



**Rialtas na hÉireann**  
Government of Ireland

# **LOCAL GOVERNMENT AUDIT SERVICE**

**Statutory Audit Report**

**to the**

**Members of Wexford County Council**

**for the**

**Year Ended 31 December 2019**

Department of Housing, Local Government and Heritage

[housing.gov.ie](http://housing.gov.ie)

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# AUDITOR'S REPORT TO THE MEMBERS OF WEXFORD COUNTY COUNCIL

## 1 Introduction

I have audited the Annual Financial Statement (AFS) of Wexford County Council for the year ended 31 December 2019, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Funds Flow Statement and notes to and forming part of the accounts. The financial reporting framework that has been applied in its preparation is the Code of Practice and Accounting Regulations for Local Authorities, as prescribed by the Minister for Housing, Planning, and Local Government.

My main statutory responsibility, following completion of the audit work, is to express my independent audit opinion on the AFS of the Council, as to whether it presents fairly the financial position at 31 December 2019 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 3 of the AFS.

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the AFS. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion. I conducted my audit in accordance with the Code of Audit Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the AFS. It also includes an assessment of the significant estimates and judgments made by the Council's management in the preparation of the AFS, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations, which I considered necessary to provide sufficient evidence to give reasonable assurance that the financial statement is free from material misstatement, whether caused by fraud or error.

This report is prepared in accordance with Section 120(1) (c) of the Local Government Act, 2001 and should be read in conjunction with the audited AFS.

## 2 Non – adjusting post balance sheet event – COVID-19

In accordance with Circular Fin 05/2020, the local authority has included a note in their Annual Financial Statements (see note 23) in relation to COVID-19. This note refers to the impact of COVID-19, a non-adjusting post balance sheet event, and describes the uncertainty faced by the local authority as a result.

Whilst my opinion is not qualified as a result of the uncertainty, I have included an Emphasis of Matter paragraph.

The COVID-19 outbreak and the emergency measures taken to mitigate it have had a significant impact on the finances of local authorities post year-end. This has resulted in a reduction in, and uncertainty of, various income sources, together with increased levels of spend. Reductions in income have also had a bearing on the cash flow of the local authority and the ability to deliver services.

The local authority has taken a number of steps to address these both at local and national level including:

- Applying the 9-month commercial rates waiver to qualified ratepayer accounts and claiming the credit in lieu from the government fund. Immediate emphasis on collecting rates income from major ratepayers not impacted by the emergency.
- Increased daily monitoring of expenditure and income and tracking patterns against pre COVID-19 and 2019 to measure impact.
- Increased the bank overdraft level to provide a contingency to ensure ability to pay in the event of a total collapse of funding streams – Ministerial approval has been secured for €30m (increased from €13m).
- Preparing the 2021 budget to determine if there is a need to reduce expenditure for 2021 and or consider movements in the bad debt provisions as a direct result of the COVID-19 emergency.
- Providing for a COVID-19 specific code for capturing emergency spend directly associated with the pandemic and tracking these costs.

### **Chief Executive's Response**

The unprecedented and sudden occurrence of the COVID-19 pandemic resulted in a faster and more severe impact on all levels of the global and national economy, and local government, as an emergency service, has been directly involved in the national response. The additional costs associated with this emergency response, completing works to protect staff and customers from the threat of the virus and converting the organisation to a remote working basis for large numbers of staff and services have been significant and unplanned. Also the extent of the financial impact on local businesses has had a direct and serious impact on the collection of commercial rates and other income and while the government subvention, by way of a 9 month rates waiver for most businesses has been hugely welcome, maintaining the improved collection levels for this critical source of income for the council will be challenging, at best, for 2020. In addition other local goods & services income sources have also been seriously and adversely impacted further suggesting the financial impact for 2020 will be of significant levels, where additional government subventions are not secured.

The unprecedented health crisis which, in a short space of time, has resulted in effectively locking down economic activity within the county and country for the vast majority of businesses, brings with it financial uncertainty and consequences that will be of proportions hard to estimate as the situation continues to evolve with no real solution in sight. Financial management will be a key focus for the council as we move through the crisis, endeavouring to limit the impact and working to plan for the recovery.

## **3 Financial Standing**

### **3.1 Statement of Comprehensive Income**

The Council recorded a surplus of €1.64m for the year ended 31 December 2019 (2018: €1m) which reduced the accumulated deficit to €2.13m at that date from €3.77m in 2018.

