

## LOUTH COUNTY COUNCIL

### **Audit Committee:**

Minutes of the Meeting of Louth County Council Audit Committee (AC) held in the Setanta Room, County Hall, Dundalk on Thursday, 8<sup>th</sup> December 2022, which commenced at 9.30a.m.

**Present:** Mr. Richard Bowden  
Mr. Billy Doyle  
Ms. Irene McCausland  
Cllr. Paula Butterly  
**Apologies:** Cllr. Conor Keelan

**In attendance:** **Ms. Joan Martin, Chief Executive**  
Mr. Joe McGuinness, Director of Services  
Ms. Gráinne Tuomey, Meetings Administrator  
Mr. Vincent Teo, Internal Auditor

**\*Items were taken out of sequence to accommodate external attendees but minuted as per the agenda**

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### **1. Minutes \***

On the proposal of Paula Butterly and seconded by Irene McCausland the minutes of the meeting of 10<sup>th</sup> November were approved

### **2. Matters arising\***

There were no matters arising.

### **3. Conflicts of Interest\***

None declared.

### **4. Annual Attendance of Chief Executive**

Joan Martin, Chief Executive (CE) of Louth County Council was welcomed to the meeting by the Chair, Richard Bowden. The Chair, in advance of the meeting had forwarded a list of matters to the CE that the Committee wished to discuss.

He advised that at the beginning of the year the progress of internal audit report completion was slow but by the end of year this position had completely reversed. The Chair expressed the satisfaction of the Committee with the Internal Auditor, Mr. Vincent Teo and thanked the CE, the staff and the Executive for their cooperation and input into the internal audit process.

The CE spoke of 3 years of disruption due to COVID and that retrospectively it was clear the volume of internal audits initially agreed had been too ambitious. Procedures are now in place to ensure faster response to auditor queries and tracking of internal audit progression at Director level. There are ongoing meetings between Senior Management and the Internal Auditor and audit selection is targeted to improve the functionality of the internal audit process and the potential benefit derived therefrom.

The Chair noted the lack of input of the AC in formulating the internal audit plan. Responding the CE advised that whilst the Audit Committee may be limited by its statutory function, she had no problem receiving specific internal audit recommendations. The CE noted that often fresh eyes may contribute a different perspective and good ideas encourage best practice. She advised that the Director of Services Joe McGuinness informs the Senior Management Team of matters arising from the Committee meetings.

The Chair advised that the Committee grappled with its role in fostering and promoting Value for Money (VFM) and NOAC reports which he stated form part of the Committee's statutory obligations. It has now been agreed that relevant Directors of Service would provide a synopsis of NOAC reports to the Committee following their release and that the Directors of Service in reporting on risk within their area of responsibility would also advise the Committee of any VFM initiatives implemented by them.

Commenting on NOAC reports, the CE advised that comparison is made between the various local authorities and whilst NOAC reports are reviewed by the Executive, there is no one-size-fits-all, and some items are not necessarily comparable.

The Committee were advised that projects have already been selected for the Internal Audit plan for 2023 and would be confirmed in coming days.

The Chair advised that one suggestion made by the Committee was to have the Internal Auditor's (IA) input into the risk assessment process at a high level. The Risk registers inform the Internal audit process and the lack of involvement of the IA in risk assessment was viewed by the Committee as a potential weakness as the registers may inform the internal audit process

The CE told the Committee that in essence the Internal Auditor was treated as a member of staff and suggested that the overall competence in risk assessment might better lie with Directors who would have a greater working knowledge of the issues arising in their

sections. She considered it more prudent that the risk register should not be the sole driver of internal audits.

Gráinne Tuomey, Meeting Administrator, advised of having contacted the OGP about their existing framework for internal auditors and was advised that risk assessment was not one of the competencies considered for internal audit. The OGP contact considered that this might detract from the Director/Line Manager role. It was agreed that the Internal Auditor could be written to ask his opinion as an informal input into the risk assessment

The Audit Committee advised that they are satisfied with the existing Internal Auditors and whether the existing auditor may be retained pending the dissolution of the current committee. A question had been raised with the OGP if a greater weighting could be given to existing auditors on tender as they would have a greater working knowledge of the council. The answer was "No".

The Audit Committee were advised that sanction had been received for a cyber security officer. The CE advised of meta compliance mini courses being mandatory for all staff to encourage awareness and vigilance on hacking attacks, with spam guards in place to identify and cut off potential spam. There is a new IT strategy implemented for review of all aspects of security within LCC.

The Chair thanked the CE For her support and noted the Committee's appreciation of Director of Service Joe McGuinness for his effort and attendance on the Committee throughout the year also Grainne Tuomey for her helpful and efficient work. The CE reiterated her willingness to work with the Audit Committee on any relevant item and then left the meeting.

