

Derry City and Strabane District Council

Minutes of Meeting of the Assurance, Audit and Risk Committee (Open) held in the Guildhall, Derry on Monday 24 September 2018 at 4.00 pm

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

In Attendance:- Mrs K McFarland (Director of Health and Community), Mr A Dallas (Lead Finance Officer) and Mrs D McDonnell (Lead Assurance Officer), Mrs O O'Doherty (Corporate Health and Safety Officer), Ms Collette Kane (Northern Ireland Audit Office) and Miss L Bell (Committee Services Assistant).

AAR82/18 Notice and Summons of Meeting

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

AAR83/18 Member Attendance and Apologies

The Lead Assurance Officer completed the roll call. No apologies were received from Members.

AAR84/18 Declarations of Members' Interests

Councillors McGinley, Reilly and Alderman Thompson declared Interests in item 9- Financial Statements 2017-18.

Open for Decision

AAR85/18 Chairperson's Business

There was no Chairperson's business.

AAR86/18 Confirmation of the Open Minutes of the Assurance, Audit and Risk Committee held on Thursday 7 June 2018

The Open Minutes of the Assurance, Audit and Risk Committee Meeting held on 7 June 2018 were confirmed and signed by the Chair.

AAR87/18 Matters Arising

There were no matters arising.

AAR88/18 Confirmation of the Open Minutes of the Assurance, Audit and Risk Committee held on Thursday 21 June 2018

The Open Minutes of the Assurance, Audit and Risk Committee Meeting held on 21 June 2018 were confirmed and signed by the Chair.

AAR89/18 Matters Arising

There were no matters arising.

AAR90/18 Financial Statements 2017/2018

The Lead Finance Officer 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 approval of the Financial Statements including the Annual Governance Statement of Derry City and Strabane District Council for the financial year 2017/2018.

Councillor Gallagher referred to paragraph 3.3 within the report. He indicated that he felt a two-tier management system was in place; whereby other people were getting more scrutiny over reports in relation to City of Derry Airport. In relation to the financial irregularities identified he queried if this was similar to a previous issue which had been presented to Committee. He further stated that it is important that information in relation to City of Derry Airport is made available to Elected Members.

In response, the Lead Finance Officer stated that a small number of financial irregularities totalling £2,600 had been identified in preparing the accounts for CODA Operations Ltd. However, these would result in no financial loss to CODA or Council. He stated that a review is currently being carried out by Council's Internal Audit team and when the matter is concluded a further report will be presented to the Assurance, Audit and Risk Committee.

Councillor Gallagher stated that he would consider this report when it is presented.

Councillor McGinley expressed his pleasure that Council had been given a clean bill of financial health. He stated that the report was a testament to work progressed by Council management on the Financial Statements. He added that Council was set in good stead for the coming financial year and proposed to endorse the report.

The Committee

Recommended that Members approve the Financial Statements, including the Annual Governance Statement, for Derry City and Strabane District Council for the year ending 31 March 2018.

AAR91/18 Draft Report to those Charged with Governance 2017/2018

Ms Kane, Northern Ireland Audit Office presented the above report, a copy of which was previously circulated to Members. She advised that the purpose of this report was to present to Member's the draft Report to those Charged with Governance for 2017/18.

Councillors Carlin and McKeever joined the meeting at this point.

Councillor Gallagher referred to the Management Response regarding CODA within the Draft Report to those Charged with Governance and questioned when Council made the decision to fund the airport beyond May 2019.

The Lead Finance Officer stated that the recurring annual subsidy for CODA Operations Ltd would be included as part of the rates estimates process for 2019/2020. He indicated that the combined funds from Council and the £2.5 million awarded by the Northern Ireland Office will be sufficient to fund the airport at its current level of operation until the 31 March 2021.

He further commented that officers will continue in their significant efforts to secure funding for the London route. Discussions are currently underway with the Department for Transport in London and relevant senior civil servants.

He stated that Council were communicating with the Head of Civil Service and the Permanent Secretary of the Department for the Economy to get resolution on the matter.

He concluded that should Council fail to secure the PSO funding, Council's current subsidy will be sufficient to meet the cost of operations at a reduced level for a minimum period of six months after May 2019 during which time the viability of the airport over the short and medium term will be considered and appropriate actions taken.

The Committee

Recommended **that Council note the content of the draft Report to those Charged with Governance, including the draft letter of representation and audit certificate.**

AAR92/18 Comptroller and Auditor General: Code of Data Matching Practice-Consultation

The Lead Assurance Officer presented the above report, a copy of which was previously circulated to Members. She advised that the purpose of the report was to advise Members of the consultation which is currently underway in relation to the Comptroller and Auditor General's Code of Data Matching practice and to Seek Members comments on the draft document.

The Committee

Recommended **that Council endorse the consultation on the draft Data Matching Code of Practice.**

AAR93/18 Corporate Health, Safety and Wellbeing Update

The Corporate Health and Safety Officer presented the above report. She advised that the purpose of the report was to provide Members with an update on discussion at the recent Health, Safety and Wellbeing Committee meeting held on 25 June 2018 and to seek Members continued endorsement for the health and safety systems and processes within Council.

Councillor Duffy thanked the Corporate Health and Safety Officer and her team for the vast amount of work which had gone into compiling the report.

The Committee

Recommended that Council note the contents of the report and continue to endorse the health and safety systems and processes within Council.

AAR94/18 Extension of the Contract of the Independent Advisor to the Assurance, Audit and Risk Committee

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 seek Member's approval for the extension of the contract of the Independent Advisor to the Assurance, Audit and risk Committee for a further One-year period.

The Committee

Recommended that Council extend the appointment of the current Independent Advisor to the Assurance, Audit and Risk Committee for a further one-year period up to June 2019 and then a recruitment exercise is carried out for the new Council period (2019 to 2023).

Open for Information

AAR95/18 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 members in relation to the Council's Performance Improvement Responsibilities.

The Committee

Recommended that Council note the contents of the report.

The meeting terminated at 4.30 pm