The members, at the Council meeting held in July 2020, approved (by resolution in accordance with section 104(2) of the Local Government Act, 2001) the expenditure incurred in 2019 that was in excess of the adopted budget for the year.

## 3.2 Financial Position

Movements in the finances of the Council are in line with previous year however the significant movement during the year included:

- A decision was made to release the balance on the Historical Mortgage Funding Reserve of €2.8m, which was established in 2016. In 2019 the overall revenue deficit has been reduced by €1m from this source in the preparation of the 2019 AFS. It is planned to release the remaining balance over the coming years.
- The Local Property Tax allocation of €14.7m remained the same for 2019.
- Income received under Non Principle Private Residence (NPPR) tax was €605k greater than anticipated with actual income received being €1.1m.
- In 2019, Wexford County Council received sanction from the Department for borrowing by way of a temporary overdraft of €13m of which €5m has been utilised as at 31 December 2019.
- Bank investments have increased by €4.3m due to loan drawdowns and affordable housing funding received prior to the year-end.
- Government and Other Debtors increased by €4.4m from 2018 to 2019. This increase was due to the receipt of capital grants. It is usual given the nature of the income for year on year fluctuations in this asset category.
- Long Term Debtors increased due to new mortgages issued in 2019 of over €3.6m and funding due under the Capital Advance Leasing Facility of €5.7m.
- Development Levy Debtors decreased by €1.5m to €5.5m at the end of 2019 from €7m at the end of 2018. However, this decrease was largely due to work completed on the aged debtor listing with a total development levy strike off for 2019 of €6m. Actual income received during 2019 was €3m.
- The movement on the Creditors and Accruals for 2019 is largely due to the reduction in deferred income of €1.6m.

### Chief Executive's Response

The improvement in the revenue deficit is a priority for the Council and the positive movements achieved in the last few years have been achieved by concentrated effort to stabilise the financial position of the Council. This work will continue to be a priority for the Council but will need to be balanced against the need to deliver and improve services within the county. It will now also be informed by the outcome of the COVID-19 public health emergency and associated measures to deal with the emergency which have had a direct and significant impact on the finances of the Council.

## 4 Income Collection

### 4.1 Overview

The arrears and percentage yields from the main revenue collection accounts as outlined in Appendix 7 were as follows;

Income Source	Yield %		Debtors	
	2019	2018	2019	2018
Rates	90%	88%	6.06m	7.09m
Rents & Annuities	91%	92%	1.75m	1.51m
Housing Loans	102%	98%	(103k)	80k

## 4.2 Rates

The collection yield continued to improve in 2019, a 2% increase on the previous year resulting in the 2018 year-end debtors decreasing by €1m to a total of €6.1m. Write-offs and vacant property adjustments increased in 2019 to €5.1m from €4.4m in 2018. Specific doubtful arrears decreased slightly from €2.7m in 2018 to €2.4m at the end of 2019. The bad debt provision was unchanged from the previous year at €4.8m representing 79% of arrears, while the Council continued to comply with circular 03/2016.

In 2019, as part of a national rates revaluation, all of the Council's rates properties were revalued and this revaluation of the Council's rate base by the Valuation Office came into effect from 1 January 2020. At year-end, the Council had 285 revaluations under appeal to the Valuations Appeals Tribunal. These appeals, which have an annual rates value of €13.4m could have a significant impact on the Council's finances if they are successful.

### Chief Executive's Response

The improvement of 2% in arrears level of commercial rates reported for 2019 and improvements achieved in previous years is directly related to the increased and concentrated efforts of the debt management teams within the council.

The reality now is that these improvements are all at risk as a direct result of the public health emergency and this is acknowledged. The 9 month rates waiver funding provided by government will contribute to delivering reasonable collection levels for 2020 but the likelihood is that they will see a reduction on 2019 and the approach to debt management will now need to adapt to work even more closely with businesses to assist in bringing levels back up as soon as it is economically practical.

The risk to commercial rates income associated with the level of appeals lodged following the revaluation of rateable premises in the county is an additional worrying feature, particularly as none of these appeals have been decided to date which means there will be retrospective application of any downward movements secured through this process. This risk is somewhat mitigated by a provision included in the 2020 budget to meet income loss associated with successful appeals. This provision will now need to be continued until such time as all the appeals have been finalised.

## 4.3 Rents and Annuities

In 2019, the collection yield for this income category has decreased by 1% to 91% from 92% in 2018. There has resulted in a further increase in arrears from €1.51m in 2018 to €1.75m this year. While the bad debt provision was decreased by €200k this year, at €1.24m it continues to be an adequate provision as it represents 71% of the year-end debtors. The Council continues to engage with customers in an effort to manage rent arrears in 2020.

