

Causeway Coast & Glens Borough Council

Harbours and Marinas

May 2023

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Executive Summary

Internal Audit Opinion / Assurance Rating

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2022/23. This report summarises the findings arising from a review of the Harbours and Marinas. The table below summarises the key areas of potential risk which were considered and reviewed (controls considered for each risk are detailed in Appendix B):

Risks Reviewed	Number of Recommendations and Priority Rating		
	1	2	3
There may be a lack of a strategic approach to managing harbours, marinas and terminals increasing the risk of insufficient financial resources being allocated to ensure safe and sustainable operation of the harbours, marinas and terminals facilities.	-	1	-
There may be an inadequate governance framework in place in relation to health and safety at Council managed harbours, marinas and terminals, leading to lack of clarity around the responsibilities of key staff and increased risk of health and safety incidents occurring.	-	1	2
There may be inadequate assessment and minimisation of Health and Safety risks to Council staff and members of the public visiting/using Council harbours, marinas and terminals leading to unnecessary incidents and the risk of litigation against the Council	-	2	2

Based on our audit testing we are able to provide the following overall level of assurance:

SATISFACTORY	Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of objectives.
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Definitions of levels of assurance and the priority ratings for recommendations are included in Appendix A.

The weaknesses identified during our audit have been brought to the attention of Management. The weaknesses outlined are those, which have come to our attention during the normal audit work and are not necessarily all the weaknesses, which may exist.

The content of this report has been discussed with officers and management to confirm factual accuracy. The assistance and cooperation received during our review is gratefully acknowledged.

1 Objectives

The areas for inclusion in the scope of the audit were determined through discussion with management and will consider the main risks in relation to Harbours, Marinas & Terminals and to review the key systems and controls in place to address these. The review will focus on the risks associated with:

- Strategic management of harbours, marinas and terminals operations
- Health and Safety

2 Background

Causeway Coast and Glens Council have a variety of Harbours, Marinas and terminals situated on the spectacular north coast of Northern Ireland. These include:

- Coleraine.
- Portrush, Portstewart, Portballintrae, Ballintoy, Rathlin, Red Bay & Dunseverick small Harbours,
- Ballycastle Harbour & Marina,
- Waterford & Dalriada Slipways (both in Cushendall).

Council also operates a ferry between Magilligan and Greencastle.

Each of the facilities is unique and management of the facilities requires consideration of the balance between the cost of maintaining and running each facility, the income generating capacity of the facilities, the value of the service provided to local citizens and/or tourists and also the local marine environment.

Harbours, Marinas and terminals also bring unique health and safety risks and associated regulation (such as the Port Marine Safety Code) which Council must effectively manage, assessing and mitigating the risks and ensuring compliance with relevant regulation.

3 Risks

The risks identified relating to Harbours, Marinas & Terminals and agreed with management are as follows:

- There may be a lack of a strategic approach to managing harbours, marinas and terminals increasing the risk of insufficient financial resources being allocated to

ensure safe and sustainable operation of the harbours, marinas and terminals facilities.

- There may be an inadequate governance framework in place in relation to health and safety at Council-managed harbours, marinas and terminals, leading to lack of clarity as to responsibilities of key staff and increased risk of health and safety incidents occurring.
- There may be inadequate assessment and minimisation of Health and Safety risks to Council staff and members of the public visiting/using Council harbours, marinas and terminals leading to unnecessary incidents and the risk of litigation against the Council.

4 Audit Approach

We conducted our internal audit work in accordance with the Public Sector Internal Audit Standards ("PSIAS"). We planned and performed our work to obtain assurance over the operating effectiveness of arrangements in place to address the agreed risks. However, you should not rely on our work to identify all instances of fraud or error which may exist. The responsibility for these matters rest with management of the organisation.

Our audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records

The table below shows the staff consulted with and Internal Audit would like to thank them for their assistance and co-operation.

