

## DÚN LAOGHAIRE-RATHDOWN COUNTY COUNCIL

### Minutes of the hybrid meeting of the Audit Committee held in the Annex, on Thursday 7th December 2023 at 2.30pm

**PRESENT:** Noreen Fahy, Councillor Jim O'Leary, Councillor Anne Colgan, 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), Ciara Mulcahy (Senior Staff Officer, Internal Audit), Stuart Hughes (Staff Officer, Internal Audit), Catherine Keenan (Director of Services, Housing), James Ryan (Senior Executive Officer, Housing), Therese Langan (Director of Services, Community, Cultural Services and Parks), Paul Kennedy (Director of Services, Infrastructure and Climate Change including Road Maintenance and Traffic), Aidan Blighe (Director of Services, Planning and Economic Development including Dún Laoghaire Harbour), Eamonn Magee (Financial Management Accountant, Finance and Water Services), (Liam O'Dwyer (Senior Executive Officer, Finance and Water Services), Tim Ryan (Harbour Operations Manager, Planning and Economic Development including Dún Laoghaire Harbour).

**APOLOGIES:** Penelope Kenny

#### **1. Minutes of Meeting held on Thursday 19<sup>th</sup> October 2023**

The adoption of the minutes of Thursday 19th October 2023 was proposed by Cllr Jim O'Leary and seconded by Cllr Anne Colgan.

#### **2. Matters arising from Minutes of meeting held on Thursday 19<sup>th</sup> October 2023**

It was noted that Action Item 1 has been completed. Action Item 2 is on the agenda for today's meeting. Regarding Action Item 3, the Chairperson will work on the Section 60 report prior to Christmas and email to members for comment (Action No. 1).

The Chairperson will finalise the Activity Report of the Audit Committee for 2023 in Q1 2024 (Action No. 2).

#### **3. Conflict of Interest Procedure**

No items were raised under this heading.

#### **4. Report on High-Level Overdue Audit Recommendations**

M. Murtagh updated the members about the two recommendations from the Title Deeds and Procurement audit reports. Following discussion, M. Murtagh agreed to include the text of the Title Deeds audit report recommendation and management comment in the next report (Action No. 3).

Concerns were raised by members about the Law Agent's decision not to digitise the Title Deeds. They requested the Law Agent be invited to the next Audit Committee meeting to give a progress update about completion of the Title Deeds audit recommendations (Action No. 4).

## **5. Progress Report on Audit Recommendations**

M. Murtagh noted positive progress with audit recommendations. Since the October meeting 30 recommendations were completed from the Planning Compliances, Procurement, GDPR, Housing Rents and Capital Projects audits and the Housing Rents and Capital Projects Audit recommendations were fully completed.

The Chairperson noted her satisfaction with the consistent progress made on the audit recommendations.

## **6. Progress Update - Title Deeds Audit Recommendations**

The report was discussed under Item 4.

## **7. Audit Committee Charter and Annual Work Programme**

Following discussion, the Audit Committee Charter was adopted.

A discussion took place regarding the Annual Work Programme. Discussion points included if the programme should cover the period to the local elections or the full year; handover to the new Audit Committee.

It was agreed to have an Annual Work Programme in place for the full year and to include training in Q4 of the programme (Action No. 5). S. Brady advised induction materials for the new Audit Committee will be reviewed (Action No. 6). The Chairperson requested an action be included on the minutes actions tracker about handover to the next Audit Committee (Action No. 7).

The Annual Work Programme was adopted by members.

## **8. Internal Audit Charter**

M. Murtagh advised members that the only change to the charter was about the tendering process for external auditing services which was awarded to Mazars in Q3 2023. The Chairperson requested this be amended to advise that the Council operates a hybrid model and the current contract is with Mazars (Action No. 8).

Subject to the above change, the Internal Audit Charter was adopted by members.

## **9. Review of Overtime Processes by Internal Audit**

M. Murtagh advised that the report identified 7 medium and 3 low priority findings which resulted in a 'Limited Assurance' rating due to the similar nature of findings in previous audit reports. Mary gave an overview of the recommendations in the report.

The Chairperson expressed the committee's dissatisfaction with the audit findings which do not support good governance.

