LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Limerick City and County Council

for the

Year Ended 31 December 2014

Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government

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AUDITOR'S REPORT TO THE MEMBERS OF LIMERICK CITY & COUNTY COUNCIL

1. Introduction

1.1. I have audited the Annual Financial Statement (AFS) of Limerick City and County Council for the year ended 31 December 2014, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Statement of Funds Flow and Notes on 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 the Environment, Community and Local Government.

My main statutory responsibility is to express an independent audit opinion on the AFS of the Council, as to whether it presents fairly the financial position at 31 December 2014 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 6 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 this 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 judgements 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.

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

1.3. The draft annual financial statement was not presented to Members until July 2015. This is despite the fact that the Code of Practice and Accounting Regulations issued by the Department of the Environment, Community and Local Government (the Department) requires the annual financial statement to be prepared by 1 April.

Chief Executive's Response
The Council endeavours to comply at all times with national regulations. However due to the merger of Limerick City and County Councils in 2014, unfortunately a delay did occur in the finalisation of the annual financial statement. This will not be an issue going forward.

2. Local Government Structures

The Local Government Reform Act, 2014 made legal provision for the merger of Limerick City and County Councils as set out in the Government's action program for effective local government: "Putting People First". This resulted in the amalgamation of both authorities who had combined net assets of €3.9 billion at the end of 2013. All prior year figures in the AFS have been restated to effect this change.

3. Financial Standing

3.1. Income and Expenditure Account

The net surplus for the year amounted to €25k after transfers to reserves of €7.6m. The overall net favourable balance on the merged authority amounted to €600k at 31 December 2014.

The members, at the Council meeting held in July 2015, approved (by resolution in accordance with section 104(2) of the Local Government Act, 2001) the expenditure incurred in 2014 that was in excess of the adopted budget for the year.

3.2. Balance Sheet

Significant movements in the finances of the Council in 2014 include the following:

Item	Due mainly to:
Reduction in infrastructure assets €560m	• transfer of functions to Irish Water
Reduction in Work In Progress €30m	• reclassification of completed capital works
Increase in bank and investment balances €12.6m	• drawdown of €10m of the strategic development loan facility • significant state grants received before year-end
Increase in debtors (long and short term) €16.6m	• €8.2m of HFA water related loans to be repaid by the Department in 2015 • €8.6m due from the transfer of functions to Irish Water
Increase in creditors (long and short term) €14.9m	• €10m increase in deferred income • €4.1m net increase in loans payable

3.2.1. Fixed Assets

The value of fixed assets at 31 December 2014 has been significantly affected by the removal of water infrastructure assets to the utility company, Irish Water (see paragraph 5).

In last year's audit report I expressed my concerns in relation to the absence of a proper reconciliation between the Council's various records and as a result, the risk of income foregone and potential loss of asset ownership. I note that during 2014, the Council agreed a settlement of €110k with the Health Service Executive over the lease of a communal building and six apartments that had not been invoiced by the Council for a number of years and is not yet on the fixed asset register. I have highlighted to management that centralised records and proper reconciliations would have identified this matter at an earlier stage.

Chief Executive's Response
Work has commenced on the scoping of the brief for the development of a new Property Register. It is intended that this will structure the migration of Limerick City and County Council property data from the former city and county legacy systems to a new system including the reconciliation of rental income and expenditure. The establishment of the new Property Services section will accelerate the development of this system as a priority

3.2.2. Work in Progress

The value of work in progress was reduced by almost €30m arising from audit identification of historic works that were completed and incorrectly classified. I have requested that the remaining balances be further examined as part of the overall capital account review.

Chief Executive's Response
The review of the capital account is ongoing and as part of this process the status of the various projects will be updated.

3.3. Development Contributions

Development contributions of €30.1m are included in debtors at 31 December 2014 (€29.6m are classified as short term). Although the Council has made a bad debt provision of €28.2m, only €0.6m had been collected by the end of August 2015. A number of weaknesses were identified in the course of the audit including the general management information in respect of development contributions, planning bonds, planning fees and Part V finances. It is important that these issues are dealt with as soon as possible.

