



Rialtas na hÉireann
Government of Ireland

LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Cavan County Council

for the

Year Ended 31 December 2017

Department of Housing, Planning and Local Government

housing.gov.ie

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AUDITOR'S REPORT TO THE MEMBERS OF CAVAN COUNTY COUNCIL

1. Introduction

I have audited the Annual Financial Statement (AFS) of Cavan County Council for the year ended 31 December 2017, 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 the 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 2017 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 5 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 judgements 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. Late Receipt of the Draft Annual Financial Statement

The draft AFS was completed on 4 May 2018 and considered by the Council on 11 June 2018. This is despite the fact that the Accounting Code of Practice issued by the Department of Housing, Planning and Local Government (the Department) states that the Council's draft AFS should be prepared by 1 of April of the following year. This issue has a significant impact on audit deadlines and should be addressed.

Chief Executive's Response

A review of all year-end procedures will be undertaken, and financial training will be provided to the relevant staff regarding the completion of all year-end tasks and reconciliations. The Council will endeavour to have the 2018 Annual Financial Statement completed by 31 March 2019.

3. Financial Standing

3.1 Statement of Comprehensive Income / Financial Position

The Council recorded a surplus for the year of €98 after net transfers to reserves of €3.28m. There was a surplus of €1.74m in the general revenue balance at the end of 2017. Both transfers to reserves and over expenditure were approved by the Council at its meeting in June 2018.

Significant movements in the finances of the Council during the year included:

- Increase in work in progress of €4.7m
- Increase in bank investments and cash at bank of €4.2m
- Increase in creditors and accruals of €2.1m
- Increase in other balances of €5.4m

The increase in work in progress includes expenditure of €4.1m due to the reclassification of the 'Corduff South of Killydoon' roadwork's project as work in progress in 2017.

The increase in bank investments and cash at bank is due to the advance receipt of grants including €3.7m which was received from Transport Infrastructure Ireland (TII).

Creditors and accruals include an increase in trade creditors of €959k and deferred income of €1.2m.

The increase of €5.4m in other balances includes development contributions of €1.6m and capital reserves of €2.5m. Further details in relation to this increase are included in note 10 to the AFS.

Chief Executive's Response

The Council's finances are in a solid position at 31 December 2017 and this reflects the ongoing prudent management of the finances of the Council.

4. Investigation Pertaining to Procurement / Payments made by the Council

In March 2017 the Council engaged a third party to carry out an investigation in respect of potential breaches of the Council's financial procedures relating to the procurement of services, and payments made to a civil works contractor.

A protected disclosure submitted to the Department and forwarded to Cavan County Council in May 2017, resulted in extending the terms of reference of the original investigation. An interim report was completed by the investigator in November 2017. The final report in relation to this matter has not yet been finalised.

Chief Executive's Response

This investigation is ongoing. When the potential breaches of financial procedures were brought to my attention in February 2017, I immediately engaged a third party to carry out an investigation. It was initially anticipated that the investigation would be completed by the end of June 2017 but after the commencement of the investigation, a protected disclosure submitted to the Department of Housing, Planning and Local Government significantly extended the scope of the investigation. The investigation is taking a significant amount of time as it is being carried out with regard to due process and must be robust, thorough and complete.

5. Income Collection

Income Source	Yield %		Debtors €m	
	2017	2016	2017	2016
Rates	79	83	3.9	3.6
Rents & Annuities	84	84	1.0	1.0
Housing Loans	74	77	0.2	0.1

5.1 A summary of the revenue collections are as follows:

Rates

The collection yield in respect of rates is not adequate. There was a decrease in the collection performance to 79% (83% in 2016). Gross arrears (excluding credit balances) increased to €4.0m in 2017 (€3.6m in 2016). €1.9m of this amount relates to arrears greater than one year old.

The schedule of uncollected rates in respect of one of the revenue collection areas of the local authority was not completed. This is in contravention to Section 26(1) of the Local Government (Financial and Audit Procedures) Regulations 2014. As a result, any vacant property adjustments, write offs and waivers pertaining to this area were not identified and were included in the accounts as outstanding amounts. This impacted on both debtors and collection rates at year end.