A discussion took place during which Stephen Brady, Paul Kennedy, Therese Langan, Catherine Keenan, Aidan Blighe, Eamonn Magee and James Ryan responded to members' queries.

Discussion points included the longevity of the overtime findings which may give rise to suspicion; the new Overtime Policy to be drafted will make it a disciplinary issue to sign off on non-compliant overtime claims; Payroll Section is the last control stage in the wages process; Director of Services determination to resolve overtime related issues and holding meetings to review/check the wages/overtime payments process; spot checks on overtime payments; training for staff who approve and sign off on wages.

M. Murtagh advised that the first of the Internal Audit spot checks on overtime will be completed by the end of Q1 2024. Non-compliant findings will be communicated to Directors of Services with a response required.

S. Brady advised compulsory training for wages approvers and sign off staff will commence in Spring 2024. The training will cover disciplinary matters in the new overtime policy.

### **10. Review of Audits for the 2024 Internal Audit Plan**

M. Murtagh gave an overview of the 11 audits on the 2024 Internal Audit Plan.

Members noted satisfaction with the inclusion of the DLR Harbour Leases on the plan, as requested by the Local Government Auditor, given the harbour is one of the Council's largest assets.

Members agreed to the removal the overtime audit from the Plan as Internal Audit will be carrying out quarterly checks on overtime payments. It was agreed to include a cyber security audit on the plan taking into account the area was last audited in 2017 and it is rated high risk (Action No. 9).

M. Murtagh advised members about feedback from the Internal Audit network about companies engaged by local authorities to carry out Health and Safety audits. It was agreed the Health and Safety audit remains on the Internal Audit Plan and that Internal Audit can liaise with the external auditor appointed.

Subject to the above change to the audits on the Internal Audit Plan 2024, the plan was adopted by members.

### **11. Schedule of Audits 2023**

M. Murtagh gave an overview of the remaining audits on the 2023 Internal Audit Plan, noting all exceeded their original presentation dates.

Housing management are preparing the management comments for the Housing Rents audit report. The report will be presented to the first Audit Committee meeting in 2024. The Revenue Grants Audit has minor queries outstanding. The close out meeting will take place when queries are resolved. The report will be presented to the Audit Committee in Q1 2024. The Credit Cards audit report is being finalised by Internal Audit staff. The report will be presented to the Audit Committee in Q1 2024. The Capital Projects Audit which was due to commence in 2023 was carried forward and rescheduled to commence in Q4 2024.

**12. AOB**

M. Murtagh outlined key points in the 2023 survey by NOAC of Internal Audit Units. During discussions, the merits of inviting NOAC to meet with the Audit Committee was considered. The Chairperson will consider this further in the new year.

S. Brady informed the Audit Committee that a protected disclosure was received from a former staff member in relation to a health and safety issue. The matter is being addressed and the protected disclosure process is being followed.

ACTION NO.	PERSON RESPONSIBLE	BRIEF DESCRIPTION	PROGRESS OF ACTION
1	Chairperson	Work on the Section 60 report prior to Christmas and email to members for comment	
2	Chairperson	Finalise the Activity Report of the Audit Committee for 2023 in Q1 2024	
3	M. Murtagh	Include the text of the Title Deeds audit report recommendation and management comment in the next High Level Overdue Recommendations Report	The report for the February 2024 meeting will be updated as requested
4	M. Murtagh	Request the Law Agent to attend the next Audit Committee meeting to give a progress update about completion of the Title Deeds audit recommendations	M. Murtagh emailed Law Agent in December 2023 about the request. To be discussed with Law Agent at meeting on 29/1/24
5	M. Murtagh	Amend the Annual Work Programme to include training in Q4 2024	The Annual Work Programme has been updated
6	S. Brady	Review induction materials for the new Audit Committee members	The review will commence from June 2024
7	M. Murtagh	Handover to the next Audit Committee (action requested by the Chairperson)	To be discussed at February and April meetings
8	M. Murtagh	Amend the Internal Audit Charter to advise that the Council operates a hybrid model and the current contract is with Mazars	The Charter has been updated and is ready for signing by the Chairperson
9	M. Murtagh	Amend the Internal Audit Plan 2024 to remove the overtime audit and include an audit on cyber security	This has been updated on the Internal Audit Plan for 2024

Signed: Don Foley

Date: 29/2/24