

## **Causeway Coast and Glens Borough Council Annual Governance Statement 2017/18**

### **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 make arrangements 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 at Causeway Coast and Glens Borough Council for the year ended 31 March 2017 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.**

Council has produced the Corporate Strategy for 2015-2019, which was agreed by Council on 30th June 2015.

The Corporate Strategy was developed following an extensive consultation process which involved Councillors, senior managers within Council, and our local community including local businesses and the community/voluntary sector. An advertisement was also placed seeking comments from the public on our draft Corporate Strategy before it was finalised and adopted by Council

A copy of the Corporate Strategy has been made available to staff on the intranet and the public via the Causeway Coast and Glens Borough Council website. Hard copies have also been made available in the reception areas of Council facilities. This Strategy sets out Council's Vision, Mission, Values and Strategic themes. The Plan identifies five strategic themes with associated outcomes.

Causeway Coast and Glens Borough Council has worked with its Strategic Partners to develop the Causeway Coast and Glens Community Plan. The Community Plan was formally signed off by the Community Planning Strategic Partnership in April 2017 and will be 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 developing the Community Plan.

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; 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 involves taking the outcomes identified within the Plan and working up a Delivery Plan which will identify actions necessary to achieve the Population Outcomes in the Plan. This work will commence in June 2017 with the aim of having a Delivery Plan in place by December 2017.

### **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 2015-2019 timeframe is to

***“Maximise the benefits of our unique location and landscape by providing ambitious, accessible, innovative and efficient services which fulfil customer expectations”***

The mission of the Council for 2015-2019 is to

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

- Providing effective and sustainable local public services
- Accelerating our economy and improving economic prosperity
- Placing local communities at the heart of decision making
- Protecting and enhancing our unique natural environment and assets; and
- Advocating for the area and our citizens in both local and international arenas
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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 and Efficiency, Empowerment and Innovation.

The strategic themes identified in the Councils Corporate Strategy for 2015-19 were designed to ensure the vision is realised, with each objective having a series of sub-objectives.

The strategic themes are as follows:- Leader and Champion, Accelerating Our Economy and Contributing to Prosperity , Innovation and Transformation, Resilient, Healthy and Engaged Communities, Protecting and Enhancing Our Environments and Assets

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.

During the year a workshop was held with Elected Members to review the Council Strategy. A Performance dashboard style approach was introduced to review Corporate Performance against Strategic themes identified in the Council Strategy. Further to the workshop, Council agreed the Performance dashboard as a method of assessing Corporate Performance and to develop associated performance metrics and to align these with the objectives in the Community Plan – A Sustainable Accessible Environment, A Thriving Economy and A Healthy Safe Community.

The Councils Corporate Risk register was also discussed and reviewed at the workshop.

**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 continue 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.

During the 2016/17 year, Council revised its Complaints policy and a new Comments, Complaints and Compliments Policy was adopted and implemented.

A number of Citizen and Stakeholder engagements have been carried out throughout the year, including Community Planning Consultation, Performance Improvement Plan, and on various initiatives within the Leisure and Development and Environmental Services Directive.

#### **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.

Training has been delivered in this area to elected members at training sessions on the Code of Conduct held on 7th June 2014, 1st June 2014, 1st July 2014, 1st July 2014, 30th July 2014.

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 Senior Management Team (SMT), and this process will be rolled out to Tier 3 Management during 2017/18.

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 on a monthly basis, 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, with the exception of Planning Committee which has full council powers. There are 5 committees of Council and the meeting schedule is as follows:

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

Scrutiny is provided by the Audit Committee, Internal Audit (Co-Sourcing Arrangement) and the Local Government Auditor.

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.

## **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.

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 by receipts as appropriate) and sign a declaration regarding their claim.

### Codes of Conduct for Officers

Council has adopted the "Code of Conduct for Local Government Officers", prepared by the Local Government Staff Commission. Officers are given a copy of their 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 intranet. New policies and procedures are brought to the attention of staff and are also available via the Councils intranet system.

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.

The induction process for all new staff includes a detailed explanation 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 Council's intranet system.

Mandatory training was provided to all staff in terms of Code of Conduct during the 2015/16 year.

**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. A review of the Standing Orders was carried out during the year and were agreed by Council in March 2017. 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 & 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. The Constitution was revised in May 2017, following the revision of both the Standing Orders and the Scheme of Allowances.

