



Rialtas na hÉireann
Government of Ireland

LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Offaly County Council

for the

Year Ended 31 December 2019

Department of Housing, Local Government and Heritage

housing.gov.ie

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AUDITOR'S REPORT TO THE MEMBERS OF OFFALY COUNTY COUNCIL

1 Introduction

I have audited the Annual Financial Statement (AFS) of Offaly County Council for the year ended 31 December 2019, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Funds Flow Statement and notes to and forming part of the accounts. The financial reporting framework that has been applied in its preparation is the Code of Practice and Accounting Regulations for Local Authorities, as prescribed by the Minister for Housing, Planning, and Local Government.

My main statutory responsibility, following completion of the audit work, is to express my independent audit opinion on the AFS of the Council, as to whether it presents fairly the financial position at 31 December 2019 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 5 of the AFS.

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the AFS. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion. I conducted my audit in accordance with the Code of Audit Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the AFS. It also includes an assessment of the significant estimates and judgments made by the Council's management in the preparation of the AFS, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations, which I considered necessary to provide sufficient evidence to give reasonable assurance that the financial statement is free from material misstatement, whether caused by fraud or error.

This report is prepared in accordance with Section 120(1) (c) of the Local Government Act, 2001 and should be read in conjunction with the audited AFS.

2 Non – adjusting post balance sheet event – COVID-19

In accordance with Circular Fin 05/2020, the local authority has included a note in their Annual Financial Statements (see note 23) in relation to COVID-19. This note refers to the impact of COVID-19, a non-adjusting post balance sheet event, and describes the uncertainty faced by the local authority as a result.

Whilst my opinion is not qualified as a result of the uncertainty, I have included an Emphasis of Matter paragraph.

The COVID-19 outbreak and the emergency measures taken to mitigate it have had a significant impact on the finances of local authorities' post year-end. This has resulted in a reduction in, and uncertainty of, various income sources, together with increased levels of spend. Reductions in income have also had a bearing on the cash flow of the local authority and the ability to deliver services.

The Council has taken a number of steps to address these both at local and national level including

- Issuing a report from the Head of Finance to Council on September 21st outlining

the severe impact that the COVID-19 pandemic was having on the finances of the council

- Identification of both the additional costs on the council as a result of dealing with the fallout of managing the business of the council in the pandemic and the impact of COVID-19 on the income of the council
- Applying the nine month waiver of commercial rates (April to December 2020) for relevant business that are adversely affected by the pandemic
- actively engaged in encouraging eligible businesses to apply for both of the Government's restart grants schemes

The Council has also participated in a national submission of acute financial management reports to the Department of Housing, Local Government and Heritage (DHLGH) in the following areas:

- Indicative figures calculating the impact of COVID-19 on 2020 Commercial Rates
- Analysis of Rated Properties Impacted by COVID-19
- Analysis of Local Government Goods & Services Income Impacted by COVID-19
- Analysis of additional expenditure incurred as a response to the COVID-19 pandemic

Such reports have outlined in detail the case for local authorities to receive additional central government funding as they try to deal with the fallout of COVID-19 on the local authority sector.

Chief Executive's Response

The local authority has taken a number of steps to address these challenges both at local and national level including:

- Proactive management of its cash and liquidity position
- A full review of budgeted expenditure to identify areas for possible expenditure savings
- Development of plans to resume services in accordance with the Government Roadmap for re-opening of the economy
- Engagement with the Department of Housing, Local Government & Heritage (DHLGH) both at a national level via the City and County Managers Association (CCMA) and locally to maximise national funding available to the sector during this unprecedented crisis
- Engagement with all rate payers in Offaly to assist them in availing of central government assistance including the national restart grant scheme and the nine month rates waiver scheme. This year Offaly County Council will pay out in the region of €7m under the Government's Restart Grant Schemes. Offaly County Council will process over €4m in rates waivers to qualifying businesses in 2020 also
- Proactive engagement with our rent and loan customers to assist them with challenges they may face in meeting payments due to the local authority.

The COVID-19 pandemic has resulted in numerous financial and non-financial challenges for Offaly County Council all of which continue to be tackled in a proactive and cautious manner.

