

Minutes of the National Oversight and Audit Commission (NOAC) meeting

Tuesday 11<sup>th</sup> April 2017

Venue: Conference Room, Offices of the RTB, O'Connell Bridge House, D'Olier St., Dublin 2

Attended by:

Chairman Pat McLoughlin  
Members John Buckley  
Tara Buckley  
Connie Hanniffy  
Paul Lemass  
Michael McGreal  
Sharon O'Connor  
Colleen Savage

Secretariat Diarmuid O'Leary  
Sheila McMahon  
Mark Crosbie

Apologies David Holohan  
Martina Moloney  
Henry Upton

Minutes of last meeting and matters arising

The minutes of the meeting of 28<sup>th</sup> February 2017 were agreed subject to an amendment to page 2. The members confirmed that they were not aware of any conflicts of interest in relation to the items for discussion at the meeting.

Update by Chairman

The Chairman advised the meeting that he had attended the tourism seminar organised by the LGMA at the end of March and had met there with Joe McGrath, current Chair of the CCMA. They had discussed the best practice event and NOAC's conclusion, arising from its two housing reviews, that the event should relate to the housing area. He reported that Fearghal Reidy of the LGMA has now been asked to work on setting it up. They had also discussed engaging at an individual local authority level on the analysis emerging from NOAC's reports and the Chairman will meet with the Chief Executives at the June meeting of the CCMA. He said the tourism seminar had showcased a lot of good work by local authorities in that sector with well-established networks and a good working relationship with Bord Fáilte.

Annual Report

The members discussed the circulated draft annual report and requested the inclusion of an executive summary of key points of activities over the year and a reference to the non-

inclusion of an indicator relating to public water supplies. The secretariat was asked to look at the feasibility of including an infographic to pictorially capture the key findings and a segment on any local authority actions in response to NOAC reports.

#### LA Housing Management and Maintenance Report

Paul Lemass, Chair of the Housing Sub-Group summarised the changes that the sub-group had decided to make to the draft report at its last meeting – principally the inclusion of a graph showing the number of dwellings per wholetime equivalent working on the management function and the substitution of figures taken from the Annual Financial Statements (AFS) for the maintenance expenditure figures supplied, due to data reliability concerns. It was agreed to add an additional appendix giving the AFS A01 value (relating to maintenance and improvement expenditure) per unit. The members commented that variations in the maintenance cost will probably be attributed by local authorities to the age of their housing stock and that the area of tenant charging deserves more scrutiny. The members approved the report for publication subject to final sign-off by the sub-group on the latest changes and expressed the view that the accompanying press release should place the basis for the study in the context of the current housing crisis and include references to the need for more analysis, the previous report on the private rented sector and the fact of the referral of this report to the Joint Oireachtas Committee. It was agreed that the Housing Sub-Group should then step back from the detail of these two reports and look at the overall picture of implementation by local authorities of the *Rebuilding Ireland* strategy.

#### Local Authority Profiles

The members discussed the circulated profile of Offaly County Council based on NOAC's reports to date, as requested at the previous meeting. The secretariat was requested to expand the profile to include material in relation to the Corporate Plan implementation that has just been received from the Council and an appendix showing the Council's performance indicator results against the average or median (as appropriate) values for the indicators. It was agreed that a profile should next be prepared in respect of Louth County Council on a similar basis. When a few of these have been prepared, the intention would be to invite the Chief Executives to a meeting with NOAC to discuss the issues impacting on their authorities and their performance generally in comparison with similar authorities.

#### ICT Review

The members discussed the circulated paper outlining the outcome of Mark Crosbie's investigations and discussions with the LGMA and Office of the Government Chief Information Officer (CIO) in connection with NOAC's next thematic review. The paper recommended that NOAC should await the finalisation of the LGMA ICT strategy, due in July, before deciding the direction of NOAC's review. In the discussion on this area the point was made that the ICT systems break down into 3 main areas – internal systems, information management systems and customer service delivery and any strategy will have to distinguish between them.

