

National Oversight and Audit Commission

NOAC ANNUAL REPORT 2018

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Chairman's Statement:



This is the fifth annual report of the National Oversight and Audit Commission (NOAC), covering the period 1 January – 31 December 2018. NOAC was established in 2014 as an independent statutory body to provide oversight of the local government sector in Ireland. It is a key element of the local government reform agenda that emerged from the proposals set out in the Action Programme for Effective Local Government and is underpinned by the Local Government Reform Act 2014. NOAC is required to prepare and submit to the Minister for Local Government its Annual Report before 30 April each year. This report was approved by the members of NOAC at its meeting on 5 March 2019.

I was appointed Chair on 24 of September 2018 and look forward to leading the Commission through its important work over the coming years.

During 2018 NOAC published various reports including:

- The operation of Audit Committees in Local Authorities;
- A review of 2015 Statutory Audit Reports to the Members of Local Authorities;
- Internal Audit in Local Authorities;
- Local Authority Satisfaction Survey;
- Performance Indicators Report 2017;
- Public Spending Code Report 2017.

In 2017 NOAC commenced compiling profiles of each local authority based primarily on the material in our reports to date. This then became the basis for meetings with the Chief Executives, who provided some additional information on the local authorities themselves and it helped demonstrate the particular context within which they each operate. Great progress was made in 2018 with profile meetings with six local authorities completed. Four of those local authorities then attended a NOAC meeting to meet the Board and explore items in the profile in more detail.

Work is continuing in 2019 on a Local Authority Customer Satisfaction survey and reviews of aspects of Financial Performance and the Internal Audit Function, as well as the annual Performance Indicators and Public Spending Code Quality Assurance reports. The working relationship between the Local Government Audit Service (LGAS) and NOAC also continues to develop and strengthen.

During 2018 NOAC again received substantial support and assistance from the Local Government Management Agency (LGMA), particularly in the collection and compilation of data for the Performance Indicators report.

I wish to express my gratitude to the Chief Executives, liaison officials and Performance Indicator coordinators of the 31 local authorities for complying with the various requests for information made by NOAC during 2018 and to the other bodies, agencies and Departments that supported NOAC in its work over the last year.

I would also like to thank the outgoing Chair, Pat Mc Loughlin, for the valuable and extensive work that he has carried out during his time as Chair along with the other board members.



Michael McCarthy,
Chairman,
April 2019.

Executive Summary

NOAC was established in 2014 to independently oversee the local government sector by reviewing the financial and operational performance of bodies within its remit. It also oversees implementation of national local government policy and works to identify opportunities for best practice. A list of NOAC's functions is included in its statement of strategy reproduced at Appendix 2.

The majority of NOAC's work is carried out by sub-groups set up to further various projects. In 2018 there were six sub-groups operating. The Performance Indicators, Customer Survey and Financial Performance groups operate on a permanent basis with ongoing work requirements, while the Local Enterprise Offices (LEOs), Public Spending Code (PSC) and PMO Projects sub-groups remain in place for the duration of their specific projects.

Work progressed in 2018 included the compilation of the 2017 Report on Local Authority Performance Indicators and a validation review of six authorities with regard to the accuracy and reliability of a subset of indicators. The Customer Survey sub-group published the first of 3 surveys on local authority customer engagement. In 2018, the 10 largest local authorities were surveyed and a report was published on the findings in July 2018. The survey will be carried out in the remaining local authorities over the next two years. The Financial Performance sub-group continued a review on the working of local authority audit committees that was published in 2018. The Sub-Group also selected a number of issues, raised in the reports of the LGAS in their audits of the 2015 Annual Financial Statements of the 31 local authorities, to be followed up with the Chief Executives of the local authorities concerned. NOAC published a report on the direct follow-up with those Chief Executives in 2018.

Other work progressed in 2018 included the compilation of the 2017 composite Quality Assurance report for the local government sector as part of the requirements of the Public Spending Code. A questionnaire was carried out as part of the review of local authority internal audit functions and a report was published in July 2018 based on the findings.

NOAC reports and recommendations are presented to key decision makers in the local government sector as well as the relevant Joint Committee of the Houses of the Oireachtas.

In September 2018 NOAC's newly appointed Chair met with the Joint Oireachtas Committee on Housing, Planning and Local Government to ratify his appointment, provide an overview on the functions of NOAC, and the Chair's intentions in respect of the role.

A highlight of 2018 was the Customer Service Workshop held in the Custom House on 27 November 2018. The various presentations given at the workshop showed the many good initiatives being developed and implemented by local authority staff working in this area. NOAC would like to express its gratitude to the presenters and participants at the event.

NOAC Membership

NOAC's membership is statutorily prescribed as a minimum of 6 and a maximum of 9 members. There is provision for the Minister for Housing, Planning and Local Government to increase, by order, the number of members to a maximum of 12 for a period of up to two years. S.I. No. 536 made by the Minister on 19 October 2016 increased the number of members to 11 for the period up to 18 October 2018. On 18 October 2018, S.I. No. 442 provided for an extension of the increased membership numbers for a further two years.

The appointed members bring a variety of expertise to their work on NOAC's Board. This expertise and experience includes legal, consumer, audit and local government (both elected member and management) perspectives. At the end of 2018 there were 10 board members on the NOAC Board. The terms of office of Sharon O'Connor, Michael McGreal and David Holohan expired in October 2018 and all were reappointed by the Minister for two years. Pat McLoughlin stepped down as Chair and resigned his membership, being replaced by Michael McCarthy as Chair on 24 September 2018.

The current members and their appointment dates are as follows:

Chairman	Michael McCarthy	24/09/2018
	Pat McLoughlin	01/7/2014 – 24/09/2018
Members	John Buckley	01/7/2014
	Tara Buckley	01/7/2014
	Connie Hanniffy	01/7/2014
	David Holohan	21/10/2016 (reappointed October 2018)
	Paul Lemass	02/9/2014
	Michael McGreal	21/10/2016 (reappointed October 2018)
	Martina Moloney	01/7/2014
	Sharon O'Connor	21/10/2016 (reappointed October 2018)
	Colleen Savage	01/7/2014

Member Biographies

Michael McCarthy, Chair:



Michael is the CEO of the Irish Solar Energy Association. He was appointed as Chair of the National Oversight and Audit Commission in September 2018. He was an elected TD for the Cork South-West constituency from 2011 to 2016. He is a former member of the Daíl Public Accounts Committee. He was elected to Seanad Éireann, for the period 2002-2011. Michael was an elected member of Cork County Council from 1999 to 2003.

John Buckley:



John Buckley is an accountant and a barrister-at-law. Prior to his appointment to the Commission he served as Comptroller and Auditor General. He has over 40 years' experience in public audit and was the first Director of Value for Money Audit in the Office of the Comptroller and Auditor General. He also serves on the Council of the Economic and Social Research Institute and chairs its Audit Committee.

Tara Buckley:



Tara Buckley is Director General of RGDATA (Retail Grocery Dairy & Allied Trades Association) which represents the interests of 4,000 Irish family-owned shops, convenience stores and supermarkets. A graduate of Trinity College Dublin and former journalist and political correspondent, Tara is a member of the Government's Retail Consultation Forum; the Brexit Forum at the Department of Business, Enterprise and Innovation, the Garda Strategic Retail Forum; the National Waste Management Forum; the Retail Forum at the Food Safety Authority and the National Planning Framework Advisory Group.

Constance Hanniffy:

Constance Hanniffy is a graduate of NUI Galway and holds a BA (Hons) in Community and Family Studies. She was an elected member of Offaly County Council from 1974 to 2014 and a member of the Midlands Regional Authority from 1994 to 2014. She was also a member of the Irish delegation to the Committee of the Regions from 1998 to 2014. She is a Board Member of the Sue Ryder Foundation and a member of the Offaly County Council Audit Committee. She is a past member of the National Economic and Social Forum (NESF) and of the Taoiseach's Devolution Commission (1995-97) which made recommendations to Government on local government reform. She previously served as a member of the D/ECLG's Consultative Committee on the Local Government Reform Green Paper. She is a past member of the BMW Regional Assembly and the former Chair of its EU monitoring committee.