Chief Executive's Response
The net debtor at 31 December 2014 in relation to planning contributions was €1.85m. Of this amount €0.878m has been collected to the end of September 2015. A sum of €1.324m has been collected in relation to all contributions from 1 January 2015 to 30 September 2015.

I have been made aware of the issues raised in relation to financial management and have put measures in place to ensure that the outstanding matters will be dealt with as a matter of urgency.

4. Income Collection

4.1. Summary of the Major Revenue Collections

A summary of the collection performances with the comparative figures for the previous years are as follows:

	Arrears €m		Yield %	
	2014	**2013**	**2014**	**2013**
Rates	25.0	25.5	65%	65%
Housing Rents & Annuities	2.1	1.6	87%	89%
Housing Loans	0.5	0.6	77%	75%

4.2. Rates

The collection yield remained unchanged since last year. At 65%, the collection level is weak when compared to the 2013 national average level of 77%.

Chief Executive's Response
The Council is continually working with its customers including, where feasible, the setting up of payment plans. Where necessary, the Council is continuing to pursue customers through the legal process in the event of non payment of amounts owing. The target collection rate for 2015 is set to increase to approximately 69%.

4.3. Rent and Annuities

The Council's collection performance has weakened from previous years. As a global rent review has not been conducted since 2012 for the former County Council and 2010 for the former City Council, it is not possible to accurately quantify the financial impact as a consequence of this inaction. I recommend that this review should be carried out as a priority.

Chief Executive's Response
The council has been waiting for the announcement of the new national rent scheme which was due in 2015 but has been postponed until 2016. The announcement of the scheme will require a recalculation of the means of over 5000 households with multiple income streams. In the absence of any new scheme emerging the local authority will commence a rent review in 2016.

It should also be noted that the change of legislation in the 2014 Housing Act changed the procedures for Local Authorities issuing notices to quit. This has now been enacted and a procedure is in place to take legal action to end tenancies on the grounds of non payment of rent.

4.4. Housing Loans

The Council's loan book comprises 750 accounts, of which 90 are more than one year in arrears. These represent 81% of the net arrears total. Shared ownership loans continue to be of particular concern. Of the 130 shared ownership accounts, 38 are over one year in arrears.

Chief Executive's Response
The Council has adhered to the recent Code of Conduct for Local Authorities for dealing with loan arrears which incorporates a Mortgage Arrears Resolution Process. Under MARP, the Council is managing loan arrears and arrangements are being negotiated with borrowers as far as possible to arrange payment of arrears.

5. Transfer of Water and Sewerage Functions to Irish Water

Since 1 January 2014, Irish Water is responsibility for providing and developing water services in Ireland. The Council continues to deliver services on behalf of Irish Water (IW) under a service level agreement. The impact on the accounts of the Council for 2014 is set out below.

5.1. Fixed Assets

The net book value of all water related fixed assets (€1,915m) were removed from the accounts following the transfer of responsibilities to IW. At audit, I was advised that this incorrectly included surface water and combined pipelines assets that remain the responsibility of the Council and an adjustment will be made to the 2015 AFS.

In accordance with Circular Fin 02/2015 issued by the Department on 13 February 2015, all water related infrastructure assets and other assets identified by the local authority must be removed from the Statement of Financial Position (Balance Sheet) in the 2014 AFS. The basis for the removal of water infrastructure from the local authority accounts as directed in the circular is:

- Section 7 of the Water Services (No. 2 Act) 2013 provided for the transfer of water services functions from local authorities to IW
- Section 21 provides IW with power to charge for water services
- A mutual licence between IW and each local authority exists, which allows for IW to use the water infrastructure assets (Included in Service Level Agreement) pending the ultimate statutory transfer

- The revised accounting Code of Practice, published in December 2014 stipulates that "Assets are resources controlled by the authority as a result of past events and from which future economic or service potential is expected to flow to the authority. An authority shall recognise as asset in the Statement of Financial Position when it is probable that future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably."

Given that the future economic benefits no longer flow to local authorities, nor do the risks and rewards associated with the assets reside with the local authorities, an assessment of substance over form and generally accepted accounting principles require that the water infrastructure assets be removed from the books of the local authorities as at 31 December 2014.