## **5. Review of Completed Internal Auditor Reports**

Vincent Teo, Internal Auditor with Crowley's joined the meeting and was thanked for his attendance and reports.

Mr. Teo spoke initially about the review of Housing Grant Schemes and advised Committee Members on the different types of grants available, the volume of applications received over the 18mths. of the report from January 2021 to July 2022 and the resources allocated to process the grant applications.

Advising of virtual interviews with staff, he directed Committee Members to page 8 of the report which set out an overview of the report. He advised of 'reasonable assurance' in the process and that there were no findings that were deemed "High" and would thereby warrant urgent remedial action.

The report however identified 5 medium priority findings which Mr. Teo went through.

The committee discussed the report and presentation as issued and considered the balance between processing the volume of applications received, the resources to hand and staff turnover within the unit and thanked Vincent for his written and verbal reports.

Vincent Teo then reported on his second Internal Audit Report, Travel & Subsistence (T&S) Review. He advised this was a review of T&S over a 22-month period from January 2021 to October 2022, which saw 5215 claims processed for Staff and 39 claims processed for Councillors. To carry out the audit a sample batch of 45 staff claims were reviewed and 19 councillor claims. Mr. Teo advised the Committee of his overall finding of 'reasonable assurance' in the process.

Testing of a selection of staff and Councilor expense claims were made.

The report recommended some process improvements amongst which included a review of the internal Travel & Subsistence Policy, training for staff on same, the revised policy to form part of the HR induction process for new staff and the LGMA system to be updated to include monthly travel limits.

The Audit Committee questioned whether sectoral comparisons had been done with other authorities which the internal auditor advised did not form part of his review.

Vincent Teo was thanked for his attendance and his excellent and informative reports and left the meeting.

## **6. Directorate Report on Risk Management & VFM Initiatives**

It was agreed to defer reports from Thomas McEvoy and Bernie Woods on their respective Directorate areas until January.

Joe McGuinness Director of Services presented an Organisational Development Annual report to the Committee which included an overview of the Risk Management and Value for Money as it applied to the Directorate. Responding to queries raised Joe McGuinness outlined how directorate changes following the implementation of the Workforce Plan meant he had to review, amend, and amalgamate other risk registers which previously fell to other Directors.

The Committee complimented the Director on the format of the report, the template of which is to be followed by other Directors, and on inclusion of pre-emptory risks in the risk register rather than reactive.

## **7. Audit Committee review of its effectiveness**

The Chair noted a marked improvement in attendance over the course of the year and the contribution made by members to the business of the meetings. Examining the effectiveness of the committee over the past year, the Chair went through and the Committee discussed each of the functions of the audit committee as assigned to it under Section 59(2) of the local Government Reform Act 2014:

- (a) to review financial and budgetary reporting practices and procedures within the local authority that has established it
- (b) to foster the development of best practice in the performance by the local authority of its internal audit function,
- (c) to review any audited financial statement, auditor's report, or auditor's special report in relation to the local authority and assess any actions taken within that authority by its chief executive in response to such a statement or report and to report to that authority on its findings
- (d) to assess and promote efficiency and value for money with respect to the local authority's performance of its functions, and
- (e) to review systems that are operated by the local authority for the management of risks.

And having considered each function and discussed briefly matters reviewed pertinent to each, the committee formed the conclusion that the statutory obligations had been complied with and that the committee had been effective.

The Chair had provided members with an individual assessment form and urged members to complete and provide to the Director of Service, Joe McGuinness.

## **8. Review of draft Section 60 Report**

Having previously discussed some amendments, the Chair indicated that he would circulate amendments to the report for the next audit meeting. The report was agreed subject to amendments.

## **9. Review of any national or Sectoral Report relevant to the role of the Audit Committee**

The Audit Committee noted an 'Overview of the Rates Waiver Scheme Report' had just issued and requested that the Head of Finance be given this for a synopsis to be presented at the next meeting.

**10. AOB**

The next meeting was agreed to be held in person on the 26<sup>th</sup> of January 2023.

The Annual Internal Audit Plan was requested to be presented at the next meeting.

A request was made for the Audit Committee to have a quick zoom meeting with the Internal Auditor and Joe McGuinness prior to the meeting in January.

A date for NOAC representatives to attend an audit committee meeting is to be agreed and for them possibly to include training as part of the attendance.

Bernie Woods to attend both January and April 2023 Meetings.

Committee members complimented the Chair on his diligence, ownership, and effort during the year and all agreed it had been a productive year for the Committee

The meeting concluded.

Confirmed at Meeting held on: 26<sup>th</sup> Jan 2023

Chairman: Ronald Borden

Meetings Administrator: Alice Tuohy