

Derry City and Strabane District Council

Open Minutes of the Assurance, Audit and Risk Committee held on Thursday 10 January 2019 in the Chamber, The Guildhall, Derry at 4.00pm.

Present: - Councillor McGuire (In the Chair), Aldermen M Hamilton, McClintock, Thompson; Councillors Duffy, Donnelly, Gallagher, Hastings, McGinley, McMahan and Reilly.

In attendance: - Mrs D McDonnell (Lead Assurance Officer), Ms E Cavanagh (Lead Democratic Services and Improvement Officer), Mrs K McFarland (Director of Health and Community), Mrs O O'Doherty (Corporate Health and Safety Officer), Mr A Dallas (Lead Finance Officer), Mrs C Kane, Director from the Northern Ireland Audit Office (NIAO) and Mrs T Johnstone (Committee Services Assistant).

AAR1/19 Notice and Summons for Meeting

The Lead Assurance officer read the Notice and Summons for the meeting.

AAR2/19 Member Attendance and Apologies

The Lead Assurance Officer completed the roll call. Apologies were received from Councillors Carlin, McKeever and O'Reilly.

AAR3/19 Declarations of Members' Interests

Councillor Reilly declared an interest in the following agenda item:

- Agenda item 11 – North West Air Access Consortium.

Alderman Thompson declared an interest in the following agenda item:

- Agenda item 11 – North West Air Access Consortium.

Alderman McGinley declared an interest in the following agenda item:

- Agenda item 11 – North West Air Access Consortium.

Open for Decision

AAR4/19 Chairperson's Business

The Chair permitted a request from Councillor Donnelly to raise an item under Chairperson's Business.

Councillor Donnelly referred to the case of Allister/Agnew vs Causeway Coast and Glens Borough Council regarding planning permission for a

luxury hotel on Ballyreagh Road, Portstewart. He reported that a councillor from Causeway Coast and Glens Borough Council had intervened in the legal challenge involving claims of a flawed environmental screening process and the wrong criteria being applied for the scale of the tourism attraction. He reported that the Judge had quoted, "the possibility that other public authorities with their own statutory functions and responsibilities may become involved clearly existed".

Councillor Donnelly Proposed, Seconded by Councillor Gallagher

That this Council sends a legal observer to the Allister/Agnew vs Causeway Coast and Glens Borough Council judicial review proceedings from now until the conclusion of the case.

Councillor Donnelly expressed concern that Council had sub contracted legal support to Causeway Coast and Glens Borough Council regarding the matter.

After voting by a show of hands the result was as follows:

For the Proposal – 9; Against – 3; Abstentions -0. Therefore the Proposal was carried.

AAR5/19 Confirmation of the open minutes of the Assurance Audit and Risk Committee held on Thursday 29 November 2018.

The Open Minutes of the Assurance, Audit and Risk Committee held on 29 November 2018 were confirmed and signed by the Chairperson.

AAR6/19 Matters Arising

There were no Matters arising.

AAR7/19 Derry City and Strabane District Council 2017/18- Report to those Charged with Governance.

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 members' endorsement of the Council's Report to those Charged with Governance for 2017/18.

The Committee

Recommended that Council endorse the Report to those Charged with Governance for 2017/2018.

AAR8/19 Derry City and Strabane District Council – Annual Audit Letter 2017/18

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 Members' endorsement of the Council's Annual Audit Letter for the financial year 2017/18.

The Committee

Recommended that Council endorse the contents of the Annual Audit Letter for Derry City and Strabane District Council.

AAR9/19 Performance Improvement Duty- Audit and Assessment Report for 2018-19

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 advise of and seek Member endorsement of the outcome of the Improvement Audit and Assessment for 2018/19, carried out by the Local Government Auditor.

In response to a query by Councillor Reilly, Mrs Kane, explained that one of the key decisions made by the Government Auditor within the assessment was whether or not arrangements were in place to show improvement. She stated that one of the proposals for improvement that had been highlighted in a previous year within the improvement objective was that it had been difficult to demonstrate improvement at a very high strategic level. She added that this would be reviewed to ensure improvement can be demonstrated efficiently in respect of improvement objectives.

Councillor Gallagher referred to expenditure incurred in relation to the European City of Culture Bid. He stated that it had come to light that there were clear indications prior to entering the bid, that Derry City and Strabane District Council would not meet the criteria, therefore the

bid had very little chance of success. He queried if this had been considered as part of the indicators contained within the audit in terms of Council efficiency.

