

LOUTH COUNTY COUNCIL

Audit Committee:

Minutes of the Meeting of Louth County Council Audit Committee held in the Setanta Room, County Hall, Dundalk on Wednesday, 21st June 2023, which commenced at 10am.

Present: Mr. Richard Bowden
Mr. Billy Doyle
Cllr. Paula Butterly

Apologies: Ms. Irene McCausland
Cllr. Conor Keelan

In attendance: Mr. Joe McGuinness, Director of Services
Ms. Gráinne Tuomey, Meetings Administrator
Mr. John Lawrence, A/Director of Services
Mr. Vincent Teo, Internal Auditor

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

1. Minutes *

On the proposal of Billy Doyle and seconded by Richard Bowden, the minutes of the meeting of 20th. April 2023 were approved.

2. Matters arising*

The question was raised as to why the SICAP Audit does not come before the Audit Committee. The Internal Auditor Vincent Teo confirmed to the meeting that it does come before Audit Committees in other Counties. Director of Services Joe McGuinness advised that Louth County Council took the view that SICAP is overseen by the LCDC and not a matter therefore for Louth County Council per se. Vincent Teo advised that SICAP runs out this year and a tender will be going out in 2023 to run the next phase of the project.

It was agreed to bring the Debt Collection Audit to the Committee at the September meeting and Vincent Teo could join remotely if that was his preference.

3. Conflicts of Interest*

None declared.

4. Internal Audit Plan

Joe McGuinness informed the Committee that the Chief Executive had considered the request for more input from the Audit Committee into the Internal Audit Plan, and she was willing to allow the draft before the Committee not for approval but to ask for their comments on it. The AC noted the CE response and the chair referred Joe McGuinness to Regulation 9 (a) SI 244 of 2014 where the AC's annual work programme specified 'approval' of the annual internal audit plan.

It was agreed to approve the plan subject to the inclusion of the requested additional internal audit report on the Council's Property Interest Register. An interim update was requested on the Cyber Security & Business Continuity Audit at next meeting.

The Committee confirmed they were satisfied with the timing of the Risk Management Audit.

5. Finalised Internal Audit Plans

Vincent Teo Internal Auditor presented the audit on the 'Review of Compliance – Public Spending Code 2022' which he advised was a statutory annual audit. Vincent mentioned continuous improvement from 5 high risk findings a few years ago, to 3 medium risk the previous year with only 2 medium risk findings in the audit of 2022. All projects audited this year had all documentation in place which was not the case in previous years.

Mr. Teo advised the committee of the method of selection of projects to audit, the level of staff interviewed during the project and then explained the reasoning for the medium risk findings.

With one of the findings, the business case and conflict forms were signed retrospectively but the Auditors were satisfied that this was not a recurring theme and that the works had been agreed in advance but not signed. The Auditors were happy to see a new draft Corporate Procurement Plan in place at time of audit which should mitigate future risk.

Vincent Teo advised of a challenge to one of the findings with regards to KPIs on Fuel usage which he conceded would be difficult to estimate in advance, but he considered that estimating all elements of costs in advance was a part of the KPI process.

The audit committee requested an update on the draft Corporate Procurement Policy.

Vincent Teo gave a briefing of findings in the Debt Collection Audit which will be expanded upon at the September meeting. He advised of testing of debt collection procedures which satisfied the auditors that a robust segregation of systems was in place to mitigate against possible fraud attack.

The Audit Committee requested a breakdown of write-offs of bad debt over the last 2 to 3 years.

6. Directorate Report on Risk Management & VFM Initiatives

Social Development Directorate

John Lawrence A/Director of Services for Social Development gave the committee an overview of the two key areas of responsibility within the Directorate, Social Housing and Cultural Services.

Mr. Lawrence advised a Risk Management Policy had been updated in 2021 and a restructuring of the directorates in 2022 which saw a transference of identified risks between directorates. He advised of 30 Risk factors at end of Q1 2023, 1 of which is categorised as a high-risk area - homelessness and the ability to deal with and accommodate presenters.

Speaking on Value for Money, Mr. Lawrence advised the committee of additional funding now available following the Department agreeing to fund legacy land loans which will see Louth County Council not having to pay circa €2m annually on loan costs. A planned maintenance schedule can now be set up on Louth County Council Social Housing stock. The funded lands will be used to create circa 280 housing units funded by the Department, the majority of which will be social housing with some affordable housing planned.

While Housing Capital and Energy Retrofitting Schemes are 100% funded by the Department, retrofitting specifies works to be done, but this can result in other issues being highlighted which require local funding e.g., roofing issues. Louth County Council are using energy credits achieved from retrofitting to fund these initiatives where possible.

Resource constraints were discussed including the requirement to carry out private rented inspections, the volume of housing stock and the age of same.

Relative to cultural services the audit committee praised the services supplied by the library and underlined the requirement to keep the library free and as a sanctuary for local community groups.

7. AOB

In addition to items already raised, Richard Bowden chair of the committee requested the following actions for the next meeting -

- Check why LCC Corporate Procurement Plan is still referred to as draft in Public Spending Code Report 2022.
- Check Membership numbers for Audit Committee regarding enlarging.
- Seek status of Risk Management IA with view to bringing to September Audit Committee Meeting
- Bring Annual Review of Risk Management Strategy to September Audit Committee Meeting
- The Audit Committee recommended that the Property Interest Register be added to Internal Audit Plan

The meeting concluded.

Confirmed at meeting held on: 16 Nov 2023

Chairman: Richard Bowden

Meeting Administrator: Alice J. J. J. J.