

Derry City and Strabane District Council

Open Minutes of Assurance, Audit and Risk Committee held in the Council Chamber, Guildhall on Thursday 19 May 2016 at 4.00 pm.

Present: - Councillor Duffy (in the Chair); Aldermen McClintock and Councillors Boyle, Donnelly, Fleming, Gallagher, Hastings, D Kelly, McGinley, McKeever, O'Reilly and Robinson.

Non Members of Committee:- Alderman Hussey and Councillor P Kelly.

In Attendance: - Lead Assurance Officer (Ms D McDonnell), Internal Audit Manager (Mr J Harrigan), Lead Legal Services Officer (Mr P Kingston), Director of Culture and Business (Mr S Gillespie), Director of Health and Community (Mrs K McFarland), Director of Environment (Mrs K Phillips), Head of Community (Mr B O'Hagan), Communications Officer (Mr C Gray) and Committee Clerk (Ms D Melaugh).

Independent Member of Committee:- Mr A Jackson.

AAR52/16 Notice and Summons for Meeting

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

AAR53/16 Apologies

Apologies for absence were received from Councillors M McHugh

Apologies were also recorded for representatives of the Local Government Audit Office who could not be in attendance.

AAR54/16 Declarations of Members' Interests

There were no declarations of interest.

AAR55/15 Deputations

There were no deputations.

AAR56/16 Welcome

The Chairperson welcomed Councillor Boyle to the meeting following his appointment to the Committee at the April Council Meeting.

AAR57/16 Thanks

The Chairperson stated that as this was the last meeting of the Committee she wished to extend her thanks to Officers and Members. She stated that she wished firstly to thank members of her Party who had nominated her to the position of Chair which had been an exceptionally challenging 15 months and the Chief Executive for his initial words of guidance. The Member stated that she particularly wished to express her thanks to the Lead Assurance Officer and Internal Audit Manager who had given her invaluable support and guidance over the months. The Chairperson stated that she wished also to express thanks to Management Team, the administrative staff and IT Department for their assistance which had ensured the efficient operation of business. The Chairperson in conclusion thanked Members of the Committee for the attention to business and support.

Members from all Parties paid tribute to the work undertaken by the Chairperson during the past 15 months and applauded her excellent stewardship and fairness.

The work undertaken by the Deputy Chair during the past 15 months was also commended.

Open for Decision

AAR58/16 Chairpersons Business

There was no Chairperson's Business.

AAR59/16 Confirmation of the Open Minutes of the Assurance, Audit and Risk Committee held on 3 March 2016

The Open Minutes of the Assurance, Audit and Risk Committee held on 7 April 2015 (AAR/1-AAR/16) were confirmed and signed by the Chairperson as correct.

AAR60/16 Internal Audit Reports

The Internal Audit Manager advised that the purpose of the above report was to update Members on the Internal Audit work carried out within Derry City and Strabane District Council and CODA Operations Limited in the period February 2016 to April 2016.

The Internal Audit Manager presented the report.

An Independent Member of Council stated that it was important that the Committee were given the relevant assurances that there was no increase in Single Tender Actions. The Member stated that it was important to acknowledge the lack of public confidence with regard to engaging in tendering processes which was clearly demonstrated by the lack of attendance at recent Council Workshop events which had been organised for the purposes of generating interest in such activities. He stated that this lack of confidence was ultimately reducing market competitiveness.

The Director of Business and Culture advised that a significant number of tenders were processed within Council as regularly reported through the Governance and Strategic Planning Committee. The Director advised that in the delivery of this process Officers endeavoured to engage with a wide ranging supplier base for the purposes of ensuring best value. He stated that the Workshop events had been arranged in response to addressing the specific issues in relation to stewarding and events.

The Lead Assurance Officer advised that a report in relation to the Single Tender Actions awarded during 2015/2016 would be presented to the Governance and Strategic Planning Committee in June 2016. She stated that it was however important to acknowledge that Single Action Tenders were a necessary exercise in specific circumstances. The Lead Assurance Officer advised that Internal Audit were satisfied that good progress was being made to date on the implementation of the recommendations arising from the Procurement Systems report, however, it would only be on the completion of a number of significant procurement exercises, particularly in relation to stewarding and security could relevant assurances be given that controls were operating efficiently and effectively.

