

Dublin City Council Audit Committee

Minutes of Meeting held on 14th September 2023 at 9.00 a.m.
via MSTeams

Attendance:

Members

Ms. Louise Ryan, Trinity College Dublin, Chairperson (LR)
Mr. Johnny McElhinney, Docklands Business Forum (JMCE)
Mr. Nathy Walsh, Institute of Public Administration (NW)
Councillor Naoise Ó Muirí (Cllr. NOM)
Councillor Daryl Barron (Cllr. DB)
Councillor Nial Ring (Cllr. NR) from 9.18am

Officials:

Mr. Richard Shakespeare, Interim Chief Executive (RS)
Ms. Kathy Quinn, Head of Finance (KQ)
Mr. Paddy Brennan, Head of Internal Audit (PB)
Ms. Ailish McCarthy, Staff Officer, Internal Audit (AMcC)

Apologies

Prof. Diarmuid Hegarty Dublin Chamber (DH)

Invited Attendees:

Frank d'Arcy Acting Assistant Chief Executive – Housing and Community Services
Tony Smithers – Regional Officer – Housing and Community Services
Michael Clarke – Regional Officer – Housing and Community Services
Darach O'Connor- Executive Manager - Corporate Services and Transformation
Helen O'Leary- Senior Executive Officer - Corporate Services and Transformation

1. **Minutes of Audit Committee meeting held on 15th June 2023 and update on Actions arising**
 - a. The minutes were agreed.
 - b. Update on Actions:

Appendix A: Actions arising from Audit Committee meeting 16th March 2023

Action 1 – Engagement with OGP on conditions of contract-
Internal Audit to circulate written advice to Project Managers and training to be delivered in Q4.

Action 2 – Update report on recommendations from R06/14 and R02/18 to the AC before year end.

Action 3 – Update report on implementation of high risk recommendations from R11/22: to the
Audit Committee by year-end.

Appendix B: Actions arising from Audit Committee meeting 15th September 2022

Action 2 – The AC to receive an update at a later date on the management of risk in DCC

Update item 4 on today's agenda.

2. Any Conflict of Interest of A.C. Members.

No conflicts of interest were declared.

- 3. Presentation –Antisocial Behaviour** - Frank d'Arcy, Tony Smithers and Michael Clarke provided an overview of DCC's antisocial behaviour strategy, relevant legislation, the role of the local authority and strategic priorities.

The AC thanked management from the Housing Department for their comprehensive presentation.

The AC moved on to item 5(d) on the agenda to discuss the Audit on the Risk Management Framework prior to the presentation on Risk Management under item 4.

5. (D) Audit Report – R07/23 - Review of the Risk Management Framework

Overall rating of "Limited Assurance." Seven (7) recommendations were made – Four (4) high, two (2) medium and one (1) low. Five (5) are accepted, one (1) rejected and one (1) partially accepted.

Issues identified in the report were discussed including that there was no timeframe provided to align the risk management systems; the timeline for completion of a risk appetite statement is a year from the closing of the audit, despite the high risk rating. The AC noted that the audit contained a recommendation for the creation of a dedicated Chief Risk Officer role which was rejected by management.

- 4. Presentation - Risk Management in DCC** - Darach O'Connor and Helen O'Leary, Corporate Services and Transformation.

Following a query from the AC Chair, DOC outlined that management agreed with the Risk Management audit recommendations and the importance of establishing a strong risk culture. They confirmed their commitment to adhering to the timelines and delivering on the recommendations. Management are working on implementing all High rated risks by Q1 2024.

DOC and HOL provided an overview of the risk management framework in place in DCC including the current risk registers and the development of a new risk management policy. HOL will circulate a copy of the risk management policy which has been signed off and agreed by the Risk and Resilience Steering group.

The AC thanked DOC and HOL for their presentation and requested that a further update and presentation on Risk Management be provided next year.

