

LOUTH COUNTY COUNCIL

Audit Committee:

Minutes of the Meeting of Louth County Council Audit Committee held in the Setanta Room, County Hall, Dundalk on Thursday, 25th April 2024, which commenced at 9.30a.m.

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

Apologies: Cllr. Paula Butterly
Ms. Irene McCausland

In attendance: Mr. Joe McGuinness, Director of Services
Ms. Gráinne Tuomey, Meetings Administrator
Ms. Bernie Woods, Head of Finance

1. Minutes

Adoption of the minutes of the meeting of 15th February 2024, was

Proposed by: Billy Doyle
Seconded by: Conor Keelan
And agreed.

2. Discussion around last meeting of Committee

A discussion took place around this being the last meeting of the Audit Committee as the local elections were to take place in June. The chair suggested that he was available to meet with the new Committee on appointment for a handover/induction, and that perhaps consideration could be given to the new Committee joining the Audit Committee Network as referenced in NOAC reports. The committee members present confirmed that they had enjoyed their term and learned a lot about the vast number of services provided by the Council.

The Director of Services, Joe McGuinness, advised that the Committee and particularly the Chair had brought the workings of the Committee to another level.

3. Matters arising

Members were advised that their reports had gone through at the April meeting of Council unchallenged.

4. Conflicts of Interest

None declared.

5. Ethical Declarations of Interest

Apart from the reiteration of the Chair as being appointed auditor for the Highlane's Gallery, there were no declarations made.

6. Internal Audit (IA) Programme 2024

Members noted the Programme as set out before them which set out 2 statutory audits, 2 audits from the previous year and 5 new audits. A discussion took place on the choosing of audits and input of the Internal Auditor with Senior Management.

It was also suggested that the Local Authority should revert to the Multi Annual format of a Programme, as recommended by the recent NOAC Report.

It was suggested that the opinion of the Internal Auditor on the planned programme should be made available to the new Committee. Reference was made to a 2018 NOAC report which set out recommendations for IA Plans, and which the Chair considered indicated the importance of receiving and reading NOAC reports.

Cllr Keelan raised some queries which were responded to by the Director, and Billy Doyle commented that the plan set out 9 substantial audits dealing with 9 substantial areas which would inform a fair body of work.

Approval of the Internal Audit Programme as set out before the Committee was

Proposed by: Billy Doyle
Seconded by: Conor Keelan
And agreed.

7. Risk Management Policy

Joe McGuinness, Director of Services, advised of updates to the Strategic Risk Management Policy including reference to the Major Emergency Plan Risk Register which is embedded in the Major Emergency Management Plan and approved by the three principal response agencies, (Gardaí, HSE and Local Authorities).

Committee Members were directed to page 9 of the Risk Management Policy which referenced a risk escalation process and were advised that the Senior Management Team examine a risk each week with the relevant Director responding on same. As there are 12 high level risks, this ensures that all risks are reviewed quarterly.

Cllr Keelan raised queries on day-to-day operational processes and responsibilities within risk areas which were responded to by the Director.

Billy Doyle complimented the policy document particularly referencing the measurement tool at end of document and made some suggestions of items that could be considered around cultural behaviours and measures of same.

Both the Chair Richard Bowden and Billy Doyle considered that the policy was a 'fine document' and all members noted the policy as set out before them.

8. NOAC Reports on Internal Audit in Local Authorities

Joe McGuinness Director advised Committee Members that while Louth was one of few County Councils who fully outsource the Internal Audit Function, it was still considered that the outsourcing of the function led to less risk due to staff mobility within the organisation with assurance of a professional qualified response from the company to which we outsource the service.

The Chair agreed that the number of professionals with knowledge working on the Internal Audit might indicate a more cost-effective response as you might have to hire the equivalent of circa 2.88 persons otherwise.

Members were advised of a daily rate paid per audit to the Internal Auditor company following procurement through the OGP.

The Committee thought it would be interesting if NOAC commented on the internal audit staff model versus the outsourced internal audit model.

Following some discussion on this agenda item it was suggested that the Internal Auditors led by Vincent Teo be furnished with the NOAC report and asked to comment on same.

9. Financial Statements 2023

The Director of Finance, Bernie Woods was welcomed to the meeting and gave the committee an overview of the unaudited Annual Financial Statement for 2023, advising of a small surplus of circa €197k with expenditure of over €159m.

