

Louth County Council Audit Committee

Minutes of the meeting of the Louth County Council Audit Committee held in the Setanta Room, Co. Hall, Dundalk on Thursday 20th April 2023, at 10:00a.m.

Present: Mr. Richard Bowden
Cllr. Conor Keelan
Mr. Billy Doyle

Apologies: Ms. Irene McCausland

In attendance: Bernie Woods, Head of Finance
Bryan Coughlan, A/ Director of Services

1. Minutes

On the proposal of Billy Doyle and seconded by Cllr. Conor Keelan, the minutes of the meeting of 26th January 2023 were approved.

2. Matters arising

It was noted that there were items included on the notice convening the meeting and agenda for the meeting for which the relevant reports were not available. It was resolved that in future an item should not be included on the agenda if the accompanying report is unavailable to forward at the time the notice and agenda for the meeting is being e mailed to members.

For the purpose of clarity, if an item is included for follow up or the report was forwarded on a prior occasion there may be no necessity to have an accompanying report, its inclusion on the agenda is acceptable.

3. Conflicts of Interest

None declared.

4. Approval of Internal Audit Plan

It was noted that the Internal Audit Plan was available at the previous meeting (26th January 2023) at which it was discussed in depth. Subsequently, the Chairperson discussed same with the Internal Auditor.

It is the opinion of the Audit Committee that the Internal Audit Plan falls short of the standard required for a comprehensive internal audit examination to be undertaken. The Committee requested that an additional internal audit be included on the plan and recommended a report on the Council's Property Interest Register. This was recommended because of the risk of fraud and the need for clarity around assets which are within the Council's ownership. The Committee discussed whether such a register should include assets which were owned by bodies of which the Council is a shareholder. The Committee envisaged such a report would

also look at the policies and procedures which relate to the recording of information on the Register.

The Committee is advised that the annual internal audit report of the Social Inclusion Community Activation Programme should come before the Audit Committee and queried whether it was an error or misunderstanding that prevented such reports coming before the Committee hitherto.

Billy Doyle suggested and the Committee approved a request that management provide a report from Management addressing the Council's strategy and preparedness for a *Business Continuity and Disaster Recovery* event. This report should examine the current levels of preparedness for such an event, what actions would be taken and what the response times would be.

The Committee also seeks clarification as to whether a 'test' has ever been arranged by Management to assess the response and the running of an 'External Penetration Test' was also discussed.

The Committee noted that there was no financial audit included in the Internal Audit plan for 2023.

5. Audit Committee Charter

A small number of amendments were made to the Audit Committee Charter to reflect internal structural changes in the Council. The amended charter was proposed by Billy Doyle and seconded by Cllr. Conor Keelan.

It will now be put on the agenda of the County Council meeting for adoption.

6. Standing Orders

A small number of amendments were made to the Audit Committee Standing Orders to reflect internal structural changes in the Council. The amended Standing Orders was proposed by Billy Doyle and seconded by Cllr. Conor Keelan.

7. Finalised Audit on Debt Collection

It was noted that the report on the Debt Collection audit did not return from the Internal Auditors in sufficient time for it to be considered by the Council's Management Team. The item was deferred to the next meeting.

8. NOAC VFM Reports

There are none.

9. Ethical Declarations

The Chairman will discuss whether there is a requirement for Committee members to complete an ethical declaration with the Director of Organisational Development.

10. Risk Management Policy

The Committee noted that this topic was included in the Internal Audit Plan and the Committee wished to know when it was anticipated this would be completed. It was agreed to defer discussion on this item until the Internal Audit report was available.

The Committee requested it be advised of the sequencing of the internal audits contained in the Internal Audit Plan for the year.

11. Annual (Unaudited) Financial Statement 2022

Ms. Bernie Woods, Head of Finance, joined the meeting and briefed the Committee on the unaudited Annual Financial Statement (AFS) for 2022. The AFS must be completed by 31st March year and placed on the agenda of the next Council meeting. It must then be approved by the Council before being referred elsewhere. Thereafter the AFS are audited with the Local Government Auditor due to commence the external audit mid-year. The Committee noted the timelines involved and committed to considering the AFS in May in future years.

The Council returned a surplus of €1.6 million which was in large-part due to the following:

- Additional payroll expenditure reimbursed by the Department
- Rates collection yields improved
- Impact of energy price increases was not as significant as initially feared
- Additional expenditure, such as that relating to the Ukrainian refugee emergency response, was grant funded by the Department.

A wide-ranging discussion was had on matters such as cashflow, investments, development levies, pension costs, Local Property Tax and the funding of capital projects.

The Committee noted that the funding received from the Department to cover legacy land loans will not appear in the Council's accounts until 2023 as it was received too late to be redeemed in 2022.

AOB

The Committee discussed focusing on certain areas in the current year and singled out Risk Management, the review of financial and budgetary reporting practices and procedures and focus on NOAC reports and VFM.

Confirmed at meeting held on: 21 June 2023

Chairman:

Purval Borden

Meeting Administrator:

Ada Jomey