LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Limerick City & County Council

for the

Year Ended 31 December 2016

An Roinn Tithíochta, Pleanála agus Rialtais Áitiúil
Department of Housing, Planning 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 & County Council for the year ended 31 December 2016, which comprise 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 the 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 2016 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 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 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 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. Financial Standing

2.1. Statement of Comprehensive (Income and Expenditure Account)

The surplus for the year amounted to €51k after net transfers to reserves of €15.7m, thereby increasing the general revenue balance to €810k at the year end. The €3.3m reduction in the bad debt provision for rates contributed to the funds available for transfers (paragraph 3.1). The draft AFS, the transfers to and from reserves and the over expenditure by division were considered and approved by the Council at their meeting held in May 2017.

2.2. The Council continues to show a satisfactory Statement of Financial Position (Balance Sheet) at 31 December 2016, however strict budgetary control and proactive financial management is required to maintain this position.

2.3. Significant movements in the finances for the year include:

- Increase in fixed assets €15.6m (paragraph 5)
- Increase in work in progress €13.0m (paragraph 6)
- Increase in loans payable €16.3m (paragraph 9)
- Increase in bank and investments €18.3m

The increase in the bank/investments and loans payable figures is primarily due to the draw down of strategic development loans in December 2016, which had not yet been allocated to projects by year-end.

2.4. Specific Revenue Reserve

The specific revenue reserve was a mechanism put in place to facilitate the changeover in accounting treatment when Local Authorities (LA's) moved from accounting on a cash basis to the accruals basis. In accordance with Circular Fin 11/2016 issued by the Department of Housing, Planning and Local Government (the Department) on 16 December 2016, LA's are permitted to eliminate their specific revenue reserve in one of the following manners:
1. Write down of general revenue reserve deficits
2. Write down of unfunded capital project balances.

Limerick City & County Council eliminated their specific revenue reserve by writing down historical unfunded capital project balances by €385k.

3. Income Collection

The arrears and the collection percentages for the Council's main revenue collection accounts as disclosed in Appendix 7 to the AFS were as follows:

	Arrears			Collection Yield		
	2016	**2015**	**2014**	**2016**	**2015**	**2014**
Commercial Rates	€18.8m	€21.5m	€25.0m	77%	75%	65%
Rents and Annuities	€ 2.2m	€ 2.3m	€ 2.1m	94%	89%	87%
Housing Loans	€ 0.5m	€ 0.4m	€ 0.34m	74%	78%	77%

3.1. Commercial Rates

The continued improvement in debt collection for this income source is to be welcomed, particularly given that rates accounted for 33% of the Council's revenue income, excluding HAP in 2016. At audit, it was noted that the 138 properties that were issued for valuation during 2015 and 2016 remain unvalued at the end of August 2017, thereby resulting in a reduced rates base and significant income potentially foregone by the Council.

The bad debt provision has been reduced from €19.2m to €15.9m in the 2016 AFS. This provision was reviewed at audit and is reasonable.

3.2. Rents and Annuities

The rents and annuities figure in appendix 7 of the AFS is made up primarily of:
- rent payable by all tenants in the participating local authorities under the Housing Assistance Programme (HAP)
- rents due from tenants of the Council's own housing stock (Rents)
- rents due from tenants under the Rental Annuity Scheme (RAS)

	Accrued		Arrears		Collection Yield	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
HAP	€21.7m	€ 5.3m	€0.1m	€0.1m	99%	98%
Rents	€12.7m	€12.3m	€1.9m	€2.0m	87%	86%
RAS	€ 1.9m	€ 1.9m	€0.2m	€0.2m	89%	93%
Total	**€36.3m**	**€19.5m**	**€2.2m**	**€2.3m**	**94%**	**89%**

3.2.1. HAP

Under the Government's Housing Assistance Programme (HAP), the Council is providing a Transactional Shared Services Centre for all participating local authorities. The year-on-year increase in rents and annuities in Appendix 7 is primarily due to the continued roll-out of the HAP scheme nationally and the inclusion of rents collectable from HAP tenants in participating local authorities. The strong collection rate is commendable.