The transfer of water services assets from the local authorities is being advanced in a number of phases. The financial transfer is reflected in the local authorities' accounts for 2014 with an adjustment on their balance sheets. The statutory transfer of the assets, which is given effect by Ministerial Orders, is being advanced by the Department in consultation with the local authorities and IW. Since January 2015, a number of Ministerial Orders have been made providing for the transfer of various different categories of assets to IW. Considerable work is involved in preparing supporting material for the transfer of over-ground assets, to ensure that the Orders reflect the precise nature and boundary of the asset to be transferred. Further Orders required will be completed over the course of 2015, subject to taking the time necessary to ensure the assets are accurately set out. These matters will be kept under audit review.

5.2. Balancing Statement

Following the completion of a due diligence exercise the Chief Executive and other members of the senior management team confirmed to IW a balancing statement in respect of assets and liabilities that resulted in a net amount payable to the Council of €7.945m.

As part of a due diligence process carried out by IW, a statement of relevant debtor and capital balances as at 31 December 2013 was completed and signed on behalf of the Council. Although this has been examined by consultants on behalf of IW it had not at the date of audit, been formally accepted and agreed by them.

Chief Executive's Response
The Council is waiting for Irish Water to formally accept and agree to the statement of relevant debtor and capital balances at 31st December 2013.

6. Loans Payable

Total loans payable as disclosed in Note 8 to the AFS amounted to €86.1m, made up as following:

Water Related Loans	€20.6m	(paragraph 6.1)
Council Offices	€19.1m	(paragraph 6.2)
Mortgages & Rented Equity	€18.1m	(paragraph 6.3)
Voluntary Housing	€16.2m	(paragraph 6.4)
Strategic Development Loan	€10.0m	(paragraph 6.5)
Others	€ 2.1m	
	€86.1m	

6.1. Water related loans

Of the water related loans, €8.18m will be repaid to the HFA in full and recouped from the Department in 2015. Consequently, a corresponding debtor of €8.18m is included in government debtors in Note 5 to the

AFS and this amount was received by the Council in July 2015. The remaining water related loans are with institutions other than the HFA and no arrangements have been made to transfer or repay these loans as yet. A long term debtor of €12.4m due from the Department is included in Note 3 to the AFS in respect of the non-HFA loans. These loans are fully recoupable from the Department.

6.2. Council's Offices

The Council's borrowings include €19.2m in respect of the County Hall, Lissanalta House, Killmallock Area Office, and the Newcastle West Machinery Yard. The cost of servicing these loans in 2014 was €1.7m and this was funded from the Council's own resources.

6.3. Mortgages and Rented Equity

The mortgage funding gap, which comprises the differences between Council's borrowings and the lending to customers for house purchases increased to €2.3m (Note 13 to the AFS).

6.4. Voluntary Housing

Included in the Council's long term borrowings were loans of €16.2m, in respect of recoupable loans for the purposes of voluntary housing. These loans are fully recoupable from the Department. Total interest paid on these loans amounted to €333k in 2014.

6.5. Strategic Development Loan

In September 2014, members granted approval for borrowings of €32m - €20m to provide working capital for the acquisition and development of strategic sites identified under "Limerick 2030"and the balance to fund legacy capital balances.

In December 2014, the first €10m of this loan was drawn down and allocated as follows:

Acquisition of Mungret College	€3.0m
Part fund Gortadroma Landfill development balance	€2.0m
Acquisition of 19 Henry Street, adjacent to Hanging Gardens	€0.3m
Credit balance remaining in the capital account	€4.7m

Repayments on this loan are expected to amount to almost €0.5m in 2015. Failure to generate income from these assets and achieve the expected annual savings and efficiencies on which the financing proposal is based will place significant pressures on the Council's finances.

Chief Executive's Response
The decision of Council to provide working capital is critical part of the recentralisation of Limerick City Centre. This will enable the authority to acquire, promote and where necessary develop the strategic sites as identified in Limerick 2030.

Provision will be included in the revenue account for capital and interest payments in relation to this loan as it is drawn down. It is projected that there will be additional sources of income as a result of the acquisition and development of the strategic sites which will help to offset the increased loan costs on the Revenue account.

