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**Annual Report of the Audit Committee to the City Council for the year ended  
31/12/2023**

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***Introduction and Membership***

The Audit Committee is a statutory committee established in accordance with Section 59 of the Local Government Reform Act 2014. The current Audit Committee was established following local elections in May 2019. The City Council approved the membership of the committee at its monthly meeting held on the 7<sup>th</sup> October 2019. The membership of the committee is as follows;

Ms. Louise Ryan, Trinity College Dublin (Chairperson).  
Mr. Johnny Mc Elhinney, Dublin Docklands Business Forum.  
Mr Nathy Walsh, Institute of Public Administration.  
Professor Diarmuid Hegarty, Dublin Chamber of Commerce.  
Councillor Naoise O Muirí.  
Councillor Nial Ring.  
Councillor Daryl Barron, (replaced Councillor Daithí De Roiste, Councillor Barron's membership was approved by the City Council at its meeting held on the 5<sup>th</sup> October 2022).

***Role and Functions of the Audit Committee***

Audit Committees play a crucial role in the governance framework of local authorities. They have an independent role in advising the Council on financial reporting processes, internal control, risk management and audit matters as part of the systematic review of the control environment and governance procedures of the local authority.

The Audit Committee's role is to support Dublin City Council (DCC) by providing an independent assessment of the activities of the Executive in managing DCC and also the quality of risk management, financial reporting, financial management and internal audit. The functions of the Audit Committee are set out under Section 59 (2) of the Local Government Reform Act 2014 as follows;

- (a) to review financial and budgetary reporting practices and procedures within the local authority that has established it,
- (b) to foster the development of best practice in the performance by the local authority of its internal audit function,
- (c) to review any audited financial statement, auditors' report or auditors' special report in relation to the local authority and assess any actions taken within that authority by its Chief Executive in response to such a statement or report and to report to that authority on its findings,
- (d) to assess and promote efficiency and value for money with respect to the local authority's performance of its functions, and
- (e) to review systems that are operated by the local authority for the management of risk.

The Audit Committee is also required under Regulation 15 of the Local Government (Audit Committee) Regulations 2014 to prepare an annual report, within three months of the expiration of each calendar year, on its considerations and findings during that year. This report is prepared in compliance with those requirements.

### ***Audit Committee Meetings During 2023***

The Committee held five meetings in 2023 on the 16<sup>th</sup> March, 15<sup>th</sup> June, 14<sup>th</sup> September, 19<sup>th</sup> October and 7<sup>th</sup> December. Meetings were held remotely in March, June and September and October and a hybrid meeting was held in December. The Committee also met separately with the Principal Local Government Auditor, the Head of Internal Audit and the Chief Executive during the year.

### ***Annual Work Programme and Review of Audit Committee Charter***

The Audit Committee Annual Work Programme 2023 and review of the Audit Committee's Charter were approved by the City Council at the Council meeting on 9<sup>th</sup> January 2023. The Committee's Annual Work Programme for 2024 and annual review of the Audit Committee Charter has been submitted and recommended for adoption by the City Council at its meeting scheduled for 13<sup>th</sup> February 2024 as required under Regulations 8 and 9 respectively of the Local Government (Audit Committee) Regulations 2014.

The Audit Committee has engaged with Senior Management in relation to the implementation of recommendations made in Internal Audit reports and will continue to do so until satisfactorily dealt with by Management. The Audit Committee also reviewed the National Oversight and Audit Committee Report No. 50 "Local Authority Performance Indicator Report 2021" and No. 58 Local Authority Performance Indicator Report 2022".