3.2.2. Rents

At previous audits, I drew attention to the fact that a global rent review had not been conducted for a number of years. Although this process commenced in June 2017, it is not scheduled for completion until 2018. Until this review is completed it is not possible to accurately quantify the financial consequence of this inaction. Based on a review of debtors at the end of 2016, I deemed the bad debt provision of €1.3m to be adequate.

3.2.3. Rental Annuity Scheme (RAS)

The collection yield for RAS tenants has fallen from 93% in 2015 to 89% in 2016. Weakened collection performance is also reflected in the arrears that have increased from €156k to €189k at the end of 2016.

3.3. Housing Loans

The collection yield for housing loans fell further in 2016 to 74% with arrears at 31 December 2016 amounting to €538k (net of credit balances of €178k), bringing the gross arrears to €716k. Arrears outstanding in excess of three months amounted to €686k, of which €288k relates to shared ownership loans (2015 - €253k). Given the aged debt profile of the Council's loan book, the bad debt provision of €545k is reasonable.

Chief Executive's Response

I welcome the auditor's comments on the continued improvement in the rates performance in 2016. We will continue to maintain and build on the 2016 collection performance across all income categories and to address the outstanding arrears. The bad debt provision will be kept under review for the 2017 AFS.

4. Transfer of Water and Sewerage Functions to Irish Water

Irish Water (IW) has been allocated full responsibility, by statute, for all aspects of water services planning and delivery at local, regional and national level. The Council acts as an agent for IW under the terms of a service level agreement. The Council received €11.3m from IW under this agreement in 2016.

At the end of 2016, 71 assets remained to be transferred to Irish Water. There are ongoing issues with regard to the transfer of title of properties transferred to IW, including right of way issues, sites not registered and the subdivision of folios. The Council is continuing to work with IW in order to address these matters.

The Council had €8m of water related loans at the end of 2016. The cost of repaying both interest and capital on these loans is being funded by the Department.

Chief Executive's Response

The transition to Irish Water is an ongoing process to which dedicated resources continue to be deployed to ensure the smooth operation of the SLA.

5. Fixed Assets

5.1. There was a year-on-year increase of €15.6m in the net book value of fixed assets. The following are the main additions and items transferred from work in progress during the year (paragraph 6):

Asset	€m
81 housing units (including 20 under the Regeneration project that will be subject to demolition)	8.0
Completed roads	6.1
Mungret College & Park	1.5

5.2. It was noted at audit that although the purchase of the Galvone Arms for the purposes of the Limerick Regeneration project had been ongoing for a number of years, the Council does not yet have vacant possession of the entire property.

5.3. Shortcomings identified at this and previous audits in relation to fixed asset recording and management include:

- Registration of title process not being completed
- Failure to properly record assets in the various internal records and registers such as the Fixed Asset Register and the insurance schedules
- Cross checking not completed between the various registers to ensure completeness and accuracy

It is acknowledged that work on the development of a Property Interest Register commenced in 2016 and is ongoing during 2017. Progress will be reviewed at the next audit.

Chief Executive's Response

The Local Government Auditor's comments are noted and every attempt is made to ensure the completeness of the fixed asset register for movements within the accounting year.

Regarding the Galvone Arms, possession has still not been achieved and legal proceedings have been instigated.

The Registration of Title procedure for newly acquired properties is being dealt with by the legal team involved in the acquisitions and as such is now fully compliant with the requirements.

The Property Asset Register (PIR) phase 1 has been completed in 2017. This has mapped all land and council properties on a GIS based system. Where discrepancies have been identified, adjustments to the Agresso register will be carried out as part of the AFS 2017 procedure. Phase 2 of the process should progress in 2018.

