

<b>Title of Report:</b>	<b>Annual Governance Statement</b>
<b>Committee Report Submitted To:</b>	<b>Audit Committee</b>
<b>Date of Meeting:</b>	<b>14 June 2023</b>
<b>For Decision or For Information</b>	<b>For Information</b>

<b>Linkage to Council Strategy (2021-25)</b>	
Strategic Theme	Cohesive Leadership Improvement & Innovation
Outcome	Approval of Terms of Reference
Lead Officer	Audit Risk and Governance Manager

<b>Budgetary Considerations</b>	
Cost of Proposal	N/a In-house
Included in Current Year Estimates	<b>YES/NO</b>
Capital/Revenue	Revenue staff costs
Code	
Staffing Costs	n/a

<b>Screening Requirements</b>	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals. <b>N/A</b>		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:

## **1.1 Purpose of Report**

The purpose of this report is to present the draft Annual Governance Statement, For Information, attached at Appendix 1.

## **1.2 Background**

In line with legislation, local authorities have to prepare an Annual Governance Statement (AGS) and report publicly on the effectiveness of governance and control. The AGS should be reviewed and then approved by the Council prior to being signed by the Mayor and the Councils chief executive.

Typically, audit committees undertake the role of reviewing the AGS prior to approval and sign off. It is requested that Audit Committee notes the content of the draft Annual Governance Statement, narrative within the Annual Governance Statement may require updated to reflect the position as at the 30<sup>th</sup> September 2023.

## **1.3 Recommendation**

It is recommended that the Audit Committee notes the draft Annual Governance Statement for inclusion in the draft 2022/23 Financial Statements.

# Appendix 1

## Annual Governance Statement

### Scope of Responsibility

Causeway Coast and Glens Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency and effectively.

Causeway Coast and Glens Borough Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to plan for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Causeway Coast and Glens Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Causeway Coast and Glens Borough Council has prepared an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how Causeway Coast and Glens Borough Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of a statement on internal control.

### The Purpose of the Governance Framework

Council's governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables Causeway Coast and Glens Borough Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the year ended 31 March 2022 and up to the date of approval of the financial statements.

### The Governance Framework

The key elements of the systems and processes that comprise the Council's governance arrangements include the following:

#### **1. Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users.**

The Council adopted a Corporate Strategy for 2021 to 2025 in February 2021.

This Corporate Strategy was developed following a consultation process involving Councillors and senior managers within Council although the process was significantly delayed due to the pandemic. Council staff were asked for their comments on the new Strategy document via the Staff Newsletter.

Further effective public consultation, however, proved difficult due to the impact of the Covid-19 pandemic but a copy of the Corporate Strategy has been placed on the Council website with the Council welcoming any comments on it from the public. A hard copy of the Council Strategy will not be published at this time. The new Corporate Strategy sets out the Council's Vision for the Borough, its Mission Statement and priority Strategic Themes. The Council has identified five priority strategic themes as follows:

- Cohesive Leadership
- Local Economy
- Improvement and Innovation
- Healthy, Active and Engaged Communities
- Climate Change and Our Environment

Outcomes and indicators have been developed under each priority theme and these will provide a framework for decision and investments across the timeframe of the Corporate Strategy. However, the delay in the development of the new Corporate Strategy caused by the impact of the pandemic enabled Council to identify and factor into the new Strategy the challenges and impacts on the Council and our Borough of the Covid-19 pandemic. As a result it is recognized that the Strategy should be seen as a "living" document and be reviewed on a regular basis (at least annually). It must evolve to meet the emerging understanding and context created by the impacts of Covid-19 in our area.

In line with the new term of Council, elected members will be engaged on the Council Strategy in August / September 2023. This will inform the citizen survey to be completed by December 2023 and allow an informed review to be completed by February 2024 in line with the Rates setting process.

Causeway Coast and Glens Borough Council was tasked by the Local Government Act (NI) 2014 to lead, maintain and facilitate the community planning process in Causeway Coast and Glens. It worked with its Statutory Partners to develop the Causeway Coast and Glens Community Plan and the Community Plan was formally signed off by the Community Planning Strategic Partnership in April 2017 (formally launched in June 2017).

Ten Councillors were nominated to participate on behalf of Council on the Strategic Partnership and they have been closely involved in the work of the Community Planning Partnership.

The development of the Community Plan involved a detailed statistical analysis of the Causeway Coast and Glens area; an extensive community engagement/consultation exercise; the establishment of thematic working groups to develop population outcomes and indicators; with mutual agreement by the members of the Community Planning Strategic Partnership of the final version of the Plan.

The next stage in the process of community planning involved taking the outcomes identified within the Plan and developing a Delivery Plan, which identified actions necessary to achieve the Population Outcomes in the Plan. This work commenced in June 2017 and was finalised in June 2018 with the launch of the Delivery Plan for the Community Plan.

This Delivery Plan identified 44 practical collaborative actions to take forward the high-level outcomes identified in the Community Plan itself. The Delivery Plan was based on the work of a number of Delivery Design Groups which included representatives from the statutory partners along with a range of support partners from other appropriate organisations.

