



10th March, 2025

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To: The Mayor, Príomh Chomhairleoir and Each Member of Limerick City and County Council

AUDIT & RISK COMMITTEE ANNUAL REPORT 2024

A Chomhairleoir, a chara,

In accordance with Section 15 of the Local Government (Audit Committee) Regulations, 2014, the Audit Committee is required to prepare a report detailing its considerations and findings for the year just expired in relation to all matters within its authority, duties and functions and send same to the Local Authority for consideration.

I attach, therefore, for your consideration, the Chairperson of Limerick City and County Council Audit & Risk Committee Annual Report 2024.

Is mise le meas,

C. Farrell

Ciara Farrell
Senior Executive Officer
Corporate Services, Governance & Customer Services



Comhairle Cathrach
& Contae **Luimnigh**

Limerick City
& County Council

Limerick City & County Council
Audit & Risk Committee Annual Report

2024

1. Introduction

Section 122 of the Local Government Act 2001 (as amended) and the Local Government (Audit Committee) Regulations 2014 provide for the establishment of Audit Committees in Local Authorities. The establishment and operation of Limerick City and County Council's Audit & Risk Committee has been carried out in compliance with the above legislation.

2. Membership of the Audit Committee

In accordance with Section (3) of the Local Government (Audit Committee) Regulations 2014, where the total revenue expenditure by a local authority in 2013 exceeded €150m, the membership of an audit committee shall consist of seven members and shall include not less than four external members, not more than three serving or retired elected members and three or more persons having knowledge or experience in finance, auditing or accounting. Appointment of members of an audit committee is a reserved function.

The membership for the Audit and Risk Committee is in line with the term of the Council, i.e. June 2019 – June 2024. The following were members of the Audit and Risk Committee for Limerick City and County Council (LCCC) from January to June 2024:

Members	
Tony O'Brien (Chairperson)	Principal - Irida Consulting Limited
Dr. Brid Quinn	Retired - Lecturer in Public Administration University of Limerick
John Coady	Retired - Vice President of Administration & Finance Mary Immaculate College
Emmett Devereux	Director of Government & Regulatory Affairs Cook Medical
Councillor John Egan	Municipal District of Cappamore - Kilmallock
Councillor John Sheehan	Municipal District of Newcastle West
Councillor Brigid Teefy	Municipal District of Cappamore - Kilmallock

Tony O'Brien (Chairperson) advised the Committee members that his last meeting was in May. He would not be seeking re-appointment for the next term of the Audit and Risk Committee from 2024 – 2029. A vacancy existed on the Committee during Quarter 3 and Quarter 4 2024.

A new Committee was formed following the General Elections that were held in June 2024. At the Annual Meeting of the Council held on 21st June, 2024, Councillor John Sheehan and Councillor Sharon Benson were appointed to the Audit and Risk Committee. At the September

Meeting of the Council held on 23rd September, 2024, Councillor Catherine Slattery was appointed as the remaining Elected Member.

At the September meeting of the Council held on 23rd September, 2024, Dr. Bríd Quinn, John Coady, and Emmett Devereux were appointed as external members of the Audit and Risk Committee.

Members	
Dr. Brid Quinn	Retired - Lecturer in Public Administration University of Limerick
John Coady	Retired - Vice President of Administration & Finance Mary Immaculate College
Emmett Devereux	Director of Government & Regulatory Affairs Cook Medical
Councillor John Sheehan	Municipal District of Newcastle West
Councillor Sharon Benson	Limerick City North
Councillor Catherine Slattery	Limerick City East

3. Acknowledgements

Dr. Pat Daly Director General, Sean Coughlan Deputy Director General and Director of Support Services, Matthew White, Director of Finance, Economic Development and Digital Services, James Clune, Acting Director, Support Services, Laura Flannery, SEO Corporate Services, Ciara Farrell, SEO Corporate Services, Edel Langan, Internal Auditor, Pat Murnane, Financial Accountant, Finance, Irene Griffin, Financial Accountant, Finance and Edel Cousins, Staff Officer, Corporate Services, Governance and Customer Services, Collette Sheehy, Staff Officer, Corporate Services, Governance and Customer Services, Valerie Teefy, Staff Officer, Internal Audit, attended at meetings and supported the work of the Audit and Risk Committee.

During 2024, the following lists those who attended meetings of the Audit and Risk Committee, at the request of the committee, to review the management of risk, value for money, and efficiency in their directorates and deliver specific updates:

- Rory Corbett, Administrative Officer, Mayoral Office

In addition, the Committee met with the Local Government Auditor to review the Audit Report of the Annual Financial Statement (AFS) for LCCC for year ended 31 December 2023.

