

## **Derry City and Strabane District Council**

**Open Minutes of the Bi-Monthly Meeting of the Assurance, Audit and Risk Committee, held remotely on Monday 19 October 2020 at 4.00pm.**

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**Present: - Alderman Ramsey (Chair); Aldermen Guy and Kerrigan; Councillors Carr, Donnelly, Durkan, Kelly, Logue, McCann, McCloskey, McGuire, McKeever, McKinney and Reilly.**

**In Attendance: - Mrs D McDonnell (Lead Assurance Officer), Mrs K McFarland (Director of Health and Community), Mr J Harrigan (Internal Audit Manager), Mrs A Begley (Insurance and Risk Manager), Ms O O'Doherty (Corporate Health and Safety Officer), Ms A McCourt (Public Relations Officer), Mr D Harrigan (PCSP Manager), Ms B Slevin (Independent Advisor), Ms C Kane (Northern Ireland Audit Office) and Miss E Bell (Committee Services Assistant).**

**Non-Committee Members: - Alderman McClintock, Councillors Duffy and Ferguson.**

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### **AAR36/20 Notice and Summons of Meeting**

The Lead Assurance Officer read the Notice and Summons of the meeting.

### **AAR37/20 Statement for Remote Meetings**

The Chair read the Statement for Remote Meetings.

### **AAR38/20 Member Attendance and Apologies**

The Lead Assurance Officer completed the Roll Call. No apologies were received from Members.

### **AAR39/20 Declarations of Members' Interests**

Alderman Guy and Councillor Reilly declared interests in Agenda Item 7- Internal Audit Reports.

### **Open for Decision**

### **AAR40/20 Chairperson's Business**

There was no Chairperson's Business.

**Matters Arising from the Open Minutes of the Assurance, Audit and Risk Committee held on Wednesday 15 July 2020**

## **AAR41/20 Internal Audit Reports (AAR25/20)**

Councillor Donnelly reminded Members that this item had been discussed as a call-in during the Full Council meeting held on the 24 September 2020. He advised that during the discussion, the Chair had claimed that a forensic audit of the PCSP would incur a cost of between £200-300k to Council and requested an explanation in the Chair quoting this figure.

The Chair clarified that he had quoted this in error and that a Judicial Review would cost £200-300K, he further clarified that a forensic audit would cost between £10-20K.

Councillor Donnelly further advised that during the Full Council meeting, Alderman McClintock had claimed that the Northern Ireland Audit Office and the Independent Advisor had been satisfied with the Audit as they had not raised any questions. He disagreed with her claims and stated that the minutes of the meeting of the Assurance, Audit and Risk Committee held on the 15 July 2020 clearly indicated that the Independent Advisor to the Committee had raised some questions.

He further reminded Members that during the Full Council meeting, he had requested an explanation of Officer's reasoning that fraud was not evident within the audit and had not yet received a response. He drew attention to some worrying aspects of the Audit such as the lack of evidential details regarding a flight ticket which had been purchased.

In conclusion Councillor Donnelly stated that he felt that the credibility of the Committee had been damaged. He commented that whilst he had no issues with staff, he felt that staff could sometimes make errors and reminded Members of an internal investigation into stewarding which had taken place in 2015. He commented on the contrast of the findings of this internal investigation against the external investigation which had also taken place into the same issue.

The Chair admitted again that he had made an error in quoting incorrect figures. He questioned if Councillor Donnelly had read the report which would be presented today regarding the PCSP.

Councillor Donnelly stated that he had read the report and expressed concern that whilst over 100 applications for funding were made to the PCSP, only 5 were examined and all of the 5 that were examined were flawed. He stated that this made him concerned that other

applications were also flawed. He stated that this area has been as shambolic as the incident in 2015 which he had previously referred to.

The Lead Assurance Officer advised Members that the Independent Advisor to the Committee and the representative from the Northern Ireland Audit Officer were present at the virtual meeting today and could make comment if they wished.

In response to Councillor Donnelly's question regarding fraud. She referred to the Audit report and highlighted that from the samples reviewed there was no evidence that fraud had taken place.

In response to the comparisons raised by Councillor Donnelly, she explained that the PCSP and the previous investigation were two very different areas. She commented that it would be extremely difficult to compare the two.

