

waterDÚN LAOGHAIRE-RATHDOWN COUNTY COUNCIL

**Minutes of the hybrid meeting of the Audit Committee
held in the Council Chamber on Thursday 29th June 2023 at 2.30pm**

PRESENT: Noreen Fahy (Chairperson), Penelope Kenny, Councillor Ann Colgan, Councillor Jim O'Leary, Councillor Tom Kivlehan, Justin McCarthy

APOLOGIES: Conor O'Brien

OFFICIALS: Stephen Brady (Acting Director of Services, Corporate Affairs), Elizabeth Clarke (Senior Executive Officer, Corporate Affairs), Mary Murtagh (Administrative Officer, Internal Audit), Eileen Fox, (Administrative Officer, Finance), Teresa Mulvaney (Senior Staff Officer, Finance), Martina Kehoe (Senior Executive Officer, Infrastructure & Climate Change), Bob Hannon, (Senior Architect, Architects Department), Alan Kennedy (Administrative Officer, Infrastructure & Climate Change), Catherine Keenan (Director of Services, Housing), James Ryan, (Senior Executive Officer, Housing), Deirdre Baber, (Senior Executive Officer, Housing), Maura Hickey (Acting Senior Executive Officer, Housing), Ciara Mulcahy (Senior Staff Officer, Internal Audit), Stuart Hughes (Staff Officer, Internal Audit)

OTHERS IN ATTENDANCE: [REDACTED] from Mazars (Item no. 4)

1. Minutes of Meetings held on Thursday 20th April 2023

The adoption of the minutes of Thursday 20th April 2023 was proposed by Cllr Tom Kivlehan and seconded by Cllr Jim O'Leary.

2. Matters arising from Minutes of meeting held on Thursday 20th April 2023

Regarding Action Item 1, the Chairperson updated Members on the status of the training sessions with [REDACTED]. The first session with the Chairperson and Acting Director will take place on July 12th. The Chairperson proposed the second half-day session with the Committee takes place early in September. Mary Murtagh to circulate dates to Members for consideration. (Action No.1)

Members noted that Action Item 2 has been deferred. Anne Devine will update Members at the October meeting about the assessment carried out on mitigations in the FPI risk register and the impact on reducing the high risks. (Action No.2). Mary Murtagh updated Members on reason for the deferral.

Action Item 3 and 4 are on the agenda for today's meeting.

Action Item 5 is complete. The presentation on the Housing Transformation Programme was given to the Housing SPC on 28th June. Cllr Kivlehan noted his satisfaction with the presentation.

Action Item 6 is complete. The Internal Audit Annual report was updated as recommended.

Regarding Action Item 7, Stephen Brady informed Members he discussed with Helena Cunningham, Director of Finance and Water Services the concerns of the Committee about delay in presenting the Capital Projects audit and discussed with Management Team the importance of management engagement with audits. He advised that management are committed to improving response times during audit fieldwork, while dealing with pressures of vacancies and conflicting deadlines.

Action Item 8 is complete. The Schedule of Audits report was updated as recommended.

The Chairperson advised she has a meeting scheduled with the Chief Executive on 10th July.

3. Conflict of Interest Procedure

No items were raised under this heading.

4. Review of Capital Projects Audit Report by Mazars

The report was noted as read.

The Chairperson acknowledged that all the management responses were positive.

██████████, Mazars advised the audit identified 6 medium priority and 2 low priority findings. The report was given a 'reasonable assurance' level. He gave an overview of the scope, findings and recommendations in the report.

A discussion took place during which ██████████ and Martina Kehoe responded to Members' queries. Points were raised regarding contingency planning for projects going forward; more detailed budgeting for projects; lesson learned reporting; risks and mitigations identified that may prevent overspend on future projects; public realm meetings, responsibility for recommendations assigned to the subgroup and not a member of staff.

The Chairperson thanked everyone for their contributions.

5. Infrastructure & Climate Change Risk Register Presentation by Martina Kehoe

Martina Kehoe, Senior Executive Officer outlined the 10 high risks, 39 medium risks and 6 low risks across 4 areas of the risk register and the mitigations and controls to deal with high risk areas and opportunities identified.

A discussion took place during which Martina Kehoe and Alan Kennedy, Administrative Officer responded to Members queries regarding potential loss of title deeds: getting resources required; how the high risks are prioritised by senior management; risk of Council not meeting its obligations due to budget constraints.

The Chairperson thanked Martina and Alan for the presentation and contributions.

6. Housing Risk Register Presentation by James Ryan

James Ryan, Senior Executive Officer outlined the 10 high risks, 31 medium risks and 15 low risks across 3 areas of the register and the mitigations and controls to deal with high risk areas and opportunities identified.