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 Council is currently in the process of developing a Scheme of Delegation which will provide the framework and guidance for the delegation of powers to Committees of Council and to senior officers within the Council. The Scheme of Delegation will be included as part of the Constitution when finalised and adopted by Council.

The Scheme of Delegation for Development Management, Development Plan, Enforcement and Other Planning Functions took effect from 7<sup>th</sup> November 2016 having been approved by the Department for Infrastructure on 28<sup>th</sup> October 2016.

Financial regulations are in place which are reviewed periodically, e.g. Purchasing Policies and Procedures, which detail policies and procedures in relation to Purchasing and Procurement including expenditure limits and authorisation signatures.

Council has also adopted 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. Internal audit facilitate a Risk Management Workshop once per annum. This is attended by all of the Strategic Management Team,

along with Heads of Service with responsibility for operational issues. The output from this annual workshop forms the basis for the areas subject to Internal Audit for the year. The Corporate Risk Register is reviewed by Senior Management Team and presented to the Audit Committee Quarterly.

A Treasury Management Policy 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. Annual Treasury Management Strategy statements setting out the expected treasury management operations for the year were also approved by Council. The Treasury Management Strategy and Prudential Indicators for 2017/18 were prepared and approved by Causeway Coast and Glens Shadow Council in February 2017 as part of the Estimates process

## **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 d'hondt system, with 16 elected members, representative of each political party grouping in Council, and 1 Independent Advisor. All meetings are attended by the Director of Performance, relevant Council officers, along with Local Government Auditor and Internal Auditor (Co-sourcing Partner) The Audit Committee Terms of Reference have been documented and approved by Council. 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 four occasions between April 2016 and March 2017, this included Internal Auditor and Local Government Audit representation (An open invitation is extended to NIAO 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 Audit and by Moore Stephens through an Internal Audit Co-Sourcing arrangement. This service was procured during 2015-16.

During the 2016-17 year internal audits were carried out in line with the internal audit plan. 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 Council has a shared legal service with Derry City and Strabane District Council based on a Service Level Agreement (SLA) agreed by Council in February 2015. Derry and Strabane District Council provides legal services to the Causeway Coast and Glens District Council under the terms agreed within the SLA and as part of the arrangement will base an Assistant Solicitor with Causeway Coast and Glens District Council.

The Council, under this arrangement has in-house day to day legal support and importantly access to the hub of legal advice from the wider pool of Solicitors in Derry and Strabane District Council.

There still remains the requirement for specialist legal advice, however, in the shared service arrangement, there may be opportunities to share costs given that there will be circumstances when both Councils will require the same advice.

Internal policies and procedures are updated and renewed as and when required to reflect legislative changes and agreed recommendations by both Internal and External Auditors and are circulated to the relevant staff when reviewed. Internal Policies and Procedures would also be 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 are issued with a summary report which forms the basis for discussion and decision making at the meetings.

A standard report template is used for all committee reports, which includes a section to report on cost implications.

As previously mentioned, Council appointed Moore Stephens as part of a co-sourcing internal audit arrangement. 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 use a system of risk based auditing and all high risk areas are audited as a matter of priority. Internal audit reports including award of assurance levels and recommendations for improvement are reported to both Council and the Audit Committee.

In terms of service specific compliance, service departments are kept up to date in the following ways

- In house legal services
- Subscription to on line expertise e.g. HR - Legal-Island Email Service and Croners On-line Employment Law Information Service and Advice Line.



- Legal Advice when required - Council subscribe to DAS – Employment Advise as part of the annual Insurance programme.
- Officer Meetings – Service specific
- Various Forum
- Training and Development

The Clerk and 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 (CFO) in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government Framework. The CFO is also supported by suitably qualified and experienced staff (including qualified accountants) within the finance function to ensure that decisions made by the CFO 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 Whistle-Blowing policy and Anti-fraud, Bribe and Corruption Policy. Both policies were presented to the Audit Committee in June 2015 and approved by Council in July 2015. All staff were informed and copies of both documents are included in the Staff Induction Pack and also available on the Staff Intranet.

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 s/he is advised to contact the Northern Ireland Ombudsman.

During the year-ending March 2017, Council received notification of four Whistleblowing Incidents. All incidents were investigated and reported to the Audit Committee. There were no actions arising from the incidents, two were unsubstantiated, one withdrawn, and one which was outside council control. There was no reported incidents of fraud during the year.

### **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.

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.

