

LOUTH COUNTY COUNCIL

Audit Committee:

Minutes of the Meeting of Louth County Council Audit Committee held via Zoom on Thursday, 11th February, 2021, at 9 a.m.

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

In attendance: Ms. Joan Martin, Chief Executive Officer
Mr. Joe McGuinness, Director of Services
Ms. Gráinne Tuomey, Meetings Administrator
Ms Bernie Woods, Head of Finance
Mr. Paddy McCabe, Auditor
Mr. Vincent Teo, Internal Auditor

Apologies: Ms. Irene Mc Causland

1. Minutes

The minutes of the meeting held on 10th December, 2020 were proposed by Mr. B. Doyle seconded by Cllr. C Keelan and agreed by the committee.

The chair thanked all present for attending and welcomed the Chief Executive to the meeting. As there was an extensive agenda with attendees joining to contribute to different items on the agenda, the Chair decided to amend the order of business to accommodate and expedite the business of the meeting and deferred item 14 – Review of Budgetary Procedures and Monitoring of Income and Expenditure to the next meeting.

2. Matters Arising

- Vacancy on Audit Committee – J. McGuinness advised that the vacancy was on the Council Meeting Agenda for Monday at which stage it was expected to be filled.
- NOAC – the Committee queried the CE input into the NOAC report. The CE advised that an Executive Report/Comment was not a requirement with NOAC and accordingly other than by way of acknowledgment there were no formal responses from her to any observations made in such reports.

3. Query from Elected Member – agenda item 3

- The query previously raised by an Elected Member to the Audit Committee, was discussed. The Chair had circulated a draft response, which subject to an amendment proposed by Billy Doyle, was agreed by all Committee Members. The Director of Services was requested to refer the issue back to the Audit Committee should this query later throw up a matter of concern that could impinge on the work of the Committee.

4. Annual Review of Charter – agenda item 8

- The Committee queried whether the charter and specifically matter 2.5 was in accordance with our statutory requirements specifically with regard to Risk Management. The Chair advised that he would suggest wording on Risk Management to J. McGuinness specifically on the role and functions of the Committee for review by LCC management, with the intention of amending the Risk management policy document accordingly.
- J. McGuinness agreed that he would bring any suggested wording back to Management Team for discussion.

It was proposed to accept the charter for 2021 under those terms by Mr. B. Doyle, and seconded by Cllr. C. Keelan.

- J. McGuinness advised that any amendment to the document would have to go back to the full Council for endorsement.

The Chief Executive was thanked for her attendance by the Chair. Mr. B. Doyle wanted it noted that while the NOAC report only counted figures, that all were very appreciative of the hugely effective response of the CE in leading the County Council to marshal a County wide response to deal with the effects of the pandemic. The Chief Executive acknowledged the important role of the Audit Committee and advised she could make herself available at any stage and left the meeting.

5. Member and Annual Committee Self Review – agenda item 9

The Chair suggested that the completion of the self-review form would assist in framing our annual report to council on our effectiveness as a committee. It was proposed to accept this suggestion by Billy Doyle, and seconded by Cllr. Keelan.

- The Chair advised he would draft and forward, to members the following documents for consideration ahead of our next meeting.
 - Draft S60 report
 - Draft Work Programme for Year

- Draft Self Review findings

6. Induction Programme – agenda item 11

- The draft Induction Programme previously circulated was discussed.
- The Chair suggested the inclusion in the induction programme of a talk by director of Services, J. McGuinness accompanied by the finance director on the practical aspects of the County Council's.

The Induction Programme as circulated with the aforementioned talk was proposed for adoption by Mr. B. Doyle and seconded by Cllr. C. Keelan

7. S60 Report – agenda item 12

- To be drafted by Chair above and circulated prior to the next meeting as per item 5.

8. Annual Work Programme for Presentation to Members – agenda item 13

Billy Doyle thought that the draft prepared by the Chair for the December Meeting was consistent with the Legislation. The committee agreed and the Chair confirmed he would put the programme in an appropriate format for presentation to the Council and a draft of same would be circulated for review ahead of the next meeting.

9 Ethical Declaration – agenda item 15

- J.McGuinness stated that [Part 15 of the Local Government Act](#) which prescribed to whom the ethics register referred was silent on committee membership's obligations however it would be necessary to declare any conflict of interest.
- R.Bowden read out Section 7 of the Charter which set out Conflict of Interest Procedures which referred to Part 15 of the Local Government Act.
- J.McGuinness advised he would clarify matters with respect to this issue.