### Chief Executive's Response

Again the concentrated efforts of the council in this debt management area has resulted in collection levels for housing rents being reported at over 90% for a number of years. While this would be considered a reasonable collection outcome, the debt management team continues to engage with the housing section to improve processes with a view to further increase collection levels for housing rent.

The position in relation to this income source as a result of the public health emergency will not be fully understood until the county and country recovers from the situation but at this point the level of impact on this particular source is not as severe as commercial rates. This situation will continue to be monitored closely.

## 4.4 Housing Loans

In 2019, housing loans continued to achieve a strong collection yield with a further 5% increase in the year, bringing the collection yield to 102%. This resulted in year-end arrears decreasing by €183k to a credit balance of €103k. A review of the aged debtor listing of loans found that this credit balance was due to 216 mortgage accounts that have been prepaid by more than €500 totalling €306k. The performance is largely due to the dedicated income collection unit. This unit continues to make significant improvement in the performance of this debt book over the last few years allowing mortgagees to increase their monthly payments to be able to periodically reduce their loan capital debt. The council continues to pursue the remaining arrears and engage with the relevant mortgagees in an effort to reduce the level of arrears even further.

### Chief Executive's Response

Since the housing loans portfolio has been relocated to the finance department of the Council the improvement in collection levels have been positive and continue to improve. The combined efforts of the housing loans section with the debt management section of the Council have demonstrated how this approach to work with customers on arrears resolution has worked. This is obviously supported by the MARP options for mortgage customers in distress and one of the key successes in the results here has been concentrated efforts on early intervention where accounts fall into arrears.

Since the onset of the pandemic mortgage breaks have been introduced as a form of support to citizens. Customers can now currently avail of a mortgage break up to 9 months and it is worthy of note that the numbers of customers choosing this option is not material in terms of the overall loan book.

Overall the debt management/credit control programme has been proactive in delivering management solutions and during 2020 a new debt management system has been implemented which has further modernised the way the Council approaches debt management bringing a greater focus on early interventions, automation of administrative tasks and has also expanded the payment options for customers. It is anticipated that when this system is fully bedded in that there will be a positive impact on collection levels and this will be very welcome in the face of the challenge facing collection levels as a result of the public health emergency.

## 5 Fixed Assets

### 5.1 Fixed Assets Overview

The net value of fixed assets in the balance sheet at 31 December 2019 was €2,760m (2018: 2,730m) of which, €889m related to housing, buildings and land and €1.82m relates to Roads Infrastructure. In 2019, the fixed asset movement of €30m was housing related and represented the purchase of housing stock and land for the construction of houses.

### 5.2 Property Interest Register

The Council continues to work to address the shortcomings in the property and land register and work has been completed on the reconciliation of assets with the relevant individual databases. The creation and management of an integrated online property register remains



a work in progress and should be completed in a timely manner. It is a requirement of the Accounting Code of Practice for local authorities that these registers be maintained.

As noted below in paragraph 6, the transfer of the water assets from the Council to Irish Water (IW) also highlighted a number of shortcomings in the Council's asset management. It is imperative that the Council establishes and maintains adequate procedures and controls in order to safeguard all of its assets.

### **Chief Executive's Response**

The fixed asset register maintained within the financial management system is compiled in line with the current Accounting Code of Practice (ACOP) for local authorities and contains records of assets with values as required in this code of practice. The Council is satisfied that the reconciliation of assets has been completed with relevant databases i.e. housing property register, insurance register.

Work is continuing on the programme of stabilisation and reconciliation with other records held by the Council including those being regularised by the property section established by the council for this purpose. The historic and legal complexities of this work does make the process here slow and laborious but the property team is focused on the objective of completing this task and implementing checks and controls to ensure the orderly safeguarding of the council's assets.

## **6 Transfer of Water and Sewerage Facilities to Irish Water**

The Council continues to deliver services on behalf of the national utility company, Irish Water (IW) under a service level agreement. The current position with regard to the Council's obligations to the company are as follows:

- Issues with regard to the title of properties transferred to IW including the subdivision of folios, right of way issues and sites not registered were highlighted in previous audit reports. These issues are not yet resolved and management continues to work with IW with a view to expediting the process.
- As reported in previous years, the balancing statement agreed between IW and the Council confirmed that a payment of €6.2m was still due to the Council. However, the Council had retained water and wastewater development contributions of €5.9m, which would ordinarily be due to IW. These matters are subject to ongoing discussions between the Council and IW and are largely due to the outcome of legacy legal cases some of which have still to be completed.
- The Council should seek to ensure that these matters continue to be progressed without undue delay.



