

AUDIT COMMITTEE MEETING WEDNESDAY 14 DECEMBER 2016

No	Item	Decisions
3	Minutes of Audit Committee held 21 September 2016	<i>Note correction Confirmed</i>
4	Northern Ireland Audit Office 4.1 Draft Audit and Assessment Report 4.2 Draft Report to those Charged with Governance 4.3 Annual Audit Letter Causeway Coast and Glens Borough Council 2015-16	<i>Note Note Note</i>
5	Internal Audit Reports – Moore Stephens 5.1 Information Governance and Data Protection 5.2 ICT Environment 5.3 Partnerships 5.4 Planning 5.5 Review of progress against Performance Improvement Plan 5.6 Internal Audit Progress Quarterly Update Report September – November 2016	<i>5.1 – 5.6 Note</i>
6	Financial Update 6.1 Quarter 2 – Management Accounts 6.2 Estimates 2017/18	<i>Note comments Note</i>
7	Matters for Reporting to Partnership Panel	<i>None</i>
8	Risk Matrix	<i>Note</i>
9	Legal Cases Activity	<i>Note</i>
10	Whistleblowing Incidents – verbal update	<i>Draft response to Elected Members</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT COMMITTEE
HELD IN COUNCIL CHAMBER, CIVIC HEADQUARTERS
WEDNESDAY 14 DECEMBER 2016 AT 7 PM**

- In the Chair:** Councillor O Beattie
- Members Present:** Aldermen Finlay and Robinson,
Councillors Baird, Blair, Callan, Clarke, Fitzpatrick, Holmes,
Hunter and Watton
- Independent Member Present:** G Ireland
- Officers Present:** D Jackson, Chief Executive
M Quinn, Director of Performance
D Wright, Chief Finance Officer
S McMaw, Head of Corporate Performance and Compliance
A Finney, Committee and Member Services Officer
- In Attendance:** C Kane, Director of Northern Ireland Audit Office
C Laird, Auditor, Northern Ireland Audit Office
E Taggart, student, Northern Ireland Audit Office
C McDermott, Senior Internal Auditor, Moore Stephens

CHAIRPERSON'S REMARKS

The Chair welcomed those present to the final Audit Committee meeting of 2016.

1 NOMINATIONS

The Chair advised Councillor Callan was in attendance to replace Councillor Stevenson for the transaction of business of the meeting.

2 APOLOGIES

Apologies were recorded from Alderman McKeown, Councillors Deighan and C McShane.

3 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3 MINUTES OF AUDIT COMMITTEE MEETING 21 SEPTEMBER 2016

The Chair advised there was a correction to the minutes of the above meeting, which had been ratified by Council at the 27 September 2016 Council Meeting. The words "*Independent Auditor*" should be replaced with "*Independent Member*". Noted.

4 NORTHERN IRELAND AUDIT OFFICE

4.1 Improvement Audit and Assessment – Draft Audit and Assessment Report

The Director of the Northern Ireland Audit Office presented the draft Audit and Assessment Report 2016-17, a copy of which was tabled for Member's information. She advised this was the final report issued on 30th November 2016.

The key audit and assessment findings were noted as well as the observations and recommendations made by NIAO.

Members' attention was drawn to the governance arrangements. Referring to the role of the Audit Committee there were a number of recommendations for consideration. These included listing performance improvement as a standing agenda item on Corporate Policy and Resources Committee and Audit Committee meetings and revising the terms of reference.

Also of note within the Annex, Certificate of Compliance, that future audit and assessments will expand further on how Council performs against the various elements.

4.2 Draft Report to those Charged with Governance

The Draft Report to those Charged with Governance was presented at the previous committee meeting. The Director of the Northern Ireland Audit Office advised there has been no substantial changes to the report. This therefore was the final report and it included the management responses. Members were advised the report now contained thirteen findings as below:

No.	Description	Priority	Page
1	Bank	1	8
2	Management Accounts	1	9
3	VAT Return	1	10
4	Income Controls	2	11
5	High Level Monitoring controls over the completeness of income at Outstations	2	12
6	Duplicate payments	2	13
7	Declaration of interests	2	14
8	Draft accounts submitted to audit	2	15
9	IT	2	16
10	Property plant and equipment	2	17
11	Expenditure	2	18
12	Risk Management	2	19
13	Prompt Payment	3	19

With regards to the Priority 1 findings, it was noted that Council has accepted the recommendations made and NIAO are content with responses given in relation to the remaining recommendations.