A review of the Delivery Plan was undertaken in 2020 and, although this was challenging due to the pandemic, a full review was completed and a revised Delivery Plan with 34 actions was adopted by the Community Planning Partnership in December 2020.

The community planning process also involved the implementation of a monitoring and reporting process overseen by the Strategic Partnership and this commenced in June 2018. Each Action Lead identified in the Delivery Plan was required to complete a report card outlining progress on their action. This reporting process takes place on a quarterly basis with summarised reports on progress submitted and considered by the Strategic Community Planning Partnership at their quarterly meetings.

The legislation also requires the publication of a Statement of Progress every two years from the publication of the Community Plan. Causeway Coast and Glens first Statement of Progress was published in November 2019 and, on the whole, was able to demonstrate positive changes within the Borough. The second Statement of Progress was published in November 2021.

The Strategic Partnership has now completed a review of the Community Plan Strategic Framework as well as a review of the Delivery Plan. This review included an assessment of the challenges of Covid-19 and the current cost of living impacts as well as other issues of concern such as climate change.

The review of the Delivery Plan resulted in 31 actions being identified and the quarterly monitoring and reporting process agreed and implemented by the Community Planning Partnership continues to assess progress against these actions.

Causeway Coast and Glens Borough Council has commenced work on a new Local Development Plan (LDP) for the Borough. The LDP is the spatial reflection of the Community Plan and provides an opportunity to develop a new planning framework specific to Causeway Coast and Glens Borough Council area, balancing the development needs of the Borough with the protection of our built and natural assets.

Following publication of the LDP: Preferred Options Paper (POP) in June 2018 for comment, during 2019/20 the Planning Department analysed the representations received and commenced the drafting of strategic planning policies to be published in the LDP: Draft Plan Strategy.

Towards the end of the 2019/20 and throughout 2020/21 reporting period Government/Public Health Agency (PHA) advice in relation to the Covid-19 outbreak resulted in the postponement of planned LDP Consultee and Stakeholder Meetings and Member Workshops. However, this work has resumed during the end of Q2 of 2021/22 reporting period. As a result of the delays an updated timetable has been agreed with the Planning Appeals Commission and the DfI. In addition, due to the implications of the Covid restrictions, the Statement of Community Involvement has been updated and agreed with DfI to reflect changes to availability of documents. Public Consultation on the Draft Plan Strategy will be undertaken in line with the Council's published LDP Timetable and any future Government/PHA advice.

During 2021/22 work continued on research and analysis of evidence. Topic-based papers have been circulated to internal and external stakeholders for comment. Draft policies for the LDP Draft Plan Strategy have been presented to Members at workshops for input and discussion and only one workshop remains to be held. The Planning Steering Group met in January 2022 and agreed the first set of draft policies. Sustainability Appraisal days took place in March 2022 in relation to this first batch of policies. To date the LDP Draft Plan Strategy continues to progress.

A total of 18 workshops were undertaken with elected members and 2 Planning Steering Group meetings held during 2020-2022 to review the existing planning policies and draft the Plan Strategy. Sustainability Appraisal days took place in June 2022 on the second batch of policies for the draft Plan Strategy. The second batch of policies in the draft Plan Strategy was agreed through the LDP Steering Group on 26 May 2022 and presented to Planning Committee on 22 June 2022. The final draft Plan Strategy was presented to Senior Leadership Team on 15 August 2022 and to full Council for ratification on 01 November 2022. It was agreed that further workshops be held with the party groups to go through the detail of the draft Plan Strategy. These workshops took place in November and December and work is ongoing to review the draft Plan Strategy in light of the issues raised.

## **2. Reviewing the Council's vision and its implications for the Council's governance arrangements.**

The vision of the Causeway Coast and Glens Borough Council over the 2021-2025 timeframe is:

**“We will maximize the benefits of our unique location and landscape by providing accessible, efficient and sustainable services fulfilling local and visitor expectations.”**

The mission of the Council for 2021-2025 is to:

“Improve the quality of life and well-being for all of our citizens and visitors by:

- Providing effective, accessible and sustainable local public services.
- Improving economic prosperity.
- Ensuring local communities at the heart of decision making.
- Protecting, promoting and enhancing our unique natural environment and assets
- Advocating for the area and our citizens in both local and international arenas.

The Causeway Coast and Glens Borough Council will deliver its services and meet its responsibilities to ratepayers and communities across the Council area by adhering to the following values: Fairness, Excellence, Sustainability, Empowerment and Improvement.

The strategic themes identified in the Council's Corporate Strategy for 2021-25 were designed to ensure the vision is realised, with each objective having a series of sub-objectives.

The strategic priority themes are as follows:

- Cohesive Leadership
- Local Economy
- Improvement and Innovation
- Healthy, Active and Engaged Communities
- Climate Change and Our Environment.

