

Report of Audit Committee on Statutory Audit Report for the Year 2016

To: The Mayor and Each Member of Limerick City & County Council

A Chomhairleoir, a chara,

The Local Government Audit Service has produced a Statutory Audit Report for the year ended 31st December 2016 in respect of Limerick City and County Council. In accordance with Section 121(3) of the Local Government Act 2001 (as amended by Section 60 of the Local Government Act 2014), the Audit Committee must review this report, assess any action taken by the Chief Executive in response to the report, and bring its findings to the Council.

At a meeting held on 14th December, 2017, the Audit Committee met with the Local Government Auditor and reviewed the Statutory Audit Report for the year ended 31st December, 2016.

The Audit Committee welcomed the Auditor's opinion on the AFS which was unmodified and the assurance from the Auditor that the financial statement was free from material misstatement, whether caused by fraud or error. The Audit Committee also welcomed the Auditor's opinion that the Council continued to show a satisfactory Statement of Financial Position (Balance Sheet) at 31st December 2016 and noted the Auditor's opinion that strict budgetary control and proactive financial management was required to maintain this position.

The Audit Committee noted the contents of the Statutory Audit Report for Limerick City and County Council for year ended 31st December, 2016. It also noted Management's response to the issues raised and commitments made as to future actions as recorded in the Audit Report.

Specifically:

The Audit Committee noted the continued improvement in the collection of commercial rates and the importance of same in consideration of the significant contribution commercial rates make to the Council's revenue income. The Audit Committee discussed the implications of delays by the Valuation Office in valuing

a number of properties in the Council's administrative area and noted that a number of these properties had been valued since the time of audit.

The Audit Committee discussed the delay in transferring a number of assets to Irish Water and noted the background to same and that the supply of water would not be affected as a result.

The Audit Committee discussed the collection of amounts due to the Council on foot of loans issued under the Improvement Works in Lieu Scheme and noted that the Council had a charge on each related property.

The Audit Committee noted that the Council's 74% collection yield for housing loans in 2016 compared to a national average of 71% (based on draft AFS figures) and that the Council's exposure in this regard was small compared to national figures.

The Audit Committee discussed areas appropriate for future internal audit review and noted the views of the Local Government Audit in this regard.

The Committee discussed the individual items raised by the Auditor in the Statutory Audit Report. The Committee is satisfied with the commitment of Management regarding actions and improvements that are needed.

The Audit Committee noted that no concerns had been raised in relation to loss of funds or value for money, nor was there any specific issue that should be brought to the attention of the Council.

Is mise, le meas,

John Field
Chairperson of the Audit Committee

15th January, 2018.