

Draft Minutes of the National Oversight and Audit Commission (NOAC) meeting
Wednesday 31st January 2018

Venue: Main Conference Room, Custom House, Dublin 1

Attended by:

Chairman Pat McLoughlin

Members Tara Buckley
Paul Lemass
Martina Moloney
Colleen Savage
Connie Hanniffy
Sharon O'Connor

Secretariat Sheila McMahon
Claire Gavin
Diarmuid O'Leary
Jason Kennedy

Apologies John Buckley
Dave Holohan
Michael McGreal

Guests Níamh Larkin & Pat Guiney of the Local Government Audit Service,
Anna Marie Delaney, Chief Executive, Declan Conlan, Head of Finance, Tom
Shanahan, Director of Services, Offaly County Council.

Minutes of last meeting and matters arising

The minutes of the meeting of 19th December 2017 were approved, subject to a slight amendment. On matters arising, the secretariat circulated an email from the LGMA in response to NOAC's letter of 1st December in relation to the ICT Strategy. The email relates to the discussion with the CCMA ICT Strategy group at NOAC's meeting in November about the appropriate performance indicator in respect of the ICT area. The members agreed to the LGMA proposal to participate in a small representative group to review the performance indicator on the basis that this exercise is separate from the ICT Strategy.

The members noted the report of the engagement on 19th December 2017 with the Chief Executive and Directors of Service of Louth County Council.

Declaration of any conflict of interest

Connie Hanniffy indicated that she would not participate directly in the meeting with the Offaly County Council Chief Executive and management team due to her membership of that Council's Audit Committee.

NOAC Work Plan 2018

The Chairman indicated that he would like to progress the compilation of the profiles of all the remaining local authorities during 2018 and then decide which authorities to invite to meet with NOAC. In order to do this, the resourcing of the secretariat will need to be considered. He also proposed to talk to the Director of Audit to see how best to access the knowledge the auditors would have of matters impacting on the authorities they are responsible for auditing that would not necessarily be directly relevant to the format of the audit reports they prepare.

There was a discussion of the Corporate Plan implementation monitoring function that had not progressed during 2017. This was partly due to the fact that reporting of implementation progress as envisaged by the corporate planning guidelines is not readily available. The members considered that the monthly management report to the elected representatives should focus on Corporate Plan implementation. The October 2018 budget documents would also have outlined the position regarding implementation so these should be available as review tools. It was suggested that external management consultant expertise might need to be engaged to review how well the Plans were being implemented.

It was decided to include a review of the impending CCMA ICT Strategy Implementation Plan in the draft work plan, which was approved on the basis that it is an indicative plan. It was agreed that the issue of the resourcing of NOAC to carry out its work would need to be considered more fully at the next meeting and that NOAC should carry out a thematic review in the economic and community development area as soon as resources permit. The next good practice event will be organised when NOAC has come across more examples of practice that could be usefully shared with other authorities and the Chairman indicated that the LGMA should be asked to follow up on the level of subsequent implementation by authorities generally of the initiatives showcased at these events.

Meeting with Níamh Larkin, Director of Audit, LGAS

Níamh Larkin provided an update on the short fact based Value for Money (VFM) studies included in the LGAS work programme for 2017. All of the 2016 Annual Financial Statements had been received within two months of the due date, which meant that the audits were completed at an earlier stage in the year. This resulted in a significant number of audit days being freed up. These days were allocated between progress reporting on the full VFM studies and the shorter fact based reports covering the areas of commercial rates, pensions, loans and unfunded capital balances. The data for these reports was collected from the local authorities using a questionnaire that was agreed in advance and signed off by the Head of Finance of the individual local authority on completion.

The report on commercial rates is looking at the ageing of the debt, the categorisation by business and the split between general and specific bad debt provisioning. The ageing of

the workforce and impact of the single pension scheme funding arrangements are being considered in the pensions study. The loans study was intended to be into the interest only loans initially but was expanded to include all loans, as information was readily available from the Housing Finance Agency. Data was not as readily available for the study on unfunded capital balances and the study is looking at how the balances arose and what program group they related to., When the studies are completed, the LGAS will go back to the authorities with the draft reports. Areas identified in the studies may be followed up as part of the annual audits.

There was some discussion of the level of pension funding deficits in local authorities and the uniqueness of the treatment of pension provision for the local government area within the public sector. The Director of Audit advised that she is a member of a local government subgroup which is looking at the implications of implementing FRS102 Employee Benefits on the sector. On the rates topic, the impact of strengthened collection powers and revaluations were referenced.

Meeting with Offaly County Council's Chief Executive, Head of Finance and A/Director of Service

The Chairman welcomed the Chief Executive and her management team to the meeting. The Chief Executive circulated an overview briefing document about the Council, its programmes and priorities. A property management team to address the property register, a housing inspection team to increase the level of inspection of private rented accommodation and a Rebuilding Ireland team have been put in place.

The Offaly County Council team answered questions from the NOAC members on progress in eliminating the revenue deficit and commercial rates issues, customer service, corporate planning, housing issues, performance indicators, tourism initiatives, employment within the county and economic and community development.

The Chairman thanked the Chief Executive and her team for coming in to meet with NOAC and for providing valuable insight into the work of the Council. A separate note on this engagement will be prepared and provided to Offaly County Council in the context of NOAC's Local Authority profiling exercise.

Performance Indicators for the 2017 report

Martina Moloney, chair of the Performance Indicators Sub-Group, referred to the publication of the 2016 report the previous week and the circulated note regarding the sub-group's recommendations for changes to the 2017 indicators. She advised that the review of the housing stock indicators was on-going and that a meeting was scheduled to take place later with the nominated Departmental official on the housing data. As the 2017 indicator guidelines need to issue to local authorities within the next few weeks, any other

proposed changes that come out of the review will be circulated to the members by email. The members indicated their agreement to this approach.

Customer Survey project – update

The final survey has been agreed and the piloting of the script for the questions will start next week. The final report should be due the end of March and a workshop is planned for the end of April. The LGMA, who will be taking on this exercise after all 31 authorities have been surveyed, were consulted as to the survey questions.

Any Other Business

The Chairman referred to his intention to step down as chair of NOAC when a replacement chair has been identified. His decision to step down was due to the pressure of work now associated with his full-time role. The members were advised that Sheila McMahon was being transferred from the NOAC secretariat to other work in the Department and so this would be her last meeting. Her replacement would be assigned to NOAC the following week. The Chairman and members thanked Sheila for her contribution to NOAC's work since its establishment.

Next Meeting

The next meeting is on Tuesday 13th March 2018 at 10.00 a.m. in the Custom House.