

**COMHAIRLE CONTAE ÁTHA CLIATH THEAS**  
**SOUTH DUBLIN COUNTY COUNCIL**



**Meeting of South Dublin County Council**

**Monday, March 11<sup>th</sup> 2019**

**Headed Item No. 11**

**Audit Committee Annual Report 2018**

FINAL

**COMHAIRLE CONTAE ÁTHA CLIATH THEAS**  
**SOUTH DUBLIN COUNTY COUNCIL**



**South Dublin County Council**

**Audit Committee**

**2018 Annual Report**

**Circulation List**

**Daniel Mc Loughlin, Chief Executive**  
**Members of South Dublin County Council**

**27<sup>th</sup> February, 2019**

## **Section 1: Chairperson's Statement**

I am pleased to present the fifth and final annual report of the current audit committee which describes the work and achievements of the committee over the last twelve months to 31st December 2018.

The Committee continued to make progress in discharging its responsibility to provide independent assurance on the Council's control environment and governance framework. The Committee put in place an extensive work programme for 2018 and the objectives in the plan were scheduled over the quarterly meetings to ensure all targets were met. The Committee actively engaged with Management, Internal Audit and the Local Government Auditor in exercising its duties and is satisfied that it fulfilled its statutory obligations under the 2014 regulations and the Local Government Act 2001.

The Committee was not notified by Management of any material adverse instances occurring in the financial and operational management of Council activities and did not identify any such matters arising from its own work during 2018.

On behalf of the committee I would like to thank the Chief Executive, members of the Management Team and those officers who attended meetings to present and discuss reports which were a valuable contribution to the work of the Committee in its oversight role on the activities of the Council.

I would like to take this opportunity to thank the members of the Audit Committee for their contribution and commitment during 2018 and over the lifetime of the committee. I would also like to thank the staff of internal audit for their work in supporting the audit committee.

***Ann Horan***  
***Chairperson***

## **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 2018 was as follows:

1. **Ann Horan**, (Chair) Chairperson of the Health Products Regulatory Authority (HPRA)
2. **Eilis Quinlan**, Quinlan & Co Chartered Accountants
3. **George Kennington**, Partner Audit, Crowe Horwath
4. **Christine Nangle**, Head of Department of Accountancy, Finance and Professional Studies, TU Dublin - Tallaght Campus
5. **Councillor Dermot Richardson**
6. **Councillor Guss O'Connell**
7. **Councillor Martina Genockey**

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

<b>Members</b>	<b>meetings attended (eligible)</b>
Ann Horan	4 (4)
Eilis Quinlan	3 (4)
George Kennington	3 (4)
Christine Nangle	4 (4)
Cllr Dermot Richardson	3 (4)
Cllr Gus O'Connell	4 (4)
Cllr Martina Genockey	4(4)

In addition the Chair, Ann Horan, attended the County Council meetings on the following dates:

- 12<sup>th</sup> March 2018 to present the Audit Committee's Annual Report 2017
- 8<sup>th</sup> October 2018 to present the Committee's report on their consideration of the audited Annual Financial Statement 2017 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 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 12<sup>th</sup> December 2017 for the period 2018 and was adopted by resolution of the Council at its meeting held on the 15<sup>th</sup> January 2018.

The 2018 audit committee work programme was agreed by the committee and adopted by resolution of the Council at its meeting held on the 15<sup>th</sup> January 2018. The work programme is monitored at committee meetings and the objectives set out were achieved.

The Committee reviewed its own procedures in respect of dealing with conflicts of interest and considered them adequate and in compliance with requirements under the Local Government Audit Committee Regulation 2014. The procedures were updated to reflect the new chair of the committee.

The Committee were advised of relevant training events organised by the Institute of Public Administration.

The Committee reviewed the effectiveness of its performance in 2018 by way of survey of its members. The template was based on the checklist included in the

Code of Practice for the Governance of State Bodies. The results were positive and no issues were identified.

Members of the Committee attended relevant training events as notified by management.

The committee met four times during 2018 on the following dates:

- 21st February
- 20<sup>th</sup> June
- 12<sup>th</sup> September
- 19<sup>th</sup> December

#### **Section 4: Principal Matters Considered by the Audit Committee in 2018**

- Review of Effectiveness of Internal Audit

The internal audit charter was reviewed and approved by the committee at its meeting held on 20<sup>th</sup> June. Resourcing and training of the unit were also reviewed and considered appropriate based on the scale of operations in the organisation.

The 2018 audit plan was agreed by the Chief Executive and approved by the audit committee at its meeting held on 12<sup>th</sup> December 2017. The plan facilitated a review of governance & control, risk management, compliance, value for money and reliability of information across a diversity of operational categories. Audit final reports were reviewed by the committee along with management's responses to key issues raised. Implementation of audit recommendations was closely monitored by the committee by way of progress reports at each of the committee meetings. The implementation of the audit plan was also monitored by the committee by means of progress reports presented by the Internal Auditor at each meeting of the committee.

The committee is satisfied that Internal Audit continues to make a significant contribution to internal controls and the overall governance of the organisation.

- Review of Financial / Budgetary Processes

At the committee meeting held on 12<sup>th</sup> December 2017, the Head of Finance presented the 2018 budget and capital expenditure programme 2018 – 2020. Management team members attended committee meetings to present an overview of their operational areas, budgets, key risks and mitigating factors.

The Committee met with the Principal Local Government Auditor in relation to his audit of the Annual Financial Statement 2017 and audit report. The Committee

noted progress made during 2018 on issues identified by the Local Government Auditor in previous audits and noted that while some legacy issues are outstanding, that progress is being made in these areas.

The Committee monitors progress on the issues raised by the auditor as part of its work programme by receiving regular updates from management.

- Review of Value for Money and Performance

On an annual basis the Committee review management's arrangements for assessing VFM across the organisation. At the September meeting of the committee, the Director of Corporate Performance & Change Management gave an overview to the Committee of the VFM governance framework in the organisation in relation to the following areas:

**Strategy, Governance & Accountability**

**Sectoral & organisational Level Efficiency & VFM Framework**

- Local Government Audit Service
- National Oversight & Audit Commission
- Elected Council
- Audit Committee
- Internal Audit
- Procurement & Public Spending Code
- Strategic Planning / Annual Operational Plans / Performance Reporting & Monitoring

In addition to reviewing the framework in place, the Committee also reviews reports published by NOAC and VFM reports as published by the Local Government Audit Service. The Committee reviewed the findings and recommendations contained in the reports as they related to SDCC.

These reports are a very important insight for the Committee in relation to the organisations' performance and for oversight of best practice.

## **Section 5: Conclusion**

Based on the work undertaken by the Committee and assurances provided by Management, the Committee is satisfied that no material issues were identified by the Committee during the course of its work in 2018 and no such issues were brought to the attention of the Committee by management.

The Committee is satisfied that its statutory obligations under the Local Government Audit Committee regulations were carried out and that the objectives in their work programme for 2018 were met.

***Ann Horan***  
***Chairperson***  
***SDCC Audit Committee***