

Derry City and Strabane District Council

Open Minutes of Assurance, Audit and Risk Committee held in the Council Chamber, Guildhall, Derry on Monday 18 September 2017 at 4.00pm.

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

Non-Member of Committee: - Councillor Carr

In Attendance: - Chief Executive (Mr J Kelpie), Director of Health and Community (Mrs K McFarland), Lead Finance Officer (Mr A Dallas), Lead Assurance Officer (Mrs D McDonnell), Corporate Health & Safety Officer (Ms U O'Doherty, NIAO (Ms C Kane) and Committee Services Assistant (Mrs J Short)

AAR70/17 Notice and Summons for Meeting

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

AAR71/17 Apologies

Apologies had been received from Councillor D Kelly.

AAR72/17 Declarations of Members' Interests

There were no Declarations of Interest.

Open for Decision

AAR73/17 Chairperson's Business

The Chair referred to the tragic deaths that occurred within the City over previous hours, details of which had not been released. He offered his condolences to the families concerned.

Agenda Item No. 14 – Draft Report to those Charged with Governance 2016/17

The Chair advised Members that the above report would be presented in open business for decision by Members.

AAR74/17 Confirmation of the Open Minutes of the Assurance, Audit and Risk Committee held on 29 June 2017

The Open Minutes of the Assurance, Audit and Risk Committee held on 29 June 2017 (AAR56/17 – AAR69/17) were confirmed and signed by the Chairperson.

AAR75/17 Matters Arising

There were no matters arising from the Minutes.

AAR76/17 Financial Statements 2016/17

The Lead Finance Officer presented the above report details of which had been previously circulated to Members. The purpose of the report was to seek Members' approval of the Financial Statements, including the Annual Governance Statement of Derry City and Strabane District Council for the financial year 2016/2017.

Councillor Carlin joined the Meeting at this stage.

The Committee

Recommended that Council approves the Financial Statements for Derry City and Strabane District Council for the year ending 31 March 2017.

AAR77/17 Draft Report to those Charged with Governance 2016/2017

The Local Government Auditor presented the above report details of which had been previously circulated to Members. The purpose of the report was to update Members on the Draft Report to those Charged with Governance 2016/2017.

An Independent Member referred to significant risks of material misstatement outlined within the report (page 4) where it stated that there continued to be uncertainty regarding the 'going concern' status

of the Airport; he further referred to the Corporate Risk Register to be presented later in the meeting wherein it reported that the Airport was ranked as a 'critical risk' due to the access of funding allocated from the NI Assembly. He expressed concern that both reports were contradictory in terms of the financial risks imposed by the Airport and sought clarity in that regard.

The Local Government Auditor in response to the previous speaker clarified that they had considered the going concern status of the airport as part of their audit work and had obtained sufficient audit evidence in relation to its' status as a going concern.

The Chief Executive explained that both reports had highlighted the risks associated with CODA and would be continually reviewed together with the other 9 risks which are categorised as high or critical based risks within the Corporate Risk Register.

The Lead Finance Officer advised Members that as part of the rates estimates process for 2017/18, Council had approved a 2 year funding package which would ensure the operational sustainability of the airport at current levels until 2019 and throughout the period of the PSO. The Audit Office would have relied on this as evidence supporting the going concern status. He also advised that the additional funding from the NI Assembly was for further route development and, whilst this funding was critical for future sustainability, it did not impact on the airport's current status as a going concern.

The Committee

Recommended that Council notes for information the Draft Report to those Charged with Governance 2016/17.

AAR78/17 Corporate Risk Register

The Lead Assurance Officer presented the above report details of which had been previously circulated to Members. The purpose of the report was to present the Council's Corporate Risk Register, and details of the latest reviews completed and to seek Members' comments in relation to the content of the Register.

The Committee

Recommended that Council notes for information the Corporate Risk Register for

**Derry City and Strabane District
Council.**

AAR79/17 Corporate Health, Safety and Wellbeing Update

The Corporate Health and Safety Officer presented the above report details of which had been previously circulated to Members. The purpose of the report was to seek Members' endorsement for the health and safety processes within Council.

The Committee

**Recommended that Council endorses the
Corporate Health, Safety and
Wellbeing Update report.**

Open for Information

AAR80/17 Local Government Auditor's Report 2017

The Lead Assurance Officer presented the above report, details of which had been previously circulated to Members. The purpose of the report was to advise Members on the exercise of the Local Government Auditor's functions for the year ended 31st March 2017.

The Committee

**Recommended that Council notes for information
the Local Government Auditor's
Report 2017.**

AAR81/17 Finance and Procurement System Upgrade

The Lead Assurance Officer presented the above report details of which had been previously circulated to Members. The purpose of the report was to update Members on the steps currently being taken in the organisation to move towards a centralised procurement function.

The Committee

Recommended that Council notes for information the Finance and Procurement System Upgrade report.

AAR82/17 Performance Improvement

The Lead Assurance Officer presented the above report details of which had been previously circulated to Members. The purpose of the report was to update Members in relation to the Council's Performance Improvement Responsibilities.

The Committee

Recommended that Council notes for information the Performance Improvement report.

AAR83/17 Self-Insurance Programme – Claim Audit Report

The Lead Assurance Officer presented the above report details of which had been previously circulated to Members. The purpose of the report was to advise Members of a recent audit completed by RSA Insurance of Council's claims management systems under its Self-Insurance Programme.

The Committee

Recommended that Council notes for information the RSA Claim Audit Report The

Meeting terminated at 4.35pm.