Each Councillor has an allocated amount of money set aside for conferences and courses and capacity building. This covers course fees, travel and subsistence. This is monitored on

a monthly basis to ensure the budget is not exceeded. This may include further education leading to a recognised qualification.

During the year Council agreed an action plan for Elected Member Development. Council is working towards NI Charter for Elected Member Development. A training needs analysis was carried out for Elected Members and a programme of training agreed. Council has allocated appropriate budget for the remainder of the Council term. In terms of officers, training needs are identified on an ongoing basis.

A Further education policy exists for each of the legacy Councils.

Service specific training would be identified by managers and employees and the necessary arrangements made.

Causeway Coast and Glens Borough Council are progressing on a consistent and co-ordinated approach to training 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:-

Community Planning Sessions – Strategic and Local, Establishment of Thematic Working Groups, 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

Council meetings are open to the press and members of the public, and minutes are published on the council's website and made available in public libraries and the Council Offices.

The Council also responds to Freedom of Information requests as received throughout the year.

#### **Review of Effectiveness**

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

Council and an Independent Member, are also considered. The Internal Auditor carried out an annual programme of work in 2016/17 based upon the Annual Plan as agreed by Council.

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 co-ordinated by the Internal Auditor and then issued in their final format, presented to the Audit Committee initially and then to Council.

During the year the Audit Committee reviewed Corporate Governance arrangements, Internal and External Audit Reports, and draft policies and procedures of internal control. The minutes of the Group are brought to full council for approval.

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

**The Members** - a committee structure was in place within Causeway Coast and Glens Borough Council during 2016/17

**The Senior Officers** – 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.

**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 Performance, relevant officers, Internal Audit and External Audit.

**Internal Audit** – During 2016/17 Internal Audit a number of audits were carried out in line with the agreed Internal Audit Plan. All Internal Audit reports and recommendations are agreed with Senior Management and presented to Audit Committee. A progress report is presented to Audit Committee on a quarterly basis to monitor and review implementation of the recommendations.

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

The Chief Financial Officer is also the 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.

### **Significant Governance Issues**

Causeway Coast and Glens Borough Council (CC&G) is fully committed to the principles of corporate governance. The senior management team (SMT) review the Corporate Risk Register and report to the Audit Committee on a quarterly basis, alongside a comprehensive programme of Internal Audit.

As part of Councils co-sourcing arrangement, Moore Stephens Internal Auditors carried out a number of Internal Audits during the year in accordance with the Risk based plan. All areas subject to audit received either a Satisfactory or Limited assurance rating.

Based on audit work undertaken by Internal Audit during 2016/17, a limited level of overall assurance was achieved - 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.

Leisure Facilities and Caravan Sites, Capital Projects, Events, Partnerships, PCSP, and Area Planning all received a satisfactory level of assurance. Business continuity and emergency planning, Income, Debtors and Budgetary Control, ICT, Information Governance and Data Protection received a Limited level of Assurance. Areas receiving a limited assurance during the year have been identified and further details provided under the significant Governance issues section below. The recommendations contained within all of the Internal Audit reports will be implemented during the 2017/18 year, with a quarterly progress report presented to Audit Committee.

Council has identified the following significant Governance Issues

#### **1 Financial Risk**

There are a number of Financial Risks both external and internal. The uncertainty in the wider political environment and potential spending reductions in the public sector is a key Governance issue for the Council. Internal Audit identified a number of issues to be addressed in relation to Income, Debtors and Budgetary Control. The NIAO Report to those Charged with Governance also included a number of Priority 1 and Priority 2 issues, in relation to Finance. The recommendations were presented to Audit committee and agreed by Management. Both Internal Audit and NIAO recommendations, have been implemented, as detailed in progress reports presented to Committee on a quarterly basis.

## **2 Harmonisation of Terms and Conditions, Policies and Procedures**

Four legacy Councils merged to form Causeway Coast and Glens Borough Council (CC&G), along with the transferred function of Planning Service. This resulted in a host of legacy Policies and Procedures, different Terms and Conditions transferring to CC&G.

A number of governance issues follow this process, particularly in terms of harmonisation of terms and conditions, and alignment of policies and procedures.

Initial work has commenced in terms of auditing terms and conditions, compiling policies and procedures, whilst continuing to engage with Union representation to ensure positive employee relations. A project plan will be developed during the 2017/18 year to address the issues identified through the audit, along with associated timescales to progress harmonisation.