All reports presented to Council identify the Strategic Theme, ensuring alignment with Council objectives. A template has been developed for Committee and Council reports which clearly identifies the linkage to the Council Strategy with officers required to identify the Strategic Theme and Outcome the subject of the report will contribute to.

The corporate risk register identifies the factors which could prevent achievement of these objectives and each risk is assigned to a member of the Strategic Management Team (SMT). The Corporate Risk Register is updated by SMT and presented to Audit Committee on a quarterly basis.

## **3. Measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources.**

Council is committed to providing quality services aligned to its strategic objectives and has commenced developing business plans for all key services.

The business plan template requires officers to identify relevant actions under each Strategic Theme and related Outcome. These actions are supported by key performance indicators, timescales, lead officers, identification of internal and external partners and how the action links to the Council's Performance Plan.

Council continues to monitor, review and take corrective action as necessary in striving to achieve maximum satisfaction with council services, within the allocated resources. During the year Council considered all available information in deciding how best to deliver the services within the area.

Council revised its Comments, Complaints and Compliments Policy in 2018 to include a process to deal with complaints made against the Chief Executive. A copy of the revised policy is available on Council's website. Council will consider the Model Complaints Handling Procedure for the 11 NI Councils, developed in conjunction with NIPSO. The MCHP will be published in July 2023. Councils will have 6 months to embed the Policy, with a view to implementing in January 2024.

In June 2021, through the 2021/22 Performance Improvement Plan, Council began to work on an Improvement Objective to increase our levels of engagement with citizens. Primary amongst this was the development, rollout, and completion of CCG's first Citizen's Survey. This survey was successfully conducted with 2,268 respondents. In the Council's Self-Assessment of Performance in September 2022 the Council reported this success and set out the following next steps:

"The success of this Survey will stretch beyond this one-year cycle of Performance Improvement Plan reporting, as it has provided valuable information and data that can be used moving forward to help identify areas for improvement as well as benchmarking citizen's perceptions of the standard of Council's performance."

This indeed has been the success of the survey as it has provided additional and statistically relevant data sets for Services to help shape the decisions that they make.

Moving forward, Council is focusing on rolling out a Second Citizen's Survey in advance of a new Corporate Strategy in 2025. This 2<sup>nd</sup> Citizens Survey will be a significant mechanism for further gaging the ratepayers' opinions and will most likely be conducted during the Summer of 2024.

Furthermore, Council is currently engaging on its proposed Improvement Objectives for 2023/24 and has received just under 100 responses.

#### **4. Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.**

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct, which is now mandatory, effective from 28th May 2014.

Council was awarded Charter Status for Elected Member Development in January 2023. Training continues to be delivered to all members, as soon as they come into office. As part of Council's induction programme, mandatory training in terms of standing orders, code of conduct and scrutiny and challenge is provided. Council also adopted role profiles for the Mayor, Deputy Mayor and Councillors.

Roles and responsibilities of Senior Officers are defined by job description, job specification, and terms and conditions of employment. Formal staff appraisals are currently in place for SMT and this process is currently being developed in line with Leadership and Development Management Programme.

All internal policies and procedures are available on Council's staff net for information and are also included as part of the induction process for all new employees.

All Directors report to Council monthly, on areas of responsibility, and ensure Council are kept informed of progress within each service area.

In terms of decision making, all decisions taken by Committee are ratified by full council, except for Planning Committee which has full council powers. There are 6 committees of Council and the meeting schedule is as follows:

- Tuesday Week 1 – Council Meeting
- Tuesday Week 2 – Environmental Services Committee
- Thursday Week 2 – Finance Committee
- Tuesday Week 3 – Leisure and Development Committee
- Tuesday Week 4 – Corporate Policy and Resources Committee
- Wednesday Week 4 – Planning Meeting

- Quarterly – Audit Committee

Scrutiny is provided by the Audit Committee, Internal Audit (co-sourcing arrangement) and the Local Government Auditor, and an Independent Member on Audit Committee.

There are also a number of Sub-Committees and working groups which have either Terms of Reference agreed by Council, or are tasked with a particular project.

Council currently communicates with wider stakeholders through various engagement processes, meetings, Council Website, Social Media and through press and media releases. Internal communication systems include Councils intranet, Staff newsletter, email, written correspondence, working group minutes and a mixture of formal and informal team meetings.

Council developed a Citizens Newsletter in 2017/18 and this continued to be produced and circulated to all households in the Borough annually.

## **5. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.**

### **Codes of Conduct of Members**

The Northern Ireland Local Government Code of Conduct for Councillors came into force on 28th May 2014. All members are trained annually on the code, with training provided to new and co-opted members as soon as possible.

A Register of Interests is maintained and updated on an annual basis, or as and when required. In terms of travel and subsistence claims, Councillors are required to complete a claim form (submitted with receipts as appropriate) and sign a declaration regarding their claim.

Council adopted a Gifts and Hospitality Policy for Elected Members and Employees in March 2022 which has been circulated to all Members and Employees and annual reminders will be issued. A register of gifts and hospitality for Members is maintained by the Democratic Services Department and this is updated when relevant information is provided by a member of staff and elected members.