6. Work in Progress (WIP)

6.1. Work in progress on existing and new schemes during 2016 amounted to €18.8m. The following are the most significant items:

Project	€m
Regeneration Project	11.1
Mungret Road Improvement Scheme	3.0
Munster Regional Control Centre	1.5
Watergate Flats Thermal Upgrade	1.3
Kings Island Flood Relief Scheme	0.5
Parnell Street Remodelling Works	0.3

6.2. During 2016 there were €11.6m of completed schemes re-classified as fixed assets including:

Asset	€m
Completed Roads	6.1
Housing Additions (22 units)	3.0
Extensions to Council Burial Grounds	1.3
Mungret College & Park	1.2

6.3. The AFS includes €47m of expenditure on projects that are categorised as work in progress or at a preliminary development stage. At audit, €10.9m of these projects were identified as being completed or are no longer progressing. Although there is no net effect on the balance as matching income is also recorded for these balances, I have requested management to make the appropriate corrections for the 2017 AFS.

Chief Executive's Response

The Local Government Auditor's comments are noted and the classification of projects included in work in progress will be reviewed as part of AFS 2017.

7. Capital Account

The net favourable position in the capital account increased from €63.9m in 2015 to €92.5m at the end of 2016. The increase of €28.6m is primarily due to the accounting treatment of the strategic development loans drawn down. The Department is currently reviewing the accounting treatment of these loans, including the treatment of finance advanced to Limerick 2030. Management have advised that any adjustments prescribed from this process will be reflected in the 2017 AFS.

The net favourable position is made up of €102m of favourable balances and €10m of deficit balances. At previous audits, I highlighted the large number of codes in the capital account, many of which were inactive. Although the process of reviewing these codes has been ongoing for over a year, progress remains slow.

7.1. Favourable Capital Balances

At the end of 2016, there were 409 codes with favourable balances totalling €102m. Of these, no activity has been recorded on 221 codes totalling €47m in the nine months to September 2017. Within the overall favourable total of €102m, there are a number of significant balances that are ring fenced for specific projects including:

Project / Category	€m
Strategic Development Loans	25.0
Development Fund	12.4
Insurance	6.9
Arthurs Quay Car Park	6.0
Gortadromma Landfill Aftercare & Local Development Fund	5.8
HAP Advance Payment	4.2
Roads Long Term Damage Fund	3.1
Pensions & Gratuities	2.5
RAS	1.8
Corporate Buildings	1.5
Burial Grounds	1.4
Regeneration	1.3
Kings Island Flood Relief	1.0
Total	**72.9**

7.2. Unfavourable Capital Balances

At the end of 2016, there were 243 codes with unfavourable balances totalling €10m, many of which relate to longstanding residual deficits. By the end of September 2017, 72% of these codes totalling €7.2m recorded no funding, with Housing accounting for €4.3m of this total.

At audit, I have recommended that management expedite the process of examining its capital codes with a view to clearly identifying balances available to offset against codes in deficit. I have also recommended that an early corporate reporting process is in place to identify and explain delays in drawing down Departmental funding.

Chief Executive's Response

A review of the capital codes is ongoing and further efforts will be made to expedite this process. The auditor's comments in relation to the early reporting process for recoupment of capital works are noted and will be addressed. The Council continue to engage with the DHPLG to ensure timely drawdown of funds.

7.3. Arthurs Quay Car Park

In previous audit reports, I set out the background to the Council's involvement as the primary leaseholder and underwriter of a bank loan of €4.97m on the property, together with the Council's option to purchase this multi-storey car park, all of which dated back to the agreements originally entered into in the 1980s. I also set out the sub-letting agreement for the operation of the car park, whereby the rent received from the car park operator is firstly used by the Council to pay interest on the loan facility, with the remaining 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.

At the last audit, I highlighted that although the sub-lease expired in 2012 a new lease had not yet been formally executed. At the time of this audit, this matter remains unresolved.

Chief Executive's Response

The Council are endeavouring to resolve the lease of Authors Quay Car Park as soon as possible.