David Holohan:

David Holohan (BCOMM, MBA, APA, C Dir, M.Inst.D, CMgr FCMI, Chartered FCSI) is Head of Equity Strategy at Mediolanum Asset Management. He was previously Chief Investment Officer at Merrion Capital and has worked in asset management firms and hedge funds, both in London and Dublin. David holds an MBA with merit from Imperial College London, is a Chartered Fellow of the Chartered Institute for Securities & Investment (UK), also a Chartered Fellow of the Chartered Management Institute (UK), a Chartered Director (UK) and Member of the Institute of Directors (Ireland). He was appointed to the Board of the HPRA by the Minister for Health in January 2016. David is Chairman of the Governing Body of IADT and is Chairman of the Board of the charity One in Four.

Paul Lemass:



Paul Lemass is an Assistant Secretary in the Department of Housing, Planning and Local Government (DHPLG) with responsibility for the Local Government Division. Prior to this he was Ireland's Environment Counsellor in Brussels from 2010 – 2014, including the period of the Irish Presidency in 2013. He holds a primary degree in Mechanical Engineering from UCD, and a Masters in Business Administration from Northwestern University, Chicago, and has worked in private, non-profit and public sector roles throughout his career.

Michael McGreal:



Michael McGreal was the Company Deputy Chairman of IPB Insurance CLG until 31st December 2018 and Chairman of the Board Remuneration and Nomination Committee. He was a member of Roscommon County Council from 1985 -2014 and served as Chairman of the Council. He was a member of the West Regional and the BMW Regional Authority's. He was a member of the Board of Inland Fisheries Ireland and an alternate member of the Committee of the Regions from 2010 to 2014.

Martina Moloney:



Martina Moloney was a career official in Irish local government for almost thirty-seven years. She holds a BA and MA in Public Management and a Doctorate in Governance and is a member of the Institute of Accounting Technicians. She worked in eight local authorities and held the post of Director of Community and Enterprise and Corporate Services in Galway City Council, before being appointed as County Manager in County Louth and subsequently as County Manager in Galway prior to her retirement in July 2014.

Sharon O'Connor:



Sharon O'Connor is Chair of the Northern Ireland Education Authority since April 2015 and was previously Chief Executive of Derry City Council from 2011 to 2015. She is a member of the Accounts Commission Scotland. She has had over 20 years' experience as a Chartered Director, Non-Executive Director, Vice Chair, Committee Chair and Board Member and in 2009/10 was the Institute of Directors, Public Sector Director of the Year.

Colleen Savage:



Colleen Savage is a consultant in consumer insight and marketing strategy using a combination of quantitative and qualitative research skills. She has worked across the private sector, bringing the consumer perspective to strategy and communication development. She has also conducted research on citizen perceptions on public policy areas such as equality and human rights, voting intentions and effectiveness of government strategy. She was a member of the National Consumer Agency for two years, before it became part of the Competition Authority. As a board member she focuses on bringing her experience in both market research and data analysis to ensure that the consumer first elements of local government reform are reflected.

Fees

The annual fee payable to those members of NOAC who did not waive payment is below:

Member:	€7,695
Chair:	€11,970

NOAC implements the “one person one salary” principle in respect of the payment of member fees for Irish public servants.

Travel and subsistence expenses incurred are paid at standard civil service rates. The rates applicable in 2018 are available at <https://www.revenue.ie/en/employing-people/employee-expenses/travel-and-subsistence/index.aspx>

A table listing the attendance of members at NOAC meetings in 2018 is provided in Appendix 1.

NOAC would like to thank the DHPLG, who provide the venue for these meetings.

NOAC Sub-Groups

NOAC has established a number of sub-groups to take responsibility for the advancement of various projects, with regular reporting back to the full NOAC Board when key decisions are required. The nature of NOAC's statutory functions means that there will be an on-going requirement for some sub-groups, while others may only exist for the duration of a particular project. The sub-groups conduct much of their work via email as well as through meetings. The membership of the sub-groups during 2018, with the name of the Chair listed first, is as follows:

Permanent sub-groups:

- Performance Indicators – Martina Moloney, Constance Hanniffy and Sharon O'Connor;
- Financial Performance – John Buckley, Tara Buckley, Paul Lemass and Martina Moloney;
- Customer Survey – Colleen Savage, Tara Buckley, Paul Lemass and Michael McGreal.

Project Specific sub-groups:

- Housing – Paul Lemass and John Buckley;
- LEOs – Constance Hanniffy, Tara Buckley and Colleen Savage;
- PSC – John Buckley, Paul Lemass and Martina Moloney;
- PMO Projects – David Holohan, Martina Moloney and Michael McGreal.

Performance Indicators Sub-Group

Meetings: 5

Role: The Performance Indicator Sub-Group's mandate is to recommend appropriate performance indicators in respect of local authority activity, and to oversee the data collection, verification, compilation and publication of a report on those indicators annually. NOAC published the 2017 Report on local authority performance indicators in September 2018. It is available, with all other published NOAC reports at <http://noac.ie/noac-reports/>

The report was presented to the Minister for Housing, Planning and Local Government and to the Oireachtas Joint Committee on Housing, Planning and Local Government.

The Sub-Group visited six local authorities to carry out an assessment of the accuracy and reliability of a subset of the indicators as follows:

- **Mayo County Council** reviewed on 18 June 2018 by Martina Moloney and John Buckley, with Neill Dalton of the Secretariat;
- **Kerry County Council** reviewed on 19 June 2018 by Sharon O'Connor and John Buckley, with Claire Gavin of the Secretariat;
- **Longford County Council** reviewed on 25 June 2018 by Martina Moloney and John Buckley, with Claire Gavin of the Secretariat;
- **Wicklow County Council** reviewed on 27 June 2018 by Constance Hanniffy and John Buckley, with Ken Doyle of the Secretariat;
- **South Dublin County Council** reviewed on 28 June 2018 by Connie Hanniffy and John Buckley, with Colin Flood of the Secretariat;
- **Westmeath County Council** reviewed on 3 July 2018 by Martina Moloney and Constance Hanniffy, with Lisa Clifford of the Secretariat.

The decision on which authorities to review was arrived at having regard to such factors as the urban/rural mix, scale of authority and those reviewed in the past.

The 2018 indicators selected for review were:

- Housing - H4: Housing Maintenance Cost;
- Roads - R2: Road Works Planning;
- Waste/Environment - E2: % of Environmental Pollution Complaints Closed;
- Waste/Environment - E3: % of LA Area Within the 5 Levels of Litter Pollution;
- Fire - F2: Fire Service Mobilisation;
- Finance - M1: 5 Year Summary of Revenue Account Balance.

As well as confirming the validity and robustness of the data provided by the local authorities, views were obtained on the usefulness of the indicators and related issues. In addition, overall performance issues, experience with the indicators and any follow-up or analysis carried out of the 2016 performance outcomes relative to other authorities and/or prior years was discussed with the relevant Chief Executives. The visits uncovered examples of good practice and showed that the indicators are being used to compare performance, identify areas for improvement and set targets.

NOAC encourages all local authorities to use comparators of performance, when and where appropriate, to see what they can learn from one another to improve performance. Local authorities are also encouraged to engage with audit committees, elected members and relevant staff throughout the organisation to increase awareness and understanding of performance indicators, with the opportunity for learning and implementing change at the frontline.

In 2018, the Sub-Group published two reports:

- Local Authority Performance Indicator Report 2016 – published January 2018; and
- Local Authority Performance Indicator Report 2017 - published September 2018.

A summary of both of these reports is provided on pages 28 and 43 respectively.