Limerick City and County Council provides resources to facilitate the Audit and Risk Committee's operation. The Committee acknowledges and appreciates the support of the Council, the Director General and his staff in its work.

4. Roles of the Audit Committee

The functions of the Audit Committee are as prescribed by Section 122 of the Local Government Act 2001 (as amended) and expanded in the Audit Committee Charter. These are:

1. *To review the financial and budgetary reporting practices and procedures within the local authority:*

- This incorporates review and consideration of all aspects of the financial cycle within Limerick City & County Council from budget preparation and adoption, regular monitoring of income and expenditures through to the completion of the annual financial statements.
- The audit committee reviews financial management and reporting arrangements in addition to reviewing existing financial policies, procedures, controls and protocols, as it considers necessary.

2. *To foster the development of best practice in the performance by the local authority of its internal audit function.*

The Audit Committee:

- Reviews with management and the internal auditor the charter, activities, staffing and organisational structure of the internal audit function, its compliance with relevant professional standards and brings any recommendations to the attention of the Director General. In this regard, the Committee seeks to ensure that no limitations are placed on the work of the internal auditor's unit.
- Approves the audit plan and monitors its implementation.
- Reviews audit reports, findings, recommendations, and management responses.
- Reviews, on an ongoing basis, the audit engagement process.

3. *To review any audited financial statement, auditor's report or auditor's special report in relation to the local authority and assess any actions taken within that authority by its Director General in response to such a statement or report, and report its findings to the local authority:*

To fulfil this function the Audit Committee:

- Reviews with management and the external auditors the results of the statutory audit.

- Reviews with management and the external auditors the management letter and all matters required to be communicated to the committee under generally accepted auditing standards.
- Monitors progress on implementation of any recommendations.
- Reports to Council on its findings.

4. *To assess and promote efficiency and value for money with respect to the local authority's performance of its functions:*

The Audit Committee:

- Reviews management's arrangements to ensure and demonstrate economy, efficiency and effectiveness across the organisation.
- Requests special reports from management or internal auditors as considered appropriate.

5. *To review systems operated by the local authority for the management of risks to fulfil this function the Audit Committee:*

The Audit Committee:

- Evaluates the scope and effectiveness of the framework established by management to identify, assess, monitor and effectively manage risk.
- Reviews the corporate risk management policy and receives presentations from management on corporate, directorate, divisional and sectional risk registers.

6. *To review the relevant findings and recommendations of the National Oversight and Audit Commission (NOAC) and the response of the Director General, and the Mayor, to such findings and recommendations; and take further action as appropriate:*

Here, the Audit Committee:

- Reviews the relevant findings of NOAC and ensures that its work programme takes NOAC's findings and recommendations into account.
- Requests special reports from management or internal audit as considered appropriate.

The Committee wishes to advise the Members that it sought to carry out these functions as fully as required.

5. Activities

5.1 Declarations of Interest

At the commencement of each meeting of the Audit and Risk Committee, the Chair offered those present an opportunity to declare an interest with regard to any of the items due for discussion.

5.2 Meetings

The following tables outline the attendance of the Audit and Risk Committee Members at the meetings held in 2024:

January – May 2024:

	26/03/2024	28/05/2024
Tony O'Brien	✓	✓
Brid Quinn	✓	✓
John Coady	✓	✓
Emmett Devereux	✓	✗
Councillor John Egan	✓	✓
Councillor John Sheehan	✗	✗
Councillor Brigid Teefy	✓	✗

June – December 2024:

	10/10/2024	10/12/2024
Brid Quinn	✓	✓
John Coady	✓	✓
Emmett Devereux	✓	✓
Councillor John Sheehan	✗	✓
Councillor Sharon Benson	✓	✗
Councillor Catherine Slattery	✗	✓

6. Review of Effectiveness of the Audit and Risk Committee

The Committee was satisfied with its defined role, functions and responsibilities; together with the resources and skills provided by, and to it. The Committee was also satisfied with the scope and scale of the activities carried out by it in conjunction with the Council's own Internal Audit function and external service providers. A summary of activities is as follows:

6.1 Audit Committee Work Programme 2024

The Audit and Risk Committee members completed a survey in the first quarter to review the effectiveness of the Committee which was used to inform the start of year discussion on its defined role, functions and responsibilities; together with the resources and skills provided by, and to it. The Committee was also satisfied with the scope and scale of the activities carried out by it in conjunction with the Council's own Internal Audit function and external service providers.

