

COMHAIRLE CONTAE ÁTHA CLIATH THEAS
SOUTH DUBLIN COUNTY COUNCIL



South Dublin County Council

Audit Committee

2019 Annual Report

Circulation List

Danny McLoughlin, Chief Executive
Members of South Dublin County Council

Date: 31 March 2020

Section 1: Chairperson's Statement

I am pleased to present the first annual report of the current Audit Committee to the elected members of South Dublin County Council.

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 2019 annual report reflects the activities of the current Audit Committee since its inauguration in September 2019 and reference is also made to the outgoing Audit Committee whose term of office terminated in May 2019.

The current Committee met on three occasions during 2019 to execute its work programme:

- 25th September (Inaugural Meeting)
- 16th October
- 11th 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. This report reflects the work undertaken by both Audit Committees as referred to above in 2019.

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.

I would also like to thank the members of the Audit Committee, past and present, for their contribution during 2019.

I would also like to thank the staff of Internal Audit for their work in supporting the Audit Committee.

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 2019 was as follows:

1. **Eilis Quinlan**, (Chair) Quinlan & Co Chartered Accountants
2. **Ann Horan**, Chairperson of the Health Products Regulatory Authority (HPRA)
3. **George Kennington**, Partner Audit, Crowe
4. **Karen O'Donoghue**, Senior Management Accountant, Tallaght University Hospital (TUH)
5. **Councillor Emer Higgins**
6. **Councillor Francis Noel Duffy**
7. **Councillor Ed O'Brien**

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

Member	Meetings attended (eligible)
Eilis Quinlan	3 (3)
Ann Horan	2 (3)
George Kennington	1 (3)
Karen O'Donoghue	2 (3)
Cllr Emer Higgins	1 (3)
Cllr Francis Noel Duffy	2 (3)
Cllr Ed O'Brien	3 (3)

In addition, the Chair attended the County Council meetings on 11th November 2019 to present the Committee's report on their consideration of the audited Annual Financial Statement 2018 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 16th October 2019. The Charter was approved at the Council meeting on the 11th November. The Committee's standing orders were also circulated to Council for their noting.

The Committee's work programme to the 31st December 2020 was also approved at the Council meeting of the 11th November. 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 2019

Audit Committee Meeting 27th February

The outgoing Audit Committee met on one occasion during 2019. The minutes of the meeting record that the following business took place:

- Consideration of progress against the Audit Committee Work Programme and noting of the activity report for 2018 from the Internal Audit Function.
- Consideration of update reports on action to address recommendations arising from Management letters and Internal Audit reports.
- The agreement of the 2018 Annual Report of the Audit Committee was noted.
- The Head of Finance presented an overview of the adopted budget 2019, and the three-year Capital Programme 2019 – 2021
- The Committee was addressed by the Chief Executive who thanked the Chair and the Committee for their support and commitment during their term on the Audit Committee over the previous five years.
- The Chief Executive also gave an overview of the Council's activities during 2018 and referred to the Council's three-year capital programme which is not dependent on central funding.

Audit Committee Meeting 26th September

The inaugural meeting of the current Audit Committee took place on the 26th September. The Chief Executive and members of the Management Team gave a briefing to the Committee on an overview of the business, financial position and legal framework within which the Council operates.

The Committee also received a briefing in relation to the role and function of Internal Audit.

Audit Committee Meeting 16th October & Council Meeting 11th November

The 16th October meeting was attended by Mr Richard Murphy, Local Government Auditor, who presented the audit of the Annual Financial Statement (AFS) 2018 and auditor's report.

The Audit Committee considered the AFS 2018 and Auditor's Report and following this the chair of the Committee presented the Committee's findings at the following Council meeting on the 11th November 2019 which stated:

“Having considered the Local Government Auditor’s report and discussed the various issues with him, the Audit Committee is satisfied with the level of improvement that has taken place over the last number of years in the areas of governance, improved processes and systems, and acknowledges the progress made in relation to legacy issues.

The Audit Committee will continue to monitor progress on outstanding issues as part of their work programme by receiving and considering updates from Management.”

As previously noted in section 3, the Audit Committee Charter, Work Programme and Standing Orders were considered prior to presentation to Council on 11th November 2019. The Committee also considered reports that had been issued by the Local Government Audit Service Value for Money Unit.

The Audit Committee also appointed Eilis Quinlan as its Chair, to oversee the role and function of the Committee, and to report on their behalf to Council.

Audit Committee Meeting 11th December

The Committee approved the Internal Audit Annual Plan for 2020.

The Committee also continued to monitor the action being taken against recommendations made in Management Letters and Internal Audit reports, along with considering progress against the Committee’s Work Programme and Internal Audit’s Annual Plan, and consideration of external reports of the National Oversight and Audit Commission (NOAC).

The Head of Finance presented an overview to the Committee in relation to the financial position of the organisation, adopted budget for 2020 and the capital programme.

Audit Committee Training

Induction training for Audit Committee members was provided by the Institute of Public Administration on the 21st October 2019. This was attended by Councillor O’Brien.

The Committee proposes that it 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.

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

Audit Committee's Assessment of its Effectiveness & Performance

The Audit Committee's work programme approved by Council at its November meeting is effective to 31st December 2020. The programme will be reviewed by the Chair and secretary to the Committee on a regular basis to ensure it performs its statutory functions in accordance with the programme.

The Committee will review its effectiveness and performance on the programme at the end of the year and will report to Council on its findings in March 2021 as part of its 2020 annual report.

Section 5: Conclusion

The Committee was recently formed and has established its governance framework to assist in executing its duties in line with its statutory obligations.

The Committee will be better placed to report next year on the exercise of its duties and functions having completed its first full year's work programme.

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 to the Council arising from its own work during its three-month term of office in 2019.

Eilis Quinlan
Chairperson
SDCC Audit Committee