Financial Performance Sub-Group

Meetings: 4

Role: The Financial Performance Sub-Group was established in September 2015 to progress NOAC's function under section 126C(1)(b) of the Local Government Act 2001 to scrutinise the financial performance, including in relation to value for money, of local authorities in respect of their financial resources.

During 2018, the Sub-Group continued its review of the reports by the Local Authority Audit Committees of their consideration of the Local Government Auditor's report on their 2014 Annual Financial Statements and the items discussed with the auditors.

In 2018, the Sub-Group published two reports:

- Operation of Audit Committees in Local Government – Published June 2018;
- Review of 2015 Statutory Audit Reports to the Members of Local Authorities - Published June 2018.

A summary of both of these reports is provided on pages 31 and 34 respectively.

Customer Survey Sub-Group

Meetings: 4

Role: The role of the Customer Survey Sub-Group is to initiate and oversee customer surveys that NOAC commissions. This relates to its functions under section 126C(1)(a) of the 2001 Local Government Act to scrutinise local authority performance against relevant indicators that relate to customer service and under section 126C(1)(c) to support the development and enhancement of best practice. The Sub-Group determines the activities or functions that should be the subject of surveys, develops requests for proposals and reviews questionnaires.

NOAC engaged IPSOS/MRBI, following a tender process, to carry out a citizen satisfaction survey of all local authorities over a 3 year period. Customer service is an important area for local authorities and this 3 year programme sets out to undertake a customer survey in similar sized local authorities each year. In 2018 the survey was undertaken during February and March focusing on the 10 largest local authorities in the country. The results of the survey were published in July 2018.

A Customer Service Workshop was held on 27 November 2018. Presentations on the day were made by IPSOS/MRBI who explained how the survey was conducted and the findings of the report. The LGMA presented on its new Communication Strategy for local authorities. Limerick City and County Council spoke about Customer Surveys – The Limerick Approach. Dun Laoghaire Rathdown County Council followed this with a presentation on the Value of Parks and Open Spaces: Managing the Message. The final presentation was on behalf of National Age Friendly Ireland; An Age Friendly guide to Communication – removing barriers, improving customer services.

There was a lot of engagement, interest and feedback on all the topics on the day. The presentations were followed by breakout session discussions, including discussions on the common issues faced by local authorities, the current strengths and weaknesses of customer services in the local government sector, and who, outside of the public sector, inspires their sense of customer service.

The members of NOAC's Customer Service Sub-Group found the workshop to be very informative and worthwhile as an overview of many excellent initiatives being taken by local authorities to improve customer service. NOAC is grateful to all the presenters and participants.

Work will continue in 2019 on local authority customer satisfaction. The 2019 survey will be carried out in 11 local authorities; for the next 10 medium sized local authorities: Donegal, Wexford, Kerry, Wicklow, Mayo, Louth, Cork City, Clare, Waterford City and County and Kilkenny. Galway City has also been included for the 2019. The survey will be conducted using the same questions and same sample size and this will commence in quarter 1 of 2019.

It is intended that the survey will be repeated in the remaining local authority areas in 2020.

In 2018, the Sub-Group published one report:

- Local Authority Satisfaction Survey 2018 – published July 2018.

A summary of this report is provided on page 41.

LEO Sub-Group

No meetings were held in 2018.

Role: LEOs were established in 2014 to act as a local first stop shop for new enterprises, existing micro-enterprises (10 or less employees) and small business owners through which all information on State supports for small and micro businesses can be accessed. LEOs operate under the aegis of the Department of Jobs, Enterprise and Innovation (D/JEI) and are supported by Enterprise Ireland (EI).

NOAC's LEO Sub-Group was set up in April 2015 and was charged with exploring options for examining the performance of LEOs in the implementation of national policy. The work plans for 2016 and 2017 also included an assessment of the workings of the service level agreements (SLAs) that underpin the operation of LEOs.

A review of the LEO SLAs was initiated by D/JEI in 2016 through a working group made up of representatives from D/JEI, EI, local authorities and the LEOs themselves. NOAC postponed its evaluation of LEO adherence to the agreements in case the review outcome resulted in significant changes to the operation of the SLAs. While this exercise was expected to conclude in April 2017, NOAC is still awaiting confirmation of completion and the terms of the revised agreement. NOAC will decide on the direction its evaluation will take upon receipt of these.

The LEO Sub-Group is due to meet in early 2019 to agree a work plan for the year.

Public Spending Code Sub-Group

No meetings were held in 2018.

Role: The Public Spending Code (PSC) requires annual Quality Assurance (QA) reports to be submitted to the Department of Public Expenditure and Reform (D/PER) in respect of all public expenditure. NOAC has the function of compiling a composite QA report for the local government sector from the 31 individual local authority QA reports.

The QA report is made up of the following 5 Steps:

1. Provide an inventory of projects/programmes at different stages of the project life cycle,
2. Confirm publication on the local authority's website of procurements exceeding €10m,
3. Complete 7 self-assessment checklists contained in the PSC,
4. Conduct a more in-depth review of a selection of projects/programmes, and
5. Complete a short summary report for NOAC of the preceding steps and of the local authority's judgement of the adequacy of the appraisal/planning, implementation or review work examined, the reasons why it formed that judgment and its proposals to remedy any inadequacies found during the entire quality assurance process.

NOAC's role in this process is to verify that each step has been completed by each local authority and to compile the composite report. This work is overseen by the sub-group and the composite report, as well as being submitted to D/PER, is published on the NOAC website annually. The process in relation to the QA report for 2017 commenced in February 2018 and the composite QA report was published in October 2018.

In 2018, the Sub-Group published one report:

Local Authority Quality Assurance Report 2017 – published October 2018.

A summary of the report is provided at page 48.

PMO Projects Sub-Group

No meetings were held in 2018.

Role: NOAC's PMO Projects Sub-Group was established in February 2016 to continue the oversight work of efficiency reform implementation. The Sub-Group oversaw the finalisation of NOAC's April 2016 reports on implementation of the Local Government Efficiency Review Reforms and the Local Government Shared Services Projects. It will also review any progress reports produced by the Public Sector Reform Oversight Group, as they are made available, in relation to the shared services projects with lead local authorities.

Arising from the Local Government Shared Services Projects Report, NOAC decided that the PMO Projects Sub-Group should undertake a more in-depth review of the local authority internal audit function to clarify whether there is an internal audit function in operation in each local authority, if it is in-house or contracted out, performed by staff trained for that purpose and the type of reports being produced. A questionnaire was issued to local authorities in summer 2017, along with a request for an update regarding measures taken to implement recommendations of the Internal Audit Collaboration Sub-Group report that issued to the Heads of Finance in late 2014. The responses were considered by the Sub-Group and the results were published in the report.

In 2018, the Sub-Group published one report:

- Internal Audit in Local Authorities 2018 - Published July 2018

A summary of the report is provided at page 38.

Other Activities of NOAC

Joint Committee on Housing, Planning and Local Government

The Chair of NOAC attended a meeting of the Joint Committee on Housing, Planning and Local Government on 19 September 2018. The purpose of the invitation to attend was to ratify Michael McCarthy's position as the new Chair of NOAC. The new Chair provided an opening statement and outlined the role of NOAC and the current work plans of the Commission.

Local Authority Profiles

In February 2017 NOAC decided to separately review the performance of each local authority. As a starting point, an overview picture of the local authority was compiled using relevant reports published to date by NOAC, including:

- Performance indicator results;
- LGAS audit reports;
- Local authority financial position and revenue collection performance;
- Private rented sector inspections;
- Housing stock management and maintenance data.

Profiles were drafted initially and these were forwarded to the Chief Executives of the local authorities chosen. The Chair then met with the Chief Executives for a general discussion on the profile and to invite the submission of relevant material outlining the particular context within which each local authority operates. The next stage involved a meeting between the Chief Executive and members of the management team and the NOAC Board, at which the various items covered in the profiles were explored in more detail. This process will continue through 2019.

