

Derry City and Strabane District Council

Minutes of Meeting of the Assurance, Audit and Risk Committee (Open) held in the Guildhall, Derry on Thursday 1 February 2018 at 4.00 pm

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

In Attendance:- Mr S Donaghy (Head of Health & Community Wellbeing), Mr P Kingston (Lead Legal Services Officer), Mrs K McFarland (Director of Health and Community), Mrs D McDonnell (Lead Assurance Officer) and Mr J Harrigan (Internal Audit Manager); Miss L Bell (Committee Services Assistant)

AAR14/18 Notice and Summons of Meeting

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

AAR15/18 Apologies

Apologies were received from Alderman McClintock.

AAR16/18 Declarations of Members' Interests

There were no declarations of Member's Interests.

AAR17/18 Chairperson's Business

There was no Chairperson's business.

AAR18/18 Confirmation of the Open Minutes of the Assurance, Audit and Risk Committee held on Thursday 11 January 2018

The Open Minutes of the Assurance, Audit and Risk Committee held on Thursday 11 January 2018 (AAR1/18-AAR13/18) were confirmed and signed by the Chairperson.

AAR19/18 Matters Arising

There were no matters arising.

AAR20/18 Internal Audit Reports

The Internal Audit Manager presented the final audit report on the audit of 'licensing', a copy of which had been previously circulated to Members. It was advised that the purpose of this report was to update Members on the Internal Audit work carried out within Derry City and Strabane District Council in the period November 2017 to January 2018.

Councillor McMahon welcomed the report. He commended the work that had gone into the report and also the specific work carried out within the licencing department. He suggested that quarterly reports be brought to the Health and Community Committee on key performance indicators such as turnaround times, income reconciliation, programme of inspections etc.

Councillor Reilly concurred with Councillor McMahon's remarks and endorsed his proposal. He stated that he felt that the recommendations in the report needed to be implemented promptly.

Councillor Gallagher highlighted the issue of amusement licencing, referring to a court case which resulted in a judgement against Council in June 2017. He stated that a full legal analysis of this case was to be presented to Committee and felt this would be vital to ensure risk is kept to a minimum. He felt that the approval of the audit report should be postponed until the legal report had been presented to the Committee.

The Lead Legal Services Officer replied that Council had received advice that there would be no merit to appealing the ruling from Mr S Beattie QC and a verbal update was provided to Council in relation to this. He also stated that no other analysis of the matter had been sought by Council.

In response to requests from Councillor Gallagher and the Chair, the Lead Legal Services Officer agreed to bring a report on the analysis of the case to this Committee and also to the Health and Community Committee.

The Lead Assurance Officer advised Members that there was no need to delay the acceptance of the Internal Audit recommendations whilst waiting on the legal report. If the Lead Legal Services Officer and

Members made any further recommendations in relation to the court case, then these could be added to the recommendations made in the audit report. The Chair and the Independent Advisor stated that they concurred with this view.

The Committee

Recommended

That (i) Council endorse the contents of the report. (ii) Quarterly reports, in relation to Key Performance Indicators, are presented to the Health & Community Committee. (iii) A report be brought to the Committee and to the Health and Community Committee regarding the analysis of the recent legal case.

AAR21/18 NIAO Audit Strategy

Mrs C Kane, Director from the Northern Ireland Audit Office (NIAO), presented the above report, a copy of which had been previously circulated to Members. She advised that the purpose of the report was to seek Member's endorsement of the NIAO's Audit Strategy for Derry City and Strabane District Council for 2017/2018.

The presentation outlined the following;

- Key messages including the purpose of the Strategy and actions for the Audit Committee.
- Materiality.
- The approach to the audit including risk factors.
- Audit timetable, staffing and fees.

In response to a request from Councillor Gallagher, the NIAO Director clarified that the City of Derry Airport, was not considered a going concern risk at the moment; however would continue to be monitored by the NIAO during the audit.

The Committee

Recommended

that Council endorse the contents of the NIAOs Audit Strategy.

AAR22/18 Performance Improvement

Councillor Gallagher left the meeting at this point.

The Lead Assurance Officer presented the above report, a copy of which had been previously circulated to Members. She advised that the purpose of the report was to update Member's in relation to the Council's performance improvement responsibilities.

The Committee

Recommended that Members note the content of the report.

The meeting ended at 4.30pm.

The Meeting went into Confidential Business