3 Financial Standing

3.1 Statement of Comprehensive Income

The Council generated a surplus for the year of €632k after net transfers to reserves of €3m. This surplus is in line with budget and has reduced the accumulated deficit on the revenue account to €1.87m. Note 16 to the AFS sets out the variances between the actual outturn and adopted budget. Excellent progress has been made since 2014 in the reduction of the accumulated deficit through budgeted annual contributions. It is imperative that the elimination of the accumulated deficit continues to be given priority.

The draft AFS was approved by the members at their May 2020 monthly meeting.

Significant movements in the finances for the year include:

	€m
Increase in Fixed Assets	18.0
Decrease in Work in Progress	- 0.4
Decrease in Long Term Debtors	-0.4
Increase in Trade Debtors and Prepayments	4.1
Decrease in Bank and Cash balances	-7.0
Decrease in Creditors and Accruals	1.9
Decrease in loans payable	1.8
Increase in Other balances	-0.7

3.2 Local Property Tax

The Finance (Local Property Tax) Act 2012 (as amended), makes specific provision that elected members of a local authority may pass a formal resolution to vary the basic rate of the Local Property Tax (LPT) their administrative area by a percentage known as the local adjustment factor.

At the statutory LPT meeting on September 17th 2018, the elected members decided that there would be no variation in LPT for 2019.

4 Income Collection

4.1 Income Collection

A summary of the revenue collections are as follows:

Income Source	Yield %		Debtors €m	
	2019	2018	2019	2018
Rates	88%	89%	2.43	2.21
Rents & Annuities	89%	87%	0.73	0.92
Housing Loans	62%	56%	0.32	0.39

4.2 Rates

The revaluation of the Council's rate base by the Valuation Office came into effect in 2018. There are a number of appeals pending subsequent to this process. Revisions determined to date have resulted in a reduction of income and accordingly, the Council has provided for outstanding appeals in the AFS based on their best estimate of the outcome.

Rates debtors amounted to €2.43m at 31 December 2019 (2018: 2.21m) and are net of credit balances of €275k (2018: €367k). Write offs, waivers and vacant property adjustments amounted to €2.36m compared to €2.3m in 2018. It is important that the Council monitor all accounts in order to maintain and improve collection levels. The provision for bad debts while adequate based on year end information has not been revised to take account of any adjustment that may be required in respect of COVID-19.

Chief Executive's Response

The rates collection environment continued to be challenging throughout 2019. I am satisfied that we have prudently provided for bad debts.

Following the 2017 revaluation, rate payers were allowed to appeal their property valuations to The Valuation Tribunal, after Offaly County Council had finalised the ARV for the 2018 budget. A number of rate payers have successfully appealed, resulting in reduced valuations which has resulted in a loss of income for Offaly County Council. There are a number of ongoing appeals which have still not been adjudicated on. This is an ongoing serious cause of concern in relation to 2020 outturn and 2021 budget. As previously stated the revaluation process needs to be reviewed and amended to correct this anomaly.

COVID-19 has and continues to result in a very challenging business environment for rate payers in 2020. Without doubt the Government's Rates Waiver Scheme, which waives rate charges for qualifying businesses for nine months of 2020, will greatly assist businesses and ensure much required income and cash flow for local authorities. However, there are major concerns in relation to the future of many businesses in Offaly and the knock on effect this could have on the rates base in the County. Offaly County Council will continue to engage proactively with all rate payers during this difficult period.

4.3 Housing Loan Arrears

The collection yield in respect of housing loans increased from 56% in 2018 to 62% in 2019. This improvement was mainly attributable to the recovery of debt in respect of surrendered houses from the Department and MARPS, however, this is still below the 2018 national average of 74%.

Arrears at 31 December per appendix 7 is €325k and is net of credit balances of €42k. Debit arrears are €367k and the collection rate for these customers is 47%. 76% of this balance relates to arrears outstanding for over 2 years and include caravan loans on which no payments have been received for a number of years.

The bad debt provision in respect of the above is sufficient based on year end information but has not taken account of any adjustment that might be required as a result of the COVID-19 pandemic. It is essential that the Council dedicate resources to recover outstanding amounts and consider the write-off of irrecoverable amounts.

Chief Executive's Response

We have a small number of accounts with significant balances that are long outstanding. Finance are actively managing these to a conclusion. I am satisfied that we have prudently provided for any potential bad debts.

Housing loan accounts have continued to be actively monitored throughout the COVID-19 pandemic with a limited number of customers availing of a payment break. Collection levels have held up well during the first nine months of 2020.

