

Dublin City Council

Audit Committee

Minutes of Meeting held on 7th November, 2019 at 8.00 a.m. in the Richard O'Carroll Room, City Hall

Attendance:

Members

Ms. Louise Ryan, Trinity College Dublin, Chairperson (LR) (Chair)
Mr. Johnny McElhinney, Docklands Business Forum (JMcE)
Mr. Nathy Walsh, Institute of Public Administration (NW)
Councillor Nial Ring (Cllr. NR)
Councillor Naoise O Muiri (Cllr. NOM) (from Agenda item no.5)
Councillor Mary Fitzpatrick (Cllr. MF)

Officials:

Mr. Owen Keegan, Chief Executive (OK)
Ms. Kathy Quinn, Head of Finance (KQ)
Ms. Ita Howe, Principal Local Government Auditor (IH)
Mr. Hugh Fitzpatrick, Head of Internal Audit (HF)
Mr. Victor Leonov, Acting Head of Financial Accounting (VL)
Ms. Amanda Byrne, Staff Officer, Internal Audit
Ms. Martina Mc Loughlin, Senior Staff Officer, Internal Audit

Apologies:

Professor Diarmuid Hegarty, Dublin Chamber

1. Welcoming new Committee

KQ welcomed the new Committee and the Members introduced themselves.

2. Election of Chairperson

KQ informed the Committee that the Chairperson had to be an external member. Cllr. NR proposed Louise Ryan and JMcE seconded the proposal. LR said she was happy to accept the position. She acknowledged the previous Chairperson's contribution and felt that the current Committee had good experience going forward.

3. Draft Minutes of Audit Committee meeting held on 14th March, 2019.

HF confirmed to the Members that Actions from the previous meetings had been dealt with and that the draft minutes had been cleared with the previous Chairperson.

The minutes were agreed.

4. Standing Item on the agenda – Any Conflict of Interest of A.C. Members

No conflict of interest was declared.

5. Consideration of the Audited Annual Financial Statement for the year ended 31st December 2018, and the Local Government Auditor's Report on the AFS

Prior to the consideration of the reports, a presentation was given by Victor Leonov, Acting Head of Financial Accounting on the basis, format and key components of the Annual Financial Statement.

LR welcomed Ms. Howe to the meeting and invited her to present her report.

Among the issues raised in the report and discussed at the meeting were:

- 1) Government Debtors: The significant amount owed primarily by the Department of Housing, Planning and Local Government was of concern to the Committee
- 2) Arrears of Housing Rents: Proposal to tackle problem was discussed and actions in that regard were requested by the Audit Committee.
- 3) Housing Loans: Position noted
- 4) Fixed Asset Housing Register: Proposal to reconcile the Housing Register with the Fixed Asset Register was discussed and the Audit Committee asked to be kept informed of progress made by the working group over the coming months in relation to this issue.
- 5) Affordable Housing: Loans outstanding, position noted.
- 6) Dissolution of the Temple Bar Cultural Trust and the Dublin Docklands Development Authority and their transfer to DCC – position noted.

All other queries raised by the Members in relation to these reports were satisfactorily dealt with by the Principal Local Government Auditor, the Chief Executive and the Head of Finance.

The following actions were requested by the Audit Committee in relation to this item.

Action 1: The Committee's concerns in relation to the level of Government Debtors to be noted, including the requirement for a defined plan setting out the cashflow impact of increasing debtor balances, and submitted to the Department of Housing, Planning and Local Government (DHP&LG).

Action 2: The Committee requested a report from Housing Management be brought to a future meeting of the A.C. outlining a targeted plan to tackle the level of rent arrears.

Action 3: The Committee to be kept informed of progress made by the working group over the coming months in relation to reconciling the Fixed Asset Register to the Housing Register.

- 6. Preparation of the report of the Audit Committee to the City Council, following its consideration of the Audited AFS and Local Government Auditor's report (in compliance with Section 60 of the Local Government Reform Act 2014).**

Members agreed that HF would draft a report, and following its clearance by the Chair, would then be submitted to the December City Council meeting.

Action 4: HF to submit AC report on the AFS to the City Council meeting, to be held on 2nd December next.

- 7. Review of the Audit Committee Charter and draft Audit Committee Work Programme 2020.**

The Members agreed the Charter and Work Programme.

HF will submit the report on the Charter and Work Programme to the City Council meeting in December 2019, for adoption.

Action 5: HF to forward the Audit Committees Charter and Work Programme to the City Council meeting, to be held on 2nd December next, for adoption.

- 8. Local Government Audit Service (LGAS) report: Overview of the Work of the Local Government Audit Service, year ended 31 December 2017**

The Committee noted the Report

- 9. NOAC report: Report No. 21 – Local Authority Satisfaction Survey 2019**

HF informed the Members that this was the second phase of this survey, which doesn't include DCC. He gave some statistics from the 2018 survey in relation to DCC.

The Committee noted the Report

- 10. NOAC report: Report No. 22 – Local Authority Performance Indicator Report 2018**

The Committee noted the Report

- 11. Internal Audit Report R01-19, Review of the Policies and Procedures in place in relation to Garda Vetting for new staff and Retrospective Vetting of Existing Staff dealing with Children and Vulnerable Adults**

HF informed the Committee that 100% of new staff are vetted, with 97% retrospective vetting of existing staff. The reasons for the 3% who were not vetted are satisfactorily explained in the Report.

There is a slight concern with existing employees transferring inter-Departmentally, but KQ stated that the Report draws attention to this fact and recommendations made are agreed to by Management.

The Members noted the Report and welcomed the 'Satisfactory' findings.

12. A.O.B

A training session for Members was proposed and agreed for Wednesday, 27th November next at 9am. It will last for approximately two or two and a half hours, and will take place in the Richard O'Carroll room.

KQ & HF will give the training and it will include the following:

- the draft Internal Audit Plan for 2020 (including objectives for the year)
- governance issues
- regulations governing Audit Committees
- organisational awareness
- NOAC, including obligations of the AC

LR & KQ to agree the agenda for the training session.

Future dates for meetings of the AC to be discussed at the training session.

Action 6: LR & KQ to agree the agenda for the training session.

The meeting concluded at 9.05am.



Louise Ryan
Chairperson

Date: 30-1-2020

Appendix A

- Action 1:** The Committee's concerns in relation to the level of Government Debtors to be noted, including the requirement for a defined plan setting out the cashflow impact of increasing debtor balances, and submitted to the Department of Housing, Planning and Local Government (DHP&LG).
- Action 2:** The Committee requested a report from Housing Management be brought to a future meeting of the A.C. outlining a focussed/targeted plan to tackle the level of rent arrears.
- Action 3:** The Committee to be kept informed of progress made by the working group over the coming months in relation to reconciling the Fixed Asset Register to the Housing Register.
- Action 4:** HF to submit the AC report on the AFS to the City Council meeting, to be held on 2nd December next.
- Action 5:** HF to forward the Audit Committees Charter and Work Programme for 2020 to the City Council meeting for adoption, to be held on 2nd December next.
- Action 6:** LR & KQ to agree the agenda for the training session for the Members.

