priority	Action required	Owner	Date	Comments
<p><b>1. Draft Annual Financial Statements.</b> Little evidence that either draft of the accounts had been reviewed prior to submission. A significant number of amendments were required to the accounts, in terms of narrative changes and financial adjustments.</p>	1	A specific financial accounts timetable for year-end cut off procedures is required to prevent recurrence of the issues identified during the 2019-20 audit.	DW	29 Jan 21	<p>This will include review points with internal audit and SLT:</p> <ul style="list-style-type: none"> <li>-Date for collation of data from across the Council required to prepare the accounts;</li> <li>- Officer responsible and date for reconciliations to be prepared;</li> <li>-Officer and dates for close off of general ledger;</li> <li>-Officer and date for quality assurance / review of the accounts;</li> <li>-Date accounts to be presented to SLT for consideration;</li> <li>-Date and personnel responsible to deal with NIAO to achieve audit clearance.</li> </ul>
<p>2. Unable to provide a suitable explanation and documentary evidence of how the <b>£40k accrual</b> for legal expenses. We received further details of this on 25/2/21.(updated in the Draft RTTCWG issued 03.03.21)</p>	1	Explanation of the accrual required.	MQ  Done	25 Feb 21	Correspondence received on 23.02.21 and CK NIAO advised. The Draft RTTCWG has been updated and payment progressing through Finance
<p><b>3. Agency Costs</b> Council has significant spend in</p>	1	Progress to be made in populating ES	AMcP/RB  Progressing	26 Feb 21	Continue to use agency staff for seasonal, casual and funded posts.

relation to Agency staff.		structure by Mar 21.  Agency Staff Analysis provided on a monthly basis. Review P9 agency costs versus 19/20.			Review ongoing of L&D and ES which will result in vacancies being filled on a permanent basis.
<b>4. Land Registration</b> Land and property owned by the Council had yet to be registered with Land and Property Services (LPS).	1	2 x posts (previous fixed term contracts) in Land & Property have now been made permanent. L&P Solicitor and Admin Assistance.	DH  Progressing	30 Mar 21	Registration list progress update provided quarterly to Audit Committee
<b>5. Leases</b> Our review of leases identified that rent reviews were outstanding & leases had expired at year-end.	1	Collate a comprehensive schedule of Commercial leases  Establish and agree a plan to deal with expired leases and a proactive approach to those nearing review periods.	PD  Progressing	30 June 2021	Schedule collated and updated  57 Commercial leases (Council as landlord) Council have a number of other leases which may be of a nominal value but also need to be renewed e.g. RNLI boathouse, Portrush  Overdue 24 Due in 2021 4  Additional part-time resource in place from March 2021 to assist.  <u>Update - since last year</u>  3 properties currently vacant – currently being reviewed by Capital Assets Team to provide options 1 lease may be surrendered Mar/Apr – NI Libraries lease, Portstewart Town Hall

					<p>4 leases renewed in 2020</p> <p>4 leases are currently being reviewed</p> <p>5 leases due for renewal in 2020 – not progressed due to pandemic and lockdown – work will commence on these within the next 10 weeks (prioritisation basis)</p> <p>3 leases due for renewal in 2021 will be progressed within the required timeframe</p> <p>20 outstanding leases (RPA and legacy issues). Under review by L&amp;P – will be commenced within next 10 weeks (June 2021)</p> <p>The remainder of the leases will be looked at in phase 2 – from June 2021 onwards. Some of these may be peppercorn rent/nominals rents or leases where we are the tenant.</p>
<p><b>6. Management accounts and budgeting</b></p> <p>The variance analysis produced as part of the monthly management accounts process is very limited. The budget setting process that it is very informal and that there is limited documentary evidence of the</p>	1	<p>Detailed variance analysis is now submitted with each month's management accounts. Prepare management accounts which identify income and expenditure separately. Strengthen the documentation surrounding its</p>	<p>Done</p> <p>Done</p> <p>DJ</p>	<p>26 Feb 21</p>	<p>NIAO confirm that the 20/21 information looks a lot more comprehensive.</p> <p>New budget setting procedure agreed. Rates book done.</p>

discussions held with heads of service/directors or of final budgets being formally agreed.		budget setting process, ensuring it a more robust and transparent process.				
<p><b>7. Proper Arrangements</b> 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. 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.</p> <p>Council strategies, policies are out of date:</p> <p>Corporate Strategy 2015-19 expired on 31st March 2019.</p> <p>The Whistle blowing policy.</p> <p>An approved scheme of budget delegation.</p>		<p>Ensure that the contracts register is kept up-to-date and includes all contracts.</p> <p>Ensure that appropriately qualified staff are in post to deal with procurement.</p> <p>The business continuity plan for finance and payroll was tested in Jan 20 – where is the evaluation report?</p>	DW	29 Jan 21	<p>Contacts register to include procurements £5-30k tenders, procurements over £30k, DACs, modifications of contracts, ext consultancy, fleet, collaborative contracts.</p>	
			DW	31 Mar 21		
			DW	29 Jan 21	<p>BCP has now been successfully tested twice, once for a creditors payment and secondly for a payroll run on 22 Jan 2021 and 18 Feb 2021 respectively</p>	
		<p>All outstanding strategies, policies and codes to be approved and regularly reviewed.</p>	EB	Progressing	Mar 21	<p>Working with a range of managers to determine reviews required.</p>
		<p>Corporate Strategy to CPR Jan 21.</p> <p>Whistle blowing policy done.</p> <p>Scheme of budget delegation approved.</p>	Done	Done	Jan 21	<p>Corporate Strategy approved by CP&amp;R in Jan and then by Council at start of Feb. Next steps are consultation and implementation</p>