The draft Audit and Risk Committee Work Programme 2024 was circulated and agreed during the meeting held on 26th March 2024. This was reviewed and adopted at the Full Council Meeting held on 27th May 2024. The Committee continually verifies that its work is being performed in line with the Work Programme.

6.2 Review of Financial and Budgetary Reporting Practices

Financial Update / AFS 2023 update

The Financial Accountants provided the following updates throughout the year to the Audit and Risk Committee.

Q1 2024 Updates:

- Rate demands were issued in early February; €64m of income is expected this year.
- LCCC are administering a grant for the increased cost of business.
- There will be one single bill for rates this year which will allow for pro-rata billing where occupation ends or begins mid-year.
- New legislation provides for the Directly Elected Mayor (DEM) functions and responsibilities, which will include proposing the Annual Budget to Council.

Q2 2024 Updates:

The Financial Accountants informed the Members that it had been a positive year for the Council, with a revenue surplus of €23,716 for 2023. They advised that the total Revenue Expenditure amounted to €915.31 million, which includes HAP expenditure of €685.4m. The expenditure on the Capital Account amounted to €267m. There has been a huge growth in

expenditure, with the key drivers being Housing and Roads. They informed the Members that the rates collection at 94% has improved significantly over the last 10 years. The Members acknowledged the work done by staff.

Q3 2024 Updates - Presentation:

Pat Murnane & Irene Griffin (Financial Accountants) provided a presentation to update the members:

The Main points covered in Expenditure were:

- Construction related inflation has increased by 30% over the last 3 years which is having an impact on the delivery of housing and roads, while provisions remain the same.
- Housing Maintenance and Roads Maintenance expenditure is from LCCC's own resources and an additional budget will be needed for the rest of 2024.
- Housing Grants: Disabled Persons Grant (DPG's) – Additional €2m given to LCCC. 80% provided by the Exchequer and 20% (i.e. €400,000) has to be provided by LCCC to match funding.
- Public Lighting has additional funding demands.
- Windfarm Appeals - €5.1m estimated, with 2 appeals in the amount of €1.5m finalised in 2024.
- Overall, LCCC is not in a deficit in the Revenue Account.

Budget 2025 Background:

- Due to costs associated with inflation and energy, LCCC will need to increase the budget for 2025.
- The Department provides funding for the majority of the national pay increases but not the annual increments.
- Uisce Éireann: Staff employed in the Water Services section were funded by the Department for 2024 but there is no confirmation of funding for 2025 yet.
- In 2024, LCCC budgeted to receive the full amount from the Department to fund the additional payroll costs for the Retained Firefighters, but this funding has still not been confirmed for 2025. Confirmation of funding is expected before finalisation of the Budget.
- There has been an increase in pension requirements and pension lump sums and these payments are rising year on year, with no additional funding from the Exchequer.
- Rates buoyancy – valuations will increase in 2025.
- Goods & Services Income – no significant change for 2025.
- Planning Fee Income - slight reduction and it was lower this year than expected.
- Mayoral Programme - €7.5m will be accounted for in Budget 2025 between Capital and Revenue.
- A Capital Budget prepared for 5 years (2025-2029) rather than 3 years to tie in with the Mayor's term.

Q4 2024 Updates: Budget 2025

In the Q4 December 2024 meeting, the Director of Finance advised the Committee that the Mayor's first budget for 2025 was approved on 29th November 2024, with some actions, such as reviewing efficiencies.

In discussing challenges in the budget debate, the Director of Finance said construction/wage inflation was an issue. Another issue is elements of the Council's spend that will increase year on year which are not centrally funded, e.g., pension funding and the growth of homelessness expenditure - where Limerick City and County Council has to match fund.

6.3 Local Government Auditor's Statutory Audit Report for the Year Ended 2023

The Local Government Auditor attended the Audit and Risk Committee meeting in December 2024 and presented his report. The Committee welcomed the Auditor's opinion on the Annual Financial Statement, which was unqualified and the assurance from the Auditor that the financial statements were free from material misstatement, whether caused by fraud or other irregularity or error.

The Audit and Risk Committee noted:

- The contents of the Statutory Audit Report for Limerick City & County Council for the year ended 31st December 2023.
- Members discussed areas of concern raised by the Auditor.
- The members will continue to monitor progress in these areas in 2025.

6.4 Review of Audit and Risk Committee Training Needs

Committee members were satisfied they held the necessary experience required. In the meeting held in October 2024 with the new Audit and Risk Committee members, discussions were held around future training events and the Internal Auditor circulated details on upcoming sessions in relation to the Audit Committee Member training, being delivered by the IPA.