### **Codes of Conduct for Officers**

Council has adopted the revised "Code of Conduct for Local Government Officers", issued by the Local Government Staff Commission as a statutory recommendation for adoption by all councils and promulgated under the authority of the Local Government Staff Commission under Section 40(4) (f) of the Local Government Act (NI) 1972.

The Code of Conduct is signed by employees on appointment and is covered as part of the Induction process for new employees.

During the 2021/22 year 258 employees received training in the revised Code. In 2022/23 face to face training for all front-line staff in operational areas was delivered-

When new employees commence employment with the Council the Code of Conduct is sent out with their Main Statement of Terms and Conditions. Employees are asked to confirm, in writing, that they have received and read a copy of the Code. Job Descriptions within Council also require employees as part of their duties and responsibilities to adhere to the Code of Conduct for Local Government Officers.

Officers are given a copy of the Code on taking up appointment and failure to adhere to it is a disciplinary offence. Officers are also issued with terms and conditions of employment on commencing employment with the Council and would be advised of various policies and procedures on induction. Existing members of staff have access to these documents on the Staff Portal. New policies and procedures are brought to the attention of staff and are also available via the Staff Portal.

The induction process for all new staff includes a copy of specific policies on staff conduct, including travelling and subsistence expenses, disciplinary and grievance policies and procedures, absence and sickness reporting, Data Protection, Freedom of Information, Equality and Good Relations and Health and Safety at Work.



Other supplementary codes of practice relating to the conduct expected of employees are available to staff via the Staff Portal.

Council adopted a Gifts and Hospitality Policy for Elected Members and Employees in March 2022 which has been circulated to all Members and Employees and annual reminders. A register of gifts and hospitality is maintained by the Democratic Services Department and this is updated when relevant information is provided by a member of staff and elected members.

### **Conflicts of Interest Policy**

A Conflicts of Interest Policy was implanted in November 2022, with training commencing in March 2023, and continuing through to 2023/24.

## **6. Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required managing risks.**

Causeway Coast and Glens Borough Council operates a system of standing orders for the regulation of the proceedings of the Council and Council business. Standing Orders were revised twice during 2022/2023 which resulted in two amendments being made. Council also adopted the revised scheme of allowances for members during the year.

The Standing Orders are included within the Council's Constitution. A Council is required, under section 2 of the Local Government Act (Northern Ireland) 2014, to prepare and keep up to date a Constitution. Causeway Coast and Glens Borough Council adopted a new Constitution on 22nd September 2015. This Constitution governs how the Council operates, how decisions are made, and the procedures which are to be followed to ensure efficiency, transparency and accountability to local people. Some of these processes are required by the law, while others are a matter for the Council to choose. This is updated as and when required such as the revision of Standing Orders and the Scheme of Allowances. The Scheme of Delegation was approved by Council in November 2020, and the Council Constitution was also updated in April 2023.

The Constitution is divided into sixteen Articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate Rules and Protocols within the document.

The Scheme of Delegation for Development Management, Development Plan, Enforcement and Other Planning Functions and the Protocol for the Operation of the Planning Committee took effect from 1st April 2015 on the transfer of Planning functions to local government.

The Scheme of Delegation and the Protocol were reviewed during 2021/22. The Scheme of Delegation for the Planning Department was reviewed by the Planning Committee and agreed by DfI and implemented on 05 July 2021. The Protocol for the Operation of the Planning Committee was reviewed by the Planning Committee and agreed on 23 February 2022 and implemented on 02 March 2022. The Scheme of Delegation and Protocol will be reviewed again during 2023/24.

A financial policy manual was approved by Council in June 2020. Detailed policies and procedures in relation to Purchasing and Procurement including expenditure limits and authorisation signatures are in place, reviewed periodically and updated as required. A revised Procurement Policy was approved by Council in March 2021, the main outcome being the retention of the lower expenditure limit requiring Council approval at £10,000.

Council has a Risk Management Strategy, which requires the identification of Corporate and Departmental Risks, the assessment of impact and likelihood of those risks and the mitigating controls in place. Council has Corporate and Departmental risk registers in place, and these are reviewed regularly. The Corporate Risk Register is reviewed by SMT and presented to the Audit Committee quarterly. The current Information Risk Management Policy was agreed by Audit Committee in September 2018.

An initial Treasury Management Strategy Statement was approved by Council in December 2014. The policy was developed in the context of the Local Government Finance Act (NI) 2011 and the local Government (Capital Finance and Accounting) Regulations (NI) 2011 and includes the key principles of CIPFA's Treasury Management in the Public Sector Code of Practice and taking guidance from Council's Treasury Management Advisers. A revised Treasury Management Strategy is approved by Council annually, the statement for 2022/2023 being presented at Finance Committee in March 2023. The Annual Treasury Management Strategy statement sets out the expected treasury management operations for the year. A review of the Treasury Management strategy is presented twice annually for 2022/23 this reported was tabled in October 2022 and April 2023.

