

Derry City and Strabane District Council

Minutes of Meeting of the Assurance, Audit and Risk Committee held in the Guildhall, Derry on Thursday 11 January 2018 at 4.00 pm

Present: - Councillor McGinley (Chair); Aldermen Thompson; Councillors Duffy, Donnelly, Gallagher, Hastings, O'Reilly, Carlin, McClintock, McMahon, Reilly and Robinson.

In Attendance:- Mrs K McFarland (Director of Health and Community), Mrs K Phillips (Director of Environment and Regeneration), Ms E Cavanagh (Lead Democratic Services and Improvement Officer), Mr A Dallas (Lead Finance Officer) and Mrs D McDonnell (Lead Assurance Officer); SL Lynch

AAR1/18 Notice and Summons of Meeting

The Lead Assurance Officer read the Notice and Summons for the Meeting.

AAR2/18 Apologies

Apologies of absence were received from Councillor D Kelly.

AAR3/18 Declarations of Members' Interests

Both Councillor Reilly and Councillor Hastings declared a non-pecuniary interest in Item 9 on the agenda – Report to Those Charged with Governance.

AAR4/18 Deputations

There were no deputations.

AAR5/18 Chairperson's Business

There was no Chairperson's Business.

AAR6/18 Confirmation of the Open Minutes of the Assurance, Audit and Risk Committee held on Thursday 30 November 2017

The Open Minutes of the Assurance, Audit and Risk Committee held on 30 November 2017 (AAR105/17 – AAR117/17) were confirmed and signed by the Chairperson.

AAR7/18 Matters Arising

Councillor Donnelly referred to item AAR115/17 in the previous minutes. He asked, as the Auditor was present could he clarify how many times the Audit office spoke with the complainant during the investigations.

Mr Knox advised he was not directly involved with the investigation therefore was unable to answer but assured Members he would find out and report back.

AAR8/18 Corporate Health & Safety Wellbeing Update

The Corporate Health and Safety Officer presented the above report. The purpose of the report was to provide Members with an update on discussions at the recent Health, Safety and Wellbeing Committee meeting held on 11th December 2017 and to seek Members continued endorsement for the health and safety systems and processes within Council.

Councillor Mc Mahon thanked the Officer for the report. He referred to item 2.1 within the report which detailed the Health and Safety risks associated to Health and Community Wellbeing. He expressed his concern that the progress bar on all risks were at 0%. He asked if there was a problem, and if so could a solution be identified.

The Director of Health and Communities indicated that activities relating to Health and Safety were ongoing and assured Members that the department were up to date with progress. She confirmed that some items were currently at 30% complete and the renewed action plan in the next quarter would show a significant shift in progress.

The Chair thanked the Corporate Health and Safety Officer for the report. He acknowledged that the reports were highly scrutinised and assured the Officer that the hard work did not go unnoticed. He reminded Members about the forthcoming training sessions.

The Corporate Health and Safety Officer confirmed that a Health and Safety Awareness Training session would take place on Friday 19th January at 11am. She advised for anyone unable to attend the morning

session there was an additional session taking place on Tuesday 23rd January at 4pm.

The Committee

Recommended that Council endorse the contents of the report presented.

AAR9/18 Report To Those Charged With Governance

Mr Knox presented the above report. The purpose of the report was to update Member's on the final Report to those Charged with Governance for Derry City and Strabane District Council for 2016/2017.

The Lead Finance Officer stated that since the publication of the NIAO report matters had since progressed particularly in relation to the funding package for the North West Regional Development Group. It had been alluded that £2.5m could not be accessed for the North West Regional Development Group however a letter of offer from the Northern Ireland Government had since been received.

Councillor Gallagher referred to the findings on significant risks namely risk 1 relating to CODA. He referred back to communication from Stormont where they were to provide £7m towards the development and sustainability of the airport. He asked if Stormont were now considered a debtor and would the situation merit a legal challenge?

