

DÚN LAOGHAIRE-RATHDOWN COUNTY COUNCIL

Minutes of the hybrid meeting of the Audit Committee held in the Annex, on Thursday 29th February 2024 at 2.30pm

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

OFFICIALS: Stephen Brady (Acting Director of Services, Corporate Affairs), Elizabeth Clarke (Senior Executive Officer, Corporate Affairs), Jim Ryan (Senior Executive Officer, Housing), Leo Clarke (Administrative Officer, Housing), Colma Fahy (Executive Solicitor, Legal Services), Conall Bergin (Law Agent, Legal Services), Georgina Sweetnam (Administrative Officer, Archive Services), Alan Kennedy (Administrative Officer, Property Management), Mary Murtagh (Administrative Officer, Internal Audit), Ciara Mulcahy (Senior Staff Officer, Internal Audit), Stuart Hughes (Staff Officer, Internal Audit)

APOLOGIES: Councillor Jim O'Leary

OTHERS IN ATTENDANCE: Bernard Barron from Mazars (Item No. 4)

1. Minutes of Meeting held on 7th December 2023

The adoption of the minutes of 7th December 2023 was proposed by Cllr Tom Kivlehan and seconded by Justin McCarthy.

2. Matters arising from Minutes of Meeting held on 7th December 2023

It was noted that Action Items 1, 2, 4 and 9 are on the agenda for today's meeting.

Action Items 3, 5 and 8 have been completed.

Action Items 6 and 7 are due to be completed after the local elections and will remain as Action Items until the new Audit Committee is in place.

3. Conflict of Interest Procedure

No items were raised under this heading.

4. Review of Housing Rents Collection and Arrears Management

The audit report which identified 2 high priority, 1 medium priority and 2 low priority findings and was given a 'Limited Assurance' level was noted as read.

A discussion took place during which Bernard Barron, Jim Ryan, Leo Clarke and Stephen Brady responded to members' queries. Discussion points included the misfit between the recommendation and the management response for 3.1 in the report; importance of management responses indicating a clear acceptance, partial acceptance or rejection of recommendations; the requirement for a policy review and that Housing document in their policy document the initial approach followed by them with tenants prior to the documented formal/legal process is initiated; how to reduce rent arrears/improve collection rates; impact on Housing budget due to non-payment

of rent; migration from the old housing system OHMS to NEC; structure of reporting tools and controls in Housing.

The Chairperson recommended that the management response for Recommendation 3.1 is reviewed and amended by Housing to clearly accept, reject or partially accept the recommendation and that the Housing policy includes the undocumented practice of engaging with tenants prior to the formal/legal process. It was agreed to bring the updated management response to the next Audit Committee meeting. (Action Item 1). Jim Ryan confirmed Housing are open to documenting in their policy the informal actions carried out by them prior to issuing of letters to tenants.

The Chairperson requested that an update on the Housing rent collections audit recommendations is brought to the Audit Committee in Q4 2024 or Q1 2025 (Action Item 2).

5. Presentation on Storage of Title Deeds Audit Recommendations by Colma Fahy and Georgina Sweetnam

Colma Fahy and Georgina Sweetnam presented an overview on the implementation of the audit recommendations in the Title Deeds audit report. Conall Bergin and Alan Kennedy contributed during the presentation.

Colma Fahy advised 100 boxes containing 500 files were removed from the strong room in County Hall and Legal Services inspected 60 files in 12 boxes. She outlined that many title deeds must be registered with Land Registry which requires additional resources and there are deeds for disposals, many of which no longer require to be held.

Conall advised that Legal Services will be custodian of the title deeds. He advised there is insufficient storage infrastructure for the deeds. He estimates 3 lektreiver machines are required by upgrading one machine and procuring 2 more. He estimates that there will be a 3-year lead in to have machines procured, stocked and operational. When operational, machines will have tracking capabilities, recording who accessed files and returned them. The machines will be fire resistant but not fire proof. In response to a query about scanning, he advised Legal Services are open to carrying out this recommendation.

Alan Kennedy advised that the Property Management section is currently sourcing a replacement Property Interest Register system on e-Tenders. The new system will have the capability to digitally search for a property and view the title deeds.

Georgina Sweetnam advised how Archive Services removed the poorly stored title deeds from the strong room and refiled and indexed them. They are temporarily located in Archive Services office.

The Chairperson acknowledged the body of work carried out and progress made but noted the Committee's concern that the Council are still exposed to the risks identified in the audit and will remain exposed for the 3-year period estimated to have the new storage system operational.