#### **7. Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees - Practical Guidance for Local Authorities.**

Causeway Coast and Glens Borough Council operate a committee system, with the Audit Committee meeting once per quarter.

Representation on the Audit Committee is based on the Quota Greatest Remainder allocation, with 16 elected members, representative of each political party grouping in Council, and 1 Independent Member. All meetings are attended by the Director of Corporate Services, Internal Auditor (In-house) relevant Council officers, along with the contracted Internal Auditor (Co-sourcing Partner currently Cavanagh Kelly). The Audit Committee Terms of Reference have been documented and approved by Council. These were reviewed and agreed in December 2021, to ensure compliance with CIPFA best practice. The Terms of Reference set out the scope of the Committee in relation to Audit Activity, Regulatory Framework and Accounts.

The Audit Committee met on five occasions between April 2022 and March 2023 (the December audit committee being adjourned due to a strike action), this included Internal Auditors and the NIAO representation (An open invitation is extended to the Northern Ireland Audit Office to attend all meetings). Following each meeting, minutes are circulated and approved by Council.

The internal audit function for Causeway Coast and Glens Borough Council is provided by both in-house Internal Auditor and by Cavanagh Kelly through an Internal Audit co-sourcing arrangement.

Various aspects of operating activities were sampled and examined to ensure the appropriate legislation, policies and procedures were adhered to and expenditure was lawful. Internal audit reports include award of assurance levels and recommendations for improvement. These audit reports are presented to the Audit Committee throughout the year. The Internal Audit Service operates to the Public Sector Internal Audit Standards 2013.

#### **8. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.**

The Legal Services Department in Causeway Coast and Glens currently consists of three full time solicitors, and a paralegal. Derry City and Strabane District Council Legal Services Department is retained to assist with prosecutions and advice. Further specialist external legal advice is engaged for Planning, Procurement, Human Resources, Call-ins, and as required. The land and property solicitor is currently engaged in working through the Councils legal title to its property and in registering the Councils unregistered land as well as reviewing all land and property matters and advising the Land and Property Sub-Committee. A dedicated Council solicitor attends all Planning Committee meetings and reviews all Planning reports.

Internal policies and procedures are regularly updated and renewed as required to reflect legislative changes. These are amended in line with recommendations from Internal and External Auditors and are circulated to the relevant staff when reviewed. Internal Policies and Procedures are available on the Staff Intranet.

In terms of lawful expenditure, workshops and special council meetings are held to discuss the proposals for the Estimates for the forthcoming year. This covers both Capital and Revenue Expenditure. Internal audit and

Local Government Annual reports (including statutory audit) are also examined and discussed at these meetings, as well as the meetings of the Audit Committee. Council is issued with a summary report which forms the basis for discussion and decision making at the meetings. Annual Service specific Business Plans that include detailed proposed expenditure are agreed by respective Council Committees for full Council ratification. Oversight of these Business Plans is provided by the Finance and Legal Services.

A standard report template is used for all committee reports, which includes a section to report on full cost implications. All reports to Council Committees in 2023/24 will be reviewed by the internal Council legal team, with specialist external advice sought as required, for example, in relation to major capital projects. The Internal Audit plan covers a range of Council's main activities, financial and otherwise. Various aspects of operating activities have been sampled and examined to ensure that appropriate legislation, policies and procedures are adhered to, and expenditure is lawful. Internal audit reports including award of assurance levels and recommendations for improvement are reported to both Council and the Audit Committee. Council appointed Cavanagh Kelly as part of a co-sourcing internal audit arrangement. In terms of service specific compliance, service departments are kept up to date in the following ways:

- In house legal service review of committee / Council reports;
- Subscription to online expertise e.g. HR - Legal-Island Email Service and Croners On-line Employment Law Information Service and Advice Line;
- External Legal Advice when required - Council subscribe to DAS – Employment Advice as part of the annual Insurance programme;
- Officer Meetings – Service specific;
- Attendance at various policy fora;
- Training and Development for staff.

The Chief Executive is also the Council's Chief Financial Officer, as required by Section 1, of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision making, providing advice, and guidance and ensuring that expenditure is incurred lawfully. The financial management arrangements conform with the governance requirements of CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government Framework. The Chief Financial Officer is also supported by suitably qualified and experienced staff (including qualified accountants) within the finance function to ensure that decisions made by the Council are based on sound technical knowledge and understanding.

## **9. Whistle-blowing and other processes for receiving and investigating complaints from the public.**

Council has a Raising Concerns Policy and an Anti-fraud Bribery and Corruption Policy. The Whistle-blowing policy was reviewed and updated in line with Raising Concerns good practice guide for the Northern Ireland public sector issued by the Northern Ireland Audit Office and was ratified at full Council on 5<sup>th</sup> January 2021. The Anti-Fraud Bribery and Corruption Policy was approved by Council in July 2015 and was reviewed by Audit Committee in December 2021, and approved by Council in January 2022.