Members were advised that the AFS will go back to the Local Government Auditor by the 15th May and his report on same will be compiled and go back before the Audit Committee when complete.

Ms. Woods advised that ICR (Internal Capital Receipts) funded loans have nil effect on the capital balance as monies used are directly from tenant purchase, and similarly have no effect on the revenue balance. ICRs can fund items such as planned maintenance and retrofitting works etc.

Improvement in rates collections to 87% at the end of year was noted and praised.

The LPT fund which is collected by Revenue is redistributed to Local Authorities by the Government with Louth being currently subsidised due to a low LPT base in Louth.

10. Budgetary Process and Monitoring of Income and Expenditure

Bernie Woods, Director of Finance, spoke of minor amendments only to the original document she had put together for the audit committee, these were to take account of legislative changes and new rates legislation.

Ms. Woods talked through the process on adoption of budget, including provision of workshops for the Elected Members, consultation with the Corporate Policy Group (CPG) and timeline for adoption of draft.

Responding to queries raised, Ms. Woods advised that capital assets are entered on the books at the cost at time of acquisition/construction and are never revalued as there is no benefit to revaluing. Members referred to the recent Property Interest Register Internal Audit with the chair agreeing it would be very important to ensure a good record of owned assets is kept.

It was suggested that it would be useful to add the budget process document to the induction pack for the new Audit Committee Members, and Bernie Woods was thanked for putting the overview of the process together.

11. Directorate Risk Register Support Services – Bernie Woods

This Annual Report was noted by Members. The Committee endorsed keeping the Cyber Security Risk at a red level noting recommendations given in their own lines of work. Bernie Woods advised of a regular network meeting between the Directors of Finance as well as the Heads of Information Systems meeting every 4 weeks.

Difficulties in recruiting resources such as GIS technicians were noted.

The Committee thanked the Director for her attendance at the meeting and her assistance during the term of their committee.

12. IA 2024 Louth County Council Property Interest Register Audit Report

Joe McGuinness Director of Service while acknowledging the disappointment at getting a limited assurance result in the Audit, spoke of the challenges of information gathering and the volume of work done following the 2014 amalgamation following the LG Reform Act. Members were advised of a huge historic corporate estate in Drogheda alone and the challenges in identifying and capturing that and combining it with Dundalk and County Datasets.

The Internal Auditor comments on succession planning and staff knowledge and retention were fully accepted with one technician currently working on the PIR system and 1.5 staff assigned to Corporate Estate who were currently reassigned to the Electoral Register due to work pressures prior to the Local Elections.

Discussing the comments on risk on page 17, the Director confirmed he was very much aware of the risks of adverse possession etc., and that Senior Management have undertaken to address all issues in Q4, 2024.

The committee acknowledged the Senior Management responses and agreed that it was a very difficult area to tackle and requested that the Internal Auditor be thanked.

13. AOB

Mr Richard Bowden Chair of the Committee spoke of his having to carry out two final functions for the Committee, firstly, to assess the draft minutes once received and return with or without any amendments and secondly to draft a report on the Audit Committee work in 2024 thus far for the new Committee which he would circulate to Members prior to issuing. He reiterated his availability to meet and hand over to the new Committee.

Joe McGuinness speaking on behalf of the Chief Executive who was unavoidably unable to attend the last meeting, thanked the Committee Members for their services and attendance over the 5-year term advising that the Executive had really appreciated the work completed and all the guidance given.

Richard Bowden spoke to thank all staff for their assistance to the Committee during the term, including the Executive and Directors of Service who gave their time, information and reports, Vincent Teo Internal Auditor, and Paddy McCabe Local Government Auditor, and his fellow Committee Members. Special thanks were given to Joe McGuinness as Secretary to the Committee, and Gráinne Tuomey was thanked for being helpful and accommodating throughout.

This thanks was reiterated by Billy Doyle who particularly praised the council for the scope of works done and including their leading the way during COVID, particularly pointing out the works of Joan Martin Chief Executive whom he described as fantastic. He noted the difficult path the elected members of the Committee had to thread, and highly complimented the Chair and the role he played in drawing the Committee together.

Cllr Keelan spoke of the history of Louth Audit Committees since 2014, mentioning all the staff Members and Internal Audit Bodies who attended meetings, and describing his last term on the Committee as a very interesting experience.

The meeting concluded and the Chairperson thanked all for attending.

Noted at meeting held on:

28/11/24

Meeting Administrator:


