

# *Kilkenny County Council*

## **Internal Audit Report Kilkenny County Council's Register of Housing Loan Charges**

**Date: 29<sup>th</sup> April 2025**

### **Report Distribution**

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### **Introduction**

Kilkenny County Council advance Home Loans to people who are unable to obtain sufficient funding from Commercial Banks to purchase or build a home. The Loan can be used for both new and second-hand properties or to self-build. Kilkenny County Council's Registered Interest in all Home Purchase Loans must be registered as a burden/charge on the Folio associated with the property (Title Deeds). Kilkenny County Council engage a Solicitor to register the charge with Land Registry.

It was noted by the Local Government Auditor in 2023 that Kilkenny County Council did not have a Register of Housing Loan Charges, which is a requirement under the Accounting Code of Practice (ACOP). The Housing Section undertook a review of all Housing Loans to collate a Register of Housing Loans Charges in 2024. This work was ongoing during this Audit.

This Register now consists of details of all Kilkenny County Council Housing Loans, Folio numbers and Kilkenny County Council's Registered Charge. The Housing Section has access to Land Direct to look up Folios and Charges. The Housing Section are also scanning the Land Registry Folio documents to their files in softcopy format for reference.

### **Objectives**

The objective of the Audit is to provide reasonable assurance that Kilkenny County Council's Register of Housing Loan Charges is accurate and correct.

### **Approach**

Internal Audit spoke with the Staff in the Housing Section to gain an overview of the process involved. The procedure for the management of registering the Council's interest was examined. The excel spreadsheet containing the details of Kilkenny County Council's Registered Interest in Housing Loans was reviewed.

### **Scope & Limitations of scope**

The scope of the Audit is limited to the spreadsheet with the details of the 525 Active Loans that Kilkenny County Council have advanced for Loan Purchases as at 23<sup>rd</sup> April 2025.

### **Audit Risk**

- Inadequate storage of Title Deeds
- Risk of GDPR breach due to inadequate storage
- Possible cost implication to Kilkenny County Council in the event of loss of Title Deeds
- Standard Operating Procedure requires updating
- Register is contained on a spreadsheet which is open to error

### **Co-operation of Management and staff**

Internal Audit received full co-operation from Council Management and Staff throughout the course of this review and would like to thank them for their assistance.

### **Internal Audit Opinion**

Internal Audit's findings and recommendations are detailed below. Based on this Audit of Kilkenny County Council's Register of Charges on its Housing Loans the Audit opinion is reasonable assurance. There is a sufficient framework of key controls for objectives to be met. Risks are managed but could be stronger. Controls are generally applied but some lapses in the application of controls have been observed.

This report was distributed to the Housing Directorate and includes their Management Action Plan.

The report was approved by the Management Team on 20<sup>th</sup> May, 2025.

The Audit Committee reviewed the Audit Report at their meeting of 9<sup>th</sup> June 2025.

*Brigid Webster, Internal Auditor*

## Findings, Recommendations and Management Comments

<i><b>Findings</b></i>	<i><b>Implications</b></i>	<i><b>Recommendations</b></i>	<i><b>Management Action Plan &amp; Timeframe</b></i>
<p><b>1. Housing Loan Title Deeds Storage</b></p> <p>The Housing Loan Title Deeds are stored in multiple locations. Some are not stored securely. Files were noted in a safe in [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>	<p>Possibility of GDPR breach due to inadequate storage of Title Deeds.</p> <p>Possibility of a cost implication to Kilkenny County Council of reconstructing the Title Deeds or compensating a borrower who may have to forfeit a sale of their property or subsequently sell at a reduced sum due to the loss of Title Deeds.</p>	<p>Internal Audit recommends that the Housing Section investigate and put in place adequate fire proof, safe, secure storage in one location for all the Housing Title Deeds. These Deeds contain sensitive information and require adequate storage.</p>	<p>The Housing Section:</p> <ul style="list-style-type: none"> <li>• has commenced a process of identifying all Title Deed files within the Housing Section with a view to determining adequate storage and security needs.</li> <li>• is seeking legal advice as to whether scanned Title Deeds would be deemed acceptable.</li> <li>• is investigating how many Title Deeds it is storing over and above the 519 current active loans.</li> <li>• is investigating the process of e-discharge with Land Registry and the return of Title</li> </ul>

			Deeds to mortgages once loan redeemed in full.  Timeframe: Q4/2025
<b>2. Housing Loan Title Deeds Register</b>  The Housing Loan Title Deeds Register is located on a spreadsheet which by its nature is open to human error and loss of data.	Possibility of data input errors and loss of data.	Internal Audit recommends that the Housing Section investigate a system for managing and tracking the Housing Loan Register which will ensure security and mitigate against possible error and loss of data.	The Housing Section will investigate a system for managing the Housing Loan Register.  Timeframe: Q4/2025
<b>3. Standard Operating Procedure (SOP)</b>  The SOP for the management of registering burdens/registered interest on Housing Loans needs to be updated.	Out of date SOP.	Internal Audit recommends that the SOP is updated to ensure consistency and efficiency in the operation of the Housing Loan Register.	The SOP will have continuously updated and will incorporate the recommendations of the Audit Tracker once realised.  Timeframe: Ongoing
<b>4. Current Register</b>  Kilkenny County Council have 525 active Loans at 24 <sup>th</sup> April, 2025. Of these 481 have Kilkenny County Council's	21 Housing Loan Files require follow up.	Internal Audit notes the work to date on Kilkenny County Council's Registered Interest on Housing Loans Register.	This work has commenced and is ongoing.

<p>Charge registered. 17 loans are currently with the Solicitor for registration. There are queries with the registration of charges on 21 files currently and these are being followed up by the Housing Section.</p> <p>A further 6 Loans refer to Caravan Loans where no charge applies.</p>		<p>Internal Audit recommends that all the remaining files are followed up to ensure that the Council's Charge has been registered on the Loans.</p> <p>The register should be updated on an ongoing basis as Loans are granted and redeemed. This will ensure that the Council's interest is registered against the Loans.</p> <p>This Register should be crossed checked regularly with the Agresso Financial System to ensure accuracy.</p>	<p>Timeframe: Q4/2025</p> <p>This recommendation has been incorporated into the SOP</p> <p>Timeframe: Completed.</p> <p>This recommendation has been incorporated into the SOP</p> <p>Timeframe: Completed.</p>
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