All staff are informed of the policies and copies are included in the Staff Induction Pack and available on the Staff Intranet. Raising Concerns / Whistle-blowing is a standing item at the quarterly Audit Committee meetings.

Council also operates a formal scheme for public complaints and suggestions. These are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level in the organisation where the complainant is not satisfied with the response. Where a complainant remains dissatisfied, he/she is advised to contact the Northern Ireland Ombudsman.

There were three notifications of concerns received and followed up by Internal Audit during the year all of which have been reported to the Audit Committee.

**10. Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training.**

Council has a limited training and development budget for both Members and Staff. In terms of the Elected Members' budget, which is monitored through the Elected Member Development working group (Members) which reports to CPR and ultimately council. For staff, the budget is monitored and reviewed by ODHR team.

All relevant conferences and courses are circulated to Councillors at Council meetings. An Elected Members' Conference Attendance Policy was agreed by Council on 23rd February 2016.

Council agreed an action plan for Elected Member Development in February 2020, and was awarded Charter status for Elected Member Development in January 2023. A training needs analysis will be carried out in the new term of Council 2023/24, and a programme of training will be developed for consideration by the Elected Member Development Steering Group. The programme of training will continue to be reviewed and further training arranged.

A range of Learning and Development Priorities have been identified and learning is delivered and budgets allocated in accordance with these priorities. They are, Role Related training, Mandatory Training, Leadership & Management Development, Team Development & Core Skills, Assistance to Study (Further Education) and Other.

Causeway Coast and Glens Borough Council is progressing on a consistent and coordinated approach to learning and development.

**11. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.**

Council consults with various bodies in relation to important strategic or policy development matters. Provisions are in place for communication in various formats and languages if requested.

Council has communicated with citizens and stakeholders by utilising the following methods:-

A Citizens Survey has been developed in conjunction with APSE Performance Networks and this will be used to consult with Citizens in relation to the performance of the Council and to identify improvements across Council services. The Citizen's Survey was opened on 24th November 2021 and then closed on 7th January 2022. Council have received 2,268 responses in total, with an excellent completion rate of 82%. For a population the size of Causeway Coast and Glens, this is a statistically significant number, which means that we can have a high degree of confidence (95%) that the views expressed will be in line with those of the population as a whole. As part of the survey response, 870 respondents took the opportunity to provide further comments on any aspects of the Council's performance.

Although impacted by Covid, the Community Planning team facilitated public consultation using drop-in sessions at local libraries throughout the Borough as part of its review of the Community Plan and Delivery Plan. Use was also made of a survey available to complete on the Council website and this survey was also circulated through appropriate databases

Community Information events and Public Meetings, Statutory Partner Engagement, Citizen Surveys, Council Strategy, Website and Social Media, Council and Committee Meetings, Improved access to agenda, reports and minutes via website, Press Releases and Public Advertisements, Leaflets and Publications – including e-zine, and the annual publication of the Citizens' Newsletter have been utilized.

Council and committee meetings are open to the press and members of the public, and minutes are published on the Council's website along with Agenda and Audio Recordings of Public sessions of meetings.

Council also received and responded to 647 Requests for Access to Information during 2022/23.

**Review of Effectiveness**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its system of internal control. The review of effectiveness is informed by the work of the Senior Managers within Council who have responsibility for the development and maintenance of the governance environment, the Internal Audit's Annual Report, and also by comments made by the external auditors.

The Audit Committee includes elected member representatives of the political membership of Council and an Independent Member. Under the terms of reference for the Audit Committee, they are charged with responsibility for ensuring good stewardship of the Council's resources, and committed to making the Council, its working groups and departments more responsive to the audit function.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the internal control system. The Internal Auditor forwards draft reports to the relevant Director/Head of Service, for Management comments, and responses. The reports are coordinated by the Internal Auditor and then issued in their final format, presented to the Audit Committee initially and then to Council.

The Chief Executive has responsibility for preparing the Annual Governance Statement. In preparing this statement, he has considered the governance framework and system of internal controls in place. The Chief Executive leads the Council's SMT to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement, full regard has been made to the register of interest for both Councillors and employees, reports of the internal and external auditor and the Corporate Risk Register.

The following process has been applied in maintaining and reviewing the effectiveness of the governance framework:

- **The Authority** – in line with the Local Government Act (NI) 2014 a traditional committee structure was in place within Causeway Coast and Glens Borough Council during 2022/23. A Finance Committee was added to the structure during 2019/20 to enhance the oversight and scrutiny of Council finances.
- **The Executive** – Service and Corporate Risk Registers, Operational Policies and Procedures, Regular Management Meetings and Communication, Internal and External Audit reports, Administrative procedures (including segregation of duties) and Management Supervision.
- **The Audit Committee** – The audit committee is a standing committee of Council, meeting quarterly, with 16 elected members and 1 independent member. All meetings attended by the Director of Corporate Services, relevant officers, Internal Audit and External Audit.
- **Internal Audit** – The review of the effectiveness for the Council is also informed by the Annual Internal Audit Opinion for the year.

