

Derry City and Strabane District Council

Minutes of Meeting of the Assurance, Audit and Risk Committee (Open) held in the Guildhall, Derry on Thursday 12 April 2018 at 4.00 pm

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

**Non-Member of the Committee:-
Alderman M Hamilton, Councillor Carr**

In Attendance:- Mr C Canning (Head of Environment), Mrs D McDonnell (Lead Assurance Officer) and Mr J Harrigan (Internal Audit Manager); Miss L Bell (Committee Services Assistant)

AAR33/18 Notice and Summons of Meeting

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

AAR34/18 Apologies

Apologies were noted for Councillor Carlin.

AAR35/18 Declarations of Members' Interests

Councillor McGinley and Alderman Thompson declared an interest in items 12 – 14.

AAR36/18 Chairperson's Business

There was no Chairperson's business.

AAR37/18 Confirmation of the Open Minutes of the Assurance, Audit and Risk Committee held on Thursday 8 March 2018

The Open Minutes of the Assurance, Audit and Risk Committee (AAR24/18 – AAR32/18) were confirmed and signed by the Chair.

AAR38/18 Matters Arising

There were no matters arising.

AAR39/18 Internal Audit Reports

The Internal Audit Manager presented the above report, a copy of which had previously be circulated to Members. He advised that the purpose of the report was to update Members on the Internal Audit work carried out within Derry City and Strabane District Council in the period January 2018 to March 2018.

Councillor McMahon thanked Officers for the significant progress made in completion of the final follow up report of the Internal Audit of Property Management and also the final report of the Internal Audit of the North West Region Waste Management Group.

In response to questioning from Councillor McMahon, the Head of Environment informed Members that work on the Asset Management Strategy had commenced and he hoped to have this completed and brought to Committee by the end of the summer. He stated that the Asset Management Strategy would address issues such as the systematic approach to service, roles, functions, time frames and would include KPI data.

The Committee

Recommended that Council endorse the contents of the report presented.

AAR40/18 Internal Audit Strategy 2018-2019

The Internal Audit Manager presented the above report, a copy of which had been previously circulated to Members. He advised that the purpose of the report was to seek Member's comments and approval for the Internal Audit Strategy 2018/2019.

Councillor Duffy thanked Officers for the report stating that she was happy to endorse it. She also commented on the need to adapt plans as situations change in order to address unexpected issues.

The Committee

Recommended that Council approve the draft Internal Audit Strategy for 2018/2019.

AAR41/18 Internal Audit plan 2018/2019

The Internal Audit Manager presented the above report, a copy of which had been previously circulated to Members. He advised that the purpose of the report was to seek Member's comments and approval for the Internal Plan for 2018/2019.

The Committee

Recommended that Council approve the draft Internal Audit Plan for 2018/2019.

AAR42/18 Financial Auditing and Reporting: General Report by the Comptroller and Auditor General for NI - 2017

The Lead Assurance Officer presented the above report, a copy of which had been previously circulated to Member's. She advised that the purpose of the report was to advise Members of the General Report by the Comptroller and Auditor General for Northern Ireland on Financial Auditing and Reporting in 2017.

Councillor Donnelly referred to paragraph 3.1 in the report which highlighted "the need for public officials to maintain high standards of conduct in public life". He stated that he had been made aware of claims surrounding an alleged incident in the Creggan area of Derry. There was an allegation that in the wake of the arson attack on Cllr Campbell's car, members of Sinn Fein and a recently appointed Council officer called to a house nearby where an alleged incident occurred. Cllr Donnelly expressed concerns that the allegations surrounding the incident were being ignored by Council. Cllr Donnelly asked whether there were any implications for Council.

In response, the Chair informed Members that any complaints regarding this matter should be made through the appropriate avenues which was the Ombudsman.

The Lead Assurance Officer also commented that she was unaware of this incident however in general that complaints about Members are referred to the Ombudsman while complaints about Council officers should be referred to Council.

The Committee

Recommended that Members note the contents of this report.

AAR43/18 Performance Improvement

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 contents of this report.

AAR44/18 CoDA Internal Audit Reports

The Internal Audit Manager presented the above report, a copy of which had been previously circulated to Members. He advised that the purpose of this report was to update Members on the Internal Audit work completed within CoDA Operations Ltd in line with the 2016/2017 CoDA Audit Plan and presented to CoDA's Assurance, Audit and Risk Committee.

The Committee

Recommended that Members note the contents of the CoDA Internal Audit Reports.

AAR45/18 CoDA Annual Audit Report 2016/2017

The Internal Audit Manager presented the above report, a copy of which had been previously circulated to Members. He advised that the purpose of the report was to update Members on the CoDA Annual Audit Report for 2016/2017 presented to CoDA's Assurance, Audit and Risk Committee.

The Committee

Recommended that Members note the contents of the CoDA Annual Audit Report.

AAR46/18 CoDA Internal Audit Plan 2017/2018

The Internal Audit Manager presented the above report, a copy of which had been previously circulated to Members. He advised that the

purpose of the report was to update Members on the CoDA internal Audit Plan for 2017/2018 presented to Coda's Assurance, Audit and Risk Committee.

Councillor Gallagher raised concerns surrounding the City of Derry Airport. He referred to the information which he had obtained from the website of the airport's management group, which had indicated that passenger numbers had fallen and expenditure had risen.

He stated that he did not feel Member's had been provided with adequate information to make a sound judgement on the airport's future. He asked what is in the contract for the management group of the airport? How much does it cost? What are we getting for this? What are the expected outcomes? Is it reviewed, monitored and evaluated? The figures are way short of what was expected. We are being asked to make decisions and I want to be presented with information on these questions. He stated that the rates bills were sent out last week but he didn't see anyone in this Council protecting the ratepayers. The airport business case is a complete disaster and we need information.

The Lead Assurance Officer clarified that the role of internal audit at the City of Derry Airport would be to provide assurance around the internal systems of control within the airport. The internal audit work review individual systems such as payroll. She indicated that the information which Councillor Gallagher requested would not be within the remit of the Internal Audit but explained that the issues and questions raised here will be brought back to the CoDA Board. The Lead Assurance Officer also explained that the key risks are also reflected in the external auditors annual audit report.

Cllr Gallagher stated that there were issues about the delivery of CoDAs objectives in that CoDA was not meeting its objectives. He stated that councillors were being asked to make decisions on £3M without the necessary information.

The Chair stated that the issues surrounding the City of Derry Airport needed to be addressed at the relevant Committee. He informed members that a report is to be presented to the Governance and Strategic Planning Committee in the coming months which would address some of the issues raised. He also stated that he felt some of the information which Councillor Gallagher had quoted didn't reflect the current situation. There have been steep declines in the aviation industry in recent years and the new report will reflect the accurate figures and the up to date position.

Cllr Gallagher stated that he would welcome a report coming in but there had been only two presentations on CoDA that he was aware of since he was elected. He stated that he will keep raising it as he is an elected member.

The Committee

**Recommended that Members note the CoDA
Internal Audit Plan 2017/2018.**

The meeting ended at 4.25 pm

The Meeting went into Confidential Business