7. Capital Account

Although there is an overall favourable balance of €54m in the capital account, there are a number of significant credit balances that are ring fenced for specific projects:

Arthurs Quay Car Park	€6.0m	(paragraph 7.3)
Strategic Development Loan	€4.7m	(paragraph 6.5)
Insurance Fund	€2.6m	(paragraph 7.4)

There were 668 capital codes making up the overall €54m balance. This included 318 credit balances totalling €73m and 350 debit balances amounting to €19m. Many of these relate to projects that have been completed for a number of years and residual balances remain. I have requested management to conduct a full review of the capital account to establish the overall funding requirements.

Chief Executive's Response
The review of the capital account is ongoing. It is recognised that this work is a priority and requires dedicated resources to be assigned to the project for a specific timeframe in order to complete this exercise. By dedicating resources to this project it is anticipated that this exercise will be concluded by the completion of next year's AFS. The Council is progressing an exercise to off set credit balances for completed projects below the €12,700 threshold, against unfunded debit balances per Circular Fin 10 / 2003.

7.1. Limerick Regeneration Programme

The cumulative cost of the Limerick Regeneration Programme incurred by the Council to 31 December 2014 was €236.5m. The Council continued to progress the regeneration programme in 2014 with a number of initiatives including the following;

- funding of social and economic intervention measures - €6m spent in 2014
- acquisition of key strategic sites in the city
- completion of 35 units of sheltered housing for older people at Colivet Court
- completion of 29 units at Vizes Court, a purpose built apartment complex for older residents
- completion of thermal upgrade of 49 properties

7.2. Mungret College

During 2014, the Council acquired Mungret College and surrounding lands at a cost of €2.4m. The business case that supported the decision did not identify the explicit objectives for the capital spend or the risks associated with the use of the funds as required under the Public Spending Code capital appraisal criteria.

Chief Executive's Response
The strategic decision to acquire the lands was taken in the context of the lands availability from NAMA and the opportunity to provide for the orderly development of the western suburbs of the city, as distinct from the former developer led scenario. Forty hectares of the lands acquired were zoned residential. The acquisition also allowed for the development of an eight hectare public park and future community / business uses for the Mungret College building. The Council is confident that it will recoup over half of the initial outlay during 2016 and is currently devising a master plan for the area which will guide it in its development and disposal strategy into the future.

7.3. Arthurs Quay Car Park

The Council has held a lease since the late 1980's on Arthurs Quay Multi-Storey Car Park which includes an option to purchase. As part of the original agreement, the Council underwrote a bank loan of €4.97m granted to the car park owners and as the principal leaseholder, the Council had in turn entered into a sub-letting arrangement for the operation of the car park with a company connected to the car park owners. The rent received from the car park operator is firstly used by the Council to pay interest on the loan facility, with the balance remaining of the rental income used to build up a sinking fund that is ultimately to be used by the Council to acquire the car park.

Although the loan is not included on the Council's balance sheet, as it is in the name of the car park owners, the Council continues to make the loan repayments on an interest-only basis. At year-end the balance on the loan remained at €4.97m and the sinking fund recorded on the Council's balance sheet amounted to €6m. I also note that the sub-lease expired in 2012 and to-date the new lease has not yet been formally executed.

Chief Executive's Response
Payments totalling €471,612 has been received from the operator of the car park in 2015. These payments bring the account up to date to 30 April 2015. In relation to the lease, this has been agreed, adopted by the Council in 2013, and is operational from May 2012. The formal execution has been advanced and is in the final stages of completion with the respective legal teams. The new lease brings the agreement to May 2017. We are advancing plans for Arthurs Quay area and any proposal will have to be done in the context of its future development.

7.4. Insurance Fund

In 2013, the Council's insurers agreed to provide full cover for employer and public liability insurance. The annual premium is calculated on a deposit premium basis (min-max model), whereby a minimum deposit of €2m is paid in the current year and further premiums up to a maximum of €1.2m per annum, will be attributed in later years depending on the claims out turn. At the end of 2014, the Council has reserves of €2.6m to fund the min-max model.