Job Title
Director of Environmental Services
Head of Infrastructure
Senior Harbour Master

5 Audit Findings

- 5.1 Risk 1 – There may be a lack of a strategic approach to managing harbours, marinas and terminals increasing the risk of insufficient financial resources being allocated to ensure safe and sustainable operation of the harbours, marinas and terminals facilities.**

Issue 1 – Strategic Plan/Vision for the management of harbours, marinas and terminals over the medium-long term based on appropriate analysis.

a) Observation- There is currently no overall strategy relating to this. There have been strategic decisions made and these have been based on detailed analysis – for example:

- An economic appraisal (EA) has been carried out on Coleraine marina and has recommended disposal as the main option – this report is scheduled for to be brought to Members at the September 2023 Environmental Services committee for decision.
- An EA was carried out on Magilligan ferry terminal and slipway (circa 2018), this was brought to members for decision for disposal. Members agreed and thus the asset has been declared surplus and is going through the D1 disposal process.
- A proposal for hiring consultants to prepare a Harbours and Marinas Strategy was previously developed but did not progress – there are plans to move forward with development of a Strategy in 2023/24.

b) Implication- The absence of a strategy for managing harbours, marinas and terminals increases the risk of insufficient financial resources being allocated to ensure safe and sustainable operation of the harbours, marinas and terminals facilities.

c) Priority Rating- 2

d) Recommendation- It is recommended that a strategic review of the current harbours and marinas provision should take place. This should be moulded into a strategy and be brought to Committee.

e) Management Response- Agree

f) Responsible Officer & Implementation Date- Head Of Infrastructure – June 2024

- 5.2 Risk 2 – There may be an inadequate governance framework in place in relation to health and safety at Council-managed harbours, marinas and terminals, leading to lack of clarity around the responsibilities of key staff and increased risk of health and safety incidents occurring.**

Issue 2 – Roles and Responsibilities of designated Council staff – recruitment
<p>a) Observation- A report proposing a restructuring of the Harbours and Marinas team was presented at the Environmental Services Committee in October 2022 and was approved. As a result, there are plans to fill these revised positions with permanent Council employees and move away from the reliance on agency staff for key roles in the team. There is currently one full-time employee within the team (the remainder are agency or seasonal). Recruitment for these positions was due in May 2023 but has been delayed.</p>
<p>b) Implication- The use of temporary or agency staff in key roles increases the risk of frequent turnover of staff which leads to a constant need to induct new staff and make them familiar with Council’s facilities and Health & Safety matters, it also delays having sufficient resources to address administrative health & safety matters (see Issue 3) thereby increasing the risk of a health and safety breach.</p>
<p>c) Priority Rating- 3</p>
<p>d) Recommendation- It is recommended that any reasons for delaying the recruitment process should be resolved as a matter of urgency and the recruitment process should be expediated.</p>
<p>e) Management Response- Agree.</p>
<p>f) Responsible Officer & Implementation Date- Senior Harbour Master (SHM) – December 2023</p>

Issue 3 – Health and safety procedures

a) Observation- It was noted that the current Port Marine Safety Code (PMSC) guidance document relates only to Ballycastle as this is the largest facility. The document is now outdated on a number of fronts e.g., staffing structure, roles and responsibilities, contingency planning. It was noted by the Senior Harbour Master that as part of settling in the new staffing structure and putting people in place, it will become the operational/strategic aim to redraft and revisit a document that covers all the facilities for Council. Time/resource to complete this work has been minimal in the past few years, but with the imminent filling of the structure, the ability to undertake such reviews will be enabled. The Marine Safety Management System (SMS) required as part of the PMSC has been significantly upgraded already with the drafting and now issuing of the library of risk assessments. Accompanying this is the scope of mitigation measures identified.

b) Implication- There will continue to be a gap in the overall SMS until the updates to the PMSC is complete.

c) Priority Rating- 3

d) Recommendation- It is recommended that the updates to the Port Marine Safety Code to consider all facilities is carried out.

e) Management Response- Agree

f) Responsible Officer & Implementation Date- SHM – March 2024

Issue 4 – Staff Training

a) Observation- Induction training occurs for all new staff. We reviewed induction records for the 3 most recent recruitments and found staff were introduced to the key aspects of health and safety pertinent to their role. Due to the high level of agency staff and insufficient time for management under the previous structure, we were advised that training logs are formally not retained by the Senior Harbour Master. This will be addressed going forward, when the new posts are all filled, training logs and records will be maintained by the Senior Harbour Master for every staff member. The Senior Harbour Master now has a greater responsibility for such administrative matters and will have more time to manage such issues as the remaining posts are filled on a full-time basis.

b) Implication- In the absence of a documented training plan there is a risk that staff are not fully trained in all relevant H&S matters.
c) Priority Rating- 2
d) Recommendation- It is recommended that a training plan with appropriate frequency of training and refresher training on H&S be introduced and training records for staff be put in place and kept up to date.
e) Management Response- Agree.
f) Responsible Officer & Implementation Date- SHM Dec 2023

5.3 Risk 3 – There may be inadequate assessment and minimisation of Health and Safety risks to Council staff and members of the public visiting/using Council harbours, marinas and terminals leading to unnecessary incidents and the risk of litigation against the Council.

