

## Dublin City Council

### Audit Committee

Minutes of Meeting held on 11<sup>th</sup> February, 2016 at 8.00 a.m.  
in the Members Room City Hall

#### Attendance:

#### Members

Mr. Brendan Foster, Dublin Chamber of Commerce, Chairperson  
Mr. Johnny McElhinney, Docklands Business Forum  
Councillor Naoise O Muiri  
Councillor Nial Ring  
Ms. Louise Ryan, TCD

#### Officials:

Ms. Kathy Quinn, Head of Finance  
Mr. Hugh Fitzpatrick, Head of Internal Audit  
Ms. Martina Mc Loughlin, Staff Officer, Internal Audit

#### Apologies:

Professor Marann Byrne, DCU  
Mr. Owen Keegan, Chief Executive, Dublin City Council

#### **1. Minutes of Audit Committee Meeting held on 10<sup>th</sup> December, 2015**

Hugh Fitzpatrick informed the members that the report on the Audit Committee Work Programme 2016 was approved by City Council at its meeting held on 11th January, 2016 and the report to City Council on the amended Audit Committee Charter was approved at its meeting held on 1<sup>st</sup> February, 2016.

The minutes were agreed.

#### **2. Standing Item on the agenda – Any Conflict of Interest of A.C. Members and Annual Declaration Regime (Ethics Code)**

#### **3. No conflict of interest declared by members.**

In response to a query raised by HF, an official from the D.O.E.C.&L.G. has suggested that the external members of the A.C. sign an annual declaration. Following a short discussion on the matter, it was agreed that the Declaration Form under the Ethics Code of the L.G. Act, 2001 was not appropriate for the external members and instead that they will complete a declaration form, similar to the one that they signed upon their appointment, annually.

#### **4. Resignation of Prof. Marann Byrne and nomination of person to fill the vacancy**

The forthcoming resignation of Prof. Marann Byrne will create a vacancy on the committee. The process for resignation is that Prof. Byrne will write to the Lord Mayor, tendering her resignation, which is effective from the date the LM receives the letter.

The Corporate Policy Group has requested that the AC consider this matter and suggest a suitable replacement for MB. BF queried the process involved in nominating the external members when the A.C. was being re-established after the 2014 Local Elections. Eleven people were nominated from different pillars of public life, e.g. Universities, Dublin Chamber of Commerce, Dublin Business Forum, etc. The Corporate Policy Group, with the support of the Chief Executive recommended 4 people, including BF, who were subsequently ratified by the City Council on 6<sup>th</sup> October, 2014. The Audit Committee can't appoint a replacement, only make a recommendation. CE has a consultative role. CPG makes its recommendation to City Council.

LR suggested that someone from the remaining 7 people from the original 11 could be nominated. A number of suggestions were made as to the particular nomination, HF to follow up on those suggestions in the order agreed. **Action 1**

## **5. Amended Audit Committee Charter and Protocol in relation to Protected Disclosures**

The following points were noted:

- The Chairperson of the A.C. is the sole member designated to receive protected disclosures.
- The Chairperson will be a conduit for referral of the protected disclosure to either the "Designated Official" Mr. Brendan Ralph or to the Chief Executive, Mr. Owen Keegan as appropriate, for assessment.

Initial investigation:

- The Chairperson will be advised of the outcome of the assessment and whether or not the disclosure warrants further investigation (and if not proposed, the reason for that decision).
- The Chairperson in turn will communicate the decision back to the discloser.
- The Minister has designated a long list of Chief Executives from a wide range of public bodies, including Chief Executives of all Local Authorities to whom protected disclosures can be made (regardless of the place of employment of the individual L.A. employee making the disclosure).
- A protected disclosure can also be made to the Minister with responsibility for the particular public body, i.e. the Minister for the Environment, Community & Local Government, in the case of Local Authorities.

The Chairperson proposes to report to the A.C. on an annual basis as to the number of Protected Disclosures received by him and this will be included in the Audit Committee's Annual Report to the City Council. Any protected disclosure received by the Chairperson will also be captured in the Annual Report that DCC is required to prepare and publish in relation to same.

## **6. Internal Audit report, R01/2016 – Annual Motor Tax Stocktake**

HF apologised for the late circulation of the report, which was due to clarification being required on a number of issues between I.A. staff and the Management of the Motor Tax Office. A number of computer errors are recurring time and again on the software systems used nationally by Motor Tax Offices in Local Authorities. This software system is under the control of the National Vehicle and Driver File Unit (within the Driver and Vehicle Computer Services Division), which is administered by the staff of the Department of Transport, Tourism & Sport (DTTAS), based in Shannon. Consequently, in spite of numerous requests from the Management of the Motor Tax Office to the N.V.D.F. Unit to resolve these issues, these errors are still recurring. The Authorised Motor Tax Officers National Group has also taken this matter up with the Driver and Vehicle Computer Services Division, but to no avail.