Action 1 - HOL will circulate the Risk Management Policy to the Audit Committee.

Action 2 – Audit Committee to receive presentation on Risk Management in 2024.

5(A) - R15/22 – Review of CRES Capital Project Costs

Overall rating of “Needs improvement” - There are twenty one (21) recommendations, sixteen (16) medium and five (5) low. Eighteen (18) of those recommendations apply specifically to the CRES department. To date one recommendation has been implemented. Some recommendations are applicable corporately or to other departments. There are forty five (45) recommendations outstanding in total.

Issues around the timely updating and administration of budgets, adherence to policies & procedures, procurement issues and expired frameworks were noted and discussed. PB will provide an update on progress on the implementation of the recommendations at the December meeting.

Action 3- PB will provide an update on progress of the implementation of recommendations from R15/22 – Review of CRES Capital costs at AC meeting in December.

5(B) R16/22 – Review of Procedure Manuals

Overall rating of “Needs Improvement”. Six (6) recommendations, five (5) medium and one (1) low. The AC noted that this area has been reviewed three times by Internal Audit since 2011 on each audit a “Needs Improvement” rating was given, and requested priority be given to implementing the recommendations in a timely manner by the relevant areas.

5(C) R06/23 - Review of ICT Security Risk Register

Audit was completed by Crowe Ireland who reported satisfactory assurance. Four recommendations were made. Two (2) medium and two (2) low. The recommendations are due for implementation in Q4 23.

5 (E) R08/23 - Recommendation Implementation for Internal Audit Reports Quarter 2 2023

There are 241 outstanding recommendations in total. PB reported that the rate of implementation of recommendations continues to be unsatisfactory and that the organisation is carrying too much risk by continued delays in implementation. All recommendations, findings and timelines have been agreed by management.

The Chief Executive will write to each ACE to request an update on the progress of the implementation of recommendations. Departments who cannot demonstrate a significant reduction in the number of outstanding recommendations will be required to attend the AC meeting in March 2024 to account for delays.

Action 4 – The CE will issue a memo to each ACE requesting they prioritise the implementation of audit recommendations.

6. Training/familiarisation sessions required by AC Members

If anyone has any requests please email LR or KQ.

7. A.O.B.

It was agreed to hold an additional Audit Committee meeting on 19th October 2023 via MS Teams at 9.00 a.m. to consider the audited Annual Financial Statements for 2022 and the Local Government Auditor's Report on the AFS.

The Local Government Auditor’s report on the AFS and the audited Annual Financial Statements for the year ended 31st December 2022 will be circulated to the Audit Committee in advance of this meeting.

The Audit Committee to meet separately with the Local Government Auditor, Ita Howe, directly after the October meeting.

Action 5 – Meeting on 19th October to consider the audited Annual Financial Statements for the year ended 31st December 2022, and the Local Government Auditor's Report on the AFS.

Action 6 - The local Government Auditor's report on the AFS and the audited Annual Financial Statements for the year ended 31st December 2022 to be circulated to the Audit Committee in advance of meeting on 19th October 2023.

Actions arising from this meeting 14th September 2023

Action 1 - HOL will circulate the Risk Management Policy to the Audit Committee.

Action 2 – Risk Management to provide update to the Audit Committee in 2024.

Action 3 – PB will provide an update on the progress of the implementation of recommendations from R15/22 – Review of CRES Capital costs at AC meeting in December.

Action 4 – The CE will issue a memo to each ACE requesting they prioritise the implementation of audit recommendations.

Action 5 – Meeting on 19th October 2023 @ 9am via MSTeams to be scheduled to consider the audited Annual Financial Statements for the year ended 31st December 2022 and the Local Government Auditor's Report on the AFS.

Action 6- The Local Government Auditor's report on the AFS and the Audited Financial Statements for the year ended 31st December 2022 will be circulated to the Audit Committee in advance of meeting on 19th October 2023.

Signed: 
Louise Ryan
Chairperson