

## DÚN LAOGHAIRE-RATHDOWN COUNTY COUNCIL

### Minutes of the hybrid meeting of the Audit Committee held in the Council Chamber, on Thursday 8<sup>th</sup> December, 2022 at 2.30pm

**PRESENT:** Noreen Fahy, Penelope Kenny, 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), Emer Sheridan (Administrative Officer, Procurement), Joe McCarthy (Senior Staff Officer, Procurement), Ciara Mulcahy (Senior Staff Officer, Internal Audit), Stuart Hughes (Staff Officer, Internal Audit), Eoghan Carrigg (Staff Officer, Communications)

**APOLOGIES:** Councillor Jim O'Leary

**OTHERS IN ATTENDANCE:** [REDACTED] and [REDACTED] from Mazars (Item No. 4)

#### **1. Minutes of Meeting held on Thursday 10th November 2022**

The adoption of the minutes of Thursday 10<sup>th</sup> November 2022 was proposed by Penelope Kenny and seconded by Conor O'Brien.

#### **2. Matters arising from Minutes of meeting held on 10th November 2022**

It was noted that Action Items 1, 5, 7 and 8 were completed from the November meeting.

Regarding Action Item 2, a summary report on dlr performance in the NOAC Performance Indicator Report for 2021 will be brought to the next Audit Committee meeting (**Action No. 1**).

It was noted that Action Item 3 is still ongoing, and that Noreen Fahy will continue to work on sourcing a suitable template for scoring risks (**Action No. 2**).

It was noted that discussions took place with Housing and a presentation will be given to the second audit committee meeting in 2023 about the transformation programme in Housing (**Action No. 3**).

Regarding Action Item 6, Noreen Fahy advised she will email the Report of the Audit Committee on the 2021 Annual Financial Statement and Statutory Audit Report to members for their comment (**Action No. 4**).

It was noted that an update in respect of Action Item 9 about planning for staff continuity in Legal Services will be given at today's meeting.

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

No items were raised under this heading.

#### **4. Review of Procurement Processes Audit Report by Mazars**

The report was noted as read.

██████████ gave a brief overview of the audit report and noted they received excellent co-operation from staff subject to audit. He referred to the challenges dlr face from having a decentralised procurement system and noted that the Procurement Unit supports the process in an advisory capacity.

He advised the audit identified 4 high priority, 9 medium priority and 1 low priority findings, across 6 different budget areas. This resulted in a Limited Assurance level.

A discussion took place during which ██████████ responded to members queries and concerns. Points were raised if lessons were learned from carrying out procurement during the pandemic; how can the Council move forward from this report taking account of the level of risk associated with the high value of procurement related expenditure; increasing the involvement of the unit in daily procurement activities; the advisory role of the Procurement Unit within the procurement process as opposed to being more engaged, potential for reputational damage to the Council, poor value for money, risks due to level of staff awareness about the procurement process; contracts not included in the contracts database.

Stephen Brady acknowledged senior management are aware of the issues related to procurement and are focussed on improving this area which will include implementation of recommendations in the audit report, one of which involves having procurement experts in divisions with high levels of expenditure below €25,000. He noted Mazars were requested to make the recommendation stronger in the report about the roll out of the procurement reference function which can assist with monitoring aggregate expenditure.

██████████ advised solving the issues associated with procurement requires resources and prioritisation to achieve a better level of assurance.

Noreen Fahy noted that procurement is a complicated area but is reassured by the commitment from Management to make improvements in this area. She noted the benefit of having staff with expertise in procurement working within divisions. She advised the committee will track progress in carrying out the recommendations in the report.

Noreen thanked ██████████ for the audit work carried out and for the presentation to the committee.

## **5. Fraud Prevention and Reporting Policy**

It was noted that this policy was reviewed and adopted at the November meeting. Noreen Fahy commended management for the improved document.

A discussion took place during which Stephen Brady responded to members queries agreed to take away a point about a change to the policy (**Action No. 5**).

Stephen advised the Council's Protected Disclosures Policy is due to be updated in line with the requirements of the Protected Disclosures (Amendment) Act 2022.