Local Authority (LA)	NOAC Chair visited LA	LA attended NOAC meeting
Cork City Council	26/09/2017	13/03/2018
Offaly County Council	13/10/2017	31/01/2018
Kerry County Council	19/06/2018	04/12/2018
Westmeath County Council	03/07/2018	23/10/2018
Roscommon County Council	01/11/2018	Planned for January 2019
Tipperary County Council	03/12/2018	Planned for March 2019

Interactions with the Local Government Audit Service

Niamh Larkin, Director of Audit, joined NOAC's meeting on 31 January 2018 to discuss the work programme of the Value for Money Unit. She 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. An additional 500 audit days had been freed up as a result. These days were allocated between progress reporting on the fuller 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 signed off by the Head of Finance of the individual local authority.

The report on commercial rates looks 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 look at 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 therefore the study is looking at how the balances arose, the impact this has for capital reserves and what guidance may be needed in this area.

When the studies are completed, the LGAS will go back to the local authorities with the draft reports, which will be of a similar format to their annual activity reports, mostly reporting on the information gathered rather than making recommendations. Areas identified in the studies will be followed up as part of the annual audits.

Value for Money Report No. 31 - 'Report on the Coroner Service in Local Authorities':

Meeting with VFM Section

The authors of the report from the VFM Unit of the LGAS presented at the NOAC meeting on 25 April 2018 on their review of the Coroner Service.

Questions from the NOAC members covered topics on recruitment, procurement, fees, current legislation, the introduction of a standard reporting form with unique identity numbers and a proposal for a shared Coroner Service. The members expressed concern that local authorities are responsible for delivering the service but the Department of Justice and Equality has the statutory responsibility for the service. It was noted that Northern Ireland implemented reforms in this area without legislation.

The Board thanked the VFM Unit for providing valuable insight into the report and the Coroner Service itself. NOAC wrote to the Minister on 11 September 2018 highlighting concerns the Board had on foot of the report in respect of the following:

- The current procurement process;
- The method of recruitment of Coroners and Deputy Coroners;
- The fees and costs of mortuary, pathology and funeral home services;
- How these issues impact NOAC in not being able to fulfil its oversight functions for local authorities (i.e. value for money, performance measurement) given the current difficulties with the service.

Presentations

During 2018 a number of requests were made to NOAC to give presentations on its work. It had been agreed at the first NOAC meeting that the Chair would, where possible, perform the role of NOAC spokesperson and in that context the Chair gave the following presentations in 2018:

- Briefing to the Joint Committee on Housing, Planning and Local Government and briefed them on NOAC's role - 19 September 2018;
- IPA - Public Sector Performance; current initiatives and progress - 22 November 2018.

In addition, the Chair of the Performance Indicators Sub-Group gave a presentation at the NOAC Performance Indicators Workshop for Local Authority Coordinators hosted by the LGMA on 23 March 2018.

Report 14 - Performance Indicators in Local Authorities 2016 – January 2018

Publication of the 2016 Performance Indicators Report was delayed until January 2018 due to concerns about the reliability of data provided by many local authorities in respect of some of the schemes for the provision of social housing. In an effort to address the issues, a detailed assessment was undertaken in a sample of local authorities, the outcome of which suggested that there were a number of inconsistencies, variations in interpretation of the guidelines issued by NOAC, and errors in some of the data submitted, not all of which were reconcilable. NOAC made the decision not to publish these indicators for 2016 and instead to focus on a redesign of the indicators concerned for 2017 to better align the indicators with the priorities identified in Rebuilding Ireland, which was introduced in July 2016.

Some of the main findings of the 2016 Performance Indicators report are:

Housing

- 3% of Local authority houses were vacant at the end of 2016, compared to 3.5% at end 2015 and 3.8% at end 2014, and 15 local authorities had a vacancy rate of less than 2%;
- The average house re-letting time had increased to 33 weeks, but impacting on that figure are an increasing number of long-term voids being returned to occupation using the Department of Housing, Planning and Local Government's Vacant Properties (Voids) Programme;
- 10,206 inspected rented dwellings in 2016 were not compliant with the Standards Regulations and 5,101 became compliant during the year:
- At the end of 2016, there were 4,186 homeless adults in emergency accommodation, an increase of 19% on the number at end 2015.

Roads

- By the end of 2016, 98% of regional roads had received a Pavement Surface Condition Index (PSCI) rating and 70% had surface or structural defects;
- Monaghan had the highest proportion of its regional roads in both the worst condition category (15%) and in the best category (51%);

- 10% or more of roads were structurally distressed in the case of 12 local authorities for local primary roads, 18 authorities for local secondary roads and 19 authorities for local tertiary roads 33;
- 1,429km of local roads were strengthened in 2016 using €100.5m in Improvement Grants and 1,719km of local roads were resealed using €29.3m of Maintenance Grants;
- Since 2012, the proportion of motor tax transactions conducted online has increased by almost 20 percentage points to 70.14% Water;
- For the third year running, private drinking water supplies in Co. Westmeath achieved a 100% compliance rate with the Drinking Water Regulations;
- Overall compliance of private drinking water supplies was 97.77%, a very slight reduction on the previous year Economic Development;
- In 2016, businesses assisted by Local Enterprise Offices created 3,355 jobs, there were 7,564 participants in the mentoring scheme and the LEOs approved 1,141 trading online vouchers in respect of small businesses.

Planning

- There was a 37% increase in the number of new buildings notified to local authorities in 2016 and a quarter of these new buildings were inspected;
- The average per capita cost of the planning service rose fractionally to €26.96, with Cavan having the lowest cost for the third year at €15.25 Litter;
- Just over half of the monitored authorities increased the litter free portion of their counties. There were no areas of moderate, significant or gross litter pollution in counties Laois and Leitrim in 2016.

Fire Service

- Calls to attend fires reduced by 4% and other emergency call-outs increased by 10% in 2016 over the previous year;
- Of the part-time brigades Sligo had the quickest mobilisation time for fires and other incidents.

Library Service

- There were 17.18m visits to libraries and 18.17m items borrowed in 2016;
- The number of visits per head of population ranged from 6.2 in Cork City to 1.84 in Louth 34.

Corporate

- For the first time since end 2008, there was an increase in the whole-time equivalent (WTE) staff employed by the local authority sector at end 2016 – the increase was 289 WTE or 1%;
- Despite this, staff numbers reduced in 9 authorities: Dublin City, Carlow, Cork County, Dún Laoghaire-Rathdown, Mayo, Roscommon, Sligo, Waterford and Westmeath;
- Total medically certified paid sick leave for all authorities increased to 3.76% of working days – the paid sick leave rate was greater than 3.5% in the case of 21 authorities, but the rate in Westmeath was only 1.68%;
- Total page views of all local authority websites in 2016 were 59m and total social media users/ followers were 1.16m.

Finance

- Clare, Kilkenny and Louth cleared their revenue account deficits in 2016, leaving 13 authorities in deficit at the end of the year – 12 of these, however, had reduced their deficits on the previous year;
- Meath had the lowest per capita expenditure at €522 and Dublin City had the highest at €1,388, which may be related to the provision of services to a high number of non-residents;
- All local authorities increased their rates collection performance in 2016, apart from two that already had a very high collection rate;
- Tipperary collected 97% of housing rents and Fingal collected 100% of housing loan repayments in 2016.

Report 15 - Operation of Audit Committees in Local Government - June 2018

Purpose of NOAC Review

NOAC set out to establish how well local authorities had implemented statutory functions and Department guidance in respect of the activities and accounts of the year 2015.

It drew on the reports of the audit committees and in particular, it consulted the Chairs of Audit Committees on the following:

- The Committees arrangements in place to review the practices and procedures of the local authority for reporting on the annual budget, the on-going financial position throughout the year and the adoption of the financial statements;
- Whether and to what extent the Committee assesses efficiency and value for money in the performance of local authority functions and in particular, whether arrangements are in place to review local and national indicators or review the outcome of management's examination of those indicators and whether the Committee reviews reports produced by the VFM Unit of the LGAS;
- Whether the Committee undertook an annual review of its own effectiveness and reported its findings to the Chief Executive and the nature of this review;
- Whether and to what extent the committee reviews the effectiveness of the internal audit function, and the resourcing, charter and annual work programmes of the Internal Audit Unit;
- Whether a written charter governing the committee's operation has been adopted by the local authority and is being reviewed annually.
- The arrangements in place for reviewing the response of the local authority to any matters referred to it;
- The date on which the Committee considered the audited annual financial statement (AFS) for 2015 and Auditor's report thereon.

In addition, in certain instances, NOAC sought clarification from committees on matters arising from its review of the reports issued by them.

Overall Conclusions of NOAC

All 31 Local Authorities have functioning audit committees that are addressing the functions envisaged in their mandates.

It is accepted that, as independent review organs, committees need to retain flexibility to adopt review strategies and formulate appropriate responses to the implementation of their mandate in the context of each local authority's structure and systems.

The variety of practices outlined in this report indicates that there may be scope for comparison of approaches and adoption of those that fit with the review strategy of individual committees. NOAC agrees with the views of Chairpersons who suggested that a seminar be organised to consider the different approaches of committees and the opportunities to adopt different review practices. It will consult on how this might be organised and led.

Following on from the conclusions set out at the end of each section NOAC recommends that all committees, in their reporting explicitly:

- Outline the processes used to review the financial and budgetary processes;
- Set out the approaches used to review efficiency and value for money;
- Outline the tracking mechanisms that are in place to follow up on recommendations of the committee, the internal audit function and the LGAS;
- Outline the approach taken for the review of the committee's own effectiveness in the year;
- Report the results of its review of the internal audit charter, its workplan and associated resource adequacy, the outcome of its review of internal audit reports and the overall effectiveness of the function;
- Set out the date of adoption of each of its reports.

NOAC is of the view that consideration should be given to the introduction of statements of internal financial control. These would make explicit the controls and risk management approaches being utilised by management to ensure that there is an adequate level of checks and balances in the processing of the local authorities transactions and the safeguarding of its assets.

More generally, reflecting on the financial and governance environment in which Audit Committees operate, NOAC is of the view that the governance of local authorities should, to the extent possible be brought into line with the principles underlying the Code of Practice for the Governance of State Bodies and the accounting of local authorities be fully in line with accounting standards.

Report 16 - Review of 2015 Statutory Audit Reports to the Members of LAs - June 2018

A range of management and control issues are reported on annually by the LGAS following audit of the accounts of local authorities. NOAC reviewed these issues for 2015 and decided to follow up on five of them. Other agencies, including the LGAS, were pursuing the remaining issues.

The issues upon which NOAC engaged with local authorities were:

Procurement and purchasing management

The probity and effectiveness of procurement is central to the proper conduct of public business. Openness, fairness and competition are key to ensuring a proper procurement process and achieving best value. The best guarantee of this is compliance with national procurement guidelines, use of framework agreements and a well organised procurement function designed to implement national and local guidance in the pursuit of the best value for the authority.

In response to NOAC's inquiries to the 14 local authorities where shortcomings were noted by auditors, the local authorities in question have reported being at different stages in the implementation of technology, procurement policies and procedures and the reorganisation of the procurement function designed to address the findings arising out of audits. There is scope for a shared review of the procurement deficiencies set out in this report and following the evaluation of the range of associated remedies identified by local authorities the elaboration of better practice guidance for this area of administration.

Asset management

All local authorities need to be in a position to ensure that the assets they have acquired or constructed continue to exist, their ownership is registered, they are under control of the organisation and available for use in its business. Fundamental to this is the recording of assets in appropriate registers and ensuring that the records of purchases and disposals of such assets align with the property registers. Arising from the 2015 LGAS audits, 22 local authorities were identified as having had some issues with the recording of their assets. Those

authorities have assured NOAC that these matters are being addressed over the medium term.

Reconciliation of housing stock and rents

Similarly, the five local authorities that had not reconciled their housing assets with their rents have indicated that they are taking steps to ensure that such comparisons are done. It is important reasonable steps are taken to safeguard assets purchased out of public funds and to relate housing assets to income streams. An annual review by key organs of the authorities including the senior management and audit committees would be a useful practice to underpin this key aspect of accountability.

Income collection dis-improvement

Auditors drew specific attention to a dis-improved housing loans or rents collection performance in six authorities; Clare, Cork City, Kerry, Longford, Louth and Roscommon.

While in the areas of housing loans and rents, lower relative performances were recorded by authorities other than those set out above (see main report for detail), NOAC followed up on instances where a slippage in collection performance during 2015 was reported by auditors. In response, some authorities have identified approaches that may lead to better collection performance over time. These include using the mortgage arrears resolution process, promotion of the Household Budgeting Scheme, tracking updates to management, issuing Tenancy Warning letters and/or use of the Mortgage to Rent Scheme.

Other authorities explained the specific circumstances that led to the increased arrears in their administrative areas. While a debt management project focussing on rates collection in local authorities was established by the County and City Management Association (CCMA) in 2015, this did not extend to other income headings that were the subject of audit concern.

It is clear that many local authorities face considerable challenges in bringing housing rents and loans collection back to more normal levels. There appears to be scope for some form of central process whether in the form of a best practice workshop or otherwise to identify and share approaches to effective debt management in the areas of housing loans and rents.

Funding of Local Authority owned companies.

Many local authorities use subsidiary company mechanisms to carry out certain functions. The financial results, assets and liabilities of those companies are not consolidated into the accounts of the local authorities at year end. Concerns raised at audit included loss-making entities, inability to service loans, inability to continue as a going concern without the financial support of the local authority as well as a range of governance issues that impacted on the relationship between the local authority and the subsidiary company. In addition, the unavailability of accounts of some companies limited the capacity to fully review their performance and form a judgement on the financial state of their affairs.

NOAC notes that central guidance has been prepared during 2017 on the establishment of local authority companies and the appointment of directors to those companies.

Since ultimate financial recourse in the event of financial difficulties is likely to be to the local authority, it is important that:

- There are clear information flows between the two entities;
- Financial transactions, including loans, are legally underpinned;
- There is a documented subsidiary company governance framework that links to its business objectives;
- The accounts of local authorities include appropriate information on the financial position of subsidiary undertakings.

In addition, it is good business practice to review the performance of subsidiaries and assess the on-going need for them annually. A structured review process could help local authorities carry this out.

More generally, many of the issues noted in the audits relate to internal financial control in local authorities. Explicit annual assurance on the system of internal control and its ongoing enhancement is desirable and helps underpin management actions designed to ensure that, in key areas of business, appropriate controls are employed and applied. The publication of a Statement on Internal Control as part of the financial statements is best practice in the private sector and operates in State Bodies underpinned by the Code of Practice for the Governance

of State Bodies. Government Departments publish a Statement on Internal Financial Control As well as providing enhanced public assurance the publication of such a statement would underpin a structured annual internal review of controls and risk and provide a focus for management and audit committee review of the systems procedures and practices instituted by authorities to manage their businesses. NOAC has adopted a practice of reviewing overall performance by individual local authorities on a cyclical basis. Profiles of each authority subject to such reviews are drawn up based on NOAC's wider range of work, including that related to performance indicators. Delivery of commitments by local authorities to address the audit concerns outlined in this report will form part of future reviews.

Report 17 - Internal Audit in Local Authorities - July 2018

Internal Audit has a vital role to play in ensuring that best practices are adopted by local authorities in the management of public funds handled by them and in the governance of operations generally. The primary responsibility for the prevention and detection of fraud and other irregularities rests with the management of the audited bodies. It is essential that management establish an adequate system of internal control, including security, segregation of duties, proper authorisation procedures and an effective internal audit function. It is clear that while management is responsible to stakeholders for the establishment and maintenance of internal control that the role for a more professional internal audit function to assist management has become evident. The focus of NOAC's report was on the general governance of the function and in particular, it sought to establish

- Whether internal audit was functioning in local authorities and the nature of internal audit services
- The authority under which the functions operated and whether they were governed by Audit Charters
- The extent of their budgets and resources
- The audit standards to which they operated and the quality assurance arrangements
- Their independence and access to information
- The focus of reviews and testing by the functions and
- Their reporting and communication arrangements.

NOAC considered the surveys and the additional information supplied and listed a number of recommendations throughout the report. It was proposed that the findings and recommendations should be considered as a minimum for best practice and should be adopted fully where appropriate.

It was noted that all 31 local authorities have an internal audit unit and it was recommended that training could be planned and delivered more efficiently in a regional

setting. NOAC recommended that all internal audit functions operate in accordance with the Standards of the Institute of Internal Auditors and that the quality of the service be reviewed through on-going monitoring of the performance of the function, periodic self-assessments and by way of evaluation by a qualified reviewer at least every five years.

NOAC recommended that all internal audit units operate under a formal written Terms of Reference and that charters be reviewed annually by Audit Committees. It suggested that Audit Committees should, in conjunction with the Head of Internal Audit, review the skills and competencies required to carry out the audit tasks included in the audit plan and identify how any gap can be filled. NOAC recommended that the capacity of internal audit units be supplemented as appropriate by the procurement of staff for specific assignments so as to ensure that there is audit coverage of the key risks over a review cycle agreed with the Audit Committee. NOAC also recommends that local authorities encourage existing staff to obtain appropriate professional qualifications and assign new staff to these functions who are either qualified or seeking to achieve qualification.

NOAC recommends that rolling multi-year audit programmes be established. Such programmes should be adjusted based on an annual risk assessment. In formulating the programme, the broad aim should be to strike a balance between assignments designed to review

- Financial performance and internal controls
- Operational performance examining the efficiency and effectiveness of service delivery
- Compliance with regulations and bye-laws
- Security of systems for processing transactions and storing information.
- The assessment of the capacity of the function to deliver such a balanced programme should form part of the annual review by the Audit Committee.

NOAC recommends that all internal audit reports, which should incorporate the responses of management, be addressed to the Chief Executive and a copy sent simultaneously to the

Chairperson of the Audit Committee. In their general operation all internal audit functions should have confidential access to the Audit Committee and Chief Executive.

Report 18 - Local Authority Satisfaction Survey 2018 - July 2018

NOAC commissioned IPSOS/MRBI to conduct a survey of the general public to establish their level of satisfaction with their experience of engaging with their local authority. The top 10 local authorities based on population size were chosen: Dublin City, Dun Laoghaire-Rathdown, Fingal, South Dublin, Cork County, Limerick, Galway County, Kildare, Meath and Tipperary.

Interviews were carried out in February and March 2018. Quota controls ensured that participants were representative of the local authority population by age, gender and social class. 100+ interviews were completed in each local authority.

The results¹ indicated that:

- Just over half of respondents (53%) are satisfied with their local council;
- Perceptions of councils are generally positive, the majority (59%) believe that their council is making a positive contribution and that services have improved over the years;
- Perceptions of transparency (29% agree that council is transparent) and efficiency (37% agree that council are efficient) are less positive.

The most important services provided by the council fell into three main categories:

- Roads and road safety;
- Housing and amenities;
- Parks and playgrounds.

Knowledge of the council and awareness of the services provided is generally low. Just 4% 'know a great deal' about their council. Spontaneous awareness of council services is low for all services except road maintenance, which 58% of respondents mentioned. The majority

¹ The margin of error for total sample of 1030 interviews is approx. +/-3%. The margin of error for individual local authority results of 100 interviews is approx. +/- 10%.

know 'just a little' (51%) about their council and satisfaction levels increase in line with knowledge levels; from 40% amongst those with no knowledge to 55% amongst those with some knowledge.

In line with this lack of knowledge, the majority do not feel informed by their local council; those who feel informed were more likely to be satisfied at 72% compared to 40% amongst those who were uninformed. In light of the lack of knowledge about their council and its services, less than half of respondents believe that their council is doing a good job at providing services (47%) and just over a quarter (27%) believe that they are getting good value for money.

About 1 in 3 contacted their council in the last 5 years, with housing topping the list of reasons for this contact. Overall, over half were satisfied with how their query was handled (52%). Those who contacted their council in the last five years tended to be less satisfied with their council than those who did not (31% vs 13% dissatisfied). This is likely to be a result of the overall outcome of the how their query was handled, with 90% of those who had a positive experience indicating that they are satisfied with their council overall, compared to 11% of those who were unhappy with how their query was handled.

Report 19 - Local Authority Performance Indicator Report 2017 - September 2018

This was the fourth annual Performance Indicator Report published by NOAC in relation to its function of scrutinising local authority performance against relevant indicators. Selected indicators of local authority activity in relation to some aspects of their wide ranging functions are collated and published annually in order to provide objective information on their performance. This information is relevant to the local authorities themselves, both to track their own performance over time and to compare their performance with other local authorities of a similar profile and size.

The report is also of importance to the various Government Departments that operate through the authorities and to the wider public that are affected by how well their local authority carries out its functions. It is important to NOAC that the indicators are a useful reflector of performance and that they are used by the authorities to set priorities and targets, and to seek to strengthen areas where comparative performance is less than optimal.

NOAC was pleased to see that the local authorities are increasingly analysing their indicator outturns and setting targets for improving performance in specific areas. It was clear that the performance indicator system is now embedded in local authorities with the results being reviewed on an ongoing basis by the management teams and audit committees in local authorities.

The improved performance of local authorities in respect of a number of areas is noteworthy. Overall, local authorities have shown improved performance in:

- Commercial rate collection levels;
- Managing increased number of planning applications received;
- Increasing the number of organisations on county register for the Public Participation Network;
- Reducing in the proportion of vacant stock within local authorities; and
- Reducing the national average re-letting time for local authority housing.

The report highlighted that local authorities generally need to improve performance in tackling:

- The unacceptably low levels of property inspections being carried out under the planning legislation:
- The inconsistency in processing of Fire Safety Certificates by local authorities within the required 2 month period:
- The increase in the number of pollution cases recorded:
- The increase in medically certified sick leave recorded; and
- The increase in adult homelessness rates.

The main findings of the report were as follows:

Housing

- local authorities had 133,394 dwellings in their ownership, an increase on the 131,375 dwellings of 2016.
- 2.72% of local authority houses were vacant at the year end of 2017 compared to 3% at the end of 2016, compared to 3.5% at end 2015 and 3.8% at end 2014, and 13 local authorities had a vacancy rate of less than 2%.
- in 2017 the average house re-letting time was 28.9 weeks.
- at the end of 2017, there were 5,263 homeless adults in emergency accommodation, an increase of 26% on the number at end 2016.

Roads

- Cork County Council had the highest proportion of regional roads in the county with structural distress (16%) and the lowest proportion with few or no defects (8%).
- 1,557km of local roads were strengthened in 2017 using €114m in Improvement Grants and 1,768km of local roads were resealed using €31.9m of Maintenance Grants.
- Since 2013, the proportion of motor tax transactions conducted online has increased by 41.9%. In 2017 72.4% of all motor tax transactions were conducted online.

Water

- 19 local authorities improved their compliance rates with the remaining 12 having poorer results compared to 2016. 4 local authorities had 100% compliance on the samples tested.
- for the fourth year running, private drinking water supplies in Co. Westmeath achieved a 100% compliance rate with the Drinking Water Regulations.
- overall compliance of private drinking water supplies was 97.70%, a very slight improvement on the previous year.

Waste / Environment

- complaints to local authorities relating to pollution rose by 4.57% in 2017.
- 15 authorities increased the litter free portion of their counties.

Planning

- there was a 34% increase in the number of new buildings notified to local authorities in 2017 and a quarter of these new buildings were inspected.
- the average per capita cost of the planning service rose fractionally to €28.31, with Cavan again having the lowest cost for the fourth year at €16.59.
- 1,423 planning decisions were appealed to An Bord Pleanála of which 79.5% of the decisions made by local authorities were confirmed by An Bord Pleanála.

Fire Service

- the cost per capita of providing the fire service was higher in 2017 than the previous year in 18 local authorities. The three authorities with the lowest costs per capita were Carlow (€30.07) Kildare (€30.48) and Westmeath (€31.36).
- 12 authorities have increased the number of fires in which the first fire tender reached the scene in less than 10 minutes.
- in the case of 16 authorities, the number of fires where first fire tender attendance took longer than 20 minutes increased.

Library Service

- there were 16.94m visits to libraries in 2017, a reduction of 1.4% over 2016.

- the average number of library visits per head of population was 3.56, a decline on the 2016 average of 3.61.

Youth / Community

- the number of organisations on the County Register for the Public Participation Network (PPN) at the end of 2017 was 11.87% (13,329 organisation) higher than in 2016.
- 5 authorities achieved 100% involvement of schools in the local youth council scheme in 2017.

Corporate

- total whole-time equivalent staff employed by the local authority sector at the end of 2017 was 27,380.22. This represents an increase of 1.94% or 521.77 staff since 2016.
- The overall medically certified paid sick leave rate for the sector in 2017 was 3.78% representing a slight increase on the 2016 rate of 3.76%.
- there were a total of 69.68m page views of local authority websites, an increase of 17.8% from 2016 and a 46.4% increase in followers of social media pages of local authorities to a total of 1.7m in 2017.

Finance

- The same 13 authorities as in 2016 had a deficit on the Revenue Account at the year-end 2017. Of these 13, Mayo and Monaghan increased their deficit balance from 2016 by €599,456 and €158,291 respectively.
- the average per capita expenditure was €897.89. The lowest was Meath at €534.19 and the highest was Limerick City and County at €1,813.78.
- Fingal had the highest collection performance at 96.10% of commercial rates collected and Donegal had the lowest collection performance at 74.30% collected.
- Across the authorities variations on the 2017 Housing Loan collection levels ranged from a decrease of 5 percentage points to an increase of 8 percentage points recorded by Dún Laoghaire Rathdown and Cork City respectively. In all, 22 authorities either maintained or improved collection performance for this revenue

source in 2017.

Economic Development

- The total number of jobs created nationally in 2017 with the assistance of the Local Enterprise Offices (LEOs) was 3,252 which is a decrease of 3.08% on the number of jobs created with LEO assistance in 2016.
- The total number of trading on -line voucher applications approved by LEOs increased from 1,141 in 2016 to 1,189 in 2017, however the number of vouchers that were actually drawn down decreased from 658 in 2016 to 546 in 2017.
- Galway City Council and Galway, Clare and Longford County Councils all confirmed there was no designated Tourism Officer in place in the council in 2017.

Report 20 - NOAC Public Spending Code Report 2017 - October 2018

The report analysed the extent to which the 5 steps of the quality assurance process had been complied with. It also summarised the local authorities' judgments of the adequacy of the appraisal/planning, implementation or review work that they examined for the in-depth review, the reasons why they formed those judgments and their proposals to remedy any inadequacies found during the entire quality assurance process. All 31 authorities carried out the in-depth check of a selection of projects from their inventories and provided information pertaining to the reviews for the purposes of the summary report for the sector compiled by NOAC.

NOAC reviewed each of the 31 local authority reports for compliance with the requirements of Part A04 of the Code. While the Code requires certification of the reports by Accounting Officers, this formal position does not exist in the local government sector so NOAC requested Chief Executives to certify the reports. The Chief Executives of 29 local authorities have certified that the Quality Assurance (QA) report submitted to NOAC reflects the authority's assessment of its compliance with the Public Spending Code. The Dún Laoghaire-Rathdown Quality Assurance Report was certified by the Acting Chief Executive. The Sligo County Council Quality Assurance Report was certified by the Deputy Chief Executive.

The Code requires that the QA reports are published on the organisation's website. As at 24 August 2018 NOAC was unable to confirm the publication of the QA report on the websites of the following local authorities: Carlow County Council, Cork City Council, Longford County Council and Louth County Council.

Resources

NOAC is supported by a Secretariat with a full-time equivalent of 4.53. The Department of Housing, Planning and Local Government provide the staff. NOAC is funded from the Local Government Fund and its allocation from that Fund in 2018 was €200,000. Its 2019 allocation will again be €200,000.

Expenditure

NOAC expenditure for 2018 was €102,810.02, which was incurred as follows;

Member Fees	€68,950.44
Travel & Subsistence	€20,439.37
Customer Survey Consultants	€12,915.00
Other (Miscellaneous Expenses)	€505.21
Total	€102,810.02

The members consider the statement of expenditure in 2018 to be a true and fair view of NOAC's spending during 2018.

Appendix 1: **Attendance at NOAC Board Meetings**

Member	31/01/2018	13/03/2018	24/04/2018	10/07/2018	25/09/2018	23/10/2018	04/12/2018	Total
Michael McCarthy ²	N/A	N/A	N/A	N/A	✓	✓	✓	3
Pat McLoughlin ³	✓	✓	✓	✓	N/A	N/A	N/A	4
John Buckley	x	✓	✓	x	✓	✓	✓	5
Tara Buckley	✓	✓	✓	✓	✓	✓	x	6
Constance Hanniffy	✓	✓	x	✓	✓	✓	✓	6
David Holohan	x	x	✓	✓	x	x	✓	3
Paul Lemass	✓	✓	✓	✓	✓	✓	✓	7
Michael McGreal	x	✓	✓	✓	✓	✓	✓	6
Martina Moloney	✓	✓	x	✓	✓	x	✓	5
Sharon O'Connor	✓	✓	✓	✓	✓	x	✓	6
Colleen Savage	✓	✓	✓	✓	✓	x	✓	6

² Appointed as Chair on 24 September 2018

³ Resigned as Chair on 24 September 2018

Appendix 2:

NOAC's Statement of Strategy

Statutory Mandate

The Local Government Reform Act 2014 gave legislative effect to proposals set out in the Action Programme for Effective Local Government, a range of reforms designed to strengthen local government, including its structures, functions, funding, operational arrangements and governance.

The reforms included the establishment of a National Oversight and Audit Commission. Accordingly, NOAC was established by the Minister for the Environment, Community and Local Government under Part 12A of the Local Government Act 2001 (as amended) on 1 July 2014 to oversee the local government sector at a local, national and regional level.

The functions assigned to it by Part 12A are to:

- a) *Scrutinise the performance of any local government body against relevant indicators as selected by NOAC or as prescribed in regulations by the Minister.*
- b) *Scrutinise financial performance, including value for money, of any local government body in respect of its financial resources.*
- c) *Support best practice (development and enhancement) in the performance by local government bodies of their functions.*
- d) *Monitor and evaluate adherence to service level agreements entered into by any local government body.*
- e) *Oversee implementation by local government bodies of national policy for the local government sector.*
- f) *Monitor and evaluate public service reform implementation by any local government body or generally.*
- g) *Monitor adequacy of corporate plans prepared by regional assemblies or Local Authorities and evaluate implementation of the plans by any local government body or generally.*
- h) *Take steps under its other functions for the purpose of producing any report requested by a Minister under section 126D of the Act.*
- i) *Produce reports under its own initiative, in addition to the section 126D requested reports and the section 126K annual report requirement.*
- j) *Carry out any additional functions that are conferred by Ministerial Order.*

As part of its strategic planning, NOAC established its vision, mission and values as:

NOAC's Vision

NOAC will contribute positively to the optimisation of the level of service provision in the local government sector through its independent scrutiny of performance and its identification of best practice in the sector.