8. Improvement Works in Lieu (IWIL)

This scheme has been set up to assist individuals or households to improve or extend their own privately owned dwellings as an alternative to the Council providing housing to the individual or household. To qualify for this scheme the individual must be an approved applicant for housing. Funding under the scheme is provided by way of a loan to the individual, with the charge being worked out in a similar way to the differential rent scheme, repayable over a maximum period of fifteen years.

At year end, there were 179 IWIL accounts with net arrears totalling €456k and an overall collection yield of 29%. Significant shortcomings in the management of these accounts were identified at audit, including the absence of income reviews and debt management. Notwithstanding that a general bad debt provision of 50% has been made, this should be increased given the profile of these arrears.

Chief Executive's Response

The auditor's comments are noted. A review of IWIL accounts will commence towards the end of 2017 and will continue in the early part of 2018. The bad debt provision will be reviewed as part of AFS 2017.

9. Loans Payable

9.1. Total loans payable as disclosed in Note 7 to the AFS amounted to €88.7m made up as follows:

	2016	2015	2014	
Strategic Development Loans	€32.5m	€9.8m	€10.0m	(paragraph 9.2)
Council Offices & Buildings	€15.6m	€17.5m	€19.1m	(paragraph 9.3)
Others	€ 1.2m	€1.6m	€ 2.1m	
Council Funded Debt	**€49.3m**	**€28.9m**	**€31.2m**	
Voluntary Housing	€15.8m	€15.5m	€16.2m	(paragraph 9.4)
Mortgages & Rented Equity	€15.6m	€16.9m	€18.1m	(paragraph 9.5)
Water Related Loans	€ 8.0m	€11.1m	€20.6m	(paragraph 4)
Recoupable & self-funding Debt	**€39.4m**	**€43.5m**	**€54.9m**	
Total Debt	**€88.7m**	**€72.4m**	**€86.1m**	

9.2. Strategic Development Loans

The Limerick 2030 economic and spatial plan was launched in 2013 and set out a framework for the development of Limerick city and its environs up to 2030. In order to deliver this Plan, the Council has embarked on a significant financing and investment programme, with Limerick 2030 Strategic D.A.C. (Limerick 2030), a company 100% owned by the Council, being the primary mechanism for delivery.

Presently, Limerick 2030's finance is provided by the Council, whereby the Council borrow funds and subsequently release the necessary finance to the company as required. In turn, the Council recognise all funds advanced to Limerick 2030 as a repayable long term debtor on its balance sheet, with the company recognising a similar amount as a liability. At the last audit, I highlighted that a formal repayment agreement was not in place between both parties. Although €9m has been advanced to Limerick 2030 by the end of 2016, the recommended repayment agreement is not yet in place.

In 2014, members granted approval for €32m of borrowings to fund the implementation of the Limerick 2030 economic and spatial plan and to clear down unfunded capital balances existing at that point. By the end of 2016, €25m had been drawn down (€10m in 2014 and €15m in December 2016) and its use is set out in the table below.

During 2016 members approved €16m of borrowings to fund the development of the Gardens International site by Limerick 2030. By the end of 2016, €8m of this facility was drawn down and €1.3m had been advanced to Limerick 2030 for works on the site.

Purpose	€25m Drawdown	€8m Drawdown
Clear historic capital deficits	€2.5m	
Opera Site initial costs	€2.3m	
Acquire Mungret College & lands	€3.0m	
Acquire 19 Henry Street	€0.3m	
Upgrade Franciscan Friary	€0.6m	
Advanced to Limerick 2030 for Troy Studios	€7.7m	
Advanced to Limerick 2030 for development of Gardens International		€1.3m
Funding available for developments during 2017	€8.6m	€6.7m
Total	**€25.0m**	**€8.0m**

It is noted that the HFA have agreed to defer principal repayments for five years on the €8m loan for the development of Gardens International, while principal and interest are being paid on the other loans. Repayments on all of these loans are presently funded from the Council's own resources and amounted to €448k in 2016. These repayments are expected to increase to €1.1m in 2017. Failure to generate income from these assets will place significant pressures on the Council's finances going forward.

