

Dublin City Council Audit Committee

**Minutes of Meeting held on 23rd September 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:

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:

Dr. Sabrina Dekker – Climate Action Coordinator (SD)

Ita Howe – Local Government Auditor (IH)

Apologies:

Mr. Owen Keegan, Chief Executive (CE)

1. Minutes of Audit Committee meeting held on 3rd June 2021 and update on Actions arising

- a. The minutes were agreed.
- b. Update on Actions:

Appendix A:

Action 1: KQ provided bad debts provision value for 2020 .

Action 2: Housing arrears update due at AC meeting in December 2021

Action 3: Note from BC re cyber security was circulated to AC members in June 2021.

Action 4: Ita Howe, Local Government Auditor is meeting the AC directly after this meeting

Appendix B:

Actions agreed at Audit Committee meeting held on the 11th March 2021.

Action 1: Procurement Breach

A status report on the timelines and output delivered for the nine recommendations to be presented to the Members by end of Q1 of 2022 at the latest.

Action 3: Dr Sabrina Dekker will give a presentation on Climate Action at this meeting.

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

No conflicts of Interest were declared.

3. Presentation by Sabrina Dekker on Climate Action.

Sabrina gave update on the Climate Action plan, overview on reporting cycles in terms of engagement, ongoing projects, funding and awards, plans for 2021/ 2022 and the key challenges faced.

The AC thanked SD for the very informative presentation and acknowledged the work that SD and her team do and for the information they provide on Climate Action.

4. Presentation by Internal Auditor on the Public Spending Code

With three (3) in depth checks / audits on the today's agenda, PB gave a brief overview of the PSC. He covered quality assurance steps, summary of project inventory for 2020, In-Depth Checks and recommendations and also reported on areas identified to improve compliance and provided links to resources and further information.

5. Audit Reports

5(a) Report no. R05/2021 - In-Depth Check of the Clontarf to City Centre Cycle Route under the Public Spending Code

Satisfactory rating – 11 recommendations: 2 high, 8 medium and 1 low. Management responses have been provided to the recommendations.

The AC and PB discussed the compatibility of the Programme Logic Model with the substantially different types of Capital Project DCC deliver.

AC asked if a subsequent review of the cost benefit analysis and the estimates has been carried out on any part of the completed section of cycle route from Sutton to Sandycove.

Action 1 – PB to confirm if a review was carried out on estimated costs versus out-turn costs on any completed section of the Sutton to Sandycove cycle route.

The AC queried if there had been any review of the implications of the High Court judgement in relation to the Sandymount cycleway to identify any possible impacts for the Clontarf Cycle Route.

Action 2 - PB will confirm if a review of cycle route projects has been carried out in light of the High Court Judgement on the Sandymount cycleway project.

5(b) Report no. 08/2021 - In-Depth Check of the River Wad Flood Defence Project under the Public Spending Code

Limited assurance rating- 14 recommendations - 4 high, 10 medium. Management responses have been provided to the recommendations.

5(c) Report no. 07/2021 - In-Depth Check of St. Theresa's Gardens under the Public Spending Code

Limited assurance rating- 16 recommendations – 4 high, 12 medium. Management responses have been provided to the recommendations.

The AC expressed concern regarding weaknesses identified in relation to procurement on the project.

5(d) Report no. R09/2021 - Recommendation Implementation for Internal Audit Reports Quarter 2 2021 and Outstanding Legacy Item

No significant improvement noted to date. PB commented that Implementation of timelines have been agreed with the relevant departments so IA expect to see improvement in compliance for end of Q3 report.

LR noted report on review of recommendations is very clearly laid out, easy to understand and easy to keep track of open and closed recommendations.

6. Consideration of the Audited Annual Financial Statement for the year ended 31st December 2020, and the Local Government Auditor's Report on the AFS

The Chairperson welcomed the Principal Local Government Auditor, Ita Howe, to the meeting and invited her to present her report. The following items were covered:

- Covid 19 impact on Local Authorities
- Restart Grant Scheme
- Rates Waiver Scheme- funding package of €900m allocated by Government of which DCC received €159.5m
- Reimbursement for loss of goods and services income and Covid 19 related expenditure - DCC received €34.1m
- Rates –Rates and arrears are tightly controlled. IH is confident this area is under control
- Rents and Annuities - table providing information on status of arrears.
- Rent Arrears - table showing amount of money outstanding. Covid19 had a major impact but there is a more strategic focus on the higher amounts of arrears. This area should be kept under review. LR agreed and the Housing rents section will provide an update on arrears at the December AC meeting.
- Loans – on target
- Fixed Assets –Drainage Assets and Accumulated Depreciation – revision as a result of sampling and changes made with regard to depreciation and accumulated depreciation.