4.3 Annual Audit Letter, Causeway Coast and Glens Borough Council 2015-16

The Audit Committee received the NIAO, Annual Audit Letter, Causeway Coast and Glens Borough Council 2015-16 for information.

5 INTERNAL AUDIT REPORTS – MOORE STEPHENS IN ATTENDANCE

The Senior Internal Auditor, Moore Stephens presented the internal audit reports to Members.

5.1 Information Governance and Data Protection

This internal audit reviewed two aspects, information governance and data protection and how Council manages same. Examples of good practice were highlighted to Members as well as a summary of the findings, and recommendations, in particular Priority 1 and 2 findings.

Officers answered queries relating to the strong room in Limavady and a data breach. The Head of Corporate Performance and Compliance advised he would ensure the new procedure regarding the strong room is implemented.

5.2 ICT Environment

It was noted the internal audit on ICT Environment did not include the actual ICT system, but concerned the governance of ICT within the organisation. The huge amount of work undertaken by Council merging four legacy systems was highlighted.

A summary of the findings and recommendations, in particular the Priority 1 and 2 findings, was noted along with a number of areas of good practice.

In response to a question relating to arrangements for the disposal of confidential waste for Members, the Head of Corporate Performance and Compliance advised a report would be brought to formalise arrangements.

In response to a Members' comments on the administrator rights, the Director of Performance agreed to look at the matter urgently.

5.3 Partnerships

It was noted the overall level of assurance achieved on the internal audit for Partnerships was satisfactory. A summary of the findings was given along with a number of areas of good practice and some controls which could be enhanced within Priority 2 areas.

5.4 Planning

Planning, a new function from Department of Environment was subject to an internal audit and recommendations given for a number of Priority 3 areas. The examples of good practice were noted.

5.5 Review of progress against Performance Improvement Plan

The purpose of the internal audit of the Performance Improvement, a new requirement for Councils, was a mid-year review with 5 performance objectives on course to being achieved, 3 at risk of not being achieved and the progress of 1 target was unclear.

Officers responded to queries relating to payment process to creditors.

5.6 Internal Audit Progress Report Quarterly Update, September – November 2016

The Audit Committee considered a summary report to inform Members of work carried out by Internal Audit from Moore Stephens (as part of the shared service arrangement) during the period September – November 2016.

6 FINANCIAL UPDATE

6.1 QUARTER 2 – MANAGEMENT ACCOUNTS

The Chief Finance Officer presented the summary financial position as at period 6 (quarter 2 – period ended 30 September 2016) of the 2016/17 financial year, as circulated.

Comments made by Members were noted.

6.2 ESTIMATES 2017/18

The Chief Finance Officer provided an update to the opening position of the rates discussed at the Rates Workshop. Areas for consideration are options around the reserves and efficiencies. A summary of efficiencies made over recent years will be produced in January.

7 MATTERS FOR REPORTING TO PARTNERSHIP PANEL

There were no items for reporting to the Partnership Panel.

Proposed by Councillor Baird
Seconded by Councillor Holmes and

AGREED - that the Committee proceeds to conduct the following business 'in committee'.

8 RISK MATRIX

The Chief Executive presented the risk matrix and gave a brief update.

Officers answered queries in relation to investment and a Member's request to have access to wifi within all rooms at Cloonavin as soon as possible was noted.

The Audit Committee noted the Risk Matrix update.

9 LEGAL CASES ACTIVITY

Members received, for information, an updated report with regard to Causeway Coast and Glens Borough Council's legal cases.

10 WHISTLEBLOWING INCIDENTS

The Director of Performance informed Members of the one whistleblowing incident received and investigated during the quarter. A response will be issued to Elected Members on the outcome of the investigation.

Proposed by Councillor Fitzpatrick
Seconded by Councillor Hunter and

AGREED - that the Committee would conduct the remainder of the business '**In Public**'.

The business concluded at 8.00 pm

Chairperson
8 March 2017