

Dublin City Council Audit Committee

Minutes of Meeting held on 1st December 2022 at 9.00 a.m.
Richard O'Carroll Room.

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)

Via MStTeams

Councillor Naoise Ó Muirí (Cllr. NOM)
Councillor Daryl Barron (Cllr. DB)

Apologies

Councillor Nial Ring (Cllr. NR)
Prof. Diarmuid Hegarty Dublin Chamber (DH)

Officials:

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

Invited Attendees:

Dennis Keeley (DK) – Chief Fire Officer – DFB for item 3 on agenda
Una Joyce – Senior Executive Officer – DFB for item 3 on agenda
Eileen Quinlivan - Assistant Chief Executive – Corporate Services, Transformation and Human Resources. (EQ) - for item 4 on agenda
Brendan Ralph (BR) – Senior Executive Office - Corporate Services - for item 4 on agenda

1. **Minutes of Audit Committee meeting held on 15th September 2022 and update on Actions arising**
 - a. The minutes were agreed.
 - b. Update on Actions:

Appendix A: Actions agreed at Audit Committee meeting on 15th September 2022.

Action 1 - EPSO to provide an update to the committee on the outcome of the five live applications.
This information will be available for March 2023 meeting.

Action 2 – The AC to receive an update at a later date on the management of risk in DCC.
Update will be provided in 2023.

Action 3- The committee will receive an update on movement from the 2017 to current project cost re R08/22. The E&T Department circulated a report in relation to movement in Capital Costs from 2018 to Current Project Costs.

Action 4 - Cost of homeless accommodation per person per night to be provided to the AC.
The DRHE provided a report on the cost per night of the various accommodations.

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.

Coilín O'Reilly will attend the AC meeting in March 2023 to report on outstanding Housing recommendations.

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 Housing Department have confirmed that the financial information referred to i.e. supporting spreadsheets for calculations for the Cost Benefit Analysis as part of Economic Appraisal, Assessment of Options & Viability Analysis Report were not provided by the consultants who completed the report in the first instance and therefore the Housing Department were unable to make them available to the auditors.

The AC discussed the response from the department. The AC and CE have requested that:

- (a) Departments be notified that all supporting documentation, spreadsheets with calculations etc. used to develop Economic Appraisals and Cost Benefit Analyses should be retained by departments and made available for audit. This requirement includes projects where the Economic Appraisal is carried out by third parties.
- (b) The Central Procurement Unit to strengthen DCC's conditions of contracts so as to ensure that all required information is provided to DCC.

Appendix B: Actions agreed at Audit Committee meeting on 10th March, 2022

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

It has been necessary to move the Housing Rents update to the March 2023 meeting to facilitate the presentation of the Local Government Auditor's Report on the Annual Financial Statement.

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.

It has been necessary to move the Housing Rents update to the March 2023 meeting to facilitate the presentation of the Local Government Auditor's Report on the Annual Financial Statement.

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.

Included under item 5 on the agenda for 1st December Audit Committee meeting.

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

Included under item 3 on the agenda for 1st December Audit Committee meeting.

Appendix C: Actions agreed at Audit Committee meeting held on 3rd June 2021.

Action 4: PB to arrange a meeting with AC and one of the following annually – Local Government Auditor, Chief Executive, Internal Audit staff, directly after AC meetings.

Meeting with Local Government Auditor, Ita Howe, directly after Audit Committee meeting on 1st December 2022.

Action 1

PB to notify all departments that all supporting documentation, spreadsheets with calculations etc. used to develop Economic Appraisals and Cost Benefit Analyses should be obtained and retained by departments and made available for audit if required. This requirement includes projects where the Economic Appraisal is carried out by third parties.

Action 2

PB to request the Central Procurement Unit to strengthen DCC's conditions of contracts to ensure that all required information is provided to DCC.

2. Any Conflict of Interest of A.C. Members.

No conflicts of interest were declared.

3. DFB update in relation to Procurement Audit R12/21- Chief Fire Officer, Dennis Keeley and Una Joyce (SEO).

The AC noted the report outlining the improvements in procurement compliance in DFB. DK advised that DFB continue to invest in developing the competency of staff in the area of procurement. DFB confirmed that their twenty six (26) suppliers are fully compliant.

AC noted the significant progress DFB have made to date in relation to governance and control improvements.

4. Report on the Council's Policies and Procedures in relation to Protected Disclosures - Brendan Ralph and Eileen Quinlivan.

BR gave a brief overview of the Council's Policies and Procedures in relation to the Protected Disclosures Act 2014, as amended. BR highlighted the main changes to the Act which come into effect on the 1st January 2023.

The AC noted the Audit Committee Protocol requirement in Section 14 of the DCC Protected Disclosure Procedure.

BR confirmed that there were three (3) disclosures in 2017, none (0) in 2018, five (5) in 2019, four (4) in 2020 and two (2) in 2021.

