

## Audit: No Loss to the Council



The annual report of Waterford City & County Council's Audit Committee has concluded that the local authority incurred no financial loss following concerns expressed in relation to both van procurement and the use of credit cards.

The matter, which was enthusiastically discussed at last Thursday's Plenary Council meeting at City Hall, also included the Committee's conclusion that an external review was not required as part of a process to quell concerns expressed by some Councillors.

A proposed external review, tabled by Cllr John Cummins (FG) and seconded by Cllr Declan Clune (SF), carried an amendment by Cllr Joe Conway (Ind), which means the minutes of the Audit Committee's 2017 meetings will be furnished to all members prior to the Council considering any such external investigation.

In the report, Audit Committee Chairperson Padraic Doherty details the review he himself undertook in relation to the "circumstances surrounding the procurement of 60 vans", which has been subject to considerable media and public debate for over a year or more.

Mr Doherty states that in late 2015, the Council "employed consultants and commenced a tendering process for the supply of replacement vehicles for its fleet. Arising from this and following the tender assessment, a recommendation was made and approved by senior management in November 2016 to proceed with the lease hire of 60 vehicles from the preferred supplier".

He notes that the emailed order for these vans was "outside of the Council's pay policies, procedures and purchasing limits and (was) in breach of procurement rules".

The lease agreement "with a financial institution (Allied Irish Leasing) for monthly payments of €24,436.60 for five years (€1.46m) without the approval of senior management. The successful tender company obtained a list of bank mandate signatories without the knowledge of Council. Leasing was not the requested means of financing this tender." It was also noted that the vans were delivered to a Council premises "prior to the completion of the tender process". It later emerged that neither senior management or the consultants were aware of these transactions until "the matter was brought to their attention after delivery of the vans commenced in March 2017 and a direct debit mandate was presented for payment".

The matter was then investigated internally, which led to disciplinary measures being "invoked against a number of individuals and these potentially remain subject to appeal to external agencies". Incidentally, the vans are now fully in use, while the original leasing agreement "was unwound with no financial loss or penalty to the Council". Mr Doherty writes: "The tender process was subsequently completed in full compliance with procurement rules and in accordance with the terms of the original tender process. The matter was concluded in September 2017."

A review of all direct debits will be carried out by an internal auditor while an internal audit will also be carried out to review training "on procurement processes to ensure appropriate staff have availed of training on standard procurement procedures".

An alleged January 2017 meeting, raised by Cllr Declan Clune (SF), which suggested that "the figures involved in the transaction were allegedly modified to the tune of €300,000," was refuted "to some degree" by Director of Services Fergus Galvin.

For full text of this story see this week's print edition of The Munster Express newspaper