In response, Mrs Kane stated that she was not aware if the auditor looked at this specific expenditure.

Councillor Gallagher expressed concern that there had been no indication within the audit that Council had spent approximately £175,000 on the bidding process.

Councillor Donnelly concurred with the comments made by Councillor Gallagher and stated that the matter should be investigated as a duty to the ratepayers of the city and district

Mrs Kane stated that she would consider the comments raised and report back.

The Committee

Recommended that Council endorse the outcome of the Improvement Audit and Assessment for 2018-19, carried out by the Local Government Auditor.

AAR10/19 Corporate Health, Safety and Wellbeing Report

The Corporate Health and Safety 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 on the recent Health, Safety and Wellbeing Committee meeting held on 10 December 2018 and to seek Members continued endorsement for the Health and Safety systems and processes within Derry City and Strabane District Council.

Councillor McGinley welcomed the report and highlighted the tremendous amount of work undertaken by the Corporate Health and Safety Officer to ensure that Council health and safety systems and processes were in place.

Councillor Reilly referred to legionella control within the report and queried if this was being applied to all council facilities.

In response, the Corporate Health and Safety Officer stated that as part of the 18001 process, Council must review all health and safety procedures on an annual basis. She stated that control of contractor and legionella management was viewed as a high risk activity and therefore had formed part of the review. She added that a lot of work had been carried out towards the finalisation of those procedures and the procedures applied to all council facilities.

The Committee

Recommended that Council note the contents of the report and continue to endorse the Health and Safety systems and processes in place within Derry City and Strabane District Council.

Open for Information

AAR11/19 North West Air Access Consortium

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 provide Members with an update in relation to the North West Air Access Consortium funding.

Councillor Gallagher referred to the North West Air Access Consortium fund and queried who was responsible for the allocation of money from the fund and if any Elected Representatives had formed part of the Consortium. He further stated that the Assurance, Audit and Risk Committee was responsible for scrutiny and querying decisions and if this Committee was unaware of such matters then assurances could not be given regarding oversight.

In response, the Chief Executive stated that the matter had been raised on a number of occasions and clarification had been provided. He reiterated that a board did not exist and that the fund was a sum of money contributed to by the former Derry City Council, Donegal County Council and other public bodies. He stated that the fund existed to actively support the marketing of inbound visitor traffic through the airport. He reported that the fund had been recently drawn upon to provide marketing support for the new Loganair route to Glasgow from City of Derry Airport. He stated that the request was submitted and approved by the Business and Culture Committee with subsequent ratification by Council in the latter part of 2018 and that

there was a remaining balance of £232,745 in the fund. He further stated that any further requests from CODA would be presented to the Business and Culture Committee who would provide oversight as recommended.

Councillor Gallagher stated that the Assurance, Audit and Risk Committee had not shown an oversight regarding the £75,000 requested for marketing support, therefore the Committee were unable to make any decision on the matter. He expressed concern that the fund could have been used to support previous funding requests from CoDA rather than using ratepayer's money. He added that this Committee should have entire oversight on such matters as shown by Council's performance indicators.

The Chair reiterated that the funding was provided by the former Derry City Council, Donegal County Council and other public bodies to actively support the marketing of inbound visitor traffic through the City of Derry Airport.

The Chief Executive outlined that full disclosure of the fund was available in Council's Financial Statements. He further stated Members were responsible for allocating the funds. He advised that if Members decided to take an alternative view on the use of that funding, other sources must be consulted.

Councillor McGinley stated that the report and the comments from the Chief Executive had provided clarification on the matter. He further stated that Council has a responsibility to provide statements of accounts on an annual basis and the details of the accounts had provided clear reference to the North West Air Access Consortium. He suggested that Councillor Gallagher study Council's statement of accounts in more detail as the report had provided a clear explanation regarding the North West Air Action Consortium.

The Committee

Recommended that Council note the contents of the report.

AAR12/19 Ombudsman's Report 2017/18

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 advise Members of the Northern Ireland Public Service Ombudsman's Report for 2017/18.

The Committee

Recommended that Council note the contents of the report.

The Meeting ended at 4.35pm.

Signed: _____

(Chairperson)

Date: _____