9.3. Council Offices & Buildings

The Council's borrowings include €15.6m in respect of the County Hall, Lissanalta House, Killmallock Area Office, and the Newcastle West Machinery Yard. The cost of servicing these loans in 2016 was €2.3m (2015 - €2.0m) and this was funded from the Council's own resources.

9.4. Voluntary Housing

Included in the Council's long term borrowings were loans of €15.8m, in respect of recoupable loans for the purposes of voluntary housing. These loans are fully recoupable from the Department upon occupation of the properties. Total interest paid on these loans amounted to €263k in 2016. The Local Government Audit Service issued VFM Report No. 29 “The oversight role of local authorities in the provision of social housing by Approved Housing Bodies”. The Council should ensure that the recommendations made in this report are fully addressed.

9.5. Mortgages and Rented Equity

The favourable mortgage funding gap, which comprises the differences between Council's borrowings and the lending to customers for house purchases reduced from €2.5m to €2.3m at the end of 2016 (Note 12 to the AFS). This movement remains to be fully explained by the Council.

Chief Executive's Response

The Council continues to actively monitor and review capital debt. In respect of strategic development loans, the Council has made a provision to service this debt through its revenue budget. In relation to the mortgage funding gap, the Council will continue to monitor movements.

10. Development Contributions

The accounting treatment for the development charges debtor changed in 2016 as per Circular Fin 04/2017 and the long term debtor is no longer separately disclosed in the AFS. The closing short-term debtor at the end of 2016 amounted to €4.4m against which the Council made a bad debt provision of €3.2m, which is considered adequate.

11. Part V Register

Part 2, Section 3 of the Planning and Development (amendment) Act, 2002 requires developers to provide land for public housing. This could be in the form of a financial contribution, land or a combination of these, to the local authority at an agreed cost. The purpose of this requirement is to assist in the provision of social and affordable housing.

At 31 December 2016, €3.5m of Part V arrears were recorded in the AFS together with a matching bad debt provision. At audit, significant weaknesses surrounding the completeness of records and follow-up of monies due were noted. I have requested management to conduct a detailed review of procedures and practices to ensure a complete and accurate Part V register is in place and amounts due to the Council are actively pursued.

Chief Executive's Response

I can confirm that a detailed review of procedures is currently underway to establish a complete and accurate Part V register. Appropriate action will then be taken to pursue balances outstanding.

12. Procurement

A Corporate Procurement Plan ensures that the procurement function formally supports the Council's key corporate objectives and is focused on delivering value for money outcomes through purchasing strategies that are consistent with EU and National procurement rules. At audit, it was noted that this plan was not formally adopted by management.

At audit a number of instances were identified where the Council did not comply with procurement requirements. It is acknowledged however, that the introduction of Milestone 4 (Agresso) in October 2016 should enhance the level of procurement compliance for purchases or contracts entered into after this date.

Chief Executive's Response

The Procurement Plan will be formally adopted by Management by year-end. Procurement compliance is a key requirement and we are confident with our dedicated procurement unit, Agresso Milestone 4 and centralised invoice matching will result in improved compliance with purchasing procedures. The area will continue to be monitored during 2017.

13. Interest in Companies

13.1. The Council's interest in 26 companies is set out in Appendix 8 to the AFS. The table shows the extent of control exercised by the Council, whether or not the transactions are included in the Council's AFS and brief details of each of the companies listed. The Council has valued its interest in 9 of these companies in notes 3 and 10 to the AFS at €1,072,679 based on the net asset value and the Council's proportionate shareholding in each company. In cases where there is a deficit in the net assets, the amount included is limited to the Council's share capital or guarantee amount in the company.

Previous audit reports recommended improvements in the Council's oversight and review of these companies to ensure that proper corporate governance arrangements are in place. It is noted that an internal guidance document was published in August 2017 entitled "Guidance on Governance Requirements for Limerick City & County Council Associated Companies". This document sets out a number of key governance principles including accountability and operational oversight, compliance oversight, protocols for dealing with conflicts of interest and items of concern. The document also addresses the appointment and training of company directors and secretaries. Progress made on the implementation of these key principles will be reviewed at the next audit.