NOAC's Mission Statement

NOAC will independently oversee the local government sector by reviewing the financial and operational performance of bodies within its remit, overseeing implementation of national local government policy and identifying opportunities for best practice.

NOAC's Values

NOAC is committed to operating to the highest standard of integrity and fairness in discharging its duties. It will adhere to the following core values:

1. NOAC and its members will be independent, objective and fair in performing their functions.
2. NOAC's findings and recommendations will be based on the best available evidence and information.
3. NOAC will work with local government bodies and utilise available existing resources in carrying out its work.
4. NOAC will engage with relevant stakeholders in undertaking its work.
5. NOAC will report its conclusions in an open and transparent fashion.

The full Statement of Strategic Intent 2017 – 2019 is set out on NOAC's website at

<http://noac.ie/wp-content/uploads/2017/04/NOAC-Statement-of-Strategic-Intent-2017-2019.pdf>

Approach and Objectives of NOAC

In implementing its mandate NOAC aims to:

- Be established in its role and have forged a working relationship with its stakeholders, including the DHPLG, the Chief Executives and elected members of the Local Authorities;
- Conduct evidence based scrutiny that delivers quality, objective, balanced and relevant reports, which will afford the local government sector the opportunity to improve its performance, enhance the existing culture of continuous improvement and embed best practice within the system as a whole;
- Add value to the local government sector and provide recommendations to build on the efficiencies and savings delivered by the sector to date, with a focus on customer service and cost effectiveness;
- Establish a collaborative approach with the relevant bodies and agencies at the heart of NOAC's work;
- Identify and focus upon those aspects of local authority functions and activities that are important to the citizen/customer;
- Facilitate engagement around improved performance; and
- Monitor the adequacy of Local authority corporate plans and assess how well these are being implemented.

The key output indicators will be the reports published by NOAC and presented to relevant Joint Committees of the Houses of the Oireachtas and the implementation of NOAC's recommendations by the relevant local government bodies as reported to NOAC and to the elected members in the Chief Executives' monthly management reports to the councils.

Operating Procedures

NOAC is clear that its function in relation to national policy for the local government sector is to oversee implementation of agreed policy and will not in its reports question the merits of policy or policy objectives.

NOAC will independently scrutinise performance through setting and monitoring performance indicators, thematic reviews of local authority programmes, projects and systems, reviewing financial and value for money reports of the Local Government Audit Service, reviewing other evaluations of local government activities and, where it considers it warranted, having oral hearings on matters falling within its statutory remit. Its focus will be on the wide range of service delivery systems operated and maintained by local authorities and regional assemblies.

In order to carry out its work efficiently, NOAC will from time to time establish sub-groups to undertake particular activities as decided by it and to make recommendations to it. NOAC will not deal with cases that in its view fall within the remit of a statutory procedure or body or with matters that are the subject of litigation in the Courts.

While NOAC welcomes suggestions from stakeholders and takes them into account in scoping its work, it will not, in general, scrutinise a lone specific aspect of an individual local government body's performance of a particular function, or investigate the handling of individual cases, save where NOAC determines that a wider investigation may be warranted.

It is envisaged that activities undertaken by NOAC in the period up to end 2019 will relate primarily to matters that have a national or regional relevance.

Operating Environment and Capacity to Deliver

Although NOAC is a statutory body, it does not retain any staffing complement of its own. The secretariat provided to NOAC from the DHPLG whose functions are to provide support for meetings, communicate with members, discharge formal requirements, etc. and, under the guidance of the Chair, coordinate any research being undertaken on behalf of NOAC and information sought by NOAC. It also has a limited budget for engaging outside expertise. Funding of €200,000 per annum has been made available for the operation of NOAC to date.

NOAC relies significantly on the LGMA, which is the main resource within the local government sector, and will rely on the regional assembly structures as they develop, to undertake research, investigation, analysis and assessment tasks. It also relies on the expertise of relevant sections within Government Departments and other agencies that are operating within the local government sector.

While NOAC has no involvement in directing the statutorily independent LGAS audit function, the Value for Money function within the LGAS is a resource that is available to NOAC. A critical success factor continues to be the extent to which these resources have the capacity and expertise to provide the reliable data and critical analysis that are essential to NOAC's role.

Appendix 3:

Terms of Reference of NOAC

NOAC was established under the Local Government Act 2001 (the Act) (as amended by the Local Government Reform Act 2014) with effect from 1st July 2014. NOAC has adopted a corporate governance regime in accordance with best practice.

The purpose of this document is to set out the terms of reference of NOAC. These terms of reference, approved by NOAC on 4 July 2017, are effective from 1 July 2017.

1. Membership

Members of NOAC shall be appointed by the Minister for Housing, Planning and Local Government in accordance with section 126H of the Act. The Commission shall be made up of at least 6 members.

Only members of NOAC have the right to attend Board meetings. However, the staff of the secretariat and other individuals may be invited to attend for all or part of any meeting, as and when appropriate or necessary.

Appointments to NOAC shall be for a period of up to 5 years, which may be extended for one further period of up to 5 years.

In the absence of the Chairperson, the remaining members present shall agree one of their number to chair the meeting.

2. NOAC Secretariat

NOAC's secretariat will ensure that the members receive information and papers in a timely manner to enable full and proper consideration to be given to the issues.

The secretariat is also responsible for the formal induction of new NOAC members and organising mentoring for members where required.

3. Quorum

The quorum necessary for the transaction of business shall be 4 members. A duly convened meeting of NOAC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions exercisable by NOAC.

4. Frequency of Meetings

NOAC shall meet at least 8 times a year, and as otherwise required.

5. Notice of Meetings

Meetings of NOAC shall be summoned by the secretariat at the request of the Chairperson. Where at all possible, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to the members no later than two working days before the date of the meeting. Supporting papers shall be sent to the members at the same time.

6. Minutes of Meetings

The secretariat shall minute the proceedings, discussions and decisions of all meetings of NOAC, including recording the names of those present and in attendance.

Minutes of NOAC meetings shall be circulated to all members for approval at the next NOAC meeting.

7. Duties

The day-to-day running of NOAC shall be carried out by the secretariat who will report on the work as appropriate by email and at NOAC meetings.

The members shall advise and support the secretariat.

NOAC shall satisfy itself that financial controls and systems of risk management are robust and defensible.

NOAC shall keep itself up to date and fully informed about strategic issues and changes affecting it and the environment in which it operates.

NOAC shall ensure that on appointment, members receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, sub-group service and involvement outside NOAC meetings.

NOAC may, from time to time, establish such sub-groups of NOAC as are necessary to assist it in the performance of its duties. They may include members who are not members of NOAC if specialist skills are required. Where a sub-group is put in place:

- the terms of reference shall be specified in writing and approved by NOAC and reviewed annually;
- NOAC, on the nomination of the Chairperson, shall appoint its members;
- NOAC shall receive reports from the sub-group that reflect activity undertaken by the group;
- all protocols concerning the operation of NOAC shall be applied to a sub-group;
- notes of sub-group meetings shall be circulated to all NOAC members.

NOAC shall review the results of its performance evaluation process that relate to the composition of NOAC and corporate governance generally.

NOAC shall keep under review corporate governance developments (including ethics-related matters) that might affect the State body, with the aim of ensuring that its corporate governance policies and practices continue to be in line with best practice.

NOAC shall ensure that the principles and provisions set out in the Code of Practice for the Governance of State Bodies (and any other corporate governance codes that apply to it) are adhered to.

8. Reporting Responsibilities

NOAC shall keep the Minister for Housing, Planning and Local Government informed, outside of the Annual Report exercise, of significant matters arising within the State body.

9. Other

NOAC shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and implement any changes it considers necessary.

10. Authority

NOAC is authorised to obtain, at its own expense, outside legal or other professional advice where the members judge it necessary to discharge their responsibilities as members of NOAC.