Issue 5 – Task Risk Assessments (RAs)

a) Observation- We sample tested 40 task Risk Assessments. We found:

All had been created in May 2023 as the result of an intensive exercise supported by an external consultant.

All are due to be reviewed in May 2024. An annual review is line with generally accepted practice and H&S guidance by HSENI.

All were appropriately noted as approved.

Key H&S matters relevant to Harbours and Marinas had been considered in detail, such as ferry operations, refuelling, boat lift, working on or near water, navigation, slipway cleaning etc.

We note that a long list of mitigating actions was identified for some tasks, and some are more urgent than others, and need addressing in the short term.

We discussed a number of the mitigating actions with the Senior Harbour Master who advised us they are being addressed on a priority basis, and as resources allow. Some will be addressed in June 2023 (see Issue 5)

<p>b) Implication- If the risk assessment, with a significant number of mitigating actions, is not reviewed for 12 months there is an increased chance that a mitigating action is not addressed in a timely manner or accidentally overlooked.</p>
<p>c) Priority Rating- 2</p>
<p>d) Recommendation- We recommended that for the first 12 months following the development of these risk assessments that they be reviewed at a minimum on a quarterly basis to ensure addressing of mitigations is on track.</p>
<p>e) Management Response- Agree</p>
<p>f) Responsible Officer & Implementation Date- SHM – 1st quarterly review date commencing 31st August 2023</p>

Issue 6 – Control of Substances Hazardous to Health (COSHH) Risk Assessments

<p>a) Observation- We sample tested 7 COSHH Risk Assessments. We found all were appropriately completed however there was no review date noted.</p> <p>We also observed that currently there are no COSHH risk assessments relating to fuel stored at harbours and marinas. However, we did find that some of the mitigating actions on the task RAs referred to the need to develop fuel COSHH RAs. We were advised that this action is being prioritised and is due to be completed in June 2023.</p>
<p>b) Implication- Any gaps in RAs may result in a lack of awareness amongst staff who use these documents as a reference and guide on H&S matters. This increases the risk of H&S incident occurring</p>
<p>c) Priority Rating- 2</p>
<p>d) Recommendation- We recommended that all COSHH RAs are given a review date and any gaps in COSHH are addressed.</p>
<p>e) Management Response- Agree</p>
<p>f) Responsible Officer & Implementation Date- SHM -July 2023</p>

Issue 7 – Fire Safety - Emergency Procedures

a) Observation- We performed 2 site visits and noted at both locations a map of the site including the location of fire extinguishers was in the respective office building. There are no signs or notices providing information relating to “in case of fire or emergency”.

b) Implication- If an incident occurs outside of office hours facility users may not be aware of the location of fires extinguishers or who to contact in case of an emergency.

c) Priority Rating- 3

d) Recommendation- We recommended that details of fires extinguisher locations and “in an emergency” be displayed outside of the offices at harbours and marinas.

e) Management Response- Agree

f) Responsible Officer & Implementation Date- SHM – September 2023

Issue 8 – Facilities Checks and Inspections

a) Observation- We sample tested routine checks carried out at facilities by Harbours and Marinas staff to ensure they were occurring, covered reasonable types of checks and were of an adequate frequency. We tested 10 facility weekly checks and found all were appropriate and being performed. We were provided with details of detailed structural inspections undertaken by external marine consultants across Council’s Harbour and Marina facilities. These types of facilities can be subject to various types of inspections structural both above and under water, channel depth surveys to ensure adequate dredging etc. The type and frequency of such inspections required will vary depending on the type of facility i.e., a busy marina compared to a small infrequently used slipway.