Councillor Reilly thanked the Auditor for the report. He declared a non-pecuniary interest in the item at hand. He thanked the Lead Finance Officer for the update in relation to the North West Regional Development Group and stated he would be keen to hear an update on the progress of implementing the other recommendations in the report.

Mr Knox responded to the Member query on CODA stating those potential funds from Stormont would be considered under the relevant Accounting Standard for revenue recognition.

The Lead Finance Officer reiterated what Mr Knox had said that this was deemed as revenue recognition and would be actioned as soon as a formal letter was received. He assured Members that Council Officers were working closely with Departmental Officials in relation to the

release of this funding. He then provided a quick update as requested by Councillor Reilly on the remainder of the recommendations:

- The two recommendations on fixed assets – He said this was huge area with a large range of fixed assets and the assets highlighted by the auditor had nil book value.
- Debt management – Small debts would be pursued and collected. He confirmed there would be a write off exercise before year end.
- Purchasing System – The Agresso financial system is currently in the process of being upgraded. It is anticipated that this system will be operational over the summer months.
- Lodgement – Controls have been strengthened in this area.

Councillor Hastings also declared a non-pecuniary interest in this item.

The Committee

Recommended that Council endorse the contents of the Report to those Charged with Governance 2016/17.

AAR10/18 DCSDC Annual Audit Letter

The Auditor presented the above report details of which had been previously circulated to Members. The purpose of the report was to seek Member's endorsement of the Council's Annual Audit Letter for the financial year 2016/2017.

Councillor Duffy welcomed the new format stating it was easily understood. She referred back to the point which Mr Knox had highlighted on absenteeism. She stated that although it was still quite high she was delighted the issue was moving in a positive direction and it was clear officers' plans to reduce the number of days were effective.

The Lead Assurance Officer stated that a 6 monthly report on absenteeism had been presented at the September meeting of the Governance and Strategic Planning Committee in 2017 which actually showed a further 1.2 reduction in days from the end of March 2017.

The Committee

Recommended **that Council endorse the contents of the Annual Audit Letter for Derry City & Strabane District Council.**

AAR11/18 Report NIAO Performance Duty

The Auditor presented the above report details of which had been previously circulated to Members. The purpose of the report was to advise of and seek Elected Member endorsement of the outcome of the Improvement Audit and Assessment for 2017-18, carried out by the Local Government Auditor.

Councillor Reilly thanked the Auditor for the report presented. He wanted to note the great work thus far saying was a welcome step in the right direction.

The Chair gave credit to the Lead Democratic Services and Improvement Officer and said he felt Council seemed to have grasped performance improvement with matters moving in the right direction. He thanked the Auditor and all NIAO staff for their continued hard work.

The Committee

Recommended **that Council consider and endorse the outcome of the Improvement Audit and Assessment for 2017-18, carried out by the Local Government Auditor.**

AAR12/18 Self-Insurance Programme - Claim Audit Report

The Lead Assurance Officer presented the above report. The purpose of this report was to advise Members of a recent audit completed by Travelers Insurance Company Ltd in October 2017 of Council's claims management systems under its Self-Insurance programme.

The Committee

Recommended **that Members note
the contents of the
report.**

AAR13/18 National Fraud Initiative

The Lead Assurance Officer presented the above report. The purpose of this report was to update Members on the results of the National Fraud Initiative exercise 2016/2017.

Councillor Carlin said that in order to avoid fundamental flaws and ensure robustness going forward, the insurance audit reports must take into account both former Councils i.e Strabane District Council and Derry City Council.

Councillor Gallagher echoed the sentiments of the previous speaker stating that the report on National Fraud Initiative mentioned Derry City Council and he asked that it be corrected.

The Lead Assurance Officer stated that she had since picked up on this and it was a genuine mistake which would be rectified as soon as possible.

Councillor Reilly highlighted that within the report it mentioned there was no action to take as no fraud had been identified which he felt again was a positive move forward.

The Committee

Recommended **that Members note
the contents of the
report.**

The Meeting ended at 4.40 pm.