In line with PSIAS, Internal Audit are required to provide an opinion as to the adequacy and effectiveness of the governance, risk management and control environment. In giving this opinion, it should be noted that assurance can never be absolute.

Specifically, this opinion has been arrived at after considering the following:

- The outcome of audits completed in the 2022/23 audit plan.
- Progress made in relation to the outstanding audit recommendations from previous years. It is noted that whilst some progress has been made in addressing recommendations highlighted by Internal Audit and tracking of recommendations has improved with update reports presented to the audit committee on a quarterly basis, concerns remain around the time it takes to progress recommendations especially in some critical areas such as Business Continuity Planning, Essential Car User Policy and Medium-Term Financial Plan for Council.
- The content and findings contained in the final external reports in relation to the reviews of governance, land and property and record keeping undertaken as part of the Extraordinary Audit recommendations.
- The outcome of the audit undertaken by the Northern Ireland Policing Board (NIPB) in relation to the management of any potential and/or perceived PCSP Conflicts of Interest.
- The outcome and recommendations of the external cyber security review undertaken.

- Ongoing governance concerns in the public domain arising from the recording of conversations in the Council.

For the reasons outlined above, Internal Audit can provide a limited level of assurance as to adequacy and effectiveness of the governance, risk management and control environment. Overall, there are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

Internal audit will continue to support management in reviewing the level of fraud risks associated with their key activities and ensuring that appropriate mitigations are put in place. However, it should be noted that it is management's responsibility to ensure that there are robust systems of internal control in place to help manage the risk of fraud.

Looking ahead, the matters highlighted above, together with ongoing financial pressures including the impact of cost of living increases continue to present risks that could affect the Council's ability to deliver in its objectives. In our view, it is important that senior management place importance on the development and maintenance of adequate and effective audit, risk and governance arrangements within Council. It is also important that audit recommendations to address control weaknesses and recommendations highlighted in the independent reviews are implemented in a timely fashion and Internal Audit receives adequate cooperation to ensure delivery of the annual audit plan throughout 2023/24.

- **Other explicit review/assurance mechanisms -**

Health and Safety: Reviews of Health and Safety by professional qualified officers, the Corporate Health and Safety Committee, and various Health and Safety sub committees.

External funding: throughout the year is subject to independent audits from relevant funders i.e. Europe, Government Departments, SEUPB etc.

Local Government Auditor: work carried out by the Local Government Auditor during 2022/23 is also used by the Council as an additional assurance mechanism.

The Clerk and Chief Executive has been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the systems is in place.

### **The Role of the Chief Financial Officer**

The Chief Financial Officer is also the Clerk and Chief Executive and as such is the key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Council's strategic objectives sustainably and in the public interest.

The Chief Financial Officer is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and aligned with the authority's financial strategy.

He leads the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

Specifically he leads and directs the finance function, and is supported, in so doing, by professionally qualified and suitably experienced staff embedded within the Finance Department. The Chief Finance Officer heads the Finance Service and sits on the SMT.

The Council is satisfied that appropriate financial management arrangements are in place in order to conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to "Delivering Good Governance in Local Government: A Framework".

## Significant Governance Issues in 2021/22 – update

Four governance issues were noted in 2021/2022 annual governance statement. All four of the significant governance issues reported upon in 2021/22 have carried forward into the 2022/23 financial year. These include Finance (Finance and Financial Resilience), ICT (Digital and Cyber listed below) and Compliance/Regulation and the Recruitment and Retention of staff. Updates in relation to these governance issues are listed below.

## Significant Governance Issues in 2022/23

The significant governance issues for 2022/23 have been identified through a review of the Corporate Risk Register, consideration of the Directors and Heads of Service annual assurance declarations and internal audits understanding of the wider control environment of Council. The four governance issues identified in 2021/22 have carried forward into 2022/23 with an additional significant governance issue added in relation to industrial relations with the Joint Consultative and Negotiating Committee (JCNC). More detail has been provided below in relation to each significant governance issue challenging the Council :

### 1. Compliance/Regulation

#### Procurement

In previous years, the Local Government Auditor has raised issues in relation to procurement. The Local Government Auditor noted that procurement procedures had not been followed, including the completion of direct award contract documentation. Procurement continues to be identified in the NIAO Audit Strategy 2022/23 as a significant risk. Council will continue to monitor progress to ensure the implementation of prior year recommendations.

#### Extraordinary Audit

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.

Northern Ireland's Local Government Auditor (LGA) published a report on the 7<sup>th</sup> July 2022 summarising the findings of an extraordinary audit of Causeway Coast and Glens Borough Council.