4.4 Rent and Annuities

The collection yields for housing rents and annuities (including income from Rental Accommodation Scheme and long term leasing) improved slightly to 89% in 2019. Rent arrears at 31 December amounted to €0.734m (net of credit balances of €201k).

Rents and annuities in arrears for three months or more, was €0.6m at year end (2018: €0.8m).

As was noted in previous reports, the level of long-term arrears is partly attributable to substantial arrears added to individual customer accounts on foot of a rent review undertaken in 2015.

Bad debts appear to be adequately provided for at the year-end but has not taken into consideration the effects of COVID-19.

Chief Executive's Response

Finance has an ongoing focus on dealing with arrears and bringing matters to finalisation. The COVID-19 pandemic has resulted in a suspension of enforcement actions that can be taken by a local authority.

However, housing rent accounts have continued to be actively monitored throughout the COVID-19 pandemic. Collection levels have held up well during the first nine months of 2020. I am satisfied that the bad debts provision is prudent at the end of 2019.

5 Transfer of Water and Sewerage functions to Irish Water

The responsibility for water and sewerage functions was transferred to Irish Water (IW) in 2014; the Council continues to deliver services on behalf of the company under a service level agreement.

The Council continues to liaise with IW's National Special Projects Office (NSPO) in relation to the transfer of the remaining assets. At December 2019, the Council had completed the legal transfer of 35 properties with a further 19 being transferred to date in 2020. A further 16 have been submitted for registration.

Chief Executive's Response

At the end of October 2020, a total of 70 assets have been transferred to Irish Water, with a further 8 prepared for transfer by the end of 2020. A further 79 assets remain to be transferred.

6 Capital Account

6.1 Capital expenditure

Capital expenditure amounted to €31m in 2019. This included €21m for housing and building and €6.8 for development management.

6.2 Unfunded Capital Balances

The closing credit balance on the capital account is €10.87m. Unfunded debit balances included in the capital account of €5.7m included:

	€m
Historic unfunded housing debit balances	3.5m
Historic unfunded industrial debit balances	1.6m
Tullamore Arts Centre	0.5m
Other unfunded debit balances	0.1m

A funding plan has been put in place for the Tullamore Arts Centre Balance since year end refer to 6.5 below.

The Council should consider options for the prompt clearance of all remaining unfunded balances.

Chief Executive's Response

We are examining our housing debit balances in the context of recovering balances on future housing projects and other options.

Our Economic Development section and Local Enterprise Office are focused on promoting, utilising and disposing of industrial lands for future projects and needs. The strategic value of non-core assets continues to be assessed with a view to realising funds which could be used to cover realised losses on historic debit balances.

6.3 Blundell Wood Edenderry

Approval was received from the Department in November 2017 for the development of 33 Houses at Blundell Wood Edenderry at a budgeted cost of €7.1m. These houses were completed and allocated in 2019. The final account on this contract has been agreed with the contractor however, the final claim and submission to the Department is outstanding. Total costs for the project are 10% in excess of the original approved amount.

Chief Executive's Response

The increase of 10% has been notified to the Department and has been deemed acceptable as long as all costs can be justified in accordance with the construction contract used for this project. The housing technical team is confident that all costs are appropriate and justifiable in this context. The housing section is currently preparing a substantial budget increase request that will seek to recover the overspend. It is envisaged that the documentation will be issued to the Department such that full recovery of monies will be made in 2020.

6.4 Chancery Lane Tullamore

The Council entered a contract for a housing development at Chancery Lane Tullamore, consisting of 14 social and 4 group housing units, on 17 August 2018. An extension of scheduled completion from 16 September 2019 to 13 December 2019 was agreed but to date the contractor remains on site.

The contract price agreed was €3.3m ex VAT. To date the contractor has been paid 97% of the amount originally agreed.

Disputes over the amounts invoiced in excess of the contract price have arisen and a conciliator was appointed on 6 November 2019. It was agreed by both parties to pause the conciliation process until the project reached completion.

This project will be reviewed again in the 2020 audit.

Chief Executive's Response

The housing technical team are currently negotiating with both the Department and the contractor in order to agree a final account.

