

**Audit Committee Meeting Wednesday 9<sup>th</sup> March 2016**

**Key Recommendations**

<b>No</b>	<b>Item</b>	<b>Recommendation</b>
<b>4.</b>	Year End Accounts 2014/2015: Reports to those charged with Governance and Annual Audit Report - Final Ballymoney Borough Council	<i>Approve</i>
<b>6.</b>	Internal Audit Charter	<i>Adopt</i>
<b>8.</b>	Appointment of the Independent Member	that the Chair of the Audit Committee sits on the Interview Panel

## Audit Committee

Minutes of the Meeting of Causeway Coast and Glens Borough Council Audit Committee, held in the Council Chamber, on Wednesday 9<sup>th</sup> March at 7.00 pm.

In the Chair: Councillor C McShane

Present: Aldermen Finlay, Robinson; Councillors Baird, Beattie, Clarke, Fitzpatrick, Loftus and Stevenson

In attendance: M Quinn, Director of Performance  
S McMaw, Head of Convergence  
S Duggan, Committee and Member Services Officer

Also in Attendance: S Knox, NI Audit Office  
C Laird, NI Audit Office

Press x 1 no.

### 1. Apologies

Apologies were recorded from Councillors Holmes, Hunter, McGlinchey and P McShane.

### 2. Declarations of Interest

There were no declarations of interest.

### 3. Minutes of Audit Committee Meeting 9 December 2015

The Chair advised the Minutes of the above meeting had been ratified.

### 4. Year End Accounts 2014/2015: Reports to those charged with Governance and Annual Audit Report - Final Ballymoney Borough Council

The Chair invited S Knox to present the Final Ballymoney Borough Council 2014/15 Annual Audit Letter. The financial statements were signed by the Chief Financial Officer on 29 June 2015 and following the audit the accounts were re-signed on 17 December. The audit could not be certified until a difference of approximately £98,000 in the year end bank reconciliation was resolved. The Council conducted an investigation, the difference was mainly due to an omission of several salary journal postings to the accounting records and Council concluded there was no evidence of misappropriation. S Knox concluded the financial statements gave a true and fair view and had been properly prepared in accordance with the Local Government Regulations.

It was proposed by Councillor Baird, seconded by Councillor Fitzpatrick and **AGREED: to recommend that Council note the Ballymoney Borough Council 2014-15 Annual Audit Letter.**

### 5. Audit 2015/16 Statement of Accounts Draft Audit Strategy – Causeway Coast and Glens Borough Council

S Knox presented the Causeway Coast and Glens Borough Council 2015/16 Audit Strategy. S Knox highlighted how the NIAO plan to audit the financial statements for the year ending 31<sup>st</sup> March 2016, including how they will be addressing significant risks of material misstatement to the transactions and balances; Matters of interest and developments in financial reporting and legislation; the planned timetable, fees and audit team; and matters which the NIAO are required to communicate under International Standards on Auditing including the scope of the audit, NIAO's respective responsibilities; and how independence and objectivity is maintained.

The NIAO approach is a risk based approach, initial assessment identified areas of significant risk which had required a specific audit response; Reorganisation, Landfill provision and bank reconciliations.

Members raised concern over the landfill provision that had been set aside by Ballymoney Borough Council and Limavady Borough Council and the timescales involved to close the sites, S Knox advised he would report back to committee with the detail requested, he further clarified the two closed landfill sites were subject to compliance notices from the NIEA and that there remains some uncertainty as to the adequacy of the landfill provision.

**IT WAS AGREED to note the Audit 2015/16 Statement of Accounts Draft Audit Strategy – Causeway Coast and Glens Borough Council.**

## **6. Internal Audit Charter**

The Director of Performance delivered the report.

The Internal Audit Charter, circulated, has been drawn up in line with the Public Sector Internal Audit Standards (PSIAS) which came into force on 1 April 2013 and is further informed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Local Government Application Note (April 2013) published to assist in the implementation of the PSIAS.

This Internal Audit Charter is subject to approval by the Audit Committee of Causeway Coast and Glens Borough Council on an annual basis.