10 Presentation from Internal Audit Team – agenda items 5,6 & 7

- The Chair welcomed Mr. Vincent Teo to the meeting and requested an update on the Internal Audit, a review of the 2020 Audits, and details of the 2021 Audit Plan
- Mr. Teo advised that the CE and Senior Management Team had approved eight Audits for 2020, four of which were complete, two of which were underway and the remaining two had been deferred to the 2021 plan due to Covid constraints.
- Mr. Teo went through the 2021 plan as approved by Management Team.
- The Chair expressed disappointment at the 'dearth of reports forthcoming in 2020' and asked why the Committee had received no reports apart from the audit tracker. He requested that the GDPR report be forwarded. J.McGuinness advised that the GDPR report had gone to the Management Team and would be brought before the next Audit Committee meeting.

- Committee members requested emphatically that a review be undertaken of the impact of Covid on controls and procedures and requested that same be incorporated in the internal audit plan for 2021 and preferably in qtr1 or early qtr 2 and be available for the meeting following our March meeting.
- The Chair noted there was a presentation on Financial Implications of Covid. J.McGuinness advised that this was done as part of the budget, and the Local Government Auditor mentioned it in paragraph 2.
- Bernie Woods advised on the impact of the rates waiver and commitment of funding nationally.
- Vincent Teo advised that all previous IA reports were checked as part of the first Audit of the year and any incomplete were followed up on. He further advised that IA reports met IA international standards.
- The chair requested that the amendments to the tracker requested by the Committee be incorporated into the annual tracker to be presented to the Committee.

11 Presentation of Audited AFS – agenda item 4

1. The Chair thanked Paddy McCabe for his very detailed report and for making himself available to attend the meeting.
A list of queries had been addressed to Paddy in advance of the meeting on the AFS and his report, including, The €5m Overdraft negotiated with the bank due to Covid, the high level of the bad debtors' provisions, the recovery of capital grants, €14.7m of capital account debit balances to be funded in the future by LCC, fixed assets and the need for correction of asset values in the AFS.
- Paddy dealt with all the queries raised and made a number of observations around DPFR and Pensions, Capital Leasing, Unfunded Balances, and referred to the fact that the LCC was not operating the terms of Financial Circular 03/2016 in relation to uncollected rates
 - Bernie Woods explained that the county council did not hold stocks and advised on the different pension schemes operated within the county council, the collection of contributions and different payment models. She also gave an overview on how Capital leasing worked and how unfunded balances came about.
 - It was also pointed out that grant funding drawdown was delayed often due to external factors.
 - R. Bowden asked J. McGuinness to get a copy of the AFS for Kildare and Kerry which would be useful for comparative purposes.
 - C. Keelan questioned funding for Fleadh Ceoil, and was advised that it was the intention to run an event annually and thereby recoup some funding but Covid prevented this happening.
 - B.Doyle enquired about the impact of the outstanding land loans and on any plans to develop land and recoup loans, and was advised that there was ongoing engagement with various state agencies, but that this was a protracted matter. Given however that

Councils were again being encouraged to build housing this could conceivably act in favour of resolving these some of these loans.

- P. McCabe on being asked about the financial position of LCC at end of 2019 thought that finance was well managed and good controls were in place, but that the loan issue was one that required resolution.
- C. Keelan asked if estates being taken in charge caused a risk of financial exposure. Bernie Woods advised the two methods for taking estates in charge.

12 Water and Finance Directorate Risk Register – agenda item 10

- Bernie Woods gave an overview of the risk register and on how the criteria were set.
- The Committee went through the Register and queried all items with a risk assessment number of 6 or greater as these are higher risk categories. B. Woods responded on all queries raised.

AOB – agenda item 16

- It was agreed to defer the Fire Service Value For Money Review carried out by the LG Audit Section (Patrick Guiney) until the meeting after next. A copy of the Review was requested to be sent out to all Committee Members.
- Information on any upcoming courses of interest were requested to be sent by J. McGuinness to all members but it was noted that extensive training was carried out in 2020 particularly on risk management. The Chair expressed he an interest on local government accounting should a suitable training opportunity arise in this area.
- J. McGuinness highlighted a Protective Disclosure Issue in 2016. At the time a report was made and it was not deemed a Protective Disclosure and a Nil Report issued. The employee subsequently appealed and it was deemed to have been. This change was made in 2019 and a report published on Website.

The date of the next meeting was confirmed as the 11th March at 9 a.m. with all draft reports for discussion to be furnished to members by a week of the meeting.

It was agreed to hold the next meeting on 11th March 2021 by zoom.
That concluded the business of the meeting.

Confirmed at Meeting held on:

Chairman: _____

Meetings Administrator: _____