It details the findings and recommendations emanating from the audit of land disposals and easements since the Council was formed in April 2015. At a Special Council Meeting held on 26<sup>th</sup> July 2022 the Council resolved:

*'That this Council accepts the findings contained within the extraordinary audit. That this Council immediately moves to implement all eight recommendations contained within the Extraordinary Audit. That the Ministerial Letter of the 7<sup>th</sup> July 2022 be responded to confirming all the above and an action plan be completed by the 8<sup>th</sup> August 2022 that shows how the Auditor's recommendations will be fully implemented by 30 December 2022'.*

The following actions were taken to address the recommendations:

- In line with Departmental advice, Council approved the appointment of an independent advisor to assist and support Council in the delivery of the Action Plan.
- Independent consultants were appointed to undertake an independent Council wide review of governance arrangements, detailed review of all of its land related policies and procedures to ensure that all policies comply with the legislation and guidance and a review of its procedures to ensure adequate records are used to support decision making.
- Review of procedures to ensure adequate records are used to support decision making.
- Elected Members mandatory training in the areas of fraud and scrutiny & challenge.
- Council appointed the Local Government Staff Commission to lead on recommendations 6 & 7 contained within the extraordinary audit report.

Following the Special Council Meeting on the 20 February 2023 the Mayor wrote to the Department for Communities providing copies of all of the reports and seeking an extension to the timetable to complete the work until the 4 April 2023. The Department agreed to the extension.

At the Special Council meeting on the 27 March 2023 the Council resolved:

*'That Council accept the Findings in these reports in full. Furthermore, that an implementation oversight panel is established (similar to what was taken forward with the Planning Review) to oversee the resolution of the issues outlined in these reports; to produce and progress an Action Plan and the implementation of these associated recommendations; the membership of 6 Elected Members by d'Hondt and a representative from the Department for Communities who have ultimate oversight authority to make sure there is change throughout this organization and that it is overseen and engaged with'.*

Council agreed to send the reports to the Department for Communities (DfC) and to note that progress continues to be made in respect of Recommendations 6 and 7 of the extraordinary audit. As at the time of writing this draft annual governance statement the Department for Communities (DfC) have yet to provide a response to Councils proposal in respect of an oversight panel.

### **High Court Injunction**

Council and four senior officials have obtained an interim injunction preventing the publication of details of secret recordings made at Council offices. The order was made at the High Court in proceedings brought against persons unknown.

## **2. Industrial Relations**

The Joint Consultative and Negotiating Committee (JCNC) have issued a vote of no confidence in the senior management team currently. Work is ongoing within Council to restore relationships with the Joint Consultative and Negotiating Committee (JCNC). In the interim period and to progress with operational issues, Heads of Service have been designated to continue to engage with the Trade Unions to ensure that operational issues are progressed.

There is a risk that in the current industrial relations climate a lack of engagement between senior management and from trade unions may result in delays progressing with the population of structures work.

## **3. Finance and Financial Resilience**

Finance continues to be listed as a key corporate risk on the corporate risk register. The Northern Ireland Audit Office (NIAO) has identified Financial Resilience as a significant risk for the 2022/23 annual financial audit. Council continue to face a range of budget pressures including inflation, energy and utility cost pressures affecting front line services and increases in wages and pension contributions. Council will continue to seek ways to maximize available cost savings and increase income generation opportunities.

The Draft Medium Term Financial Plan is currently progressing, and it is envisaged this will be finalised in Autumn 2023.

In addition to the general fund, Council have established a number of reserves, including a Covid Recovery Reserve, a financial recovery Reserve, Reorganisation Reserve and a Repair and Renewal Fund.

A new finance system has gone into operation on 1 April 2023 which will streamline operational processes and generate real time reports.

## **4. Digital and Cyber Security**



Cyber security is recognised as a risk for Council, both in terms of protecting citizens' data and maintaining the availability of council services. Skilled ICT staff work to ensure industry best practices are followed. This includes physical security of the buildings and server rooms. Technical controls with malware detection and response, next-gen firewalls, web and email scanning and vulnerability remediation. Access to data and services is always based on least required privilege. Policies and procedures are regularly reviewed to ensure appropriate administrative controls and advice for users is in place.

## **5. Recruitment and Retention of Staff**

In the current economic climate there are challenges in terms of recruitment and retention of staff, coupled with the ongoing negotiations regarding terms and conditions, may lead to a number of positions unfilled which could have an impact on service delivery. To address these issues, Council have commenced the population of structures but still have work to do. Council are progressing with internal and external advertisements in line with vacancy control. Council have challenges in filling more specialised posts, i.e. planning, building control, environmental health, audit where it is difficult to attract applicants.

Council are continuing to provide staff development opportunities with the aim of retaining and developing existing staff, which assists with Business continuity and retention of corporate memory. There is a risk that Council will be unable to fill positions, and this could have an impact on service delivery, performance and the wellbeing of our staff.

We propose over the coming year to take steps to continue to address recommendations and matters raised further enhance our compliance with governance and health and safety regulations. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

### **Signed**

Clerk and Chief Executive  
Causeway Coast and Glens Borough Council

Date xx June 2023

### **Signed**

Mayor of the Council  
Causeway Coast and Glens Borough Council

Date xx June 2023