

LOUTH COUNTY COUNCIL

Audit Committee:

Minutes of the Meeting of Louth County Council Audit Committee held in the Setanta Room, County Hall, Dundalk on Thursday, 24th February, 2022, at 9 a.m.

Present: Mr. Richard Bowden
Mr. Billy Doyle
Cllr. Paula Butterly

In attendance: Mr. Joe McGuinness, Director of Services
Ms. Gráinne Tuomey, Meetings Administrator

Apologies: Ms. Irene McCausland
Cllr. Conor Keelan

1. Minutes

Adoption of the minutes of the meeting of 30th September 2021.

The minutes of the above meeting were proposed by Billy Doyle and seconded by Richard Bowden and approved by the committee.

Adoption of the minutes of the meeting of 11th November 2021.

Subject to the following amendment, " 4,000 **houses** on HAP' to '4,000 **households** on HAP" the minutes of the above meeting were proposed by Councillor Paula Butterly and seconded by Richard Bowden and approved by the committee.

Adoption of the minutes of the meeting of 27th January 2022.

Subject to the following amendment, " Billy Doyle remarked that the building area rate of inflation has gone through roof and **questioned** the status of discussions on recoverability of overspend.' To 'Billy Doyle remarked that the building area rate of inflation has gone through roof and **queried** the status of discussions on recoverability of overspend" the minutes of the above meeting were proposed by Billy Doyle and seconded by Richard Bowden and approved by the committee.

2. Matters arising

Referring to the items raised under Matters Arising in the January Meeting the following updates were provided by the Chairperson.

- 1 Training opportunity – Joe McGuinness, Director of Services had provided a document with relevant IPA training courses and had forwarded it to committee members. Richard Bowden referring to the document encouraged committee members to attend at least one training course this year. Committee Members, having noted that the dates had passed on some courses wondered if IPA would rerun the courses or failing that if slides were available for those courses. Richard Bowden said he would enquire.
- 2 Budgetary information – Richard Bowden confirmed he had requested a revised budget synopsis from Bernie Woods for inclusion in the members induction pack.

3. Internal Audit Progress Report

There are 2 statutory annual audits, one on compliance with the Public Spending Code and one on the Social Inclusion and Community Activation Programme (SICAP). The Audit Committee has no function with regards to the SICAP Audit. This responsibility falls to the Local Community Development Committee (LCDC) which is independent of the Council.

Referring to the minutes of the September meeting regarding the Internal Audit Review on the Public Spending Code, Joe McGuinness advised the Committee that the 8 recommendations have since been accepted without change by the Management Team. Any response by the management team is always an agreed response but implementation may not be provable until the next audit.

The dearth of internal audit reports issuing to the Committee was discussed. The Committee noted that only 2 completed audit reports had been received in 2021 with a further 1 completed in October 2021 presented in January 2022.

While it was recognized that significant improvement had been made by the Director in reporting and tracking of Internal Audit recommendation, the overall efficacy of the internal audit process was questioned by the committee. The Audit Committee noted weaknesses in:-

- Production of internal audit reports
- Timeliness of management responses to auditors
- Perceived lack of impetus/urgency in implementing recommendations that have been agreed.

The Chair requested that in future, only completed reports be presented to the Committee.

The outstanding audit on Vacant Dwellings by the Internal Auditors was noted and Management was asked to inform the committee on the progress of this matter.

4. Internal Audit Plan

There were errors and items duplicated in the Internal Audit Plan for 2022 as presented and the Audit Committee requested that management review and correct the plan.

The committee noted that the Internal Audit plan was comprehensive but queried whether the plan was over ambitious given the existing back log of internal audit reports.

The Audit Committee requested that Joe McGuinness might convey the conclusions of the Committee on the Internal Audit Plan for 2022 back to Management Team.

Joe McGuinness said he would bring the comments made back to the Management Team with a view to making appropriate amendments to the Audit Plan.

5. Reports to Council from Audit Committee

The Committee considered the reports as presented by the Chair. It was agreed to remove item 11 in the Work Programme referring to review of 'Review of any governance issues within the ambit of our role...' as this might be open to abuse.

Joe McGuinness was requested to provide a copy of a report on Risk Policies and Procedures. Some Wording changes were agreed in the draft annual report with abbreviations requested to be removed. All four reports were agreed and approved to go to council subject to the amendments made.

The Chair stated that while it was usual for our committee to issue all 4 reports at the one time, he thought it would be preferable if the Audit Committee's Annual Work Programme for a given year be issued prior to the commencement of the year or by latest in January of the year. The Section 60 report was released after the Audit Committee had reviewed the external auditors reports and again it would be preferable to have this report drafted and released some months earlier. The Chair stated he would allow these observations inform the timing of work undertaken by the committee.

6. Formulating Standing orders, Review of Draft

It was noted that whilst there was no specific legal requirement to adopt standing orders, it was considered best practice as it set a framework for execution of duties.

The following amendments were made to the draft standing orders presented:

- The quorum of three is required to state, comprising at least "one elected and one non-elected member"
- Specify NOAC and VFM in SO14(vi)

A request for the Director to check the personal liability indemnity of Committee Members was made.

7. Audit Tracker Review

A request that a hard copy of the register in colour be issued to the members. It was queried whether all audits carried out since 2015 were included on the tracker. The provision of a hierarchy of Internal Audit risk recommendations was suggested, as was a cover page categorizing the number and level of risk by Directorate.

In future internal audit reports should clearly indicate which directorate the report came within.

Directors of Service are to be requested to attend future meetings and report individually on previously identified red risk items, actions to resolve, and any new red areas identified since the last presentation. Prioritisation of hierarchy of risk within their areas is to be requested.

The expected Internal Audit report was noted as of possible assistance in reviewing the tracker.

9. NOAC KPI Reports and NOAC Review of Corporate Plans

There is so much information contained in NOAC reports that an aide memoir or summary report as applies to Louth County Council would be invaluable to the Audit Committee. The lack of CE response to the NOAC report was noted and queried as the matter of a review of the CE response is referred to in SI 244, Regulation 9(f). In order to carry out a proper review of NOAC reports it was suggested that the Committee be furnished with:-

- A Summary Document
- The CE / Directors response or observations as they pertain to LCC/relevant Directorate

The Audit Committee's requirement to "assess and promote efficiency and value for money" was commented as a high bar, and the Committee agreed that they would like executive observations of NOAC findings with each Director to review and comment on findings relating to their area.

A request for all NOAC reports was made, along with a link to the Corporate Plan.

AOB

Concern was again expressed at attendance at meetings. It was noted with disappointment that attendance has fallen off.

The next meeting was proposed for 28th April 2022 with further meetings in June, September and December.

It was agreed that if the executive could improve the Internal Audit process this would make the job of the committee more effective.

A definite date for completion of the internal audit review report was requested with mid March being the latest date acceptable.

Confirmed at Meeting held on: 28-4-2022

Chairman: Ronald Borden

Meetings Administrator: Claire Jones