The provision for bad debts was calculated at 78% of the total gross arrears outstanding at the end of the year (95% in 2016). Whilst it has decreased from 2016, in my opinion this provision is overstated, however, due to the matter highlighted above, this cannot be fully quantified.

Chief Executive's Response

The rates collection performance for 2017 shows a deterioration of the position at 2016 due to the issues highlighted by the Auditor. These issues are currently being addressed.

Rents and Annuities

Gross arrears (excluding credit balances) of rents and annuities totalled €1.2m at the end of 2017 (€1.1m in 2016). €508k of this relates to arrears greater than one year old. A sample of accounts selected, including new accounts set up in 2017 indicated that there is insufficient follow up of arrears in some cases. There were also cases where although payments for rent are being received, these are insufficient to cover the weekly rent accrual. Balances range from €17k to €11k in respect of the ten highest accounts in arrears.

Chief Executive's Response

Whilst the collection percentage in respect of rents remains the same as it was at the end of 2016, the overall gross arrears have increased. There is ongoing monitoring of all rent accounts and efforts will further intensify to deal with the issues raised in the audit report.

Housing Loans

Gross arrears (excluding credit balances) of housing loans totalled €179k at the end of 2017 (€184k in 2016). €150k of this relates to arrears greater than one year. Similarly to rents and annuities above, a sample of accounts selected indicated insufficient follow up of arrears in some cases.

Chief Executive's Response

The overall gross arrears position in respect of housing loans improved marginally during 2017 relative to 2016. Efforts are ongoing in 2018 to further reduce arrears by examining all options available, taking account of the various policies in place to deal with housing loan arrears.

General

It has been highlighted at previous audits that consideration be given to the establishment of a dedicated credit control unit to follow up accounts in arrears. Sufficient resources should be allocated to this function.

Chief Executive's Response

This matter will be further examined in the current year subject to the necessary resources and office accommodation being in place.

6. Transfer of Water and Sewerage Functions to Irish Water (IW)

The position with regard to the transfer of title of properties to IW is similar to the previous year, in that there are ongoing issues with regard to right of way, sites not registered and subdivision of folios. Due to resourcing issues, progress in this area has been slow. The local authority is expecting to appoint an official in the near future for responsibility of this process.

At the end of 2017, there was a balance due to the Council of €434k in respect of the operation of the service level agreement that the local authority has with IW. However no reconciliation was completed, reconciling this balance with the records maintained in water services section in respect of invoices raised and monies received from IW.

Chief Executive's Response

The position with regard to transfer of title of properties to IW is as outlined by the Auditor.

In relation to the amount outstanding at year end in respect of the Service Level Agreement with IW, a reconciliation of amounts due and amounts paid for 2017 has since been carried out and the sum of €428k due at 31 December 2017 was paid in January 2018. The outstanding balance of €6k relates to a prior period and this will be reviewed in 2018.

7. Capital Account

7.1 Unfunded Balances

Net capital balances at the end of 2017 identified a surplus of €17.0m. This sum includes €3.1m in respect of debit (adverse) balances on capital jobs which have remained static for three or more years. €2.7m of this amount relates to the purchase of land some years ago.

Chief Executive's Response

The debit balances in respect of land in the sum of €2.7 million will be addressed when the land is disposed of by the Council. The remaining debit balances will be reviewed in 2018.

7.2 Capital Balances

There are a number of projects with credit balances included in the capital account which are classified as complete. This includes the Cavan Eastern Town Centre access which has a credit balance of €506k. This project was funded by a combination of development contributions and a loan of €3.0m borrowed in 2013. These balances should be reviewed.

An amount of €65k in relation to supervision charges was not apportioned to the relevant projects at year end. This cost should be apportioned to the relevant projects.

Chief Executive's Response

The Council is engaging with the contractor in relation to outstanding issues on this project and the final funding position on this project will not be known until these are resolved.

The €65k debit balance in relation to supervision charges refers to expenditure incurred prior to 2017. This is not recoupable from housing capital grants and will be funded from internal capital receipts in 2018.