6.5 Internal Audit

Internal Audit Function

Limerick City and County Council (LCCC) outsources part of the Internal Audit function. LCCC submitted a request for tender (RFT) through the Office of Government Procurement (OGP) in relation to the new Multi Supplier Framework Agreement for the Provision of Accounting, Audit and Financial Services in quarter 3, 2023. Following this public procurement process,

Deloitte were the winning tenderers and were awarded the contract for the Provision of Internal Audit Services for a period of three years, with the option to extend for one year. This contract was agreed and finalised in quarter 1, 2024.

Internal Audit Planning

The Internal Audit Plan 2024 was circulated to the Audit and Risk Committee members in Quarter 1. In advance of the meeting held in March, Committee members were requested to approve the commencement of three audits in quarter 1. Committee members provided approval for these audits. Following this, the Internal Audit Plan for 2024 was discussed further and approved at the meeting held on 26th March 2024. Deloitte provided updates at various meetings throughout 2024 in relation to the progress on the plan.

Internal Audit Reports

The Committee considered and approved the following internal audit reports completed by Deloitte and LCCC's Internal Audit team throughout 2024:

- Internal Financial Control Discover Limerick DAC Review
- Public Spending Code Review for FY23
- Housing Assistance Payment Shared Services Centre
- Follow Up Review
- SICAP Audit – Ballyhoura Development CLG
- SICAP Audit – PAUL Partnership
- Follow up review on Low Value Purchase Cards
- Motor Taxation Stock Take Report
- GRN Process Review Report
- Public Spending Code – Quality Assurance Review 2023

The Internal Auditor also updated the Audit and Risk Committee on the compliance checks undertaken by Internal Audit unit during the year. There were no significant issues identified that require reporting to the Council.

7. Governance & Risk Management

Mandatory Financial Governance training was rolled out to all staff members in Quarter 4, 2022 to create awareness of controls and processes relating to fraud. As part of this, staff were made aware of a new Governance Framework that was established and approved in September 2022. This Governance Framework document outlines the requirements and responsibilities on employees.

The Financial Governance training and Governance Framework document provide staff with a clear and comprehensive summary of the principal aspects and elements of corporate governance within LCCC including the Fraud and Corruption policy. The framework provides Directors and Senior Managers with much of the guidelines needed to understand their duties, roles and responsibilities with respect to Governance. Directors are asked to revisit the Framework document on an annual basis to confirm their staff have been kept up to date. The LGMA are developing a sector-wide governance framework.

It was further noted that since the implementation of the central Requisitions Oversight Unit, improvements have been noted in the procurement and the purchase to pay cycle.

Risk Management

The complement of risk registers were reviewed quarterly at Directorate level, with these reviews informing quarterly reviews of the Corporate Risk Register by the Management Board. This process is managed by Corporate Services.

8. Conclusion

As is evident from the extent of the activities set out above, the Audit and Risk Committee continued to engage actively in carrying out its functions as set out in Section 122 of the Local Government Act 2001 (as amended) and in the Audit Committee Charter.

A substantial number of reviews, communications, presentations and follow-through procedural changes and amendments have been agreed as a result of the Audit and Risk Committee's interaction with, and oversight of, a wide range of operations within Limerick City and County Council. Implementation of these changes will be monitored by the Audit and Risk Committee on an on-going basis.

The Committee looks forward to seeing evidence of continued engagement in all spheres of LCCC with the development and implementation of the organisation's governance framework.

Considering the issues dealt with during 2024 and based on the information provided by Internal Audit, the Local Government Auditor, Management and individual Directorates, the

Committee is satisfied that a robust governance environment exists within Limerick City and County Council and that Management continues to be committed to the ongoing enhancement and improvement of governance processes and procedures.

9. Acknowledgements

As Chair of your Audit and Risk Committee, I wish, on behalf of the Committee, to express appreciation to Dr. Pat Daly, Director General, and all members of staff in Limerick City and County Council who attended meetings throughout the year for their support, their commitment to the Council and for the quality of their presentations and submissions made to us during the year.

We also wish to commend all the Council staff for their dedication and ability to adapt to the extraordinary working conditions that were encountered during the year, and we express our fullest confidence in the services that the Council continued to provide to people of Limerick City and County during 2025.

We wish to put on record our appreciation of the contribution made by Mr. Tony O'Brien during his tenure as Chairperson. His expertise, valuable experience, and leadership qualities enabled the Audit and Risk Committee to carry out its role in contributing to the financial oversight and governance of Limerick City and Council during the past ten years.

Yours truly,



Bríd Quinn

Chair of the Audit and Risk Committee