An Independent Member of Council stated that there was significant negative public opinion in relation to tendering processes within Council. He stated that whilst much negativity surrounded the security and events function there had also been concerns in relation to a recent

kayaking tendering exercise. The Member stated that such situations clearly had an impact on public confidence, demonstrated by the lack of supplier attendance at recent Council Workshop events. The Member referred to the situation in relation to the security and events tendering exercise and enquired if the issues surrounding the process had been discussed with the relevant complainant. He also commented that it was important to acknowledge that the issues which had arisen as result of the security and events tender had initially been highlighted through a Committee meeting.

The Lead Assurance Officer advised that the Chief Executive had met with the complainant referred to in the above comments and in addressing the issues of concern encouraged the participation of the company in further public tendering processes.

The Lead Assurance Officer advised that on the basis of the recommendations arising out of the Procurement Systems Reports more stringent processes and procedures had been introduced in all relevant areas across the organisation.

A Member of the SDLP grouping stated that he wished to acknowledge and welcome the robust recommendations being implemented in relation to the issues arising out of the procurement systems report. He stated that it was important to acknowledge that Council could only encourage participation in such processes in addition to providing at all times a transparent and fair process and in this regard it would not be reasonable to invite submission from individual companies.

A Member of the DUP grouping stated that she wished to acknowledge the stringent procedures being put in place as a result of the procurement systems report and commended Officers on their work.

In response to comments with regard to the anticipated Business Case in relation to operations at City of Derry Airport the Lead Assurance Officer advised that a report on this matter would be submitted to the Governance and Strategic Planning Committee in June 2016.

The Committee

Recommended that Members' comments in relation to the Internal Audit Report be noted.

The Lead Assurance Officer advised that the purpose of the above report was to seek Members' comments and approvals on the Council's Conflicts of Interest Policy which was attached at Appendix E.

The Lead Assurance Officer presented the above report.

A Member of the SDLP grouping welcomed the introduction of Conflicts of Interest Policy.

The Committee

Recommended that Council approves the Conflicts of Interest Policy attached at Appendix E.

AAR62/16 Update Report on the Ongoing Police Investigation of the Attempted external theft of Monies (£99k) within the former Derry City Council

The Lead Assurance Officer advised that the purpose of the above report was to update Members on the ongoing Police investigation of the attempted external theft of monies (£99k) within the former Derry City Council.

The Lead Assurance Officer presented the report.

Members noted the contents of the above report.

AAR63/16 Update on Incident at Leisure Centre

The Lead Assurance Officer advised that the purpose of the above report was to update Members on a recent incident that occurred at one of Council's Leisure Facilities.

The Lead Assurance Officer presented the report.

An Independent Member of Council who was a non Member of the Committee stated that it had been disappointing to learn of the above incident through the media. He sought clarification if any Council staff were involved in the incident.

The Director of Health and Community advised that Council staff had fully cooperated with the PSNI and provided them with all of the

information which they require at this stage. She stated that PSNI were carrying out an investigation in relation to the incident and Council would continue to co-operate with them in their investigation.

AAR64/16 Local Government Code of Audit Practice 2016

The Lead Assurance Officer stated that the purpose of the above report was to advise Members of the Local Government Auditor's new Code of Audit Practice which was laid before the Assembly under Article Article 5(7) of the Local Government (Northern Ireland) Order 2005 by the Department of the Environment.

The Lead Assurance Officer presented the report.

An Independent Member of Council referred to recent incidences within Council where Members had been removed from Committees/external bodies following their withdrawal from former political parties.

The Lead Legal Services Officer stated that he would assume the above Member's comments were in reference to an opinion delivered within another Council in relation to positions of responsibility which conflicts with an opinion received from the Department. He stated that separate advices exist in relation to such matters as a result of the absence of relevant legislative regulation. He stated that Council was seeking clarity from the Department in relation to the matter.

The aforementioned Member stated in the absence of such clarity should Council be supporting such exclusion practices which may be deemed to be open to subsequent legal challenge.

The Lead Legal Services Officer stated that Council was currently operating on the basis of advice received from the Department responsible for such matters. This matter had been raised at the Governance Committee and a paper would be brought to a future meeting of that Committee.

A Member of the SDLP grouping stated that his Party in such situations had acted within the prescribed regulations and would continue to do in the absence of any further regulatory advices on such matters.

An Independent Member of Council who was a non Member of the Council stated that it was important that legal opinion in relation to such matters was sought.

The Chairperson stated that as advised by the Lead Legal Services Officer clarification was currently being sought and the matter would come back to a future meeting of the Governance Committee.

The Meeting terminated at 5.00 pm.