Prior to 2013, the former City Council operated an insurance excess of €127k, with claims under this excess paid directly by the Council. Estimated claims still outstanding prior to 2013, for which the Council may be liable, is estimated in the region of €3.5m at 31 December 2014. These claims will have to be funded from the Council's own resources.

Chief Executive's Response
Full disclosure of the estimated liability is noted in the AFS 2014. The Council will continue its objective of reducing the estimated insurance liability over the coming years. The Council is in negotiations with its insurers regarding these legacy issues.

8. Rathbane Municipal Golf Course

Rathbane Municipal Golf Course is owned by the Council and is managed by a private operator on its behalf. This operator was appointed to manage the golf course under a license arrangement for an initial 5 year term from 1 January 2003, with an option to extend it for an additional 5 years. This option was exercised, and the license ran until 31 December, 2012.

In January 2013, an informal agreement was reached covering an initial three month period with an option to extend on a month by month basis as a short term measure until the contract was retendered. This arrangement required all golf income to be paid into a Council nominated bank account and a monthly management fee to be paid by the Council. However, the monies were collected and retained by the private operator, without verification by the Council and two invoices were issued in late 2013 and early 2014 to represent the shortfall between the monies collected and the management fee for 2013. Following negotiations with the Council in 2015, a settlement was agreed.

I have been advised that an invoice for management fees in respect of the nine months to September 2014 was received by the Council in the second half of 2014, but this has not been accrued in the AFS. I have expressed my concern to management regarding the absence of procedures to verify the golf income and the overall absence of oversight that allowed the matter to continue unresolved for an extended period of time.

Chief Executive's Response

Between January 2013 and March 2015, two procurement processes took place in order to identify a suitably qualified operator to manage and operate Rathbane Municipal Golf Course. However, both processes failed to identify a suitably qualified operator. This coincided with a period of considerable challenges in the golf industry, both nationally and locally, where participation in golf declined substantially due to the economic downturn. An informal agreement was made with the existing operator in order to facilitate the initial tender process. This was done to facilitate the golf course remaining open during the procurement process. It continued, as no suitable supplier was appointed following both tender processes. It is correct to say that from January 2013 up to September 2014 inclusive, that golf income was not lodged to a Council nominated bank account and that a monthly fee income was not paid to the operator. However, since October 2014, new arrangements have been put in place in relation to the collection of this income.

Following legal advice from the Council's solicitors, a settlement was reached in 2015 in relation to 2013 invoices. The accrual of invoices for 2014 did not occur due to the fact that the Council was taking legal advice on the matter and the legal advice was not received until late December 2014 and this legal advice had to be subsequently considered.

A third tender process is currently underway to procure a new operator for the golf course. The observations of the auditor have been taken into account in framing the financial specifications of the tender and the obligations that would be placed on a successful tenderer in relation to financial managements systems in any contract.

9. Interest in companies associated with the Council

The Council has recorded its interest in 27 companies in Appendix 8 to the AFS. The Council has valued its interest in 7 of these companies in note 3 and note 11 to the AFS at €1,318,088. The annual accounts of a number of these companies have year ends that are not contemporaneous with the Council's year-end and the 2014 audited accounts were not available in many instances. The Department needs to prescribe the detailed accounting treatment for wholly owned subsidiaries and associate companies, as there is a need for clarity and consistency in their accounting treatment. The Council needs to improve its oversight and review of these companies to ensure that proper corporate governance arrangements are in place.

Chief Executive's Response

The accounting treatment of associated companies in the AFS is consistent with previous guidance from the Department. In the future, all associated companies will be requested to submit audited accounts within three months of their year end. A review of associated companies has been included in the internal audit schedule for 2016.

9.1. Limerick National City of Culture 2014 Limited

This is a company which was set up by the Council in September 2013, to coordinate and deliver a programme of cultural events and programmes in Limerick City in 2014. The accounts of this company are audited by a private audit firm. The audited accounts covering the period from incorporation to 31 December 2014 showed expenditure of €10.1m with matching income. The main funding source for the event was grant allocation of €7.5m from the Department of Arts, Heritage and the Gaeltacht, €383k of which has still not been drawn down by the company.

