

Dublin City Council Audit Committee

**Minutes of Meeting held on 15th September 2022 at 9.00 a.m.
via MS Teams**

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)
Professor Diarmuid Hegarty, Dublin Chamber (DH)
Councillor Nial Ring (Cllr. NR)
Councillor Naoise Ó Muirí (Cllr. NOM)
Councillor Daryl Barron (Cllr. DB)

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:

Ms. Ciara O'hAodha - Interim Head of the European Project Support Office (COh)
Mr. Anthony Flynn - Executive Manager of CRES (TF)
Ms. Eileen Quinlivan – Assistant Chief Executive of Corporate Services, Transformation and HR (EQ)
Mr. Darach O'Connor -Executive Manager of Corporate Services and Transformation Department (DOC)

Cllr Barron was welcomed and he provided a brief introduction to the Committee.

- 1. Minutes of Audit Committee meeting held on 9th June 2022 and update on Actions arising**
 - a. The minutes were agreed.
 - b. Update on Actions:

Appendix A: Actions agreed at Audit Committee meeting 9th June 2022

Action 1 – Communicate the recommendations of the Audit committee to CRES management.
Email sent to CRES Management in July 22 advising of the Audit Committee's recommendations regarding the Round Room 200 exhibition review. Email was noted by CRES.

Action 2 – Follow up on recommendation 6 with Parking Enforcement, E & T.
Response from PE; *"PE applied for a Grade 6 resource before the recent Grade 6 competition but none was allocated. While we are under resourced, this recommendation will continue to be outstanding."*
Recommendation remains outstanding and will be followed up by Internal Audit.

Appendix B

Actions Agreed at AC meeting 10th March, 2022

Action 3: Housing Rents to attend the December 2022 AC meeting to provide an update in relation to rent arrears and monthly targets.

Housing will provide an update at December meeting.

Action 4: Housing Rents to submit a comprehensive report on rent arrears and monthly targets including an analysis of under occupancy of housing units, by year-end.

Housing will provide an update at December meeting.

Action 5: Parking Enforcement to submit a one-page update on status of the recommendations in relation to the Parking Meters audit to the AC December meeting.

Parking Enforcement will provide update at December meeting.

Action 6: The Chief Fire Officer to attend the AC meeting in December to update the members in relation to procurement.

The Chief Fire Officer will provide update at December meeting.

Action 8: (PB) to arrange for a schedule of the forthcoming presentations to be given to the members.

After today all the presentations scheduled have been covered.

Appendix C

Action 4 – Head of Internal Audit to meet with AC directly after this meeting.

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

No conflicts of interest were declared.

3. Presentation on European Funding – Anthony Flynn - Executive Manager of CRES and Ciara O hAodha - Interim Head of the European Project Support Office (EPSO).

An overview was provided of the development of the European Programme Participation Strategy and the establishment of the European Programme Support Office. The AC was advised that DCC has submitted 16 applications since 2021, 11 applications have been unsuccessful and 5 are continuing through the evaluation process of which 3 have progressed to the 2nd stage and 2 are in a holding stage.

The AC commended all on the achievements of the EPSO and thanked them for their presentation.

The AC advised that would be worth measuring the actual effort and time invested in submitting applications and to compare this to the funding received and to identify types of projects that are more prone to success with a view to focusing on these types of projects in the future. The AC asked what the prospects were for the 5 remaining applications to get funding. It was noted that a similar evaluation is currently underway to assist with future applications.

Action 1 - EPSO to provide an update to the committee on the outcome of the five live applications along with output from the evaluation of failed bids to determine if particular project types / sectors should be focused on in future.

4. Presentation on Risk Management – Eileen Quinlivan, Assistant Chief Executive and Darach O'Connor, Executive Manager of Corporate Services and Transformation Department

The committee was advised that DCC have been operating in a very active Business continuity environment over the last two years. A presentation was provided on DCC's risk management system and an outline given of future plans to develop and improve risk management, governance and compliance.

In response to a question on expected changes to the 2019 Draft Risk Policy document, the committee was advised that a lot has happened since 2019 and as such there are lessons for DCC to learn from recent events that will influence the policy. The committee agreed that it would be useful to have an overview of the risk matrix system used involving likelihood, impact, and mitigation actions.