The Chairperson requested that the original management responses to the Title Deeds audit recommendations are reviewed in light of what is now known with a view to building in risk mitigations and reducing risk scores (Action Item 3). Conall Bergin confirmed he will give progress updates at Audit Committee meetings as required.

6. Report of the Audit Committee under Section 121 of the Local Government Act 2001 as amended by Section 60 of the Local Government Reform Act 2014 on the 2022 Annual Financial Statement and Local Government Auditor's Report

This report was noted and adopted in the members' private session.

7. Activity Report of the Audit Committee for 2023

This report was noted and adopted in the members' private session.

8. Internal Audit Annual Report 2023

This report was noted and adopted in the members' private session.

9. Internal Audit Plan 2024

The Plan was noted as read.

The Chairperson requested Mary Murtagh review the number of days in Appendix III allocated to 'Preparation for and production of reports and minutes for Audit Committee meetings' and to review the inclusion of 'Follow up on audit recommendations/update ViClarity' (Action Item 4). Mary Murtagh agreed to bring to the next meeting a breakdown of tasks carried out as part of preparing for and production of reports/minutes for meetings.

10. Schedule of Audits 2024

The Chairperson highlighted the goal of keeping to the dates for presentation of reports in 2024. She noted that two audits will commence in 2024 but will not be presented until Q1 2025.

11. Report on High-Level Overdue Audit Recommendations

Mary Murtagh updated the committee on the status of the Procurement recommendation overdue since December 2023. She highlighted the steady progress that has been achieved and what is planned to complete the recommendation.

12. Progress Report on Audit Recommendations

The Chairperson requested that Mary Murtagh include the chart from the ViClarity System, in the report presented to this meeting, in the Audit Committee Activity Report which is on the agenda of the March County Council meeting. (Action Item 5)

M. Murtagh highlighted positive progress with audit recommendations. Since the December 2023 meeting, recommendations from 2 audits are now fully completed and a total of 18 recommendations were completed across 7 audits.

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

The Chairperson discussed an approach to changing the reporting on the Title Deeds audit recommendations from the progress reports brought to each meeting and bringing a separate report on progress as required. (Action Item 6)

13. NOAC Performance Indicators Reports

The two reports from NOAC and the comparison report by Internal Audit were noted as read.

S. Brady advised the Scrutiny Report by NOAC was based on an online and additional in-person meeting NOAC held with the Chief Executive and himself

The Chairperson highlighted the lack of conclusions and recommendations in the NOAC reports to assist Chief Executives to respond to issues found. She queried what is the next step with the Scrutiny Report and how to make the reports impactful.

The Chairperson discussed inviting a NOAC representative to a future Audit Committee meeting to be attended by the Chief Executive to receive clarification about what they expect from the Audit Committee in relation to their statutory function of holding the Executive to account in respect of NOAC findings.

14. AOB

No items were raised under this heading.

15. Actions from Audit Committee Meeting on 29th February 2024

ACTION NO.	PERSON RESPONSIBLE	BRIEF DESCRIPTION	PROGRESS OF ACTION
1	Jim Ryan	The management response for Recommendation 3.1 to be reviewed and amended by Housing to clearly accept, reject or partially accept the recommendation and the Housing policy updated to include the undocumented practice of engaging with tenants prior to the formal/legal process	The audit report with updated management response will be included in the April document pack
2	Mary Murtagh	An update about the Housing Rent Collections audit recommendations is brought to the Audit Committee in Q4 2024 or Q1 2025	Mary Murtagh will liaise with Housing to ensure this update is brought to the Audit Committee
3	Conall Bergin	The original management responses to the Title Deeds	Meeting to discuss progress

		audit recommendations to be reviewed in light of what is now known with a view to building in risk mitigations and reducing risk scores	will be held week commencing 22 nd April between Legal Services and Property Management. Internal Audit will attend if possible.
4	Mary Murtagh	Review the number of days in Appendix III of the Internal Audit Plan allocated to 'Preparation for and production of reports and minutes for Audit Committee meetings' and review the inclusion of 'Follow up on audit recommendations/update ViClarity'	An update has been included in the Internal Audit Plan 2024 which will be in the April document pack
5	Mary Murtagh	Include the chart from the ViClarity System which was copied to the Progress Report presented to the February meeting, in the Audit Committee Activity Report which is on the agenda for the March County Council meeting	Completed
6	Mary Murtagh	Remove the Title Deeds audit recommendations from the regular progress reports and provide future updates in a separate report	Mary Murtagh to seek clarity on approach at April meeting. After the last meeting a due date of Feb 2026 was given for all 6 recommendations on ViClarity, removing them from overdue reports

Signed: Don Foley

Date: 25/4/24