Paul Lemass advised that the LGMA staff numbers engaged in the ICT area have reduced from 135 to 100 and that the LGMA no longer undertakes ICT development work. As the CIO is only at the commencement of a wide range of work that needs to be carried out within the civil service, its focus on the local authority sector is expected to be minimal for some time. With the objective of following the money trail, the NOAC review should start with an audit of the systems that are in use and by which local authorities so as to build up a picture of the existing position.

The view was expressed that the LGMA appeared to be developing a strategy in the absence of a great deal of knowledge as to what systems are currently in use and that they should be asked to share their data with NOAC, as it is important to understand the fundamental workings. The secretariat noted a reluctance by the LGMA to outline all the issues being considered until the strategy is finalised. Another ICT issue raised was the non-standardisation of the local authority websites in relation to the type of material that is available, which makes it difficult to compare and contrast authorities.

Members commented that many of the challenges and themes identified by the LGMA impact on the customer care area and with mygovind.ie having come on stream, there is a need to focus on spend and changes to improve services. There is a need to be involved in discussions about putting business information systems on-line. It would be useful to be able to identify what systems have been most effectively tweaked by particular authorities to provide optimum performance so that such modifications could be shared with all authorities. To make the exercise more manageable, a single functional area, such as planning or financial management, should be selected for NOAC to drill down into the systems in use.

While major decisions should await the LGMA strategy, the view was that more data should be gathered before then. It was suggested that NOAC could write to the local authorities with a set of questions to elicit information such as what systems are in use (to include systems provided by themselves, hosted by other authorities and shared services), whether supported in-house or externally, their reasons for not using centralised systems, how any shared systems in use are paid for, what ICT issues have been included in their risk register, challenges they experience, breakdown of spend, and staffing details. Other suggested enquires related to the ICT function challenges highlighted by the LGMA and how the authorities view expenditure on ICT – is it a cost to be controlled or is it seen as an investment, and can they identify savings that are a product of ICT as well as the expenditure on ICT?

It was agreed that, prior to making enquiries of the local authorities, the people developing the LGMA strategy should be asked to attend the next NOAC meeting, along with the Heads of Information Services of the two local authorities with the highest and lowest ICT expenditure per whole-time equivalent per the 2015 Performance Indicators Report.

### Financial Performance

The LGAS Activity Report relating to the 2015 AFSs has just been published and the link was circulated to the members. The secretariat advised that 21 local authorities had submitted their 2016 AFS to the Department of Housing, Planning, Community and Local Government by 10<sup>th</sup> April, which represented an improvement on the position in previous years, and that 16 of the authorities had submitted them by the required date of 31 March 2017. Individual letters are being prepared for issue to the local authorities to follow up on the items identified by the Financial Performance Sub-Group. In relation to the reports requested from the Audit Committee chairs, 26 annual reports and 29 AFS reports have been received. An analysis has been carried out on 21 authorities, which indicates that all the Committees met with the external auditor, 18% carried out the self-evaluation exercise, 64% prepared an Annual Report on time, 45% complied with budgetary reporting requirements and 64% carried out internal audit requirements. The full analysis will be circulated to the sub-group members after Easter. Another meeting of the sub-group will be arranged soon.

### Updates re Customer Survey, PMO Project and AHBs

The content of the questionnaire has been finalised but its issue to the authorities was delayed while access to the Survey Monkey software was organised. This is now in place, so it is planned to issue the survey next week.

A meeting of the PMO Project Sub-Group has been arranged for Wednesday 26<sup>th</sup> April. In preparation for the meeting, the secretariat has circulated a draft list of questions on the internal audit function.

A note was circulated of the secretariat's meeting with the Approved Housing Body (AHB) interim Regulator and the limited information that is available on the location of AHB units and the voids. The Housing Sub-Group will consider whether a performance indicator needs to be introduced in relation to the local authority function of overseeing AHBs.

### Any Other Business

It was agreed that the authors of the VFM Unit report on Corporate Estates that was circulated for the last NOAC meeting should be invited to attend a future meeting to discuss the report.

### Next Meeting

The next meeting of NOAC is scheduled for Tuesday 23<sup>rd</sup> May 2017 at 10.00 a.m. in the Withdrawing Room of the Custom House.