The committee was informed that DCC use a risk management system which classifies and scores risks on this basis and offered to return to the committee at a later date to discuss risk in more detail.

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

5. Audit Reports – Alan Davidson and Shane McQuillan from Crowe Ireland reporting on the PSC audits.

Report no. R07/22- Public Spending Code In-Depth Check O'Devaney Gardens Housing Project (Capital)

Limited assurance rating – 13 recommendations with high and medium risk ratings, Recommendations 3 and 7(e) which were rejected by management were discussed, with the timing of the project noted as a significant rejection factor. The project commenced prior to the current PSC in place since 2020. Governance and control arrangements were in place which were consistent with the requirements at the time of establishment. Recommendation 7(e) is now accepted by Management.

The committee suggested reviewing the estimated cost from 2010 versus forecast cost to completion, although acknowledging that the business case was prepared in 2017 and needs to be updated in terms of costs and estimates.

Report no. R08/22 - Public Spending Code In-Depth Check, Dublin District Heating (Capital)

Limited assurance – 11 recommendations, with Recommendations 10 and 11 rated high. Crowe commented in relation to Recommendation 10 that a Strategic Assessment Report (SAR) as required under the PSC has been completed however not all SAR requirements were evident, further noting that the project risk register examined was not satisfactory. Crowe advised that the risk register would be improved with clearly outlined ownership, timelines and further developed mitigation actions.

Recommendation 11 – Management accepted that there is scope for improvement but highlighted, as with the earlier project, this project was well underway prior to the introduction of the current PSC.

The committee queried the estimated project cost at May 2017 and the current project cost. The capital programme for 2023 - 2025 is currently being reviewed and any revision to the project cost will be advised to the committee.

Action 3- The committee will receive an update on movement from the 2017 to current project cost.

Report no. R09/22 - Public Spending Code, In-Depth Check, Homeless Services Programme (Revenue)

The report has 8 recommendations, 3 rated high and 5 medium. Recommendation 3 which was rated high was rejected. Crowe advised that there is a specific requirement under the PSC for periodic evaluation of projects in terms of value for money, efficient use of resources etc. which hadn't been carried out.

There is also a need for objectives to be presented in the SMART format. A recommendation in relation to this was rejected by management as it was stated that the detail was already provided in the Homeless Action Plan. The committee was assured that management has reconsidered the presentation of the objectives into the SMART format as per the recommendation and now accept this recommendation. The committee asked for information on the cost of providing homeless accommodation per person per night.

Action 4 - Cost of homeless accommodation per person per night to be provided to the AC.

Report no. R10/22- Recommendation Implementation for Internal Audit Reports Quarter 2 2022 and Outstanding Legacy Items

It was noted that there has been some improvement in relation to legacy items but the number of outstanding recommendations is still unsatisfactory with some recommendations dating back to 2014. The committee noted that the Housing Department have 30 outstanding recommendations.

Action 5- Coilín O'Reilly, ACE in Housing and Community Department to be invited to the next AC meeting to report on outstanding recommendations in the Housing Department

6. A.O.B.

All requested presentations have now been given and the Chair invited suggestions from members for future presentations.

It was agreed that a presentation on District Heating would be beneficial and the Committee also expressed interest in a 'Housing First' presentation, particularly in light of recently publicised antisocial behaviour in a publicised case.

A query was raised with regard to Report R07/22- O' Devaney Gardens Housing Project, to a reference that financial information was not made available to the auditors (page 36).

Action 6- Follow up with the auditors and the Housing Department as to why financial information was not provided to the auditors during audit R07/22.

The meeting concluded at 10.35am

Head of Internal Audit met separately with the AC members directly after this meeting.

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

Action 1 - EPSO to provide an update to the committee on the outcome of the five live applications.

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

Action 3- The committee will receive an update on movement from the 2017 to current project cost.

Action 4 - Cost of homeless accommodation per person per night to be provided to the AC.

Action 5- Coilín O'Reilly, ACE in Housing and Community Department to be invited to the next AC meeting to report on the outstanding recommendations in the Housing Department.

Action 6- Follow up with the auditors and the Housing Department as to why financial information was not provided to the auditors during audit R07/22.



Chairperson

