

COMHAIRLE CONTAE ÁTHA CLIATH THEAS
SOUTH DUBLIN COUNTY COUNCIL



South Dublin County Council

Audit Committee

2022 Annual Report

Circulation List

Danny Mc Loughlin, Chief Executive
Members of South Dublin County Council

Date: March 2023

Section 1: Chairperson's Statement

I am pleased to present the fourth annual report of the current audit committee to the elected members of South Dublin County Council and the Chief Executive.

The appointment of South Dublin County Council's current Audit Committee was ratified by the Council at its meeting held on 8th July 2019. The term of the committee is concurrent with that of the elected Council and will terminate on 31st May 2024.

The Local Government (Audit Committee) Regulations 2014 require the Audit Committee to submit a report to Council and the Chief Executive within three months of the end of the year on its activities and findings in the previous calendar year.

The current committee met on four occasions during 2022 to execute its work programme:

- 23rd February
- 15th June
- 12th October
- 14th December

Our aim over the term of the committee is to contribute to enhancing the corporate governance structure in place in South Dublin County Council.

On behalf of the Audit Committee, I would like to thank the Chief Executive and members of the Management Team who attended meetings to present and discuss information which were a valuable contribution to the work of the Committee.

I would like to thank the members of the Audit Committee for their contribution during 2022.

I would also like to thank the staff of Internal Audit for their work in supporting the Audit Committee and the coverage of work they were able to deliver during 2022 with the support of their colleagues across the organisation.

Eilis Quinlan
Chair of the Audit Committee

Section 2: Membership of the Audit Committee

The Audit Committee comprises of seven members, four of which are external to the organisation and three serving elected representatives.

The composition of the Committee in 2022 was as follows:

1. **Eilis Quinlan**, (Chair) Quinlan & Co Chartered Accountants
2. **Ann Horan**, Non-Executive Director of the Food Safety Authority of Ireland
3. **George Kennington**, Partner Audit, Crowe Ireland
4. **Martin Nolan**, Director of Compliance and Professional Standards, Relate Software.
5. **Councillor David McManus**
6. **Councillor Guss O'Connell**
7. **Councillor Teresa Costello**

The following is a schedule of attendance at meetings by the members:

Member	Meetings attended (eligible)
Eilis Quinlan	4 (4)
Ann Horan	4 (4)
George Kennington	4 (4)
Martin Nolan	4 (4)
CLlr David McManus	2 (4)
CLlr Guss O'Connell	2 (4)
CLlr Teresa Costello	3 (4)

In addition, the Chairperson attended the County Council meeting on 14th of November 2022 to present the Committee's report on their consideration of the audited Annual Financial Statement 2021 and the Auditor's report.

Section 3: Role of the Committee and Operating Framework

The Audit Committee plays a crucial role in the governance framework of South Dublin County Council and is independent in the carrying out of its functions. The Committee provides an independent assessment of the activities of management in relation to the control environment, risk management, financial reporting, financial management and internal audit. By reporting directly to Council, the committee maintains its independence from the executive.

The statutory functions of the committee are as follows:

- To review the financial and budgetary reporting practices and procedures
- To foster the development of best practice in the performance of the Internal Audit function
- To review the audited financial statement, auditor's reports and assess any actions taken by the Chief Executive in response to such statements or reports and report its finding to the Council
- To assess and promote efficiency and value for money with respect to the organisation's performance of its functions.
- To review systems that are operated by SDCC for the management of risk
- To review the findings and recommendations of the National Oversight and Audit Commission (NOAC) and the Chief Executive's response to issues raised

The roles and responsibilities of the Committee are set out in the Audit Committee Charter. The Charter was reviewed by the Committee at its meeting held on 22nd of February 2023.

The Committee's work programme to the 31st of December 2023 was approved at its meeting held on the 14th of December 2022. The programme of works takes cognisance of the statutory functions of the Audit Committee as set out in the Local Government Reform Act 2014 and the Committee is satisfied that their responsibilities will be discharged through the implementation of the work programme.

Section 4: Principal Matters Considered by the Audit Committee in 2022

In line with the Audit Committee Standing Orders, meetings were conducted online using Microsoft Teams during 2022.

The Audit Committee Annual Report 2021, Charter and Work Programme 2022 was reported to the Council for noting at its meeting in March 2022.

The Audit Committee considers progress against its Annual Work Programme, the Annual Internal Audit Plan, and the findings and actions in Audit Reports at each meeting throughout the year.

There are also ad-hoc and cyclical issues that the Committee considers at its meetings. Further details in this regard are outlined below.

