

LOUTH COUNTY COUNCIL

Audit Committee

Minutes of the meeting of Louth County Council Audit Committee held in Setanta Room, County Hall, Dundalk on Monday 2nd March, 2015 at 2.15pm

In Attendance: Dr. Philip Byrne (Chairman)
Mr. Billy Doyle
Mr. Richard Bowden
Councillor Kevin Callan
Councillor Conor Keelan
Ms. Joan Martin, Chief Executive
Ms. Bernie Woods, Head of Finance
Mr. Paddy Donnelly, Secretary to the Audit Committee

Apologies: none

Guests: Ms. Pauline Poots, Capita

The Chairman, Dr. Philip Byrne, welcomed the members to the meeting.

1. Minutes

The minutes of the meeting held on Monday 26th January 2015 were confirmed on the proposal of Mr. Richard Bowden and seconded by Cllr. Kevin Callan. There were no matters arising.

2. Conflicts of Interest

The Chairman raised the matter of conflicts of interest and there were none to record at this time.

3. Internal Audit Programme

The Chairman welcomed Ms. Pauline Poots of Capita to the meeting. The Meetings Administrator outlined that Capita are the new company who have been awarded the contract for the internal audit for Louth County Council for the next three years.

Ms. Poots introduced herself to the committee advising that she was the Head of Internal Audit with Capita, and outlined her background and the experience she had in the internal audit area, together with details of the Capita Company. She outlined to the members that she will act as Head of Audit for Louth County Council under this current contract. The purpose of her visit

today was to present to the Audit Committee the Internal Audit Work Programme that had been drafted and presented to the Chief Executive and the Management Team, and was now with the Audit Committee for any amendments they may wish to advise. In preparing the Audit Plan, Ms. Poots advised that she had received information in relation to the Management Teams perspective in regard to the Audits, together with the Risk Register and previous Internal Audit Reports that had been carried out.

There was a lengthy discussion in regard to the formulation of the Audit Plan and the reasons why some items were included and some were not. Ms. Poots outlined to the members that there were 50 audit days provided for in the programme, and that she had a proposal as to how these would be disseminated across the various risk categories in order to maximise the effect of the internal audits.

The members suggested a number of small changes to the programme and Ms. Poots agreed to make the changes and resubmit the Audit Programme with a view to commencing the audits as soon as possible. The Chairman thanked Ms. Poots on behalf of the committee and looked forward to meeting her and her team at future meetings over the coming years.

4. Budget and Financial Provisions

The Chief Executive and Head of Finance joined the meeting. The Chairman thanked them for giving their time and apologised in the delay in being available to them due to the length of discussion in relation to Internal Audit.

There was a lengthy and extensive discussion in regard to the budget where all members had an opportunity to seek clarification from the Chief Executive and the Head of Finance. The Chief Executive confirmed that the budget had been approved in November 2014, and there was now a new procedure in relation to budget preparation and that this process would begin again shortly, initially dealing with the Property Tax. The Chief Executive confirmed that the Roads Grants had been reduced by €500,000, which did and would impact severely on our Road Works Programme. The slowdown in development over the last number of years has reduced the inflow of Development Contributions. Land Loans that had matured after seven years are now a major and significant hit on the council, with Drogheda loans alone accounting for interest in the amount of €2 million per annum. The Chief Executive confirmed that a new house building programme on our own lands would help alleviate this.

In regard to queries in relation to provisions for bad debts, the Head of Finance and Chief Executive outlined measures that had been taken in relation to this and the restructuring of Bad Debt Collection Teams, together with claw back on non payment of rates, we also have now commenced a 50% only reduction for vacant buildings and this was being provided for in the budget. In relation to Property Tax, the Chief Executive confirmed that members had agreed a 1.5% reduction in 2014, and any greater reduction would have certainly caused major difficulties for the Council to operate and

provide a value for money service. The Chief Executive in response to the Chairman advised that the Local Government Grant is now at €8.4 million, which is much reduced.

The Head of Finance confirmed to the members that there is a provision for a €5 million overdraft as agreed by Council, but to date due to prudent management of cash flow the Council have not had to activate this overdraft, and will continue to operate without activating it for as long as possible. The Chairman commended the Head of Finance for her work in this area and said it was great news to hear that the overdraft facility had not been used.

In relation to debt collection it was confirmed that Commercial Rates were the main issue, Rents were reasonably OK and had started to level out, and the mortgage shortcoming is very small in the county. The provision to exempt Irish Water from rates will result in a reduction somewhere in the region of €500,000 which of course is disappointing but outside the control of Council.

The Chairman thanked the Chief Executive and the Head of Finance for their detailed and open responses to the questions, and he looked forward to having them return at a future meeting.

5. Risk Register

Due to the late hour, the Chairman proposed that the Risk Register would be listed for a future meeting and this was agreed by all.

6. Any Other Business

That a copy of the Budget document be circulated to all members of the committee and that the item of Whistle Blowing Policy be considered at a future meeting.

There being no other business the meeting concluded.

Confirmed at Meeting held on: _____

Chairman: _____

Meetings Administrator _____