## **6. Report of the Audit Committee on the review of the 2021 Annual Financial Statement and Statutory Audit Report**

As discussed earlier, Noreen Fahy agreed to circulate the report to members via email for their comment (**Action No. 4**).

## **7. Audit Committee Training and Development**

It was advised that following discussions during the members private session, a half-day training course will be arranged with Mary Pyne (Action No. 6).

## **8. Draft List of Audit Reports for inclusion in the Internal Audit Plan 2023**

Noreen Fahy advised members discussed the revised list of audits for the 2023 plan during their private session and noted they are happy with the audits selected. Noreen thanked Stephen and Mary for their work on this.

It was agreed that the updated Internal Audit Plan for 2023 will be included in the document pack for the next meeting (Action No. 7).

## **9. Schedule of Audits**

The report was noted.

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

In relation to the Title Deeds, it was noted there has been no further change since the last meeting. The resource to work on the deeds will not be advertised until early 2023.

In relation to the overdue GDPR recommendation, it was noted that Owen Laverty sent apologies for being unable to attend the meeting. Mary Murtagh advised he contacted John Healy to discuss the privacy issues on the three standalone LEO websites which are not compliant with the Cookies Directive.

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

This item was discussed under Item 10.

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

Mary Murtagh presented the report on audit recommendations and gave updates in relation to status of recommendations in 6 audit reports. She confirmed that progress is taking place on the 5 overdue recommendations from the IT Software Licences audit and the 6 overdue recommendations from the Capital Programme audit.

Noreen Fahy noted concern at the large volume of recommendations. Mary explained that the high volume of recommendations is due to the GDPR audit which has 107 recommendations. She noted 2 recommendations from this audit are approved and 1 is overdue and a further 65 are due for completion by end of December.

## **13. Update on staff continuity in Legal Services**

It was advised that Legal Services has an allocation of eleven staff. At present there are four vacancies, and these are due to be advertised imminently. It was also noted that

the County Law Agent is currently on leave and is due to leave the Council at the end of January.

The committee was advised that the Data Protection Officer role is to be moved from Legal Services to Corporate Affairs. The position will be filled in the next few weeks.

**14.AOB**

It was noted that there will be six audit committee meetings in 2023. The meeting in September will be with the Local Government Auditor. It is proposed that the first meeting of 2023 will be in-person. The committee also discussed the tight timelines at meetings and the importance of managing items on agendas and avoiding items being deferred. The impact on management when items are deferred was highlighted. A discussion took place about the members private session time and if this should be extended. Noreen advised the time will not be changed at present, but will be kept under review. It was agreed that Noreen Fahy and Stephen Brady will meet to review agenda items for audit committee meetings (Action No. 8).

It was agreed that Eoghan Carrigg would circulate a poll to members to determine the dates of audit committee meetings for 2023 (Action No. 9).

**15.Actions of Meeting of Audit Committee – 8<sup>th</sup> December 2022**

ACTION NO.	PERSON RESPONSIBLE	BRIEF DESCRIPTION	PROGRESS OF ACTION
1	Stephen Brady/Mary Murtagh	Produce a summary report for the next Audit Committee meeting on the dlr results in the 2021 NOAC Performance Indicators Report with a focus on areas where dlr performance did not meet the current year’s national average and on results which disimproved in 2021 vs 2020	
2	Noreen Fahy	Forward template for scoring risks which Eileen Fox will circulate to seniors	
3	Stephen Brady	A presentation will be given to the second Audit Committee meeting in 2023 about the transformation programme in Housing	
4	Noreen Fahy	Circulate the Report of the Audit Committee on the review of the 2021 Annual Financial Statement and Statutory Audit Report to members for their comments	
5	Stephen Brady	Consider making a change to the Fraud Policy	
6	Noreen Fahy, Stephen Brady	Arrange training for Audit Committee members	
7	Mary Murtagh	Include updated Internal Audit Plan 2023 in document pack for next Audit Committee meeting	

8	Noreen Fahy/Stephen Brady	Meet to plan Audit Committee meeting agendas	
9	Eoghan Carrigg	Circulate poll to determine dates of 2023 Audit Committee meetings	

**SIGNED:** Don Fahy

**DATE:** 20/4/23