Audit Committee Meeting 23rd February

Among the issues and topics covered at the February meeting were:

- The Chief Executive Danny McLoughlin attended the February meeting and gave the Committee an update on the current position of the organisation.
- The Committee approved the following documents to be presented to the March 2022 County Council meeting:
 - Annual Report of the Audit Committee 2021
 - Audit Committee Charter and Standing Orders
 - Audit Committee Annual Work Programme 2022
- The Committee noted the Local Government Audit Service's Value for Money reports relating to the impact of the COVID-19 pandemic on Local Authorities and road maintenance in Local Authorities.
- The Committee reviewed its own procedures in relation to Protected Disclosures and reviewed the Internal Audit charter.

Audit Committee Meeting 15th June

Among the issues and topics covered at the June meeting were:

- The Director of Housing, Social and Community Development Colm Ward attended the June meeting and gave the Committee an update on the current position in relation to his directorate.
- The Committee noted the Local Government Audit Service's Value for Money report relating to Vacant/Void Social Housing in Local Authorities.
- The Public Spending Code Quality Assurance report for 2021 for South Dublin County Council.
- Consideration of ICT audit reports.
- The conducting of an Audit Committee self-evaluation
- Progress made against historical and current audit actions.

Audit Committee Meeting 12th October

Among the issues and topics covered at the October meeting were:

- Presentation of the Local Government Audit Service's Audit Report from the audit of the SDCC Annual Financial Statement 2021 by the Principal Local Government Auditor. Following the presentation the Committee had a discussion with the Local Government Auditor and the Head of Finance to expand on the information provided.
 - This information was then used to inform the Audit Committee's Annual Report on the audited AFS and auditor's report for 2021 for presentation to Council in November.
- The Head of Information and Communications Technology Tommy Kavanagh attended the October meeting along with external ICT audit providers to give the Committee an update on the current position of ICT security within SDCC.
- The Director of Corporate Performance and Change Management presented the South Dublin County Council Annual Report for 2021
- The Committee noted the Local Government Audit Service's Value for Money report relating to the impact of COVID-19 on the control environment in Local Authorities

Audit Committee Meeting 14th December

Among the issues and topics covered at the December meeting were:

- The Head of Finance Ronan Fitzgerald attended the December meeting to present the adopted Annual Budget for 2023, the 3-year Capital Programme 2023 – 2025, and to advise on the overall current financial position of the organisation.
- The Committee reviewed its effectiveness through the results of a consultation undertaken with the Committee Members. The results of this exercise are expanded on later in this report.
- The Committee approved the Audit Committee Annual Work Programme for 2023.
- The Internal Audit Plan for 2023 was approved, the plan included the methodology used in identifying the audits and listed the audits to be undertaken.
- The Committee considered the Council’s Risk Management Policy and Procedures and discussed requesting members of the Management Team to present their risk at future meetings.
- The Director of Corporate Performance and Change Management presented a report on the NOAC Performance Indicators 2021 and the performance of SDCC in this context.
- The Director of CPCM briefed the Audit Committee on the ways in which South Dublin County Council is assessed and appraises itself in terms of providing value for money.
- The Committee noted the Local Government Audit Service’s Value for Money report relating to the Rates Waiver Schemes in Local Authorities.

Audit Committee Training

The training needs of the committee and of individual members are reviewed on an ongoing basis in addition to any training needs identified as part of the assessment of the Committee’s effectiveness and performance.

The Committee will request briefings from Management as necessary to ensure the Committee has an overview on key priority areas and the management of risks in the organisation.

Audit Committee's Assessment of its Effectiveness & Performance

As an ongoing step in the review of its effectiveness and performance, the Committee reviews its progress against its annual work programme at each meeting.

The Committee formally reviewed its effectiveness in December 2022.

The Internal Auditor presented the results of the self-evaluation exercise which led to the Committee discussing the results and agreeing on their satisfaction with their progress against the annual work programme.

As an additional measure in the Committee's assessment, an annual meeting between the Chairperson and Chief Executive was held to discuss the operation of the Committee and any other relevant issues.

Section 5: Conclusion

The Committee has exercised its duties and functions during 2022, as set out in the Local Government (Audit Committee) Regulations 2014.

Where necessary the Committee has considered and implemented changes to improve the way in which its duties are discharged, working closely with the Internal Auditor who acts as Secretary to the Committee.

The Committee has not been advised by Management of any materially adverse instances occurring in the financial and operational management of Council activities and has nothing to report in this regard to the Council arising from its work during 2022.

Eilis Quinlan

Chairperson

SDCC Audit Committee