6.5 Tullamore Community Arts Centre

Offaly County Council purchased premises in 2016 with a view to developing it into an Arts Centre. The contract for the development of the New Arts Centre building was put out to tender in Autumn 2019. Construction commenced on 11th March 2020 with a completion period of 14 months. (The site was closed for 7 weeks on 27th March 2020 due to government instructions re COVID-19).

The current projected cost of this project is €5.2m. This project is to be funded as follows:

- A grant from the Department of Culture, Heritage and the Gaeltacht amounting to 50%

- of eligible costs to a maximum of €2m together with a URDF grant of €200k.
- Council to drawdown a €2.5m loan over 20 years that was approved by the members at their May 2019 meeting.
- Local fundraising amounting to €500k by Tullamore Community Arts Centre Limited (TCAC).

Repayments on the loan plus annual contributions towards the running of the Centre are to be provided in the Council's budget annually going forward.

This funding model and the future running costs will place significant pressure on the finances of the Council and will impact on the plan for the elimination of the deficit on the revenue account.

Chief Executive's Response

There are concerns with regard to cost containment in relation to the capital works together with the future operational costs and the burden which same might place on Offaly County Council. A project steering group has been set up under the direction of the Chief Executive and includes the Head of Finance, Director of Services for Community and Culture, the Arts Officer and project Executive Engineer from Tullamore MD. The steering group is responsible for project management and continually engages with the Design Team in relation to the progress of the project, works issues and costs.

Further, a number of engagements have taken place with the Chairperson and some Directors of TCAC with regard to the future operating model and also the delivery of TCAC's commitment in terms of fundraising.

A further initiative has commenced with the assistance of the Arts Council and this relates to the appointment of a consultant to undertake a strategic review of arts infrastructure within the county in order to best position the centre with the other arts facilities both existing and planned. This will lead to a plan in relation to the strategic development of all centres in a collaborative and co-ordinated manner.

6.6 Tullamore Public Realm Enhancement Works

Following a successful bid for funding, consultants were appointed to develop designs for the Tullamore Public Realm Enhancement Works. The main contractor was appointed in December 2018 following submission and acceptance of the tender amounting to €3.2m ex VAT. The works, which were scheduled for completion in November 2019, were completed in July 2020.

This project consisted of works to High Street, Bridge Street, William Street and Columcille Street. The project was also to include enhancement works to O'Connor Square and a new pedestrian bridge from Millennium Square to the Bridge Centre Car Park.

Agreements were signed in July 2019 between (a) Irish Water and Offaly County Council and (b) between Irish Water (the Beneficiary), Offaly County Council (the employer) and the contractor for combined sewer works to be included in the above project. Irish water agreed to pay Offaly County Council €380k (ex VAT) to have these additional works completed on its behalf.

The contractor has submitted claims in excess of the tender price and following the appointment of a conciliator, payments to date amount to 17 % in excess of the agreed contract price. The retention amounts and final accounts have yet to be agreed.

This project will be reviewed again in 2020.

Chief Executive's Response

The project is complete but the final account has not been agreed. The final account is currently being negotiated through a conciliation process.

7 Fixed Assets

7.1 Fixed Assets

The net value of fixed assets in the balance sheet at 31 December 2019 was €1,474m, of which €324m related to land, housing and buildings.

Fixed asset additions of €19m included €18m for the purchase and transfers from work in progress of 92 local authority houses.

Disposals at book value amounted to €1.3m and included 5 council houses and the disposal of plant and machinery during the year.

The net historical cost adjustment of €4.6m refers to corrections made to reflect verification work carried out during the year. As mentioned previously, the Council's fixed asset register, which is part of the Council's financial management system (Agresso) historically was not properly maintained. Significant progress has been made in the compilation of a detailed database of all land and buildings owned by the Council, which will form the basis of a complete 'Property Asset Register'. To date the Council has not been in a position to reconcile the Property Asset Register to the financial management system. This task needs to be completed urgently.

Chief Executive's Response

The fixed asset register in Agresso (FMS) has been properly maintained and all material asset movements have been recorded in 2019. We have dedicated staff members assigned to Fixed Asset Register and Corporate Estate Management who compile the 'Property Asset Register'. These staff continue to collaborate to ensure all material assets are capitalised in Agresso. Consideration is being given to developing a system linking the Property Register and the Agresso Fixed Asset register.