All of the issues which could not be reconciled during the audit on the 23<sup>rd</sup> & 24<sup>th</sup> December due to these computer errors have been explained by the Motor Tax Management to the satisfaction of Internal Audit. However, there was one issue found which required investigation relating to 14 driving licences showing as invalid, but remaining on the system since the 2012 Stocktake. The Road Safety Authority took over the function in relation to issuing driving licences from January 2013 and all stock, including invalid licences, should have been returned to the R.S.A. by Local Authorities. There is no evidence of receipt by the R.S.A. of these 14 licences nor a record of the licences being returned to them. Consequently, they are unaccounted for. As the licences could potentially be fraudulently used until their expiry date in 2022, I.A. recommended that the Motor Tax Office advise An Garda Siochana of this matter. This was done by the Authorised Officer of the Motor Tax Office on the 10<sup>th</sup> February, 2016. HF informed the Committee that he will take up the matter of the recurring computer errors with the Principal Local Government Auditor in an effort to try and get them to exert pressure on the Department of Transport, Tourism & Sport to resolve these issues once and for all. **Action 2**

## **7. Future Familiarisation Sessions**

HF suggested to the members that an overview of the City Council might be helpful, in terms of how the City Council operates, e.g. the role of the Executive viz-a-viz the elected Council, the Committees Structures, etc. The members agreed that this would be very useful. Hugh Fitzpatrick to arrange. **Action 3**

## **8. Annual report of the Audit Committee**

Draft report approved for submission to the City Council. HF to submit to March meeting of Council. **Action 4**

## **9. NOAC reports**

- Local Authority Tenants' Satisfaction Survey
- Performance Indicators in Local Authorities, 2014
- Local Authority Corporate Plans 2015-2019

Reports noted. None of the reports require any follow up action by the A.C. The value of some of the reports, particularly the survey on L.A. Tenants Satisfaction was questioned by some of the Members.

#### **10. Updates on Protected Disclosures & Review of Risk Management**

Protected Disclosures: A small group within the Local Government Management Agency is looking at draft policy & procedures. DPER issued final guidance. Document still in draft form. NOM expressed concerns that there was no reference to the AC in Mary Pyne's report. He felt that there should be a reference to the AC in the final report and it should be presented to the AC for noting.

Risk Management: BF to meet with E&Y on 2<sup>nd</sup> March. He will report back to AC.

#### **11. Feedback from Finance SPC**

KQ referred to two previous requests, channelled through that SPC for the A.C. to agree to circulate audit reports to Councillors within a certain timeframe of their completion. The A.C. had decided not to change the current practice in relation to the circulation of audit reports. The A.C. has been asked once again (at the last meeting of the Finance SPC held in January) to re-consider this matter. Following further discussion, the Committee once again noted that the audit reports are subject to the Freedom of Information regime and decided not to change from the current practice. However, it was agreed that if a particular audit report was the subject of an F.O.I. request that it would also be issued to all Councillors.

#### **12. A.O.B.**

KQ informed the members that a staff member, a Graduate Accountant, has asked if he could attend a meeting of the Audit Committee, for his own personal development. He is aware of the confidentiality of the AC meetings. The members had no objection to this request, and he can attend the May meeting.

The meeting concluded at 9.15 a.m.

  
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Brendan Foster, Chairperson

Date: 12.5.2016

## Appendix A

### Actions agreed at this Audit Committee Meeting

- Action 1:** A number of suggestions were made in relation to the nomination to replace Prof. Byrne on the A.C. HF to follow up on those suggestions, in the order agreed. The nomination to be submitted to the Corporate Policy Group for ratification and then formal approval of the City Council. **(HF)**
- Action 2:** HF to consult with the Principal LGA in relation to the recurring computer errors which appear on the software system being used by the Motor Tax Office, in an effort to try and get them to put pressure on the DTTAS to resolve these issues permanently. **(HF)**
- Action 3:** Familiarisation Session to be arranged in relation to the operation of the City Council and the link with the various Committees. **(HF)**
- Action 4:** Annual report of the Audit Committee to be submitted to the March meeting of Council. **(HF)**

### Appendix B

Actions agreed at previous Audit Committee meetings but still to be dealt with to date, to be carried forward to the May, 2016 meeting.

- Action 4:** Agreed at the February, 2015 meeting. Review of recommendation implementation report will be submitted to the Audit Committee in due course. **(HF)**
- Action 2:** Agreed at the 24<sup>th</sup> September, 2015 meeting. The Chief Executive to advise the Audit Committee on the outcome of the following two reports:
- (1) Review of the City Council's approach to risk taking/insurance by Willis Limited and
  - (2) A Value for Money review of Irish Public Bodies by Price Waterhouse Cooper
- (Chief Executive)**