Council's information security arrangements are not ISO 27001 accredited.		Ensure that its information security arrangements are ISO 27001 accredited.	PMcC	Mar 21	In the absence of a dedicated resource (ICT/DPO), re-establish the ISMG (Information Security Management Group) to progress in the interim using the ISO 27001 IA Checklist
<p><b>8. Procurement</b></p> <p>The contract for the hire of vehicles had expired, the Council had not awarded.</p> <p>A new contract for two years with Bank of Ireland. A Direct Award Contract was not completed.</p>	1	<p>Ensure that all procurement is completed in accordance with the Procurement Policy</p> <p>Council's guidance and that all procurement documentation is retained.</p>	AMcP  DW	30 Mar 21  3 Mar 21	<p>Vehicles have been purchased to remove the requirement for hired vehicles, unless in Emergency Situations</p> <p>The DAC process was followed and a Council decision obtained, that decision being based upon a report to the committee which whilst it was not in the layout of the proforma in the procurement policy was effectively the DAC request</p>
<p><b>9. Further procurement issues</b></p> <p>During testing of Expenditure and Property, Plant and Equipment: Council was unable to provide tender documentation for the purchase of a transit van costing £21,500.</p> <p>It was unable to provide the tender evaluation documentation for the purchase of bin lorries costing £466,500.</p>	1	<p>Council should ensure that a tendering process for the hire of vehicles is completed as soon as possible.</p> <p>Ensure that all procurement is completed in accordance with the Council's guidance and that all procurement</p>	AMcP  Robin Brown	29 Jan 21  29 Jan 21	Further details required in relation to these findings

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		documentation is retained.  Review and reissue Procurement policy with firm reminder to comply.	DJ	29 Jan 21	Procurement Policy updated – ready for March CPR.
<b>10. Heritage Assets</b> Although heritage assets within museums had been revalued in year, civic regalia and artefacts had not been. In addition, Unable to confirm the completeness of the heritage asset listing.	1	Ensure that a valuation is obtained for all civic regalia and artefacts held in Town Halls and Civic Centres, to ensure the completeness and accuracy of the asset register.	SMcM Progressing	10 Mar 21	Civic Regalia and Artefacts were valued on 22nd February. The final valuation report is due back on Wednesday 10th March
<b>11. VAT</b> Static caravan site charges and marina fees for 2020-21, included VAT at 20%. The VAT received of £271k in respect of the advance payments was not included in the Council's VAT return for quarter ending 31st March 2020 or paid to HMRC.  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.  Furthermore, two of the four quarterly VAT returns for 2019/20 appear to have been submitted after the return due	2	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  Any tax advice received from advisers that will be relied on by Council should be received in writing and retained for future inspection.  VAT returns should be submitted in accordance with HRMC's deadlines.	LC/DW	3 Mar 2020	Advice obtained from PWC has confirmed the VAT treatment on this occasion was acceptable due to the onset of the COVID pandemic which resulted in Council having to comply with Government guidelines by closing facilities thereby not being in a position to deliver service and as a result the payments in advance fall outside the scope of VAT and become cash payments that are due to be refunded to the customers. NIAO treatment looks at the transactions under normal operating circumstances as opposed to the current situation at the time of the

date (by eight days on each occasion).					transactions. Rules were changing on almost a daily basis.
<b>12. Corporate Risk Register</b> The Corporate Risk Register presented at Audit Committee meeting does not comply with best practice.	3	Amend the Corporate Risk Register to ensure that it complies with best practice.	AR	3 Mar 21	Corporate Risk Register reviewed and updated to include inherent risk, mitigating actions and residual risk. New format will be presented to Audit Committee in March 21
<b>13. Journals</b> During the testing of financial journals we noted that the same person can raise and post a journal.	3	Senior management reviewing a sample of journals	DJ	29 Jan 21	Journal review by SLT has been arranged.
<b>14. Prompt Payments</b> Council had not retained the Quarter 1 report from the Total system showing the number of invoices paid within 10 and 30 days.	3	Council should also ensure that reports in support of prompt payment performance are retained for audit purposes.	LC	29 Jan 21	Backup documentation retained by AP team. Due to covid and staff working from home AP processes had to be amended with many invoices now being approved electronically which has subsequently improved turnaround times.
<b>15. Grant schemes monitoring.</b> There has been inadequate monitoring and accounting for capital and revenue grant schemes.  Peace IV funding has not been matched with the expenditure incurred and claims. A breakdown of the amounts still to be reimbursed is not available. There is a risk that the debtor recorded in the	2	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.  Undertake a review of all grant schemes, to ensure that	RB	29 Jan 21	Peace Iv administration team will put in place a checking system to ensure expenditure and income are cross checked on receipt of the grant income – going forward this will highlight ineligible expenditure.

2019-20 accounts includes expenditure which will be disallowed.		funding received is matched with expenditure and any disallowed costs are identified.			
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