Chief Executive's Response

The Guidance on Governance Requirements for Limerick City and County Council Associated Companies sets out the procedures to be followed in relation to the improvement of governance. This is an area which is under on-going review to ensure that best practice is followed in relation to the manner in which the Council manages its interaction with such companies.

13.2. Askeaton Pool and Leisure Centre Limited

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 2016 recorded a deficit for the year, increasing the accumulated losses to €178k. The company's directors reported that the company relies on grant aid from the Council to support it during the year. It is noted that €110k was advanced in 2016.

13.3. 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 2016 was €381k, including repayments of €300k on the company's loan. At the end of 2016, the balance on this loan had reduced to €1.8m. At the close of this audit, the 2016 audited accounts were not yet available.

The audited accounts for the year ended 31 December 2015 recorded a deficit of €223k for the year (2014 - €118k), increasing the accumulated losses to €7.6m (2014 - €7.4m). Emphasis of matter paragraphs were included by the company's auditors in the 2015 report, in relation to the ability of the company to continue as a going concern without the financial support of the Council and the inherent uncertainty of the €3.6m valuation for the leisure centre.

The company's 2015 financial statements record €5.5m owed to the Council. However at audit, Council management have advised that repayments will not be sought for this loan and on that basis have not included this amount as a debtor on the balance sheet. I have requested management to conduct a detailed review of the relevant loan agreements and transactions to ensure clear and consistent treatment of the balances in both the Council's 2017 AFS and those of the company.

Chief Executive's Response

The Council will engage with Grove Island Leisure Centre Limited's auditors to ensure that there is a reconciliation of balances in both the Council's 2017 AFS and those of the Company.

14. Governance

14.1. Ethics

S171 of the Local Government Act, 2001 requires those to whom S167 (1) of the Act applies, to submit an annual declaration to the nominated ethics registrar. SI No. 582 / 2002 set the last day of February as the return date for these forms. At the last audit, I identified delays in submission of these declarations and recommended that procedures are put in place to ensure these delays are reported to senior management. Notwithstanding that a small number of staff have not yet submitted the required declaration, a formal internal reporting process is not yet in place.

Chief Executive's Response

A formal process will be implemented.

14.2. Internal Audit

The Internal Audit Unit produced five reports in 2016 including quality assurance in relation to the completion of the Public Spending Code Report (PSC) in respect of the year 2015. These were reviewed by the Audit Committee and have been considered in the planning of this audit.

In my previous audit report I highlighted that the allocated Internal Audit resources of one staff member dedicated to checking cash receipting across the organisation and 80 days provided by an external audit firm were not adequate given the size and scope of the organisation. It is acknowledged that additional resources were allocated during 2017 to conduct a comprehensive review of the controls in place in the housing maintenance section. This review identified significant control improvements that are required to effectively manage the housing maintenance service. Progress on implementing the recommendations made will be examined in the course of the next audit.

Management have advised that additional resources have been allocated to conduct a stand-alone internal audit review of the HAP Shared Services Centre each year, commencing in late

2017. I welcome this decision given the volume, value and national importance of the HAP scheme.

Chief Executive's Response

Resources for Internal Audit will again be reviewed in the coming year.

14.3. Audit Committee

The Audit Committee met on four occasions during 2016 and I attended their March 2017 meeting to discuss my 2015 audit report. Following this discussion, the Committee submitted a report to the May 2017 Council meeting as required under S60 of the Local Government Reform Act 2014.

Chief Executive's Response

The Council has an independent and professional audit committee in place, fully supported and assisted by senior management and internal audit. It provides independent oversight through a comprehensive programme of meetings, reviews and reports. The Committee has complied with all statutory requirements and reports and continues with its full work programme.

15. Acknowledgement

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

John Collins
Local Government Auditor
26 October 2017