

## Dublin City Council Audit Committee

Agreed Minutes of Meeting held on 2nd December 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)

#### Officials:

Mr. Owen Keegan, Chief Executive (OPK)  
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. Frank d'Arcy, Executive Manager, Housing and Community Services  
Ms. Tara Robertson, Administrative Officer, Housing and Community Services

#### Apologies

Councillor Dáithí De Róiste (Cllr. DDR)

1. **Minutes of Audit Committee meeting held on 23<sup>rd</sup> September 2021 and update on Actions arising**
  - a. The minutes were agreed.
  - b. Update on Actions:

#### Appendix A: Arising from AC meeting 23<sup>rd</sup> September 2021

##### Action 1

Update received from E&T states one section of S2S project completed and no post implementation review was carried out. Updated project management guidelines and reporting requirements will be used on future sections of the S2S project. .

##### Action 2

Update received from E&T states the judgement has been appealed and the legal process is still in progress.

### Action 3

IH confirmed that self-certification by builders operated at that time which resulted in Priory Hall's shortcomings. The regulations have since changed in relation to certification and building control requirements.

### Action 4

Note from Housing sets out the role of DCC was to oversee the refurbishment of Priory Hall rather than establish if adequate investigation was carried out in relation to professional indemnity insurance.

Note: A comment by AC was made re Action 4 that DCC was made responsible as the fire authority to re-house people which was omitted from the report.

### Action 5

The AC report on the AFS in respect of the year ended 31/12/2021 was noted by the City Council at its meeting held on the 4<sup>th</sup> October 2021.

### Action 6

Presentation on Flood Alleviation and EU Funding will be provided in 2022.

## Appendix B

### Actions agreed at Audit Committee meeting held on the 3rd June 2021.

#### Action 2

Tara Robertson and Frank d'Arcy providing further update on Housing arrears, as per item 3 on this Agenda.

#### Action 4

AC are meeting with Chief Executive, Mr Owen Keegan, directly after this meeting.

### 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 early 2022 at the latest.

#### Action 3:

Presentation on Development Plan will be provided in 2022.

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

No conflicts of interest were declared.

#### **3. Presentation by Tara Robertson and Frank D'arcy on Housing Rent arrears**

Tara Robertson and Frank Darcy gave update on rent arrears.

LR acknowledged that this is a very complex area with significant variables to consider and that it is resource intensive to try to bring the arrears figures down.

### **Overview**

- Arrears are up by 1% on last year
- Receipts are up year on year since 2016.
- Collection rate from 2017 to 2020 is showing a reduction year on year.
- 58% of tenancies are in arrears
- 3064 accounts have aged debt of over 52 weeks owing €26m

### **Initiatives**

- Working with MABS on selection of 30 accounts for a pilot scheme to offer debt relief on full compliance of a 5 year repayment plan.
- The new Housing IT system will have the capability to send automatic texts and emails to tenants regarding rent due and acknowledge receipt of payment and other communications.
- Reviewing all 25,000 accounts over a 2 year period in order to minimise retrospective debt. This has become more deliverable with the access to the LAVA system.
- Working with Law Department in relation to RAS tenancies. DCC are instigating a pilot project whereby they will take RAS tenants who are defaulting on their rent contribution to court, seeking decree.
- Legal Court Actions – currently one court date per month.

A lengthy discussion around deduction at source and non-payers was held by the Committee.

It was agreed by the AC there is a pressing need for DCC to drive the case for legislative change to introduce the deduction of rents at source, backed up with clear data driven statistics around non-payers.

The Audit Committee requested Housing Rents provide staff costs and legal costs analysis relating to collection of rent arrears at the March 2022 meeting.

The Audit Committee requested Housing Rents provide the level of collection amount for year ending 2021 at the March 2022 AC meeting.

#### **Action 1**

**Housing Rents to provide year-end level of collection for March 2022 AC meeting.**

#### **Action 2**

**Housing Rents to provide details of staffing costs and legal costs relating to collection of rent arrears and their monthly targets.**

## **4. Audit Committee Documents**

### **(a) Review of Audit Committee Charter**

The Audit Committee approved the following to be included in the Charter under section 3.5 of the charter.