7.3 Grants Received from Transport Infrastructure Ireland (TII)

A review of capital balances noted that a sum of €196.4k is due to be refunded to TII as a result of the agreed draw-down in advance, of grant monies which remained under-spent after completion of the relevant project. Details of these projects and the surplus grant monies relating to each one, is outlined below:

Project Description	Surplus Funding €000
Shannow to Ballinagh	24.2
Construction of Salt barn at Moynehall	33.2
Cavan By-Pass	46.7
Road Realignment at Corduff to Ballytrust	92.3
Total	196.4

The Council should engage with TII with a view to refunding this sum or seek agreement to utilise these funds for other roads projects. This matter was highlighted at the previous audit.

Chief Executive's Response

The Council will engage with TII with a view to refunding this sum or to seek agreement to utilise this funding for other TII road projects which are overspent.

7.4 North West Bridge Rehabilitation Programme

The approved tender contract for this scheme was €2.01m. Included in the final account submitted by the contractor to the Council were a number of claims for additional works totalling €1.69m. The Council disputed €1.03m of this amount and as a result, the matter was referred to conciliation. The conciliator recommended that of this disputed amount, €413k be paid by the Council in full and final settlement of the matter, bringing the total final contract costs of this scheme to €3.08m. These figures are inclusive of VAT. Total contract costs of this scheme are being funded by TII.

Chief Executive's Response

The final contract cost of the North West Bridge Rehabilitation Scheme was €3.08m. This figure was agreed by all parties; TII, Cavan County Council and the contractor. This amount will be paid to the contractor upon completion of outstanding minor defect repairs which are ongoing at present.

8. Fixed Assets

8.1 Accounting for Fixed Assets

The procedure in place for accounting for fixed assets is weak. In some cases directorates do not always notify the finance section of assets purchased / disposed of, resulting in inaccurate reporting of fixed assets in the accounts. Procedures and controls in this area need to be reviewed.

The housing stock reconciliation was not completed and made available for audit.

Chief Executive's Response

All procedures relating to the acquisitions and disposals of fixed assets will be reviewed with all areas within the Council and the policies and procedures circulated to ensure that the finance section is informed when assets are either acquired or disposed of. Each area will be required to submit a fixed asset report to the finance directorate on a half yearly basis.

The housing stock reconciliation has since been completed. This reconciliation has highlighted a number of differences and these are currently being dealt with.

8.2 Insuring of Fixed Assets

During a review of the insurance schedule it was noted that the Council is insuring five industrial units at Moynehall which are not properties of the local authority. Two of these units are also included in fixed assets in the accounts.

The Market House in Blacklion, a property of the Council was found not to be included on insurance schedule, indicating that this property is not insured.

A reconciliation of Council properties with the insurance schedule should be completed to ensure that all, and only, properties which belong to the Council are insured by them.

Chief Executive's Response

The five industrial units located at Moynehall, Cavan are not in the ownership of the Council and instructions have been issued to the Council's insurers to remove these from the schedule of properties to be insured. These properties will also be removed from the fixed asset register.

The Market House in Blacklion is leased to Killinagh Community Development Limited, whose responsibility it is to insure the property in accordance with the conditions of the lease. The Council has written to Killinagh Community Development Limited, seeking verification of insurance cover in place. This matter will be reviewed when the response is received.

A reconciliation of all Council properties will be undertaken to ensure that only properties owned by the Council are insured apart from any properties leased by the Council requiring insurance to be provided by the leasee.

8.3 Proof of Title

During a review of assets it was noted that evidence of proof of title was not available to substantiate ownership of a number of assets included in the records of the Council.

Chief Executive's Response

The Land Registry records have been checked in respect of these assets and it appears that they are not registered to Cavan County Council. This matter will be further investigated.

9. Trade Debtors

9.1 Debtors – Other Services

It has been highlighted at previous audits, that a debtor for €177k is being carried forward in the accounts since 2014. Further balances for €62k and €30k relating to 2013 and 2015 respectively remain uncollected. A provision for bad debts has not been made in respect of these balances which are of a revenue nature. These balances should be reviewed for their recovery.

Chief Executive's Response

All of the above debtor balances are being pursued to achieve full recovery of the amounts due. The provision for bad debts will be reviewed in respect of these balances.

9.2 Government Debtors

At the time of audit I was informed that the water services section is liaising with the Department with regard to the recoupment of €50k pertaining to subsidies paid to group water schemes in 2017. This will be reviewed at the next audit.

In relation to one debtor account, the amount outstanding at year end couldn't be matched to the relevant invoices making up this amount. This matter should be addressed.

