

Dublin City Council Audit Committee

**Minutes of Meeting held on 3rd June 2021 at 9.30 a.m.
via MS Teams**

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)
Professor Diarmuid Hegarty, Dublin Chamber (DH)
Councillor Nial Ring (Cllr. NR)
Councillor Naoise O Muiri (Cllr. NOM)
Councillor Dáithí De Róiste (Cllr. DDR)

Officials:

Mr. Owen Keegan, Chief Executive (CE)
Ms. Kathy Quinn, Head of Finance (KQ)
Mr. Paddy Brennan, Head of Internal Audit (PB)
Ms. Ailish McCarthy, Staff Officer, Internal Audit (AMcC)

Invited Attendees:

Mr. Victor Leonov, Professional Accountant, Finance Dept. (VL) - Item no. 3
Ms. Tara Robertson, Administrative Officer, Housing Rents (TR) - Item no. 4
Mr. Darach O'Connor, Executive Manager, Housing Regeneration (DO'C) - Item no. 4
Ms. Juliet Passmore, Research Officer, Economic Development Office (JP) - Item no. 5

- 1. Minutes of Audit Committee meeting held on 11th March 2021 and update on Actions arising**
 - a. The minutes were agreed.
 - b. Update on Actions:

Appendix A:

Action 1: A status report is to be provided to the Members by early 2022.

Action 2: R04/2021 –covered under item no. 6 on this Agenda.

Action 3: A schedule of presentations to be arranged for the next three AC meetings. Presentation on the Dublin Economic Monitor as per item no. 5 on the Agenda.

Appendix B: Actions agreed at the Audit Committee meeting of 3rd December 2020

Action 1: Covered under item no. 4 on this Agenda

Action 9: Covered under item no. 3 on this Agenda

- 2. Standing Item on the Agenda- Any Conflict of Interest of A.C. Members –**
No conflicts of Interest were declared.

3. Debtors Report – Figures at Year End 2020

VL summarised the Debtors Report – Figures at year end 2020.

The AC asked a number of questions on items including on the current status of Government Debtors at the end of Q1. KQ advised that there is a substantial Homeless debtor within Government debtors, however with more resources focused on Housing debtors, improvements should be seen in Q2. DCC is still due rates waiver payment for Q2.

4. Update from the Housing Department on the issue of Rent Arrears

TR and DO'C gave a presentation to the AC which provided analysis on rent accounts and arrears balances. They outlined the strategic areas they are examining and initiatives they are implementing to improve the management of rent arrears, noting that 26% of arrears owed are in the range of 1 - €500, and that it is planned to use data analytics to profile arrears and pinpoint patterns emerging

The AC expressed concern with the consistent high rate of rent arrears, particularly in relation to the large balance owed for 52 weeks or more. The AC requested details on the ageing of the 52+ weeks arrears. There was also dissatisfaction that sections of the Housing (Miscellaneous Provisions Act) 2014, that provide for the deduction of Local Authority rents at-source had not been enacted, with deduction at source seen as critical to better manage arrears levels.

KQ will confirm the housing rents bad debts provision along with details of the ageing of arrears of 52+ weeks.

The Audit Committee acknowledged the additional challenges to reducing rent arrears caused by Covid 19 which has prevented court proceedings, property inspections and face to face visits taking place.

Action 1

KQ to confirm the housing rents bad debts provision and provide details of the ageing of arrears of 52+ weeks.

Action 2

Committee requested that a further update from the Housing Department on the issue of rent arrears is provided in six months to include timelines associated with the strategic initiatives that were presented to the Audit Committee.

5. Presentation on the Dublin Economic Monitor.

JP gave a presentation to the Audit Committee which provided an overview of the data, trends and insights provided by the Dublin Economic Monitor. JP invited AC members to subscribe to the newsletter and provided the website address www.dublineconomy.ie. The AC welcomed the breadth of data available acknowledging what a valuable and useful resource the Dublin Economic Monitor is.

6. Audit Reports

(a) Report no. R06/2020 - To review compliance with all Procurement Requirements in Dublin City Public Libraries and Archive Services

PB advised that this audit received a satisfactory rating level and the AC noted the audit recommendations made - three medium and two low priority.

(b) Memo no. M02/2021 - Petty Cash in Dublin City Public Libraries and Archive Services

PB advised that during the above audit to review compliance with Procurement requirements in Dublin City Public Libraries and Archive Services a higher than expected petty cash spend was identified in libraries. Internal Audit carried out spot checks and an analysis of petty cash spending and were broadly satisfied with the practices and controls in place.

(c) Report no. R01/2021- Review of Procedures in Relation to the Controls and Policies in Place to Mitigate against Fraudulent Payment of Invoices

This audit received a satisfactory rating. The recommendation that the City Council's anti-fraud policy should be reviewed was noted.

LR referred to a system of levying internal charges on departments as a penalty for the retrospective approval of committed expenditure, which is worth consideration by the City Council.

Report no. R04/2021 First Quarterly Review of Recommendations

PB introduced the first report from the new reporting system on implementation of recommendations for Q1. PB will report quarterly at the senior management team meeting on implementation of recommendations and the status of legacy items. The first Q1 report was circulated to senior staff and the level of engagement has improved with IA. The number of outstanding recommendations at end of 2020 is 50.

The AC referred to 9 recommendations outstanding from Housing since 2014. PB confirmed that the Housing Department are engaging with Internal Audit and proactively addressing outstanding recommendations and IA will keep them under review.

7. Training/familiarisation sessions required by AC Members

LR advised AC to email KQ or LR if they have training requests.

The issue of cyber security and the associated risks was raised as a concern. KQ advised that Brian Curtis - Head of IS, provided a detailed Memo on measures that are in place and the assurance that can be taken from that. This will be emailed to the AC after this meeting. If AC have any questions arising from this, Brian Curtis can provide more information for the next AC meeting if requested. KQ advised that DCC produced a revised security strategy in recent years which they are currently working from.

Action 3

Note from Brian Curtis to be circulated by email to the members after this meeting and more information can be provided if required.

8. A.O.B.

Proposal of a 9.30am start on 23rd September 2021 if the meeting is to be held remotely.

PB referred to the Audit Committee Regulations which stipulate that the AC should meet separately with the Local Government Auditor, Chief Executive and Internal Audit staff at least annually. PB will arrange a meeting with one of the above to be held directly after the next AC meeting on 23rd September 2021.

Action 4

PB to arrange a meeting with AC and one of the following – Local Government Auditor, Chief Executive, Internal Audit staff on 23rd September 2021, directly after AC meeting.

The meeting concluded at 10.40am

Appendix A: Arising from this meeting

Action 1

KQ to confirm figure for annual provision for bad debts and details of the ageing of arrears of 52+ weeks.

Action 2

Committee request a further update from Housing arrears in six months to include timelines and progress on strategic initiatives. December 2021 AC meeting.

Action 3

Note from Brian Curtis to be circulated by email to the members after this meeting and more information can be provided if required.

Action 4

PB to arrange a meeting with the AC and one of the following – Local Government Auditor, Chief Executive, Internal Audit staff on 23rd September 2021, directly after the AC meeting.

Appendix B: Arising from 11th March 2021 meeting

Action 1:

A status report on the timelines and output delivered for the nine recommendations to be presented to the Members by early 2022 at the latest.

Action 3: A schedule of presentations to be arranged for the next three AC meetings covering Dublin Economic Monitor, Development Plans, Density and Costs and Climate Action.



Louise Ryan, Chairperson