## **Chief Executive's Response**

The Council continues to work with the national utility company on the finalisation of the title transfers. Similar to other local authorities this progress has been slower than hoped but continues to move to a conclusion.

The matter of the balancing statement has been the subject of ongoing discussions and while the Council is disappointed that formal and positive discussions with Irish Water in late 2018 didn't bring the matter to a conclusion the Council continues to engage in bringing the matter to the conclusion and has formally sought the assistance of the department to progress a solution for most of the legacy legal cases. The remaining matters raised by IW legal team have been reviewed by the council and solutions are currently being considered by the Council with a view to bringing all matters to a conclusion.

## **7 Capital Account**

### **7.1 Capital Account- Overview**

The capital account recorded a credit balance of €12.32m at 31 December 2019, a decrease of €911k from the €13.23m balance recorded in 2018.

In 2019, the 2020-2022, three year capital programme was presented to the members in accordance with Section 135 of the Local Government Act 2001. The programme plans for 163 projects at an estimated cost of €352m however it is not possible at this stage to assess how the effects of the Covid-19 pandemic will affect the Council's ability to finance these projects.

A review of current year capital projects during the audit found that projects did not always have a clear identifiable funding source and this has led to an increase in the capital balance deficit on completion. The review also found that, for some capital projects with an agreed funding source, this funding was not recouped through grant submissions on a timely basis. This delay has added to the capital balance deficits on some projects.

It is essential that capital projects are managed at directorate level to ensure that all funding is correctly applied for and allocated. It is imperative that where projects are classified as funded in the capital account they have clear identified capital funding and that this is applied for and allocated on a timely basis.

## **Chief Executive's Response**

During 2019 the Council made some changes to the approach for establishing capital projects within the organisation to strengthen controls around associated funding. Since March 2019 all capital projects must have clear and confirmed funding sources identified before they can commence.

This improved process involved a PEP (Project Execution Plan) which must be certified by the Director of Service responsible for the specific capital project, confirming the costs and funding sources for the project, the funding source is then verified and certified by the Head of Finance. Once these certifications are in place all capital project PEP must be formally approved by the Chief Executive regardless of the value of the capital project. This process is now well established but remains under constant review and adjustments will be made as required.

The review of the historic unfunded balances within the capital account is ongoing and has involved a number of engagements with the management team and this work will continue

with proposals being formulated to source and deliver relevant and appropriate funding mechanism(s) to address these balances. The public health emergency diverted focus from this objective in 2020 but it remains a priority for the Council.

## 7.2 Capital Account- Unfunded Balances

The review of capital balances identified unfunded balances for 2019 totaling €27.09m. (2018: €25.78m). These are projects with residual deficits as at 31 December 2019 that will require additional revenue budgetary funding unless alternative sources can be identified. While there are a small number of projects with annual allocated revenue funding to clear the deficits based on the annual allocation it will take a number of years to clear the deficit.

Directorate Categories	2019	2018
	€m	€m
Council Buildings	9.04	8.90
Land Acquisition	3.24	3.26
Roads related projects	4.52	4.45
Housing	1.91	1.77
Environment Related projects	1.30	1.12
Landfill	3.00	3.36
Piers and Harbours	1.41	1.13
Other Directorates	2.67	1.79
<b>Total</b>	<b>27.09</b>	<b>25.78</b>

It was disappointing to note during the audit that there was very little movement in the balances of some of the unfunded balances from 2018. The audit reviewed some of the largest unfunded capital balances and found that they was no significant change from 2018, as noted in the table below.

Categories of Unfunded Projects	2019	2018
	€m	€m
Council Headquarters	4.32	4.52
Roads related projects	2.32	2.32
Environment Related projects	1.30	1.12
Landfill	1.67	1.67
Land Acquisition	2.27	2.30
Other Directorates	1.93	1.93
<b>Total</b>	<b>13.81</b>	<b>13.86</b>

There is a need for greater monitoring and review when capital projects are completed. There was evidence during the audit that this was not happening in 2019.