A discussion took place during which James Ryan and Catherine Keenan, Director of Services responded to issues raised by Members regarding naming of risks accurately to ensure understanding of all elements contributing to risks; reletting times and

inadequacy of funding from Department; Department are pushing Council to more planned maintenance; Housing can highlight at meeting the risk of inadequate funding on relet times and the recommendation by the Audit Committee the funding issue be addressed; allocating for risks in Council budgets and giving Councillors information about the risks facing the Council.

The Chairperson had to leave the meeting due to a prior commitment. It was agreed that Penelope Kenny would take over as Chair for the duration of the meeting.

7. Enhancing the risk reporting framework and building consistencies across DLRCC

Stephen advised that the Chairperson did not have a report to present on this agenda item and that a discussion will take place to receive feedback from Members about risk reporting in DLRCC. The goal is that the Corporate risk register will guide the Internal Audit Plan.

A discussion took place during which Members suggested having clarity around the scoring and to have a legend explaining scores; bring risk registers to the CPG meeting to take into account extra funding provisions that may be required for dealing with high risks; develop understanding of DLRCCs concept of risk tolerance; have an inter-register calibration; impact on residents and capacity of Council to deliver a service when assigning high risk scores; get external assistance with creating the Corporate risk register; consider designing a review of the Corporate risk register by external auditors.

Eileen Fox, Administrative Officer advised that the Council had engaged an external company to provide high level training related to the risk registers, most recently in 2021, which resulted in the format of the current risk registers. However, she welcomed the advice of the Members with regard to the risk registers. She advised the Corporate risk register has been updated since the last presentation to the Audit Committee. It was agreed to review the Corporate risk register at the next Audit Committee meeting. (Action No. 3)

8. Schedule of Audits

The Chairperson noted her satisfaction with the revised layout of the Schedule of Audits Report. She noted that 50% of audits are overdue. She advised the next goal is to align the audits with a risk. M. Murtagh advised this is done in the Internal Audit Plan, but not shown in the schedule. Mary Murtagh updated Members about the status of all the audit reports. She explained that the two audits with presentation dates in 2024 may start in 2023 if the auditors awarded the new tender for auditing services can start work on the the audits in October 2023 after the existing contract has expired.

Stephen Brady updated the Committee about initial findings from the Overtime audit which is being carried out by staff from the Internal Audit Unit.

9. Report on High-Level Overdue Audit Recommendations

Mary Murtagh reported that there has been good progress on the recommendations since the last meeting. The one overdue recommendation on the report is from the Title Deeds audit. Penelope Kenny noted the Committee's satisfaction with the progress on the audit recommendations.

10. Progress Update - Title Deeds Audit Recommendations

Mary Murtagh advised that the resource engaged to work on the deeds will commence on 21st August. Their role will be to assist Legal Services and Property Management with options outlined in the audit report.

11. Progress Report on Audit Recommendations

Mary Murtagh noted positive progress with audit recommendations. Since the April Audit Committee meeting, 16 recommendations have been completed across the Procurement, GDPR and Housing Rents audits. Mary attributed progress to the new Governance Section and the appointment of the Procurement Officer. Mary expects progress in completing additional recommendations before the next Audit Committee meeting. Penelope Kenny noted satisfaction with progress.

12. Updated Report of Internal Audit for year-end 2022

Mary Murtagh confirmed changes requested to the report by the Chairperson at the April meeting to separate the statutory reviews and audits and to include information regarding authority and access and reporting structure has been carried out.

The approval of the report was proposed by Cllr Tom Kivlehan and seconded by Justin McCarthy.

13. Public Spending Code in-depth checks

The report was noted. The Chairperson noted the Internal Audit Unit carry out these statutory checks which are separate to the audits in the Internal Audit Plan.

14. SICAP Audit 2021

The report was noted. The Chairperson noted that the Internal Audit Unit was asked to carry out this audit of an external company which the Committee have no oversight role of. A member of the Committee is on the Local Community Development Committee which has oversight of the work carried out by the audited external company.

15. AOB

In the interest of good corporate governance, Penelope Kenny requested Members to review future Audit Committee minutes to ensure they reflect matters discussed and agreed at meetings.

16. Actions from Audit Committee Meeting – 29th June 2023

ACTION NO.	PERSON RESPONSIBLE	BRIEF DESCRIPTION	PROGRESS OF ACTION
1	Mary Murtagh	Mary to circulate Members a selection of dates for a training session with Mary Pyne in County Hall	Training session organised for 12 th September
2	Anne Devine	Give update at the October Audit Committee meeting about the assessment carried out on the mitigations in the FPI risk register and the impact on reducing the high risks	A. Devine will give update at October meeting
3	Mary Murtagh	Include the review of the Corporate risk register on the agenda for the October Audit Committee meeting	Presentation of the Corporate risk register is on the draft agenda for the October meeting

Signed: Don Faly

Date: 19/10/23