It was proposed by Councillor Fitzpatrick, seconded by Councillor Loftus and **AGREED: to recommend that Council adopt the Internal Audit Charter, circulated.**

## **7. Internal Audit Report October 2015-March 2016**

The Director of Performance detailed the Internal Audit report October 2015-March 2016. As part of the Internal Audit programme for 2015/16, an assessment of Causeway Coast and Glens Borough Council's systems of internal control in relation to the undernoted areas has been carried out. The purpose of the audits was to provide assurance that the system and controls in each area are operating effectively. Based on this report's findings, Internal Audit has given the following levels of Assurance on the Internal Control Framework within the following functions: 1. Trade Waste/Civic Amenity Sites - Satisfactory Level of Assurance; 2. Craigahulliar Landfill Site Audit - Full Level of Assurance; 3. Arts Centre Audits - satisfactory level of assurance; 4. Museum Audits - satisfactory level of assurance; 5. Policing Community Safety Partnership Audit - Full level of assurance; 6. Fleet Management Audit - Satisfactory level of assurance; 7. Off Street Parking - full level of assurance.

The Director of Performance clarified the timeframe for taking action based on the level of findings was 0-3 months or 3-6 months.

## 8. Appointment of the Independent Member

Council agreed the appointment of an Independent Member at the December meeting.

In terms of progress, the advertisement, circulated, will appear on the Council website and both the Belfast Telegraph and Coleraine Chronicle week ending 12th March, with a closing date of 25th March. Shortlisting will be completed by 31st March, with interviews being held week commencing 4th April.

**It is recommended** that the Chair of the Audit Committee sits on the Interview Panel, as part of the recruitment and selection process for the appointment of the Independent Member.

It was proposed by Councillor Baird, seconded by Councillor Stevenson and **AGREED: that the Chair of the Audit Committee sits on the Interview Panel, as part of the recruitment and selection process for the appointment of the Independent Member.**

The Director of Performance will bring back confirmation of the circulation remit of the advertising agency used.

## 9. Internal Co-Sourcing Arrangements

The Head of Convergence delivered the information report, circulated, summarised as undernoted:

***Moore Stephens were appointed as the external provider of internal audit services to the Causeway Coast and Glens Borough Council.***

***Shortly after being appointed, Moore Stephens attended a meeting with Council Officers to agree an initial short term work plan to address key areas of risk bearing in mind that a major convergence exercise will create additional risk elements. It was agreed that the most urgent work should include a review of the Corporate and Directorate risk registers with the staff responsible for their oversight. A staff risk management audit workshop was held on 7<sup>th</sup> March 2016. Further to this initial work, Moore Stephens have been tasked with carrying out an internal audit of debt management across the new Council prior to the end of March 2016.***

***The updated risk registers that will follow on from the staff risk management workshop will identify the key areas of concern in relation to risk and audit and these will be reviewed and prioritised. This exercise will then drive forward the audit work plan for the remainder of the 2016/2017 financial year.***

***The Audit Committee will receive a report at its meeting in June 2016, detailing the draft internal audit work plan up to the end of March 2017. Elected Members will have the opportunity to scrutinise and agree the plan of work.***

It was proposed by Councillor Baird, seconded by Councillor Loftus and **AGREED: to move in-committee for the remainder of the business.**

\* **Press left the meeting at 7.46pm.**

## 10. Risk Management

### 10.1 Update Risk Matrix and 10.2 Update regarding Risk Management Workshop

The Head of Convergence provided information outcomes on the Risk Management Workshop held on 7<sup>th</sup> March and identified key areas of high and medium risk that had moved up the risk matrix in likelihood of occurring.

In response to queries from Councillor Stevenson, the Head of Convergence stated he would attempt to speed up the legal response on what was defined as a 'call in'. Confirmation was given that a committee to deal with efficiencies would be set up, there was a need for it to integrate into Performance Improvement to avoid duplication of activities.

Questions were addressed in relation to Councils Organisation Design department, staff welfare and communication and training. The Director of Performance outlined activities to promote and encourage staff welfare. Alderman Finlay voiced concerns on the appointments process and the length of time taken to reassure staff of positions.

### 10.3 Update regarding Legal Activity

Councillor Clarke welcomed the Legal Activity report, however, he felt members would benefit to achieve more understanding of the issues and their status in relation to progression to resolution, Councillor Clarke felt the report was not an accurate and true reflection at a point in time.

\* **Councillor Loftus left the meeting at 8.25pm during consideration of the matter.**

The Head of Convergence concurred, Officers would now look at how best to present the information to members.

It was proposed by Alderman Finlay, seconded by Councillor Stevenson and **AGREED: that Committee resolve itself out of in-committee.**

**This being all the business the meeting closed at 8.30pm.**