

DÚN LAOGHAIRE-RATHDOWN COUNTY COUNCIL

Minutes of the hybrid meeting of the Audit Committee held in the Council Chamber, on Thursday, 20th April 2023 at 2.30pm

PRESENT: Noreen Fahy, Penelope Kenny, Councillor Ann Colgan, Councillor Jim O'Leary, Councillor Tom Kivlehan, Conor O'Brien, Justin McCarthy

OFFICIALS: Stephen Brady (Acting Director of Services, Corporate Affairs), Elizabeth Clarke (Senior Executive Officer, Corporate Affairs), Mary Murtagh (Administrative Officer, Internal Audit), Anne Devine (Director of Services, Forward Planning Infrastructure), Mary Kennefick, (Administrative Officer, Forward Planning Infrastructure), Vivienne Byrne (Senior Planner, Forward Planning Infrastructure), Kieran McGlynn (Senior Engineer, Forward Planning Infrastructure), Fearghal Rooney (Senior Quantity Surveyor, Forward Planning Infrastructure), Eileen Fox, (Administrative Officer, Finance), Teresa Mulvaney (Senior Staff Officer, Finance), Catherine Keenan (Director of Services, Housing), James Ryan, (Senior Executive Officer, Housing), Clara Mulcahy (Senior Staff Officer, Internal Audit), Stuart Hughes (Staff Officer, Internal Audit)

1. Minutes of Meetings held on Thursday 8th December 2022 and Thursday 2nd March 2023

The adoption of the Minutes of Thursday 8th December 2022 was proposed by Penelope Kenny and seconded by Cllr Tom Kivlehan.

The adoption of the Minutes of Thursday 2nd March 2023 was proposed by Justin McCarthy and seconded by Conor O'Brien.

2. Matters arising from Minutes of meeting held on Thursday 8th December 2022

Action Items 1, 3 and 7 are on the agenda for the April meeting.

Action Items 4,5, 8 and 9 were completed. Regarding Action 5, Stephen Brady confirmed the Fraud Prevention and Reporting Policy was approved by Management Team and circulated to all staff.

Noreen Fahy requested that Action Item 2 be removed.

Regarding Action Item 6, Noreen Fahy updated Members about the briefing session with Mary Pyne regarding training for the Audit Committee. The training will be in two parts, firstly with the Chairperson and Secretary and secondly with the Committee and it is proposed to hold in person training in Dún Laoghaire. Noreen anticipates the training will be beneficial for Members. Once the context and content of training has been agreed, Noreen Fahy will update the Committee and agree dates for training.(Action No. 1).

Matters arising from Minutes of meeting held on Thursday 2nd March 2023

Action Item 1 is on the agenda for the April meeting.

Action Items 2 and 3 are completed. The reports were included on the agenda for the April County Council meeting, attended by Noreen Fahy.

Regarding Action Items 4 and 5, it was noted that Mary Murtagh will provide updates at today's meeting.

3. Conflict of Interest Procedure

No items were raised under this heading.

4. Forward Planning Infrastructure (FPI) Risk Register Presentation by Vivienne Byrne, Kieran McGlynn and Fearghal Rooney

Anne Devine, Director of Services introduced the FPI risk register and outlined the role of the section's Development Agency Project Team in the implementation of the Cherrywood Planning Scheme and their remit in progressing significant projects in Cherrywood. She gave a brief update on the status of the planning scheme. She referred to the 18 high risks and 21 medium risks on the register which are spread across 8 risk categories, the mitigations and controls to deal with high risk areas and the opportunities identified.

Vivienne Byrne, Kieran McGlynn and Fearghal Rooney presented on the risks for planning and policy, physical and green infrastructure, costs and project management.

A discussion took place during which Anne Devine and her team responded to Members queries:

- Adequacy of LIHAF and URDF. **Response:** Government is committed to funding the scheme. There are challenges due to inflation and rising costs but mitigations are in place. The funding Department advised the Form of Agreement with landowners must be updated to allow funding to issue. Meeting is scheduled with landowners to discuss signing the new form. There is a risk some may not sign.
- Strategies in place to deal with risks related to landowners. **Response:** Preparation and communication have been key strategies in dealing with landowners.
- Impact on the scheme due to the lack of staff resources in the Council's Legal Services. **Response:** FPI meet regularly with the dlr Legal Services and also outsource legal work. They would welcome more in-house legal assistance due to the sensitive nature of aspects of the scheme and time taken to deal with external legal companies.
- Adequacy of mitigations to reduce the number of red risks on the register. Assessment of the mitigations. **Response:** the scheme is still exposed to the risks related to the funding gap and legal challenges. There is a quarterly meeting to review risks. The number of red high risks have been decreasing due to the mitigations. The team will assess the mitigations and their impact on reducing the red risks on the risk register. Noreen Fahy will ask for an update at the June Audit Committee meeting (Action No. 2).