## Chief Executive's Response

As noted above unfunded balances as identified here form part of a more in-depth review of the capital account by the finance department commenced in 2019 in conjunction with the relevant sections in the council. A number of submissions/updates have been presented to the management team as this review progressed and the next stage involves identifying funding proposals/options to addressing all debit balances within the capital account. Progress on this programme has been hindered by the public health emergency and the need to focus on other matters but the completion of this work is a high priority for the council together with improving controls and checks to further streamline capital project financial management into the future.

## 8 Loans Payable

### 8.1 Loans Payable - Overview

The capital debt owed by the Council at 31st December 2019 was €140.99m increasing from €136.76m in 2018 as set out in Note 7 to the accounts. The analysis is set out below:

Types of Loans Payable	2019	2018
	€m	€m
Council Buildings	43.52	44.45
Housing related loans	60.93	58.70
Other Directorates	27.15	25.33
Land Acquisition	9.39	8.28
<b>Total</b>	<b>140.99</b>	<b>136.76</b>

### Chief Executive's Response

The Council's annual budget includes provision for the repayment of these loans. The Council will continue to use long terms loans to fund programmes for the economic development of the county and expect to be increasing the level of long term borrowing over the next few years to facilitate the delivery of the economic and community development investment programme for the county agreed with the Council and currently being rolled out.

### 8.2 Loans Payable - Recoupable

The capital debt owed by the Council at 31st December 2019 included recoupable loans from other sources of €66m which are analysed as follows:

Types of Loans	2019
	€m
Mortgage Loans	48
Voluntary Housing Bodies	16
Water Services	2
<b>Total</b>	<b>66</b>

### 8.3 Loans Payable - Approval and Sanction

New long term loans payable of €13.68m were drawn down in 2019 in the following areas:

Types of Loans Payable	2019 €m
Housing	7.28
Land Purchase	1.50
Economic Development	3.90
Public Lighting	1.00
<b>Total</b>	<b>13.68</b>

In 2018, non-mortgage loan finance was approved by council members for €45m to fund the next phase of the Economic & Community Development Programme and the Public Lighting Upgrade Programme. This was in addition to the €11m approved in mid-2016 bring the total approval to €56m. There were no further approvals made by council members in 2019.

Ministerial sanction is in place for €31m of the €56m outlined above and work continues on the requirements to secure sanction for the remaining €25m. The developments, which are the subject of the borrowings as outlined above, are now progressing well and drawdown on borrowings is expected to continue further during 2020.

#### Chief Executive's Response

During 2020 the council reviewed its economic and community development programme with greater knowledge of costs and projects having been established since the start of the programme. This has resulted in a more definitive list of projects being compiled and the borrowing requirement for this programme was established at €48m, an increase of €8m from the original €40m requirement. Approval of the Council to this revised borrowing requirement was secured in June 2020.

Ministerial sanction to this increased borrowing was due to be progressed with the department following this Council approval but events associated with the public health emergency impacted on plans to progress this process. The matter will be progressed with a view to having relevant Ministerial sanction in place by early 2021.

## 9 Local Authority Companies

### 9.1 Local Authority Companies

The Council has an interest in a number of companies, the details of which are disclosed at Appendix 8 of the AFS. The appendix discloses the 2018 information for the associates and subsidiaries of Wexford County Council as the 2019 audits were not finalised in time to be included in the Council's 2019 unaudited AFS.

#### Chief Executive's Response

The Council continues to promote earlier publication of annual accounts for these companies to facilitate more relevant information being reported in Appendix 8 of the Council's AFS. The companies involved here will have limited resources and expertise in completing accounts and are reliant in many cases on external accounting companies doing the detailed work which appears to be adding to the delays in producing timely accounts. In addition year ends can be different to the Council's year end. The Council will continue to promote earlier production of the accounts.

## 9.2 New Ross Sports and Leisure Limited

The company, New Ross Sports and Leisure Limited (NRSL), oversees the day-to-day management of the Apex Leisure Centre in New Ross and is wholly owned by the Council. While the company's accounts for the year ended 31 December 2019 were not available at the accounts preparation stage, updated 2019 figures will be included in the published audited financial statements.

In 2019, the company recorded a surplus of €10k (2018: Deficit €101k) and this has helped to reduce the accumulated deficit of €1.37m (1.38m at the end of 2018).

As previously reported, the accumulated deficit is partly due to significant storm damage in February 2014 and the resultant closure of the facility until April 2015. An insurance claim was lodged for costs associated with repairs for the damage and other losses. This claim was due to be finalised during 2020, and the company received an interim payment of €100k in April 2020. The company also has a loan from the Council and the current balance on this loan as at December 2019 is €2.75m.