## **3. Information Governance and General Data Protection Regulations**

Information Governance was identified as an area subject to audit under Council's Internal Audit Strategy 2016-2019. The Internal Audit was completed during the year and the associated recommendations are being implemented.

With the General Data Protection Regulations (GDPR) coming into force on the 25<sup>th</sup> May 2018, work has commenced in terms of preparing for the demands of the new Regulations. The risk of non-compliance has significant consequences in terms of fines and reputation for Council.

The legislation requires organisations to have in place a consistent data protection framework which will meet the challenges of new technological developments. The Regulations also provide individuals with a range of enhanced rights and require greater accountability within organisations. There are also major changes in relation to how the Council gathers, holds and releases personal data with the issues of consent, privacy notices and data protection impact assessments all having to be factored into how Council work as an organisation.

The Information and Security Management Group (ISMG) are preparing for the new legislation which includes conducting an audit of data bases within Council which contain personal information – who holds this information, who has access to it, what use is made of it and who is accountable for it. A project plan will be prepared for the legislation and that the General Data Protection Regulations will be a standing item on the agenda for the ISMG. This is likely to have an impact on resources for Council in terms of implementation, delivery and training.

## **4. Security Threats to ICT Systems**

There is a daily growing threat to Councils ICT Systems, and as recently reported in NHS England this can have a negative impact on service delivery. Council have protections in place - firewalls, anti-virus software, and on-going patches – but as long as there is engagement with the external world, via email and WEB access, there will always be an element of risk.

The risk of a so-called cyber-attack is a significant threat to the organisation. A successful attack could cripple the Council in multiple ways: no communication, be it by via email, telephone (mobile and landline); no or delayed payment to staff and creditors and with associated risks; bookings/calendars not available, etc.

As with the risks, the defences are also multi-faceted. Council have invested in relevant software products to seek to protect the organisation from viruses and hacking respectively. These are installed in multiple points of vulnerability, such as servers, PCs and mobile technology. Council will continue to invest in the skillsets and training of both the ICT Security team and the staff themselves.

## **5 Legal Issues**

There are a number of cases across the Council where legal action is in progress. These cases are summarised and presented to Audit Committee on a quarterly basis, and progressed on a priority basis.

## **6 Land and Property – Asset Management**

During the year Council agreed to establish a Land and Property Sub-Committee, made up of 8 members of the Corporate Policy and Resources Committee. This Sub-Committee will be serviced by the Director of Performance and other officers as and when required, and a terms of reference established. The Sub-Committee will be established to oversee the Council's significant Land and Property portfolio, and to recommend appropriate Policies and Procedures for approval.

## **7 Performance Improvement**

Part 12 of the Local Government Act 2014, introduces new statutory continuous improvement responsibilities following Local Government Reform. The Council received a letter of assurance from the NIAO, that the Council discharged its duties in connection with (1) improvement planning and (2) publication of improvement information in accordance with section 92 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently, including its guidance on the publication of improvement information in 2016/2017. The Council had initially identified lack of resources as a risk to implementing the Performance Improvement Duty. A staffing structure has now been agreed and recruitment is underway to mitigate against this risk.

During the year, Council agreed the establishment of an Efficiency Sub-Committee. The Terms of Reference for the committee, will be agreed at the first meeting which is due to be held in autumn 2017.

## **8 Waste Management**

The abandonment of the NWRWVG Regional Waste Infrastructure Project creates increased risk of not meeting the statutory recycling and diversion from landfill targets leading to potential infraction fines and a loss of confidence. This is mitigated by having long

and short term waste service contracts in place to maximise recycling and recovery of material and minimising waste to landfill. The uncertainty following the BREXIT vote adds further complication to future targets for recycling and diversion from landfill.

Council proposes to enhance governance arrangements during the coming year, 2017/18, and continue to strive towards compliance with the International Framework – Good Governance in the Public Sector (CIPFA/IFAC 2014). This will be demonstrated and supported by Policies, Procedures and Systems that determine, control and demonstrate how Council manages its affairs. Council will use this model to assess systems, process and documentation to demonstrate compliance and where gaps are identified, plans will be put in place to address.

Signed

Town Clerk and Chief Executive

Date :

Causeway Coast and Glens Borough Council

Signed

Chair of the Audit Committee

Date:

Causeway Coast and Glens Borough Council

On behalf of the Audit Committee and by the Chief Executive