

LOUTH COUNTY COUNCIL

Audit Committee

Minutes of the Meeting of Louth County Council Audit Committee held in Mellifont Room, County Hall, Dundalk on Friday 22nd April 2016 at 10.00 a.m.

In attendance: Dr. Philip Byrne (Chairman)
Mr. Richard Bowden
Councillor Conor Keelan
Ms. Susan Deery, Staff Officer, LCC

Also in Attendance: Ms. Bernadette Woods, Head of Finance
Ms. Pauline Poots, Director of Internal Audit, Capita
Ms. Emer O’Gorman, Director of Services

1. Minutes

The minutes of the meeting held on 7th March, 2016, were confirmed on the proposal of Councillor Conor Keelan and seconded by Mr. Richard Bowden.

2. Matter Arising from the Minutes

The Chairman, Dr. Philip Byrne requested a copy of Protected Disclosures Policy and Procedures, to be furnished to each member of the committee.

Councillor C. Keelan advised that he had previously requested a written copy of the legal opinion in relation to the issue of rent arrears and had not yet received this.

Dr. Byrne requested a copy of the Audit Committee’s annual work programme for 2015 and proposed programme for 2016.

3. Conflicts of Interest

The Chairman, Dr. Philip Byrne offered the members an opportunity to raise at this point any matters where they felt there would be a conflict of interest in regard to items listed on the agenda. There were no conflicts noted.

4. Audit Committee Charter

Ms. Bernie Woods, Director of Services outlined from the beginning that the 2015 accounts had not yet been presented to the Council, as per protocol, and therefore could not report on the AFS to the Audit Committee today, however she would present an interim report on the accounts.

- The outturn for 2015

B Woods stated she would report fully on the outturn for 2015 at the next meeting. She added the Council was on target to break even.

The bad debt provisions in accounts show an overall deficit of €2.6million, however the council have budgeted €250,000 each year to clawback this deficit.

The council are currently harmonising the rate in the euro and have a further 8 years to bring the current rate base together. Until this is achieved we cannot increase/decrease the rates base, which is a reserved function.

- Where Louth County Council is with the 2014 recommendations from the local government auditor
 - It was agreed to build the bad debt provisions back up which is ongoing
 - Unfunded debit balances: the council have started budgeting, however it will take a number of years as it is from the revenue account.
- Review the budgeted versus actual expenditure for 2016
 - Organisation is on target for expenditure and currently there are no issues.
 - Rate collection targets set for Louth, however, target not met but good progress has been made
 - B Woods working directly with the Debt Collection Group
- Details of exact reserves that are available to handle future losses and what happens if the Council hasn't sufficient reserves available to cover the deficits
 - Currently €5.5million ring fenced. We have a statutory obligation to stay in budget.
 - We are in a healthy position compared to other local authorities.
 - There is an overdraft of €5million purely to accommodate recoupment of grants etc.
 - Mr. Bowden asked about Bank Investments, where Ms. Woods stated we were AAA rated and the rate of interest would only be 0.01% and the local authority would not have the money invest long term.

The committee requested Ms. Woods to attend the next Audit Committee meeting to present the unaudited accounts, following their presentation to the full council.

- Update on the collection of fire fees
 - Joe McGuinness, Director of Services to be asked to present to the next meeting.
- Pauline Poots, Director of Internal Audit, Capita, to give an update on the proposed work programme and it's link to the risk register and materiality of audits.
 - The Chairman Dr. Byrne outlined a concern if the recommendations were being tracked. Ms. Poots advised that she has spoken to Ms. Emer O'Gorman, Director of Services and has provided a spreadsheet to management team to monitor the

implementation of recommendations. Annually Capita will do an overall follow up, which was an important assurance to the committee.

- Dr. Byrne enquired if it covered all recommendations and Ms. Poots confirmed that it was a high level review with a synopsis behind it. Ms. Poots outlined that strategies and annual plans were refreshed every year and they were mapped to the risk register.
- Dr. Byrne outlined that he received material sent on from Kerry County Council which is very detailed. This has been passed to Ms. O’Gorman and Dr. Byrne will follow up with Ms. O’Gorman with regard to its contents.

Annual Assurance Report 2015

- Areas of high priorities and significant issues were outlined to the group. Ms. Poots added that for the period ended 31st December 2015 Louth County Council were granted a “Limited” level of assurance in relation to the effective and efficient achievement of their objectives. Mr. Bowden sought clarification on how this assurance was compared to other organisations? Ms. Poots stated that the instances of high priorities were quite high, however, praised Management Team for their dedication to the implementation of this document and added it was very beneficial that the council asked for this audit to be carried out.
- With regard to Corporate Governance it was agreed that Dr. Byrne would meet with Ms. Poots, Ms. Emer O’Gorman and Ms. Joan Martin. Ms. Poots added that it may be beneficial for the Chair of the Audit Committee to meet with her prior to the next meeting.
- Emer O’Gorman, Director of Services to give a presentation on risk management.
 - Ms. O’Gorman gave a presentation on Risk Management to the group.
 - Dr Byrne voiced a concern about the Corporate Risk Register where Ms. O’Gorman stated the council is seeking a review on the process alongside Irish Public Bodies and she will present the findings to the group when finalised.

5. 2016 Proposed Annual Work Plan

Dr. Byrne stated that the group had not yet received a copy of the Audit Committee’s annual work programme for 2015. He requested this report again and agreed to include this on the agenda for the next meeting as the members would have to formally adopt same.

6. Any Other Business

Agreed the following items for the next agenda:

Presentation of unaudited AFS by Ms. Bernie Woods, Head of Finance

Protected Disclosures Policy & Procedures (document to be forwarded to the committee)

Presentation by Ms. Pauline Poots, Capita, on updates on 2016 Annual Audit Plan

Update on the collection of Fire Fees (Mr. Joe McGuinness, Director of Services)

7. Date of Next Meeting

It was agreed that the next meeting of the committee would be 10.00 am on Friday 1st July 2016.

Training Workshop on Services, to be delivered by the Chairman, Dr. Philip Byrne, agreed for Friday 1st July commencing at 10.00 am.

That concluded the business of the meeting.

Confirmed at Meeting held on : _____

Chairman: _____

Meetings Administrator _____