

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, 10th November, 2022, which commenced at 9.30a.m.

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

In attendance: Mr. Joe McGuinness, Director of Services
Ms. Gráinne Tuomey, Meetings Administrator
Mr. Patrick McCabe, External Auditor
Mr. Vincent Teo, Internal Auditor
Ms. Bernie Woods, Director of Services

1. Minutes

On the proposal of Conor Keelan and seconded by Billy Doyle the minutes of the meeting of 6th October were approved.

2. Matters arising

Director of Services Joe McGuinness confirmed the Chief Executive's intention to attend the December Meeting.

3. Conflicts of Interest

None declared.

4. Review of the 2021 Annual Financial Statement and Auditors Report

Paddy McCabe, Local Government Auditor and Bernie Woods, Head of Finance joined the Meeting and were thanked for their attendance.

The Chair thanked Paddy McCabe for his detailed report and asked how the timing of the availability of the audit report and the Audited Financial Statements (AFS) compared with that of other local authorities, and if it was later or typical.

Paddy McCabe said that the timing would be typical of other local authorities. He explained that each audit has a time allocation depending on the amount of income and expenditure of the relevant local authority and the deadline for completion of audits is the 31st October. Factors which can affect the timely completion of the audit include late receipt of the AFS, dealing with correspondence received from the public, annual leave of key staff of the local authority and the timely receipt of information and responses to matters raised as part of the audit.

The Chair then accepted and the Committee agreed that the view expressed by the Committee at the meeting of 6th October that the presentation of the AFS was "very late" was incorrect.

Paddy McCabe further advised, that in accordance with Section 60 of the Local Government Reform Act 2014, following receipt by the local authority of the auditor's report, the chief executive 'shall provide that statement or report to the audit committee for consideration at the next practicable meeting of the committee'. Following this the local government auditor is required to attend a meeting of the Committee to present his report and clarify any such issues as may be necessary. Finally, there is a requirement on the Audit Committee to issue their report to Council at the next practicable meeting of the Council following the Audit Committee's consideration.

The Committee thanked Paddy McCabe for his explanation of timelines and then asked a series of questions about his report which were responded to by both Paddy McCabe, with Bernie Woods, clarifying accounting matters.

Items discussed included but were not exclusive to:

- Debt burden, land loans and land aggregation scheme
- Audit adjustments
- Internal Capital Receipts
- Procurement and intention to include a Procurement module on Milestone 7 payment system
- Development Contributions
- Funding mechanisms and recoupment of funds

Paddy McCabe, Local Government Auditor and Bernie Woods, Head of Finance were thanked for their input and left the meeting.

5. Review of IA report on Implementation of recommendations of previous internal audits

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

Mr. Teo's report comprised a review carried out on 28 previous internal audits held between 2015 and 2021. He stated that out of 116 recommendations made, 85 were now deemed wholly complete and closed, but 31 remain open - 5 are not accepted by Management and 26 are work in progress.

The report used colour coding and ranked the risk level of the 26 open items, in line with the Corporate Risk Register format. The Audit Committee were advised that the items rated 'high risk' should be considered high priority.

The Audit Committee questioned how the audits are selected and if they were related to or based on the Risk Register and suggested that the Auditors might have an input in assisting the compilation of Department Level Risk assessments which inform the overall Corporate Risk Register.

Vincent Teo stated that if any relevant audit areas were not chosen that he would bring this to the attention of management and the Audit Committee.

Following a discussion about the appropriateness of risk registers and how they inform the choice of audit areas, Vincent Teo advised that Crowleys had never been involved in the risk assessment process or in the compilation of the risk registers with Louth or other local authorities. The committee considered that this pointed to a potential weakness in the internal audit function and Vincent Teo agreed. He did however state that the working relationship between Crowleys and Louth County Council was very constructive and compared favourably with other local authorities. He referenced productive meetings with the Chief Executive and Director of Service for Corporate Services, and of discussions around risk, which informed his audit approach.

The audit committee requested Joe McGuinness to ask the Senior Management Team to examine why items previously recommended remain outstanding. Concerns were raised that outstanding HR and H&S high risk items could cause reputational damage, while IT cyber security risks raised greater concern.

Updates were given by Vincent Teo on the three remaining audits from the 2022 Audit plan, as follows:

- Housing Grants – with Senior Management Team for comment
- Travel & Subsistence – report due to issue
- Debt Collection – final item of information received and report to issue before Christmas

The Chair thanked Vincent for his excellent report and his engagement with the Committee and Vincent left the meeting.

6. Directorate Report on Risk Management & VFM Initiatives

Joe McGuinness provided a summary report and asked Committee Members if they were satisfied with the format of the report and if so, could this provide an agreed format for future Directorate Reports. The Committee requested that the report be accompanied by the Directorate Risk registers, with updates on previous red risk items and any new red risk items identified.

The chair complimented the Director on the format of the report and deferred examination of the report along with the two other Directorate reports to be provided in the same format, to the December meeting.

7. Consideration of adequacy of Protective Disclosure Policy in place

The Audit Committee noted the report as issued and that the policy was in place.

8. Review of any national or Sectoral Report relevant to the role of the Audit Committee

The Audit Committee noted the report as issued and requested that the format be used by Directors for future reports.

9. AOB

The next meeting was agreed to be held in person on the 8th December 2022.

The Chief Executive was invited to tell the committee when she was available rather than having to sit through the whole meeting. It was anticipated that inter alia the following matters would be dealt with at the final meeting.

- Two Internal Audit reports
- Three Directorate reports

The meeting as envisaged may take up the morning and in view thereof the Director of Service Joe McGuinness mentioned that lunch could be provided on premises at the close thereof.

The Audit Committee confirmed its satisfaction with Crowleys and requested the Director convey such sentiment to the CE that it may inform her decision on any future appointment.

The meeting concluded.

Confirmed at Meeting held on: 8 Dec 2022

Chairman: Russell Bowden

Meetings Administrator: Anna Quomey