Chief Executive's Response

The water services directorate is liaising with the Department in relation to the recoupment of outstanding subsidy grants in respect of group water schemes. With regard to the matching of invoices to the amount due in respect of the debtor account, this matter will be investigated.

10. Housing

10.1 Accounting for the Provision of Housing by Approved Housing Bodies (AHBs)

A national Value For Money report 'The Oversight Role of Local Authorities in the Provision of Social Housing by Approved Housing Bodies' completed in December 2015, made a number of recommendations with regard to the implementation of controls in the management of social housing provided by AHBs. A review of these controls in Cavan County Council highlighted weaknesses including the following:

- There was no review conducted to ensure that all mortgages were properly registered and reconciled with the mortgage amount borrowed by the local authority with the relevant financial institution

- There was no system in place to track information such as voids, re-lets and recording of property inspections
- Inspections of properties were not carried out to ensure that each AHB abides by their legal obligation that properties comply with all housing standard regulations. Responsibility for the enforcement of the regulations rests with the Council
- Audited financial statements of each AHB were not obtained to ensure accountability in the management of monies received from the Council.

These matters were highlighted at the previous audit.

Chief Executive's Response

It is acknowledged that, similar to the majority of Councils, there is limited monitoring and management of AHBs. The audit identified some weaknesses in practice, and efforts are underway to address the issues raised. It was outlined by Cavan County Council in a recent Value For Money review that it would be beneficial if guidance was provided by the Department in relation to their views on the role of local authorities in the management of AHBs.

10.2 Calculation of Tenant Purchases

The local authority operates a tenant purchase scheme whereby tenants of local authority houses may purchase their home at a discount subject to complying with a number of conditions. A number of such properties were purchased by local authority tenants in 2017. However, due to an oversight in the calculation, the purchase price requested by the Council was understated, resulting in a loss of income to the local authority of €75k. In some cases the calculations were not signed off as having been checked for accuracy.

At the time of concluding the audit, there were three cases where tenants who expressed an interest in purchasing their social housing property were issued with an incorrect purchase price by the Council. The Council has since issued a revised price and are awaiting the tenant's response.

Chief Executive's Response

This issue arose as a consequence of an oversight in the interpretation of one element of the tenant purchase scheme. Measures have been introduced to ensure that this does not reoccur. Procedures have also been introduced to ensure that all tenant purchase files are checked for accuracy and signed off prior to any offer being made. It is envisaged that those who have received a revised purchase price will continue with the purchase of the dwelling.

11. Part V Register

Part 2, Section 3 of the Planning and Development (amendment) Act, 2002 requires developers to provide land for public housing. This could be in the form of a financial contribution, land or a combination of these, to the local authority at an agreed cost. The purpose of this requirement is to assist in the provision of social and affordable housing.

The Part V register provided during audit indicated that a sum of €1.6m was outstanding at year end in respect of financial contributions. The controls surrounding the follow up of arrears of Part V contributions are noted as being weak. Clear lines of responsibility need to be drawn up between the planning and housing directorates with regard to maintaining this register and the follow up of arrears.

All Part V agreements should be kept under constant review including the carrying out of regular site inspections as highlighted at paragraph 12 below.

Chief Executive's Response

It is proposed to draw up procedures which will outline the responsibility of both the planning and housing directorates in relation to Part V agreements.

12. Development Contributions

A total of €1.4m was collected in 2017 in respect of development contributions. A sample of arrears selected indicated that while arrears are being pursued for payment, there are cases where increased follow up was required. As was highlighted at previous audits, there are insufficient site inspections being conducted. In a number of cases the Council entered into pay agreements with developers whereby contributions would fall due and be paid to the Council upon the sale or letting of the property. This being the case it is important that these inspections are increased to ensure that developers are complying with the agreement as well as all other conditions pertaining to their planning permission.

Chief Executive's Response

It is proposed to introduce new procedures to ensure regular site inspections in relation to outstanding development contributions. One-off site inspections will now be carried out by administrative staff in 2018. Administrative staff will also liaise with the 'Taking in Charge' section for updates in relation to larger development sites, and any other site inspections required will be referred to the area planner. This should ensure an increase in site inspections and this will be reflected in a more accurate account of any amounts outstanding from developers.