### Chief Executive's Response

The Council continues to be supportive of this much needed community facility and can confirm that the complex insurance claim has now been concluded and final payment has recently been received. Because of the close nature of the facility with the Council there is regular contact with the manager of the facility in terms of financial management and meeting certain financial standards including the need to have their accounts prepared in sufficient time to inform the inclusion of this subsidiary company in the Council's AFS.

## 10 New Ross Port Harbour Transfer

The Harbour's Act 2015 (the Act) provides for the transfer by way of Ministerial Order of 5 named ports, one of which is the New Ross Port Harbour. The transfer provided for under the Act was completed during 2019 with the port being formally transferred to Wexford County Council on 1st August 2019 under SI No 410 of 2019.

While it would have been expected that Wexford County Council would have included assets and liabilities transferring from the port company in the 2019 accounts, the difficulties experienced in establishing accurate balances for this purpose has resulted in a delay in the finalisation of these transactions. The Council is still awaiting the sign off and submission to the companies Registration Office of New Ross Port Harbour accounts for both 2018 and to 31st July 2019 (transfer date) to facilitate the take on of financial balances.

As a result, a derogation was sought and approved by the Department to defer the take on of these balances until the 2020 Accounts. In the interim, the note on the contingent liability in relation to New Ross Port has been amended to reflect the current position.

### Chief Executive's Response

The Council has worked very hard to deal with the various complexities associated with the transfer of the port facility to Wexford County Council and this work continues as additional matters and issues arise. Progress is being made and while it is hoped that the council will be in a position to formally include all assets and liabilities from the New Ross Port in the 2020 accounts this cannot be confirmed with any great certainty until all matters have been successfully addressed by the parties involved in the transfer.

## **11 Governance and Propriety**

### **11.1 Risk Management**

An effective risk management framework provides the executive management and the council members with assurances that major organisational risks are identified and appropriately managed.

An up to date corporate risk register is maintained by the Council and is presented for approval by the audit committee. Work is ongoing on the register with plans to move the register to an on line basis in 2020. Further work on creating directorate integrated registers with the assistance of all Directors of Services is ongoing. It is important that the risk register is kept up to date and reviewed at least annually particularly in response to the impacts of COVID-19 pandemic.

### **11.2 Procurement**

During 2019, the council completed the "Public Spending Code - Quality Assurance Report 2019" report for capital projects as at end of 2018. The relevant section of the report was completed as part of the internal audit program in May 2019.

The Council has also completed the "Public Spending Code - Quality Assurance Report 2020" report for capital projects as at end of 2019. The report reflects the Council's self-assessment of compliance with the Public Spending Code and the relevant section of the report was completed as part of the internal audit program in August 2020.

### **11.3 Internal Audit**

The Local Government (Financial and Audit Procedures) Regulations 2014 require local authorities to maintain an adequate and effective system of internal audit of its accounting records and control systems. Internal audit has an important role in providing the Chief Executive with assurances on the adequacy of control systems and procedures including internal controls, risk management and governance arrangements.

The head of internal audit reports directly to the Audit Committee, the Head of Finance and has direct access to the Chief Executive in carrying out the work of the unit. The head of internal audit is assisted by three additional staff in the unit. The Audit Committee and the Chief Executive approved the annual work plan for the year.

I have taken consideration of the work performed by internal audit in planning my audit.

### **11.4 Audit Committee**

Following the local elections in May 2019 there was a requirement for the Audit Committee to cease and a new committee to be established.

For this reason, the then Audit Committee met in March 2019 and issued its annual report

for that year in April 2019. The new Audit Committee was established and met on two occasions in October and December 2019.

The audit committee approved the Council's annual internal audit work plan in 2019. The committee submitted their 2019 annual report to the members at their meeting in June 2020 in accordance with Section 60 of the Local Government Act 2014.

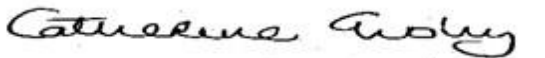
### **Chief Executive's Response**

Governance and audit are priority areas for the Council and there are ongoing efforts to review, develop and strengthen controls, policies and procedures and develop systems that protect the council and manage risks to the organisation. This work will continue on an ongoing basis.

The Council continues to fully engage with the audit committee to assist with delivery of their corporate governance objectives and programme.

## **Acknowledgement**

I wish to record my appreciation for the courtesy and co-operation extended to audit by the management and staff of the Council.



Catherine Tuohy

Local Government Auditor

3 November 2020



[housing.gov.ie](https://housing.gov.ie)