Noreen Fahy advised she will prepare a brief for discussion with staff from Risk Management at the June Audit Committee meeting about assessment of risks/heat map reporting (Action No. 3). Eileen Fox confirmed staff from Risk Management will attend for discussion (Action No. 4). Noreen Fahy thanked everyone for their presentations.

5. Presentation on Housing Transformation Programme by Jim Ryan

Jim Ryan, Senior Executive Officer gave a presentation on the Housing Transformation Programme. He outlined how the department are changing with the move to a new housing system (NEC) and implementation of dlrDOCS. Choice based letting (CBL) is now done electronically. Housing webpages were restructured to focus on the person accessing the website. The housing 'Plain English' project resulted in amendments to forms, letters, webpages. The Equality Action Plan was broadened to ensure people have easy access to housing services. A new, fairer Housing Allocation Scheme was adopted in April 2021. Going forward the focus will be on online rent statements, maintenance requests, application forms and integration of systems.

A discussion took place during which Jim Ryan and Catherine Keenan, Director of Services responded to members queries:

- Has the transformation programme a finite stop. **Response:** There will be an end to the I.T element. Changes in communication with the public and change of culture in the department will be ongoing.
- Is there a built-in impact assessment. **Response:** It is difficult to measure all the impacts. Improved responses to the use of plain English correspondence were noted.
- What is the purpose of the programme – is it better for users or Housing. **Response:** There are benefits for both. Under CBL, housing is now offered to people who express an interest in a property that may not be of interest to people higher on the housing list. The new electronic system for CBL gives more autonomy to applicants with access to their live position on the housing list which has reduced Housing staff workload.
- DLR has the 3rd lowest collection rate of rents as noted in 2021 NOAC Performance Indicator results. Is improvement in collection an output of the changes. **Response:** A Rents Audit which is commencing will examine potential areas for improvement. The use of plain English in correspondence has given tenants options to discuss difficulties they may experience and resulted in increased rent collections.
- Can the presentation be made to the Housing SPC. **Response:** The presentation will be brought to a future SPC meeting. (Action No. 5).
- What percentage of the housing list interact with the new CBL system and are there ways to assist older citizens who are not computer literate. **Response:** There is currently no indication of what percentage interact with CBL. Accommodation for older citizens and those with disabilities are not advertised on the system. They are contacted in the traditional way.
- Is an increased budget required for Housing Maintenance? **Response:** The allocation of budgets is a reserved function. Additional funding is welcome. The volume of annual maintenance requests is approximately 6,000, which maximises staff resources.

Noreen thanked Jim Ryan for his presentation.

6. Report on dlr performance in the 2021 NOAC Performance Indicator's Report

Noreen Fahy noted her satisfaction with the content and layout of the report.

A discussion took place during which Stephen Brady responded to Members queries:

- What happens with NOAC Performance Indicator reports when received by management. **Response:** Management Team take the report seriously and review the results. The Comparison Report will be reviewed at their next meeting and relevant actions will be taken.

- Request to provide Members with minutes of the Management Team meeting relating to the review of the Comparison Report. **Response:** The minutes will be circulated and Members informed about agreed actions in relation to the report. (Action No. 6).
- Based on feedback given at the NOAC event for Chairs of Audit Committees last year, can the Comparison Report be shared with NOAC for their review, highlighting indicators not considered beneficial to report on. **Response:** The report can be shared with NOAC.
- Does the NOAC Performance Indicator report go to Council. **Response:** The report is not presented to the monthly Council meeting. It will be considered if appropriate to include in the Quarterly Management reports (Action No. 7).
- Noted performance on Rents, Housing Loans, Rates are low and can this be reviewed by Management Team. **Response:** This will be discussed by Management Team during review of the Comparison Report. Finance and Housing are working with IT Section on an online payment system which may improve repayments.
- Why is it taking six months to re-let local authority housing. **Response:** A complete refit of a Council property is often required after a long-term tenancy.

7. Report of Internal Audit for year end 2022

Noreen Fahy expressed her concerns about the capacity of the Internal Audit Unit to the size of the Council. She referred to the importance of having a strong risk-based programme of audits in the Internal Audit Plan. She advised Internal Audit should have the independent authority to do this and the support from management with regard to its audit work.

Noreen advised she would like the year-end annual report to include a section on the authority of the unit and its reporting lines and to separate the table with the audits under 'Status of 2022 Internal Audit Plan' and 'Summary of Audit Assurance' into two. The first table to include audit reports presented to the Audit Committee and the second to include the statutory reviews and the PSC in-depth checks (Action No. 8).