13. Procurement

Weaknesses were noted with regard to procurement practices as follows:

- In May 2015 the Council advertised on the e-tenders website an invitation to tender to contactors for the purpose of putting in place a framework for housing maintenance improvement works and small construction contracts. The advertisement stated that this framework would remain valid for the period July 2015 to July 2016 with an option to extend for a further 12 months. However, the Council did not re advertise for invitations to tender until June 2017, resulting in the continued use of this framework until January 2018.
- In a number of cases, tenders for works received electronically, were not documented and signed off by at least two officials detailing the time and date on which the relevant tenders were opened. The relevant form which should be completed for this purpose, is available on the Council's website
- In some cases, contractors who tendered for Council contracts and were placed on a framework based on the most economic advantageous tender (MEAT) were not notified of this
- The Council did not obtain confirmation of valid insurance cover from a contractor engaged for the supply and repair of playground equipment
- The Council did not comply with recommended public procurement guidelines for the procurement of a supplier for the supply of printing services for the museum
- Only one quote was sought for the appointment of a third party to carry out an internal investigation in the local authority (see paragraph 4 above).

Chief Executive's Response

- The position on the framework for housing maintenance and improvement works and small construction contracts is that the incorrect date appeared on the framework as advertised, whilst the correct date was included on the relevant Chief Executive order, i.e. year one of the framework was activated from 1 March 2016 for a twelve month period and year two of the framework commenced on 1 March 2017 for twelve months. All future frameworks will be checked to ensure that the date of the framework matches the date of relevant Chief Executive Order.
- The Council's procurement procedure manual which issued in October 2016 required staff to open online tenders in the presence of two staff members, one of which should be at senior management level. It also required a record sheet to be completed as tenders were opened, whether online or in 'hard copy' format. The Council's procurement officer has again advised all relevant staff of the importance of complying with this requirement irrespective of what online tendering system is being used.
- All staff have been advised that all tasks, including proper notification to successful and unsuccessful tenders must be completed.
- Procedures have now been put in place in the relevant directorate to ensure that all contractors submit details of their insurances at the commencement of their contract with the Council.
- The appropriate procurement procedures will be complied with in future in relation to procurement of goods and services in the museum.
- The appointment of the third party was carried out in accordance with procurement rules as set out in Paragraph 5.1 "Low Value Requirements" of the "Public Procurement Guidelines – Competitive Process" issued by the National Public Procurement Policy (NPPP) Unit of the Department of Finance in 2010 which provides for procurement on the basis of one quote in certain circumstances. Given the confidentiality, sensitivity, local government knowledge, experience and skills required to satisfactorily complete the investigation it was appropriate to apply the less formal procedures as provided for under procurement rules as set out in that paragraph.

14. Purchase Payments / Goods Receipting

14.1 Purchase Payments

During a review of payments made to suppliers, it was noted in some cases that purchase orders are being raised after receipt of the invoice. This is not in accordance with recommended purchasing procedures. With very few exceptions, purchase orders should be raised at the time of ordering the goods. The purchase order number should be notified and recorded on the invoice by the supplier.

Chief Executive's Response

It is a requirement under 'Purchase to Pay' procedures that all directorates must raise a purchase order at the time of ordering goods / services. This requirement is also outlined in the Council's procurement plan. There are ongoing discussions with staff in relation to the correct implementation of this requirement.

14.2 Goods Receipting

A review of expenditure accrued in the 2017 accounts noted that in some cases, although the goods and services were received in 2017, the goods received dates recorded on the purchasing system ranged from January to February 2018. Further cases were noted where expenditure was accrued in the accounts, although the goods / services were not received until 2018. Goods receipting procedures should be reviewed to ensure the correct accruing of expenditure in the accounts.

Chief Executive's Response

Details of purchase orders and accruals existing at the year-end are circulated to all staff as part of the year end accruals identification process. This is done in conjunction with the preparation of the AFS. A review of these procedures will be undertaken to ensure that all staff are familiar with the process and its importance.

15. Payment of Acting Allowances

It was noted in some cases that approval was not sought from the Department with regard to the payment of acting allowances. It was further noted that approval was received from the Department in 2014 to fill a vacancy by confined competition. However, this position continues to be filled on an acting basis with an acting allowance being paid to the relevant official performing the duties of this vacancy.

