

Minutes of the National Oversight and Audit Commission (NOAC) meeting
Thursday 24th March 2016

Venue: Local Government House, 35-39 Ushers Quay, Dublin 8

Attended by:

Members Pat McLoughlin
 Kevin Baneham
 John Buckley
 Tara Buckley
 Connie Hanniffy
 Martina Moloney
 Micheál Nolan

Secretariat Maurice Coughlan
 Sheila McMahan
 Declan Grehan

Apologies Paul Lemass
 Pdraig McNally
 Colleen Savage
 Henry Upton

Minutes of meeting of 16/02/2016 and matters arising

The minutes of the meeting of 16 February 2016 were agreed without amendment. Due to the rescheduling of the meeting from the 22nd to the 24th March it had been necessary to defer to the meeting on 26 April 2016 the attendance of the VFM Unit and Housing Division staff to discuss the Value for Money (VFM) Unit Report No. 29 on the oversight role of LAs in the provision of housing by Approved Housing Bodies.

Review of Financial Performance Workshop

The meeting discussed the half day workshop facilitated by Aidan Horan of the IPA and held on 10 March 2016 to consider NOAC's function of overseeing the financial performance of local government bodies. A summary note of the session that has been referred to Aidan Horan was circulated and discussed and some changes requested. The members agreed that the session had been useful and had brought a degree of clarity to the role. The Chairman referred to the need for some kind of early warning system whereby, if reports being received quarterly were showing signs of developing financial difficulties in particular local authorities, NOAC could be aware sooner, rather than always reviewing past events in its approach. The Chairman proposes to talk to the Secretary General of the Department of the Environment, Community and Local Government (D/ECLG) subsequent to the appointment of the new Director of the Audit Service about this issue among others and the items being reported on quarterly are to

be reviewed to see if there are 4 or 5 that can be identified as key items to be submitted to NOAC for monitoring.

The Chairman also referred to his planned discussion with the chair of the CCMA on the organisation of a joint best practice conference. Linking the conference theme to the subjects of NOAC's thematic reviews was suggested as a way to highlight NOAC's role and an important part of the preparation will be the identification of best practice from the housing studies and performance indicators.

Performance Indicators 2015 and follow up of 2014 data

The secretariat reported that the request for the 2015 data had been issued by the LGMA to local authorities on 10 March 2016 and the layout of the circulated guidance document was revised as suggested by the LGMA. Follow up letters to all 31 local authorities were issued today and 10 of these were being asked to provide information on the data they supplied in respect of selected indicators following on the review exercise discussed at the last meeting. The timeline of the 2015 report was discussed and it was agreed that the objective should be to have it published by the end of September. The possibility of identifying 5 or so key indicators as a sign of local authorities who are doing well was discussed and the conclusion was that, given the range of functions and variations across authorities, this was something that might be possible in relation to the financial health of a local authority but not more widely.

Public Spending Code (PSC) Quality Assurance (QA) Report 2014 and 2015 report request

The secretariat advised the meeting that the 2014 PSC composite QA report was published on the NOAC website on 19 February 2016 and that the request for the 2015 reports had issued to Chief Executives on the same date. The Heads of Finance group within the CCMA had sought a meeting with NOAC to tease out the detail of the two issues highlighted in NOAC's review of the 2014 quality assurance reports, viz. the non-inclusion in the inventory of current expenditure under consideration and the breakdown of capital expenditure between grant and non-grant. As NOAC is essentially acting as an agent for the Department of Public Expenditure and Reform (D/PER) in relation to the quality assurance reporting aspect of their Public Spending Code, the secretariat will put to the Heads of Finance Group that a meeting is unlikely to be useful. If, nonetheless, a meeting is still required, the secretariat will arrange for attendance by members of the Public Spending Code sub-group.

Programme Management Office (PMO) reports

The final reports received from the PMO on 18 March 2016 had been circulated to the members in hard copy. While the comment was made that the presentation of the information was very clear in both reports and that they provide a good overview of the scale of what has happened in the local government sector since the efficiency review, it was agreed that the PMO sub-group established at the last NOAC meeting should now meet to review the

reports and the NOAC introductory text previously discussed and bring the final version to the meeting on 26th April for approval.

Housing Studies – update

The meeting was given an update on the position regarding the Housing Agency's work on the two housing studies. The Agency was still referring back to local authorities in an effort to verify the data and the next meeting of the sub-group would take place a couple of weeks after the next drafts are received to give the members time to do a thorough review. The point was made that the Housing Agency should be asked to indicate the man-hours devoted to the reports so that NOAC can have an idea of the work involved for reference in respect of future thematic studies.

There was a wide ranging discussion on the possibility of NOAC being asked to look at some aspect of the current housing crisis in the context of its prominence as an issue for the emerging government. Topics mentioned included the efficiency of the housing supply system up to now, the extent to which land banks are being appropriately serviced, the planning aspect of housing procurement and the reasons for the delay in delivering modular housing. It was agreed that the Assistant Secretary of the Housing Division of the D/ECLG should be invited to speak to NOAC about the situation and the problems that are being experienced and that the Chairman would talk to her beforehand and after his meeting with the Secretary General, to outline the main issues that NOAC would like to discuss in the context of its role and in light of what emerges from his discussion with the Secretary General.

Local Enterprise Offices (LEOs) update

Connie Hanniffy, chair of the LEO sub-group, updated the meeting regarding the discussion on Wednesday 23rd March with the Heads of the Carlow, Donegal, Leitrim, Roscommon and South Dublin LEOs with a view to developing a performance indicator relating to the LEO soft supports and also recommending a direction for a more in-depth review of LEO activity. The Heads had discussed very openly the various issues around their role, budgets and resources, relationships with the local authority and Enterprise Ireland and review of the service level agreements; the sub-group will report back more fully to the members at a later stage. The discussion will help to inform the planned subsequent meeting with the Irish Small and Medium Enterprises Association (ISME), Small Firms Association (SFA), IBEC and Chambers Ireland. These discussions should enable NOAC to review the implementation of national policy in relation to local authority involvement in the micro-enterprise sector and identify what's happening and not happening and what are the issues.

Rates Collection Performance

The revised draft report reworked to provide all the responses discursively, on an authority by authority basis, as requested at the meeting of 12 January, was discussed. The draft report was now considered too long and John Buckley, chair of the Financial Performance sub-group,

will provide a suggested re-work, including draft conclusions, to the secretariat for circulation to and discussion by the sub-group. The sub-group will meet in the near future with a view to quickly finalising a standalone report on the rates collection aspect only.

NOAC Annual Report 2015

The revised draft 2015 Annual Report was discussed. It was agreed that this will be ready for submission by the Chairman to the Minister and publication when the outstanding member biographies are received, for which a deadline of 1 April 2016 was set.

Any Other Business

An email on which NOAC had been copied and a press cutting relating to the issue raised in the email were circulated. It was noted from the email that the matter has been correctly referred to the local authority's Audit Committee and it was agreed that NOAC should refer it also to the Local Government Audit Service as it is more appropriate to their functions.

Dates of Next Meetings

The next meeting is on Tuesday 26 April 2016 in the Offices of the PRTB at 10.00 a.m. The following two meetings will be on Tuesday 31 May 2016 and Tuesday 28 June 2016, both at 10.00 a.m.