In response to a question from Councillor Carr, the Internal Audit Manager clarified that whilst internal audit work is not carried out for the purpose of looking for fraud, internal audit work is conducted in a way that considers any fraud indicators that may exist. However, indicators of fraud does not mean that fraud exists.

Councillor Reilly declared an interest in Agenda Item 7-Internal Audit Reports.

Councillor Gallagher expressed concern at the number of recommendations made across the 5 samples that had been audited and stated he felt Council needed to examine all the projects which claimed funds from the PCSP in order to provide full assurance.

Councillor Gallagher further commented that the error the Chair had made at the Full Council meeting had resulted in misinformation to Members and called for the Chair to apologise.

The Chair reminded Members that at the Full Council Meeting, Members had decided that a forensic audit was unnecessary as it would return the same results as the internal audit. He further commented that the follow-up report showed significant progress and he felt that further action was unnecessary.

Councillor Logue commented that she had not been influenced by the mistaken remarks the Chair had made.

In response to a request from Councillor Logue, the Internal Audit Manager clarified that a significant number of invoices were examined for the 5 sample claims, by way of example, he explained that over 242 invoices were examined.

Alderman Guy declared an interest in Agenda Item 7- Internal Audit Reports.

#### **AAR42/20 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 the report was to update Members on the Internal Audit work carried out within Derry City and Strabane District Council in the period August 2020 to October 2020.

Councillor Donnelly referred to the upcoming report on COVID. He queried why the possibility of Council clawing back money which had inadvertently awarded had not been included within the Internal Audit Report when it had been in the report on the COVID report.

The Chair asked if Councillor Donnelly wished to propose another call-in in 6 months or if he wanted Council to investigate claims dating back 6 years.

Councillor Donnelly denied these suggestions and emphasised that he wished to know if there was a claw back mechanism in place to recall monies which may have been awarded legitimately.

Councillor Logue stated that there was no evidence that monies were awarded illegitimately.

In response, the Internal Audit Manager clarified that the audit highlighted issues which had been identified within the audit trail and with record management, however there was no evidence that fraud had taken place.

The PCSP Manager confirmed that all invoices examined had been related to PCSP projects. He explained that concerns had related to lack of detail supplied regarding invoices, but that all invoice were legitimately paid. He thanked the PCSP staff for their efforts to implement the recommendations of the audit within a 6-week period.

Councillor Gallagher informed Members that all expenditure within a claim needs to be specified within the letter of offer to the applicant

and any change to this needs to be approved by the PCSP manager. He advised that one of the recommendations from the audit regarded the restructuring of the letter of offer and suggested that this should include stipulations which would enable Council to reclaim any money which had not been spent inappropriately.

Councillor Logue congratulated PCSP staff on their quick implementation of the recommendations and reiterated that there had been no suggestion of fraud.

In response to a request from Councillor McKinney, the PCSP manger confirmed that the deadline for claims for quarter 1 and 2 was the 31 October 2020 and that 3 claims had been processed but had not yet been paid.

Councillor McCann clarified that he did not wish to imply that fraud had taken place, however he did think mistakes had been made.

The Committee

**Recommended that Council endorse the Internal Audit Reports.**

**AAR43/20 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 Members approval for the extension of the contract of the Independent Advisor to the Assurance Audit and Risk Committee for the remainder of the Council term.

Councillor Donnelly commented that his confidence in independent advisors had been damaged, as has the remit of the Audit Committee as a result of the audit of the PCSP. However, he advised that this did not relate to Ms Slevin personally.

He advised that he had contacted the independent advisor recently to ask a question and had received the response that the independent advisor was happy with the progress which had been made. He commented that he did not feel the opinion of Independent Advisors were of benefit to Council Members.

Alderman Kerrigan proposed, seconded by Councillor Reilly to agree with the Officers recommendation and extend the appointment of the current Independent Advisor to the Committee for the rest of the Council term.

Voting was as follows;

For: 10

Against: 0

Abstentions: 4

The proposal was carried.

The Committee

**Recommended**      **that Council extend the appointment of the current Independent Advisor to the Assurance Audit and Risk Committee for the remainder of the Council term.**

**AAR44/20    Health and Safety Committee Report Update September 2020**

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 from the Health, Safety and Wellbeing Committee held on 14 September 2020 and to seek Members continued endorsement for the Health and Safety management systems in place within Derry City and Strabane District Council.