The Committee shall meet separately at least annually with

- a) The Local Government Auditor

- b) Employees of the Internal Audit Unit
- c) The Chief Executive

PB confirmed he has included the review of Corporate Risk Management Policy in the work plan for next year.

**Action 3**

**PB to submit the Audit Committee Charter to the City Council for adoption at their meeting to be held on 10<sup>th</sup> January 2022.**

**(b) Draft Audit Committee Work Programme 2022.**

The Draft Audit Committee Work Programme 2022 was agreed by the AC members.

**Action 4**

**PB to submit the AC Work Programme 2022 to the City Council for adoption at their meeting to be held on 10<sup>th</sup> January 2022.**

**(c) Internal Audit Unit and the Draft Annual Plan 2022**

PB updated the Members on the Draft Annual Plan 2022 providing a breakdown of the number of audits planned along with the current staffing resources within the Unit.

The Draft Internal Annual Plan 2022 was approved by the Audit Committee.

**5. Preparation of the report of the Audit Committee on its consideration and findings for the year 2021 and a review of its performance**

Regulation 13 requires the AC to review its own performance and effectiveness. To this end, the members agreed to complete a self-evaluation questionnaire and return it in December which will feed into their Annual Report (as per Reg. 15).

PB will forward a copy of the questionnaire to LR and then to all committee members for completion.

**Action 5**

**PB to send a self-evaluation questionnaire, in relation to the requirement for the AC to review its performance and effectiveness to the Members for completion in December 2021.**

**Action 6**

**PB will submit the Annual Report of the AC to the City Council at their meeting in early 2022.**

**6. Audit Reports**

**6 (a) Report no. R03/2021 - Review the process for collection and reconciliation of cash from on-street Parking Meters**

Weak rating – eleven (11) recommendations- Seven (7) high and four (4) medium.

The overall finding was that the process for the collection and reconciliation of cash requires immediate attention. There is no formal contract in place with the service provider and therefore there is an absence of monitoring and oversight. It was noted that the procurement process has commenced.

To date four (4) recommendations have been implemented Rec 3, 8, 9 and 10

Rec no. 7 can't be implemented due to Covid19.

Six (6) recommendations are outstanding.

Discussion around lack of procurement and formal contract with the service provider, issues with reconciliation, variances between expected amounts and collection amounts, machine accuracy, system change, oversight and frequent spot checking and the lack of controls and procedures in place.

#### **Action 7**

**AC has requested a report on the outcome of the procurement process and the status of the implementation of outstanding recommendations, to ensure that the recommendations have been incorporated into the new contract, for AC meeting in March 2022.**

#### **6 (b) Report no. R06 /2021 - To examine and review corporate compliance with the requirements of GDPR in Dublin City Council**

This audit was outsourced to Crowe. It received a Satisfactory rating with five (5) recommendations – Three (3) medium and two (2) low recommendations were made.

LR commended DCC on the satisfactory rating with strong compliance.

PB confirmed that two (2) of the recommendations are fully implemented and training has commenced as per recommendation.

#### **6 (c) Report no. R11 /2021 - Recommendation Implementation for Internal Audit Reports Quarter 3 2021 and Outstanding Legacy Item.**

PB advised there are seventy (70) recommendations outstanding, a number of which date back to 2014. LR commented that there is a 40% completion rate to date and with quarterly tracking there is increased visibility with responsible managers required to account for implementation status quarterly.

AC asked PB to reconsider how the graph and figures are presented to show the compliance rate more clearly.

KQ confirmed there is a reduction in the rate at which recommendations are being implemented. By presenting these quarterly reports to management and to the AC, it is hoped to bring more attention and focus to this area.

#### **Action 8**

**PB will reconsider how the graph and figures are presented, to show compliance rate more clearly in the recommendations implementation quarterly reports and report to AC.**

#### **6 (d) Review of Round Room 200 Exhibition**

LR confirmed this is not an Audit so therefore does not have a rating and note that there are procurement, governance and value for money findings in the review.