- Affordable Housing –€73.8m in Interest only loans. No principal been paid off. Interest is being paid by the Department and is under review by Finance and Housing.
- Capital Account Debit Balances- 179 job codes in capital account with debit balances of which, 10 total €101.2m. IH is confident that Finance are monitoring this area.
- Land Acquisition Loan Redemption – Improved as some of the land was transferred into housing and the debit balance has reduced as a result.
- Dublin District Heating - DCC have engaged the National Development Finance Agency as financial advisors.
- Development Contributions and Reconciliations – a working group has been established and a commitment to provide resources to the Planning area. IH is assured this area will receive full attention this year.
- Homeless Services and Homeless SLA's. €199.6m was spent by the DRHE. Of that, €156.7m was incurred by voluntary bodies; 10% of which wasn't supported by SLA's. As part of that, €86.7m was spent on private service providers with no SLA's supporting them. IH has been assured that they will all have SLA's in place by year end 2021.
- Priory Hall Remedial works –Status of Project outlined. Current deficit of €7.6m and submission for funding of the current deficit from the DHLG&H is being made. Final account remediation works has not yet been completed.
- Dublin Fire Brigade Time and Attendance -Gone out to tender. IH will review next year to ensure system in place. It will provide benefits to DFB and a clear status of rotas, hours and costings.
- Road Opening licences – amounts to €13.5m. Needs work to identify monies that belong to DCC and to clients and to identify the correct accounting procedures for that money once that exercise is complete.
- Dublin Docklands Development Authority, pensions and funding of pension are not included in the AFS. DCC and Dept are in negotiations. AC noted this issue has remained unresolved for a number of years now.
- Local Authority Companies - Temple Bar Cultural Trust – no consolidated accounts because the Act hasn't commenced.
- Procurement – Non-Compliance. Areas identified that need to be addressed - Transportation, Development, Housing, Homeless and Legal Service. DRHE have engaged a consultant around procurement compliance.

Discussions by AC around Temple Bar Cultural Trust, Bad Debt Provision, Road Licencing, Development Levies, Parnell Square Cultural Quarter and Procurement.

AC asked if adequate investigation has been carried out in relation to professional indemnity in Priory Hall (specifically relating to the professionals involved) with regard to the possibility of the recovery of costs. IH confirmed that the Law Department looked at the builders and provision of products but she can't confirm re professional indemnity for professionals.

Action 3- IH will check her own files re: professional indemnity and confirm.

KQ recalls that all avenues that could be considered were exhausted at the time and will request a note from Housing Department in relation to that.

Action 4 – KQ to request note from Housing re: professional indemnity in respect of Priory Hall.

7. 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).

Action 5 – PB to submit AC report on the AFS and the Report of the Local Government Auditor to the City Council meeting, to be held on 4th October 2021.

8. Training/familiarisation sessions required by AC Members

Request for a presentation from EU Programme Office for next year to cover the EU funding available and flood alleviation.

Action 6. PB to arrange presentations on 1. Flood Alleviation and 2. EU funding by the EU Programme Office.

9. A.O.B.

The Chairperson advised that the public health guidelines will be kept under review and considered when deciding whether December AC meeting will be a face to face or remote type meeting.

Suggestion from AC to include a cover page on audit reports with summary, recommendations and rating.

The meeting concluded at 11.30am.

A separate meeting with IH, the Local Government Auditor and the AC commenced immediately after the Audit Committee meeting.

Appendix A: Arising from AC meeting 23rd September 2021

Action 1 – PB to confirm if a review was carried out on estimated costs versus out-turn costs on any completed section of the Sutton to Sandycove cycle route.

Action 2 - PB will confirm if a review of cycle route projects has been carried out in light of the High Court judgement on the Sandymount cycleway project

Action 3- IH will check with her own files re professional indemnity and confirm.

Action 4 – KQ to request note from Housing re professional indemnity in respect of Priory Hall.

Action 5 – PB to submit AC report on the AFS to the City Council meeting, to be held on 4th October 2021.

Action 6- PB to arrange presentations on Flood Alleviation and EU Funding

Appendix B:

Actions agreed at the Audit Committee meeting of 11th March 2021

Action 1: Procurement Breach

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 in.

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.

Actions agreed at the Audit Committee meeting of 3rd June 2021

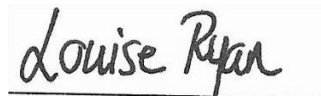
Action 2

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

Action 4

PB to arrange a meeting with AC and one of the following – Local Government Auditor, Chief Executive, Internal Audit staff directly after AC meetings

Signed:

A handwritten signature in black ink that reads "Louise Ryan". The signature is written in a cursive style and is positioned above a thin horizontal line.

Chairperson, Audit Committee