b) Implication- In the absence of a documented schedule of structural inspections, to be performed by external experts, and considering the uniqueness of each facility there is a risk that such inspections do not occur with the required frequency which lead to a lack of financial resources for, or unnecessary capital works cost in the future

c) Priority Rating- 3

d) Recommendation - We recommend that a schedule of the type and frequency of structural inspections by facility be documented.

e) Management Response- Agree

f) Responsible Officer & Implementation Date- SHM June 2024

Appendix A – Assurance Ratings

The framework for audit assurance is set out in DAO 07/16 and summarised below:

Level of Assurance	Definition
Satisfactory	Evaluation opinion: Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of the system objectives.
Limited	Evaluation Opinion: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to system objectives not being achieved.
Unacceptable	Evaluation opinion: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

The priority ratings are also set out in DAO 07/16. They are intended as guidance to help prioritise the impact and implementation of each finding identified, and recommendation made:

Key:

Priority	Corresponding level	Definitions
1	High	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
2	Medium	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
3	Low	Failure to implement could lead to an increased risk exposure.

Appendix B – Summary of Controls Reviewed

Risk	Key Areas & Controls Tested
<p>There may be a lack of a strategic approach to managing harbours, marinas and terminals increasing the risk of insufficient financial resources being allocated to ensure safe and sustainable operation of the harbours, marinas and terminals facilities.</p>	<ul style="list-style-type: none"> • The Council has a strategic plan/vision for the management and development of harbours, marinas and terminals over the medium-long term based on appropriate analysis e.g. SWOT strengths, weakness, opportunities and threats facing Council’s harbours and marinas. • Council has considered/consulted the users of harbours, marinas and terminals when developing the strategic plan/vision. • Any strategy sets out the objectives for the Council harbours, marinas and terminals. • Any strategy has considered issues such as <ul style="list-style-type: none"> • tourism and leisure • culture and heritage • income generation potential • climate change, natural environment and conservation issues • the condition of the various assets and capital and maintenance costs • financial sustainability of the facility • Actions to achieve the objectives have been identified along with a timeframe for when each action should be achieved. • Actions are costed. • Progress in implementing actions is monitored and reported.
<p>There may be an inadequate governance framework in place in relation to health and safety at Council-managed harbours, marinas and terminals, leading to lack of clarity around the responsibilities of key staff and increased risk of health and safety incidents occurring</p>	<ul style="list-style-type: none"> • Roles and responsibilities of designated Council staff have been clearly defined and communicated in relation to health and safety at the harbours, marinas and terminals. Council’s responsibilities are recorded and clearly understood. • A ‘Designated Person’ has been appointed to oversee the Council’s obligations in respect of the provision of an effective safety and risk management system and to facilitate the independent assurance required to comply with the Port Marine Safety Code. • Health and safety reports are regularly produced by key personnel and provided to senior Council management for review. • An adequate, up-to-date Health and Safety Policy and • Procedures are in place in relation to the harbours, marinas and terminals. • These Health and Safety Procedures take cognisance of the Port Marine Safety Code and link to the marine safety management system. • Key staff receive training in Health and Safety at the harbour, marinas and terminals to ensure they have adequate skills and competencies to fulfil their roles - <ul style="list-style-type: none"> a. Types of health and safety training b. Frequency of training c. Training logs are kept and are up-to-date.
<p>There may be inadequate assessment and minimisation of Health and Safety risks to Council staff and members of the public visiting/using Council harbours, marinas and</p>	<ul style="list-style-type: none"> • A marine safety management system has been implemented. • Formal risk assessments are completed and documented in accordance with the Port Marine Safety Code and include consideration of such matters as pilotage and towage (as relevant) • Actions are put in place to manage risks identified in risk assessments and follow-up is undertaken to ensure that the

Risk	Key Areas & Controls Tested
terminals leading to unnecessary incidents and the risk of litigation against the Council.	risk is being managed (and there is evidence of such follow-up). <ul style="list-style-type: none">• Safety equipment, such as lifebuoys in place at the harbours.• Safety arrangements are in place for fuel berths and those accessing marine diesel supplies.• Safety arrangements are in place in relation to piers and slipways.• Periodic structural assessments of the harbours are undertaken to identify any maintenance or safety issues.• Incidents, accidents and near-misses at the harbour are reported, recorded and investigated adequately.• Employer's Liability and Public Liability insurance cover includes Council harbours.

Appendix C - Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken this review subject to the limitations outlined below:

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future Periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