7.2 Work in Progress

Work in Progress of €3.2m refers to expenditure up to December 2019 on the Council's current housing project of 18 Units at Chancery Lane Tullamore, which had a scheduled completion date in late 2019.

8 Loans Payable

8.1 Loans Payable

Loans payable were reduced by €1.8m in 2019 (€1.6m in 2018). The reduction is detailed in note 7(b) to the AFS and refers mainly to reductions in the amounts owed in respect of Assets/Grants and Recoupables.

8.2 Bridging Finance

Long term borrowings include an interest only bridging loan of €0.99m, in respect of six housing units originally acquired for resale under the affordable housing program. These houses were allocated to a voluntary housing body under the Social Leasing Scheme to address current housing needs.

Interest paid in 2019 on this loan amounted to €12k.

Chief Executive's Response

The 6 unsold affordable units in Edenderry are currently leased to Tuath Housing Association. In 2019 the Department initiated a data gathering exercise to establish the number of unsold affordable properties remaining in each local authority and the value of outstanding loans associated with these units. The Department has convened a working group to examine the issues surrounding unsold affordable homes. The Council is awaiting the outcome and recommendations of the working group.

8.3 Interest Only Loans

Long term borrowings also include €2.4m in respect of land acquired for housing which has yet to be developed, and is being paid on an interest only basis. Interest paid on these loans in 2019 amounted to €30k.

8.4 Variable Loan Land Acquisition

Variable loans in respect of lands transferred to the Housing and Sustainable Communities Limited (HSC) under the Land Aggregation Scheme remain in the AFS and amount to €4.2m.

The Council recoups the full cost of the capital and interest annuity payments on these loans from the Department.

Chief Executives Response

The Housing Agency, in 2018, sought 'Expressions of Interest' from Approved Housing Bodies (AHB) for the development of lands held under the Land Aggregation Scheme. Following this process, Cluid Housing Association were deemed the preferred AHB for the Collins Lane lands in Tullamore. Cluid have appointed an architect team to develop a housing scheme on these lands and this is currently being progressed.

There is no further development on the LAGS lands in Kilcormac and Shinrone at this point in time.

9 Development Contributions

9.1 Development Contributions

Development Contributions are included in note 5 to the AFS at €2.3m (2018 €2.2m). The bad debts provision appears to be adequate.

10 Local Authority Companies

10.1 Local Authority Companies

The Council's interest in six companies is recorded in Appendix 8 to the AFS. The accounts of these companies have been prepared on the basis of going concern and do not take into account uncertainties that have arisen post balance sheet due to the COVID-19 pandemic.

It is important that the Council's appointees to these companies are aware of their corporate governance responsibilities.

Chief Executive's Response

A review of Council employees appointed to these companies is to be carried out. Once this review is complete the training requirements in relation to these employees will be assessed.

10.2 Tullamore Leisure Limited

Note 3 of the unaudited accounts of Tullamore Leisure Limited states, that assurances have been provided by the Council that grants would not be repayable, so long as the terms of the lease entered into between the company and the Council were met. Confirmation was given by the Council that they would provide the financial support necessary to enable the company to continue its operations for the foreseeable future.

The company had no turnover in 2019 but a net profit of €19k has been recorded due to the amortisation of grants being in excess of depreciation for the year. At the balance sheet date, the company's liabilities exceeded its assets by €208k. As this company is a 100% subsidiary of the Council, consideration should be given to reflecting this liability in the Councils' AFS in accordance with the Accounting Code of Practice.

Note 5 to the AFS includes €45k owed by the company to the Council outstanding since April 2018.

The pool was closed in 2019 for repair works. It has been agreed that the license fee will be waived for the remaining license period (2027) in lieu of compensation for loss of business to the leasee during the closed period.

At this point, the effects of COVID-19 on the Company and the running of the leisure centre are unclear.

Chief Executive's Response

The leisure centre has been closed due to COVID-19 restrictions for two separate periods (including the current period of restrictions) in 2020. The impact of these closures will be significant and the operational model may have to be reviewed again when steady state conditions resume.

10.3 Offaly Innovation and Design Centre Limited

This Company, which creates a space for budding entrepreneurs to explore their ambitions, entered into a lease agreement with the Council at a nominal rent for a second unit in 2019 to expand their business.

Note 5 to the AFS includes a bridging loan this Company advanced in 2014. The value of the loan in the accounts of the company does not agree with the amount included the Council's AFS.