5. Parking Enforcement; Status report on the implementation of recommendations from Parking Meters audit – R03/21.

PB confirmed as per update report, of the eleven (11) recommendations in total, seven (7) recommendations have been implemented, two (2) have commenced and two (2) are no longer applicable. The AC acknowledged good progress has been made.

**6. Internal Audit Report
Report No. R13/22 - Recommendation Implementation for Internal Audit Reports Quarter 3 2022 and Outstanding Legacy Items.**

PB advised as per R13/22, there were twenty-nine (29) recommendations not implemented in Q3 22. These are largely Public Spending Code recommendations that should be implemented soon. The outstanding legacy recommendations have gone from forty-seven (47) in Q2 22 down to forty (40) in Q3 22. Twenty-nine (29) of them are Housing recommendations. Coilín O'Reilly is due to attend AC meeting in March 2023 to discuss this. Housing have assigned a new Senior Executive Officer to deal with the implementation of the outstanding Housing recommendations.

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 3

PB to prepare draft report on Audit Committee's consideration of the AFS and the Report of the Local Government Auditor for the Audit Committee and arrange for the report to go before City Council meeting in January 2023.

8. Preparation of the report of the Audit Committee on its consideration and findings for the year 2022 and a review of its performance (please see attached Regs.13 & 15)

Action 4

PB to prepare draft Annual Report of the AC for the Audit Committee and arrange for the report to go to the City Council at their meeting to be held in January 2023.

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 2022. Findings will be included in the Annual Report.

9. Audit Committee Documents:

(a) Review of the Audit Committee Charter

The AC agreed to the two proposed amendments to the Charter as recommended in the report of the Head of Internal Audit. It was also agreed that the MS Teams application would be used for hybrid and remote meetings by the committee.

(b) Draft Audit Committee Work Programme 2023

The Draft Audit Committee Work Programme 2023 was agreed by the AC members.

(c) Internal Audit Unit – Draft Annual Audit Plan 2023

The Draft Annual Audit Plan was presented to the Audit Committee and approved and the Committee was very positive of continuing with the outsourcing model currently in place to maximise the number of areas reviewed each year.

Action 6

PB to submit the amended AC Charter and Audit Committee Work Programme 2023 to the City Council at their meeting to be held in January 2023.

10. Consideration of the Audited Annual Financial Statement for the year ended 31st December 2021, and the Local Government Auditor's Report on the AFS - Ita Howe LGA.

The Chairperson welcomed the Principal Local Government Auditor, Ita Howe, to the meeting and invited her to present her report, which had been circulated to all members. The presentation referenced among other items, (covered) the financial impact of Covid 19, the operation of the Small Business Assistance Scheme for Covid, the operation of the Rates waiver scheme, DCC's Financial Standing, the collection of DCC's income across Rates, Housing Rents and Housing Loans. Monies outstanding in respect of vacant site levies was discussed as was DCC's Bad Debt Provision. The management of miscellaneous debtors was considered along with the descriptions used within Oracle Fixed Assets.

The following actions were requested by the Audit Committee:

Action 7

KQ to seek an update report from Planning for the AC on the progress being made in the development contribution reconciliation process.

Action 8

KQ to provide update to the AC on the value of miscellaneous debtors, by debt and department.

All other queries raised by the Members were satisfactorily dealt with by the Principal Local Government Auditor, the Chief Executive and the Deputy Chief Executive.

11. Training/familiarisation sessions required by AC Members.

Dublin District Heating, Housing First and anti-social behaviour will be covered in 2023. If AC have any specific training requirements, they were requested to let LR or KQ know.

12. Proposed dates for meetings of the Audit Committee for 2023:

The following dates were provisionally agreed:

16th March 2023, 15th June 2023, 21st September 2023, 7th December 2023.

The meeting concluded at 10.20am

Appendix A: Actions agreed at this meeting 1st December 2022

Action 1

PB to notify all departments that all supporting documentation, spreadsheets with calculations etc. used to develop Economic Appraisals and Cost Benefit Analyses should be obtained and retained by departments and made available for audit if required. This requirement includes projects where the Economic Appraisal is carried out by third parties.

Action 2

PB to request the Central Procurement to strengthen DCC's conditions of contracts to ensure that all required information is provided to DCC.

Action 3: PB to submit AC report on the AFS and the Report of the Local Government Auditor to the City Council meeting, to be held in January 2023.

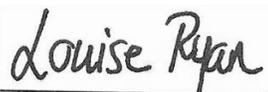
Action 4: PB will submit the Annual Report of the AC to the City Council at their meeting in early 2023.

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 2022.

Action 6: PB will submit the amended AC Charter and Audit Committee Work Programme 2023 to the City Council at their meeting in January 2023.

Action 7: KQ to seek an update report from Planning for the AC on the progress being made in the development contribution reconciliation process.

Action 8: KQ to provide update to the AC on the value of miscellaneous debtors, by debt and department.

Signed: 

Louise Ryan
Chairperson