Chief Executive's Response
I can confirm that the financial statements of Limerick National City of Culture 2014 Limited for the period to 31 December 2014 have been audited and have been filed with Companies Registration Office. I can also confirm that the necessary paperwork has been prepared for certification by the Council for the final amount due from the Department of Arts Heritage and the Gaeltacht.

9.2. Askeaton Pool and Leisure Centre Ltd

The Council owns 51% of the shares of this company, with Askeaton Swimming Club owning the balance. The audited accounts for the year ended 31 December 2014 recorded a deficit for the year, increasing the accumulated losses to €168k. The company's auditors included an emphasis of matter paragraph in their 2014 audit report, in which it was noted that the future of the company is dependant on the continued support of the Council, which paid grants of €130k in 2014.

Chief Executive's Response
The Council has provided, as part of the statutory budgetary process, an annual operational subsidy towards the day to day running of the leisure centre. It is disappointing that the company for 2014 recorded a deficit, however increased membership and reduction in costs in 2015 particularly in the area of energy should help to reduce the deficit in for the current year.

9.3. Grove Island Leisure Centre Limited

The Council became the sole owner of Grove Island Leisure Centre in 2012. The share capital of the company (100 shares valued at €1 each) has been incorporated under the "associated companies" heading in Note 3 of the AFS. The total expenditure on the leisure centre in 2014 was €704k, including repayments of €352k on the company's loan. At the end of 2014, the balance on this loan had reduced to €2.4m. At the close of this audit, the 2014 audited accounts were not yet available.

The audited accounts for the year ended 31 December 2013 recorded a deficit of €306k for the year, increasing the accumulated losses to €7.3m. An emphasis of matter paragraph was included by the company's auditors in the 2013 report, in relation to the ability of the company to continue as a going concern without the financial support of the Council.

Chief Executive's Response
A new operator, Aura Leisure, was appointed to operate Grove Island Leisure Centre in January 2014. The contract of engagement took the form of a concession contract. Provision has been made in budget 2016 to cover any associated costs.

10. Governance

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. It is the responsibility of the Council to ensure that sound systems of financial management and internal control are in place. It is imperative that sound systems of internal control are in place in the newly merged Limerick City and County Council.

10.1. Internal Audit Function

Regulation 9 of the Local Government (Financial and Audit Procedures) Regulations 2014 requires local authorities to maintain an adequate and effective system of internal audit of its accounting records and control systems. Internal Audit has an important role in providing the Chief Executive with assurances on the adequacy of control systems and procedures including internal controls, risk management and governance arrangements.

Local authorities are also obliged to establish audit committees in accordance with section 59 of the Local Government Reform Act, 2014. A key function of the audit committee is to “foster the development of best practice in the performance by the local authority of its internal audit function.” This requires the audit committee to ensure that an internal audit function is in place that operates to professional internal audit standards. This encompasses the approval and monitoring of the annual work plan of the internal audit function and ensuring that management properly engages with internal audit, including the implementation of its recommendations. The audit committee cannot discharge its statutory functions without the support of a properly resourced internal audit function.

Although two staff were included in the Internal Audit headcount during 2014, one staff member was solely responsible for checking duties and the Head of Internal Audit has been assigned non-audit duties since October 2014. I note that in March 2015, an external audit firm was appointed to provide 80 days of internal audit service annually over a three year period, with a three year audit plan being approved in September 2015.

Chief Executive’s Response
Corporate governance and proper systems of internal controls are a high management priority. An external audit firm has reviewed corporate governance, incorporating internal controls, processes, procedures and risk management during 2015 as part of the agreed internal audit schedule. Any recommendations arising from the review will be considered by the Management Team with a view to early implementation where appropriate.

10.2. Risk Register

The maintenance of an up to date risk register is an integral part of risk management. I note that the corporate risk register was finalised in October 2015. A review of corporate risks should be a standing agenda item for all management meetings.

Chief Executive’s Response
Management continues to update the risk registers and maintain a focus on the key risks that could have an adverse impact on the Council.

11. Acknowledgement

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

John Collins
Local Government Auditor
30 November 2015