PB advised that a review of an exhibition held in the Mansion House to celebrate the inauguration of the Round Room was carried out. A number of control issues were

identified. Eight (8) recommendations were made of which seven (7) were accepted and one (1) recommendation was noted as requiring further consideration.

IA had concerns around procurement but are satisfied with the management response. The event was funded as a sponsorship so therefore fell outside of the procurement directives and requirements.

CLlr NOM stated his dissatisfaction with the review and suggested the review should be presented as an audit report with an overall rating, which should be weak and with assigned staff and timeframes for implementation of recommendations as with a standard audit report. The AC requested to see the post event report when it is issued. CLlr NR expressed concerns regarding the high cost of the Round Room event and relative high costs of the Bram Stoker festival and requested that this be reviewed also.

OPK agreed there are some unsatisfactory aspects to this and has no objection to a formal report. He advised it should be considered in the context of other events. There were exceptional conditions at the time of the event and additional objectives to get people back into the city. The exhibition had to happen in this venue which was controlled by a specific provider.

**Action 9**

**PB to consider the issues raised by the committee and revert to the committee with a proposed solution.**

**7. NOAC report no. 44 - Local Authority Performance Indicator Report 2020**

This report was noted by the AC.

**8. Training/familiarisation sessions required by AC Members**

LR went to a session for AC Chairs run by NOAC on good practice in Local Government which was very informative and interesting.

If AC have any training requirements, they were requested to let LR or KQ know.

**9. Proposed dates for meetings of the Audit Committee for 2022:**

10th March; 2nd June; 15th September; 1st December.

AC to consider the proposed dates and come back if there are any issues.

**10. A.O.B.**

DH raised the Housing rent arrears issue and the urgent need for Government legislation in relation to deduction at source.

LR will talk to KQ on behalf of AC to agree a way forward on this matter

**Action 10**

**LR will follow up with KQ on how to best to progress the issue for the deduction of Housing rents at source.**

### **The meeting concluded at 10.55am**

A separate meeting with the AC and Chief Executive, Owen Keegan commenced immediately after the Audit Committee meeting.

### **Appendix A: Arising from this AC meeting 2<sup>nd</sup> December 2021**

**Action 1 - Housing Rents to provide year end level of collection for March 2022 AC meeting.**

**Action 2 - Housing Rents to provide details of staffing costs and legal costs relating to collection of rent arrears and their monthly targets.**

**Action 3 - PB to submit the Audit Committees Charter for inclusion to the City Council at their meeting to be held on 10<sup>th</sup> January 2022.**

**Action 4 - PB to submit the AC Work Programme 2022 to the City Council for adoption at their meeting to be held on 10<sup>th</sup> January 2022.**

**Action 5 - PB will send a self-evaluation questionnaire, in relation to the requirement for the AC to review its performance and effectiveness, to the Members for completion in December 2021.**

**Action 6 - PB will submit the report of the AC to the City Council at their meeting in early 2022.**

**Action 7- AC has requested an update on the outcome of the procurement process and the outstanding recommendations relating to Parking Meters Audit, to ensure they have been incorporated into the new procurement contract, for AC meeting in March 2022.**

**Action 8 - PB will reconsider how the graph and figures are presented, to show compliance rate more clearly, in the recommendations implementation quarterly reports.**

**Action 9 - PB will consider request for audit to be carried out on Round Room and come back to the committee on this.**

**Action 10 - LR will follow up with KQ on how to progress for Government legalisation for collection of Housing rents at source.**

### **Actions agreed at the Audit Committee meeting of 23<sup>rd</sup> September 2021**

#### **Action 6**

**Presentation on Flood Alleviation and EU Funding will be provided in 2022.**

### **Actions agreed at the Audit Committee meeting of 11<sup>th</sup> 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.**

**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 3<sup>rd</sup> June 2021**

**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**

*Louise Ryan*

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