Transactions between the Council and its related companies should be agreed annually and need to be correctly reflected in the AFS.

Chief Executive's Response

Any requests for funding, or amendments to the bridging loan were agreed in advance between the Chief Executive of Offaly County Council and the Secretary of Offaly Innovation & Design Centre CLG. All requests and approvals were documented in writing. Going forward, these memos will be communicated to the Finance Department of Offaly County Council annually to allow them to be reflected correctly in the AFS.

10.4 Tullamore Community Arts Centre Company Limited by Guarantee

The principal activity of this company is the promotion of the construction of an Arts Centre in Tullamore. It is a company limited by guarantee and does not have a share capital.

The company's unaudited financial statements for the year ended 30 June 2019 recorded a net loss for the year of €3k, thereby decreasing the net assets at that date to €71k. Note 6 to these financial statements refer to a long leasehold property valued at €70k.

As there is no long leasehold to the Company recorded in the Council's AFS, clarification was sought in relation to this matter.

Assurances were received from management that the amount recorded in the company's financial statements, as a long leasehold property from the Council is incorrect. I have been advised that contact has now been made with the company's Board of Directors to have the matter rectified. The company's records and its annual financial statement should be aligned with the Council's position.

Chief Executive's Response

We have engaged with TCAC and their auditors in relation to this matter. We received a comprehensive response to the issues raised on the 1st September 2020 which has been shared with the Local Government Auditor. This response will have to be reviewed in the context of actions to be taken by TCAC at its AGM in 2021.

10.5 Shannon Broadband Limited

The Council's 10% investment in this company is valued at cost in note 3 to the AFS. This Company has been consistently incurring losses resulting in a decline in its net asset value. The valuation in note 3 should be revised annually to reflect the declining value.

Chief Executive's Response

The auditor's comments are noted. Offaly County Council is currently trying to get clarity on the future direction of Shannon Broadband Limited. The valuation is currently being assessed in light of the national broadband roll out. Once this issue is clarified, Offaly County Council will put a schedule in place to ensure that the market value of the investment in Shannon Broadband is fully reflected in the annual financial statement of Offaly County Council.

11 Governance and Propriety

11.1 Audit Committee

The reappointment of members to the new audit committee was ratified by the Council members at their June and July 2019 meetings.

The audit committee met on 3 occasions in 2019. The annual report of the Audit committee was presented and approved by the Council at its July 2020 meeting. I commend the work undertaken by the Audit Committee, which contributes to the independent oversight of corporate governance within the Council.

12 Procurement

12.1 Procurement

The Council's procurement unit had 1.75 full time staff in 2019.

I note that the unit is not always involved in the procurement process for major capital projects.

Chief Executive's Response

The procurement unit monitors procurement throughout the organisation and ensures correct procedures have been adhered to. Any weaknesses identified are quickly addressed by the Management Team and senior staff.

The Corporate Procurement Plan 2020-2024 requires staff involved in the procurement process to obtain advice from the Procurement Officer prior to significant tendering activity, to determine the procedure in accordance with the EU Directives. A procurement checklist is being developed for larger projects (over €25k for goods & services and over €50k for works) to ensure contact is made with Procurement Officer prior to tendering process within an appropriate timeframe.

Good procurement practice is continually encouraged throughout the organisation with the procurement officer regularly updating staff in relation to ongoing procurement developments.

13 Governance and Propriety

13.1 Risk Management in the Local Authority

The risk register for the Council is currently being updated.

13.2 Internal Audit

The Internal Audit Unit was staffed by 1.5 WTE's in 2019.

The Head of Internal Audit was transferred in November 2018 and to date has not been replaced by a qualified auditor.

Since September 2019 there is 1 WTE, assigned to the unit, who in 2020 was requested on a as need basis to support other duties within the Council.

This has resulted in a slowdown of the activity of the Internal Audit Unit and the programme for 2019 not being completed on schedule.

Chief Executive's Response

The recruitment of a new internal auditor was delayed due to the COVID-19 pandemic. The recruitment process was recently completed and a new internal auditor will take up their position in January 2021.

Acknowledgement

I wish to record my appreciation for the courtesy and co-operation extended to my colleague and myself during the course of the audit by the management and staff of the Council.



Fiona Clancy

Local Government Auditor

6 November 2020

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