### ***Reports considered in 2023***

The Audit Committee considered the following internal audit reports in 2023:

1. R11/22: Review of payments made to suppliers across the organisation and report on compliance or otherwise with procurement thresholds.
2. R12/22 : Review the allocation of social housing units in DCC
3. R14/22: Review the processes in place for the reconciliation of payments in the Parking Enforcement Section.
4. R15/22: Review of CRES Capital Project Costs
5. R16/22: Review of Procedure Manuals
6. R01/23: Recommendation Implementation for Internal Audit Reports Quarter 4 2022
7. R02/23: Recommendation Implementation for Internal Audit Reports Quarter 1 2023
8. R03/23: Public Spending Code In-depth Check of Part V expenditure
9. R04/23 : Public Spending Code In-depth Check of North Inner City Concept Area
10. R05/23: Public Spending Code In-depth Check of the Liffey Corridor Project
11. R06/23 : Review of ICT Security Risk Register
12. R07/23 Review of the Risk Management Framework
13. R08/23 Recommendation Implementation for Internal Audit Reports Quarter 2 2023
14. R09/23 Review of payments made to elected members.
15. R10/23 Review of Governance in the Civil Defence
16. R12/23 Recommendation Implementation for Internal Audit Reports Quarter 3 2023

### ***Consideration by the Audit Committee of the Audited Annual Financial Statement for the year ended 31st December 2022, and the Local Government Auditor's Report on the AFS***

The Principal Local Government Auditor presented her statutory report to Audit Committee at the October meeting. During the presentation of the report the following issues were, inter alia, comprehensively discussed and dealt with by the Audit Committee.

### **Rates**

The PLGA reported further significant improvement in the collection of rates up to 92% from 87% in 2021.

### **Housing Rents**

The Audit Committee noted the net rent arrears figure at the end of 2022 is €37m an increase of €2m from 2021. The collection rate was 72% down from 73% in 2021. Arrears of c. €3m in the travellers and homeless services areas were noted as were issues with debt management reporting, challenges recovering arrears and the lack of resources in these sections assigned to recover the arrears.

### **Housing Loans**

The collection yield in 2022 was 77%, as in 2021. The Audit Committee noted some progress was reported in this area by the PLGA. There was a 47% reduction in the number of loan accounts in the Mortgage Arrears Reduction Process and 66 shared ownership loans were restructured in 2022 up from 18 in 2021. While some progress was reported in arrears collection it was noted that the number of accounts in arrears remains high.

### **Vacant Sites Levy**

The Audit Committee noted vacant site levy arrears of €20.34m.

### **Dublin Fire Brigade Emergency Services**

The Audit Committee noted the significant annual shortfall in funding from the HSE for Fire and Emergency services provided by Dublin Fire Brigade is estimated at €17.03m in 2022. There is currently no SLA or Memorandum of Agreement in place with the HSE.

### **Procurement**

The Audit committee noted the significant issues raised by the PLGA in relation to procurement. It was noted that a number of contracts across all departments had been identified as not being compliant with the Procurement Directives. The PLGA identified the lack of accountable specialised staff working in departments as being a key factor in non-compliance. It was noted that a recruitment process is required to recruit appropriate staff to work specifically on improving procurement practices in Departments.

### **Other Issues**

All other queries raised by the Audit Committee were satisfactorily addressed by the Principal Local Government Auditor and the Head of Finance. The Audit Committee's formal report to the City Council on its consideration and findings of both the audited AFS and the Principal Local Government Auditor's Report on the AFS was noted by the City Council at their meeting held on November 6<sup>th</sup> 2023.

### ***Review of Performance and Effectiveness***

Regulation 13 of the Local Government (Audit Committee) Regulations requires the Audit Committee to undertake an annual review of its own effectiveness and report to the Council on its findings. Members of the committee were invited to complete an anonymous survey. Six of the seven members responded. All those that responded agreed that the Audit Committee deals with appropriate issues, that the Audit Committee conducts its business in a professional manner with meetings that are well organised and well run and that the actions of the Audit Committee reflect independence from management. When considering their

overall assessment of their performance all of the members who responded to the survey assessed the overall performance of the Audit Committee as good or very good.

In conclusion, the Audit Committee would like to thank the management and staff of Dublin City Council for their support and co-operation during 2023. The Committee would also like to thank the Head of Finance, the Head of Internal Audit and all the staff in Internal Audit for their input and assistance.

**Louise Ryan**  
**Chairperson**  
**Dublin City Council Audit Committee.**  
**8<sup>th</sup> January 2024**