

Minutes of the National Oversight and Audit Commission (NOAC) meeting  
Tuesday 13th September 2016

Venue: Offices of the LGMA, Local Government House, Usher's Quay, Dublin 8

Attended by:

Members     Pat McLoughlin  
                  John Buckley  
                  Tara Buckley  
                  Constance Hanniffy  
                  Paul Lemass  
                  Colleen Savage

Secretariat    Maurice Coughlan  
                  Declan Grehan  
                  Sheila McMahon

Apologies     Martina Moloney  
                  Henry Upton

Minutes of the Meeting of the 28<sup>th</sup> June and matters arising

The minutes of the last meeting were approved without amendment.

Under matters arising, the secretariat advised that the Approved Housing Body (AHB) Regulator, Pat Fitzpatrick, had expected to be able to provide the requested information on the location of AHB units and voids in early August. When the secretariat followed up in mid-August, it transpired that the data was in two separate formats that have to be amalgamated before they are ready for circulation and he will send the details when that exercise is completed. It was agreed that, subsequent to receipt of the data, NOAC would invite relevant officials from the Department of Housing, Planning, Community and Local Government in for further discussion of the local authority role in this area and could consider at that stage whether a suitable performance indicator can be developed.

John Buckley gave a brief update on the Financial Performance Sub-Group and discussions that took place regarding the issue of unfunded balances during the local authority review visits in relation to the 2015 performance indicators. It was noted that an unfunded balance is not necessarily a bad thing if it is due to proactive initiatives but a large unfunded balance in the context of a significant deficit would be a concern. The Financial Performance sub-group is to meet before the next NOAC meeting to consider the reports on the 2014 Audited Accounts that have been obtained from almost all of the Audit Committees and the possible review of the unfunded balances position.

Revised Code of Practice for the Governance of State Bodies

The secretariat advised the meeting that the revised code imposes additional requirements mainly on the chairs of State bodies, who have a number of obligations including an annual letter to the Minister covering up to 16 items apparently. There is provision for non-application of many of the

provisions where it would be inappropriate given the size or nature of a State body and NOAC would be in this category as it does not have a statutory executive and payments are processed by the Department. The code is to be implemented by September 2017. Some of the elements that will apply are:

- 2 meetings are to be held per annum without the secretariat or Department officials present
- Oversight Agreement to be made with the parent Department
- Performance Delivery Agreement to be agreed with the Minister/Department and the body to report annually on progress against targets
- New members are to be provided with a specified set of documentation

The Chairman mentioned that the chairs of State bodies under the Department's aegis are meeting John McCarthy, Secretary General, on Friday next at which the implications of the revised code will be discussed and he will update the members at the next NOAC meeting.

#### Performance Indicators – update

The secretariat informed the meeting that the LGMA are in the process of following up on data queries raised by the secretariat, they are drafting their commentary section of the report and are engaging a graphic designer to present some of the data info-graphically in the report. The LGMA are in a position to provide final data tables for five of the indicators now and have set a target of two weeks for producing the final tables and their accompanying draft commentary, which will have to be approved by the board of the LGMA. There weren't as many issues with the apparent quality of the data this year in comparison with last year and the main inconsistencies relate to housing figures. Some of the discrepancies are due to differences in definitions, inclusion/exclusion of AHB data and use of gross or net figures. A list of composite environmental indicators being produced by the EPA was circulated to the members and it was agreed that NOAC should look into how the EPA enforcement indicator was put together as part of the review of the current waste indicators.

The Chairman indicated that NOAC may need to have a discussion with the LGMA about the robustness of their systems to highlight poor quality data and it may be appropriate to develop a service level agreement with the LGMA in respect of this annual exercise so as to reduce the input of the secretariat.

As it appears that revision of some of the indicators will be required for the report on 2016 activity, it was agreed that the Performance Indicator Sub-Group should consider the indicators for recommendation to the full NOAC before the end of the year. It was the view that a NOAC meeting may need to be dedicated to discussion of the 2016 performance indicators and the 2017 work programme.

#### Housing Studies – update

Paul Lemass updated the meeting on progress in producing the report into the local authority private rented sector functions. In addition to the 2015 Performance Indicators Report, NOAC's priority to the end of the year should be to ensure publication of the Private Rented Report and then the Management and Maintenance report, if possible. The rented report indicates that, for some

authorities, 100% of rented units are non-compliant and for others 100% are compliant, and such a large range is a concern. It is likely that NOAC will have to revisit this topic in the medium term to ensure any issues highlighted by the report are dealt with. He summarised the various revisions to the draft and reworking of the underlying data requested at the last meeting of the Housing Sub-Group. The objective is for the reworked draft to be circulated by 28 September and after that 3 dates have been set aside by the sub-group for the final clearance and conclusions.

#### Customer Survey - scoping paper

Colleen Savage summarised for the meeting the Customer Survey Sub-Group's scoping paper. She advised that the review into local authority customer engagement will be structured by reference to the following categories: Information Out, Information In and Inter-Agency Collaboration, with each category further broken down into sub-topics for analysis. A suggestion was made that the scope could be narrowed by focussing on whether authorities were getting closer to the citizen, communicating faster and are more engaged with their customers. The discussion covered areas such as the policy objectives of the Public Participation Networks, how Municipal Districts contribute to communicating local issues, whether the sector has adequately embraced shared services developments for more consistency and efficient use of information resources, particularly in IT, and whether customer input to services should be looked at. It was agreed that the sub-group should take all of the suggestions and suggest a programme covering where NOAC goes from here and what it should do first. When the next step has been decided, it will be appropriate to engage outside expertise and Colleen will draft terms of reference so that quotations can be obtained.

#### Proposal re dedicated NOAC liaison officer in local authorities

The meeting discussed and agreed the need for NOAC to request each local authority to specify a single contact person working in the office of the Chief Executive who will be responsible for ensuring responses to all NOAC queries, for verifying/validating and obtaining Chief Executive sign-off on data being returned to NOAC and for reporting any issues back to the Chief Executive. The secretariat is to draft a letter from the Chair to the Chief Executives to this effect.

#### AOB

The Chair provided an update of the meeting he had with the new Local Government Audit Service (LGAS) Director of Audit, Niamh Larkin, shortly after she commenced her assignment, who indicated that she is open to a more collaborative relationship between NOAC and the LGAS Value for Money (VFM) Unit. They discussed the late production of Annual Financial Statements, the need for more standardised audit report content, a review of the Internal Audit function and Audit Committees, co-operation with the Comptroller & Auditor General, a review of shared services, the scale of unfunded balances, VFM studies and the possible introduction of a Statement of Internal Control in local authorities. It is intended that the Chair, along with John Buckley and the secretariat, will meet with her soon again to agree a programme of NOAC priorities. The members expressed the view that the reduction in the number of local authorities for audit should mean a freeing up of additional resources for the VFM area and, in that context, NOAC should seek to carry out future thematic studies via the VFM Unit and greater engagement with that Unit.

#### Date of next meeting

The next NOAC meeting is on Tuesday 25<sup>th</sup> October at 10.00 a.m. in Local Government House.