The Committee

**Recommended**      **that Council note the content of the report and continue to endorse the Health and Safety Management Systems in place within Derry City and Strabane District Council.**

**AAR45/20    June 2020 ISO 45001 Surveillance External Audit**

The Corporate Health and Safety Officer presented the above report. She advised that the purpose of the report was to update Members on the ISO 45001 External Surveillance Audit completed in June 2020 and to seek Members continued endorsement for the Health and Safety Management Systems in place within Council.

The Committee

**Recommended that Council note the content of the report and continue to endorse the Health and Safety Management Systems in place within the organisation.**

**AAR46/20 August 2020 ISO 45001 Re-Certification External Audit**

The Corporate Health and Safety Officer presented the 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 ISO45001 External Surveillance Audit completed in August 2020 and to seek Members continued endorsement of the Health and Safety Management Systems in place within Derry City and Strabane District Council.

The Committee

**Recommended that Council note the content of the report and continue to endorse the Health and Safety Management Systems in pace within the organisation.**

**AAR47/20 COVID-19 Update**

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 provide Members with an update in relation to the ongoing COVID-19 pandemic and the Health, Safety and Wellbeing actions currently implemented within the organisation to help mitigate and manage the risks of the virus to our employees, visitors, and contractors; and to seek Members continued endorsement

for the Health and Safety Management Systems in place within the organisation.

Councillor McCann advised Members that employees from a local meat plant had recently been diagnosed with COVID-19 and that he and Councillor Harkin had been liaising with staff from this meat plant regarding their rights under the Health and Safety at Work Act to walk away from their jobs if they felt unsafe at work. He asked if other Members had experienced similar issues and queried the remit of Council.

The Chair instructed that this issue was the remit of another Committee.

In response to Councillor McCann's question, Councillor McCloskey advised that the workers in question had positive PCR test but were not ill. She commented that the case fatality rate of people of a working age, infected with COVID is 0.2% and that more people have died from flu within the District than from COVID. She expressed concern that poverty would become of greater risk than COVID and highlighted a need for scientific facts. She stated that the crisis was thankfully over and that when the predicted second wave does not happen this would be attributed to lockdown. She commented that in order to preserve jobs, Council needed to take advice from outside of SAGE and the Executive and to examine international best practice and data analysis.

She further informed Members that this would be one of her last meetings within Council and stressed the need to protect the future of the young people within the District and to ensure workers have jobs to return to.

The Chair advised again that this issue was the remit of another Committee and asked for all indicated speakers to ensure that their discussion related to the agenda.

Councillor Donnelly argued that the Chair was incorrect to disallow speakers when he had already allowed 2 Members to speak.

Councillor Logue asked Councillor McCann for clarity on what he required from Council in terms of support for workers who feel unsafe at their workplaces. She commented that she would not tell her daughter who is a nurse to walk away from her job if she felt unsafe, as nurses have a duty of care to their patients.

The Chair stated again that this was an issue for another Committee and requested that Councillor Logue raise this issue at the Health and Community Committee.

Councillor McCann responded to Councillor Logue that he did not say that he wanted any worker to walk off the job as this was not his role. He clarified that he said that workers have the right to walk off the job and advised of the pressures faced by teachers and other workers. He stated that he wanted to make workers aware of their rights regarding this.

Councillor Reilly informed Members that the SDLP had advised workers on their rights and that Sinead McLaughlin MLA had been in contact with the Health and Safety Executive regarding workers at a particular premise. He further advised that he had suggested that Council relay the message regarding workers' rights through Council's social media channels at a recent COVID briefing.

Councillor Donnelly informed Members that he had been contacted by workers with queries regarding their rights and he had advised them that they should put their health and safety first. He disagreed with previous comments made by Councillor McCloskey and stated that COVID was not comparable to the flu.

Councillor McKinney voiced his believe that Councillors should investigate any Health and Safety allegations made by their constituents.

The Committee

**Recommended that Council notes the content of the report and continues to endorse the Health and Safety Management Systems in place within the organisation.**

**AAR48/20 Risk Review Processes and Update on Council Services Risk Registers**

The Insurance and Risk Manager 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 and seek their

endorsement on the ongoing Risk Review process in accordance with Council's Risk Management Strategy.

The Committee

**Recommended that Council endorse the ongoing Risk Review process in accordance with Council's Risk Management Strategy.**

**The Meeting ended at 5.00pm.**