8. Schedule of Audits

A discussion took place regarding the status of audit reports on the Internal Audit Plan. The Committee anticipated that with a reduced number of audits on the plan, this would prevent audits being carried forward and noted concerns there are overdue audits and potential for further delays.

Mary Murtagh updated Members on the Capital Projects and Planning Compliance audits which are both overdue. The delay on the Planning Compliance audit in 2023 is due to the limited staff resources in the section. The management comments for the Capital Projects audit are being prepared. Additional time was requested by Members of the Project Governance Board sub group to prepare management comments, moving the presentation to June from April.

Stephen Brady assured the Committee that management is respectful of the Internal Audit Plan and that the delays in some departments in meeting deadlines is due to staff resources, which is an issue across the organisation.

Stephen agreed to provide feedback to Helena Cunningham, Director of Finance & Water Services about Audit Committee concerns regarding delay in presenting the

Capital Projects audit and to bring concerns to the Management Team about the delays which have occurred in presenting audits to the Audit Committee and the importance of management engaging with audits to meet agreed presentation dates (Action No. 9).

Mary Murtagh agreed to update the Schedule of Audits by separating the SICAP audit and Public Spending Code in-depth from the other audits (Action No. 10).

9. Report on High-Level Overdue Audit Recommendations

Elizabeth Clarke, Senior Executive Officer updated the Committee on the GDPR and Procurement audit recommendations and gave an overview of the new Governance Section within Corporate Affairs.

She advised a new Procurement Officer is following up on the recommendations in the Procurement audit report.

Noreen noted the Committee’s satisfaction with the progress on the audit recommendations and thanked Elizabeth for her presentation.

10. Progress Update - Title Deeds Audit Recommendations

Mary Murtagh advised the Committee that interviews are expected to take place next week with four candidates for the post of Executive Solicitor to assist both Legal Services and Property Management with options outlined in the title deeds audit report.

11. Progress Report on Audit Recommendations

Noreen Fahy noted the Committee's satisfaction with the progress of the audit recommendations.

12. AOB

Mary Murtagh updated the Committee on her discussions with the OGP about tendering for auditing services. She advised the framework that covers audit services will not be available during May due to changes being made to it by the OGP. The OGP recommended to complete the tender documentation and start the tendering process in June. They confirmed if a new company are awarded the contract, they cannot commence audit work until the current contract expires on 30/09/2023.

13. Actions of Meeting of Audit Committee – 20th April 2023

ACTION NO.	PERSON RESPONSIBLE	BRIEF DESCRIPTION	PROGRESS OF ACTION
1	Noreen Fahy	Update Members when the context, content, dates of (i) training for the Chair and Secretary to Audit Committee and (ii) training for Members is agreed with M. Pyne	N. Fahy will update Members when there is further progress to report

2	Anne Devine	Give update at the June Audit Committee meeting about the assessment carried out on the mitigations in the FPI risk register and their impact on reducing the red risks on the risk register	The update will be given at the October 19 th meeting. M. Murtagh will update Members about reason for change of date
3	Noreen Fahy	Prepare a brief for discussion with Finance at the June Audit Committee meeting about assessment of risks/heat map reporting	There will be a discussion at the June meeting, if brief is completed
4	Eileen Fox	Finance (Risk Management) to attend June Audit Committee meeting to discuss brief on assessment of risks/heat map reporting	Staff from Risk Management have been issued invites to the meeting
5	Jim Ryan	Presentation on Housing Transformation Programme be given to the Housing SPC	J. Ryan will give the presentation at an SPC meeting in 2023
6	Stephen Brady	Include the 'Comparison Report with 2021 NOAC Performance Indicators' on the agenda of the next Management Team meeting and circulate to the Audit Committee the minutes of that meeting related to the report and inform Members about agreed actions	S. Brady will update Members at the June meeting about this action
7	Stephen Brady	Consider including results from the 'Comparison Report with 2021 NOAC Performance Indicators' in the Quarterly Management reports	S. Brady will update Members at the June meeting about this action
8	Mary Murtagh	Separate out audits from the Statutory Reviews/PSC checks in the Internal Audit Annual Report and include a section on the authority of the unit and its reporting lines	Report has been updated in accordance with the agreed action
9	Stephen Brady	(i) Inform Helena Cunningham about Audit Committee concerns regarding delay in presenting the Capital Projects audit and (ii) inform Management Team about concerns with delays in presenting audits to the Audit Committee and the importance of management engaging with audits	S. Brady will update Members at the June meeting about this action

10	Mary Murtagh	In the 'Schedule of Audits' report separate the SICAP audit and PSC in-depth checks from the other audits	Report has been updated in accordance with the agreed action
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Signed: Don Fahy

Date: 19/10/23