Chief Executive's Response

Approval will be sought from the Department where required with regard to the payment of all future acting allowances.

A confined competition will be held in the autumn of 2018 to regularise the permanent position which is currently being filled on an acting basis.

16. Local Authority Companies

The Council's interest in companies is set out in appendix 8 in the AFS. This table includes information with regard to the extent of control exercised by the Council, brief financial details and the date of the latest financial statements received to which this information relates. None of these companies are consolidated in the Council's AFS.

16.1 Cavan Regional Health, Sport and Leisure Company Limited

The principal activity of this company is the provision of sports and leisure facilities to the public. In 2017, the Council made payments totalling €222k to this company (€342k in 2016) as a contribution to loan payments and cash flow assistance. It also includes a contribution of €25k to capital refurbishment activities carried out during 2017.

The most recent audited accounts received in respect of this company are for the year ended 31 December 2016 when it recorded a surplus of €117k for the year (deficit of €4k in 2015). The director's report associated with the accounts discloses that the company relies on the Council to fund the repayments of loans which at 31 December 2016 stood at €803k. It also notes that the Council has given assurance that it will continue to support the company for the next 12 months.

16.2 Glassell Limited

The principal activity of this company is the operation of a car park in Cavan town. In 2017, the Council made payments totalling €70k to this company (€100k in 2016) as a contribution to the running costs.

The most recent accounts received in respect of this company are for the year ended 31 December 2016 when it recorded a surplus of €15k (deficit of €44k in 2015). These accounts were not audited as the company availed of audit exemption on the grounds that it meets the conditions specified in Section 358 of the Companies Act 2014.

The directors report which forms part of the accounts states the company continues to require the support and financial undertaking from Cavan County Council, and accordingly they continue to adopt the going concern basis.

16.3 The Bridge Street Resource and Community Centre Limited

The principal activity of this company is the management of a community resource centre and ancillary services. In 2017, the Council made payments totalling €9k to this company (€16k in 2016) as a contribution to the running costs.

The most recent audited accounts received in respect of this company are for the year ended 31 December 2016 when it recorded a surplus of €8k for the year (deficit of €3k in 2015). The director's report associated with the accounts notes that with the continued support of Cavan County Council, the company will have sufficient funds to meet its obligations for a period of at least 12 months from the date of approval of the financial statements and accordingly the directors apply the going concern basis in the preparation of the financial statements.

Chief Executive's Response

These companies will require ongoing financial assistance from the Council. Each year the Council provides an amount in its budget as a contribution to the running costs of these companies.

17. Corporate Governance

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. It is the responsibility of management to ensure that such systems and procedures exist and are robust.

17.1 Internal Audit Function

In 2017, the internal auditor was seconded to work on an investigation within the Council (see paragraph 4 above). This had a significant impact on the amount of internal audit work carried out in the local authority in respect of 2017 and in the current year. One internal audit report was completed in addition to a number of inspection reports with regard to internal control procedures.

The 2017 internal audit work programme prepared and agreed with the Audit Committee was not completed as a result of assigning the internal auditor to work on the investigation.

Internal audit is an important internal control. It has been highlighted at previous audits that it is considered that insufficient resources are being committed to this function. The Council should review this matter with a view to increasing resources to this unit.

Chief Executive's Response

The Council recognises the importance of the internal audit function and is currently reviewing the staffing structure with a view to strengthening and increasing resources within the internal audit unit.

17.2 Risk Registers

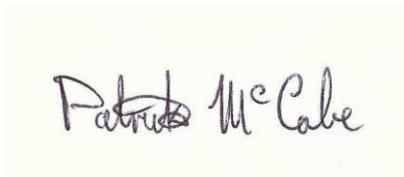
There is no overall corporate risk register combining all of the risk registers of the various directorates of the Council.

Chief Executive's Response

It is proposed to request each directorate to update their risk register for 2018. This will form the basis for compiling an up to date corporate risk register.

Acknowledgement

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

A handwritten signature in black ink on a light yellow background. The signature reads "Patrick McCabe" in a cursive style.

Patrick McCabe
Local Government Auditor
18 July 2018

housing.gov.ie

Department of Housing, Planning and Local Government



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