

COMHAIRLE CONTAE ÁTHA CLIATH THEAS
SOUTH DUBLIN COUNTY COUNCIL



South Dublin County Council

Audit Committee

2021 Annual Report

Circulation List

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

Date: 14th March 2022

Section 1: Chairperson's Statement

I am pleased to present the third 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 2021 annual report reflects the activities of the current Audit Committee during what was another challenging year for everybody both individually and collectively.

The current committee met on five occasions during 2021 to execute its work programme:

- 17th February
- 19th May
- 15th September
- 21st October
- 15th 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 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 2021. I would like to formally welcome Councillor Teresa Costello to the Committee and thank Councillor Ed O'Brien for his work on the Committee up to September 2021.

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 2021 with the support of their colleagues across the Council.

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 2021 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 Ed O'Brien***
6. **Councillor David McManus**
7. **Councillor Guss O'Connell**
8. **Councillor Teresa Costello***

* During 2021, Councillor Teresa Costello replaced Councillor Ed O'Brien.

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

Member	Meetings attended (eligible)
Eilis Quinlan	5 (5)
Ann Horan	5 (5)
George Kennington	5 (5)
Martin Nolan	5 (5)
Cllr David McManus	3 (5)
Cllr Gus O'Connell	5 (5)
Cllr Ed O'Brien	0 (2)
Cllr Teresa Costello	2 (2)

In addition, the Chairperson attended the County Council meeting on 8th of November 2021 to present the Committee's report on their consideration of the audited Annual Financial Statement 2020 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 15th of December 2021.

The Committee's work programme to the 31st of December 2022 was also reviewed at this meeting. 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 2021

In line with the Audit Committee Standing Orders, meetings were conducted online using Microsoft Teams during 2021.

The Audit Committee Annual Report 2020, Charter and Work Programme 2021 was reported to the Council for noting at its meeting in March 2021.

The Audit Committee considers progress against its Annual Work Programme, the Annual Internal Audit Plan, and the findings and actions in Internal 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 17th February

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

- The Committee reviewed its own procedures in relation to Protected Disclosures and agreed on some small amendments.
- The Committee approved the following documents to be presented to the March 2021 County Council meeting:
 - Annual Report of the Audit Committee 2020
 - Audit Committee Charter and Standing Orders
 - Audit Committee Annual Work Programme 2021
- The Committee gave consideration to the Local Government Audit Service's (LGAS) Management Letter 2019 noting the recommendations contained within and actions to address same.
- The Committee noted the national NOAC Performance Indicators 2019 report and the LGAS VFM report relating to the income and expenditure of the fire service.

Audit Committee Meeting 19th May

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

- The appointment of the new Internal Auditor/Secretary to the Audit Committee
- Progress against actions from External Audit Management Letters.

- The Director of Corporate Performance and Change Management presented on the NOAC Performance Indicators and the context of the performance of SDCC specifically.
- The Director of CPCM also presented the SDCC Annual Service Delivery Plan 2021 to the committee for their consideration.
- The Committee received an update on the new process for the follow up of Internal Audit recommendations.

Audit Committee Meeting 15th September

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

- The Committee reviewed a regular update on the performance of the Audit Committee in relation to its annual work programme
- The Committee reviewed its effectiveness through the results of consultation undertaken with the Committee Members. It was decided to expand on the work so far and report back in December.
- The Director of Corporate Performance and Change Management presented a national trend report on the performance indicators over the previous 5 years.
- The Committee agreed to hold an additional meeting in October to review the Audited Annual Financial Statement and the Local Government Audit Service's audit report on the AFS itself.

Audit Committee Meeting 21st October

This was a special meeting of the committee attended by the Principal Local Government Auditor to present his audit report on the Annual Financial Statement. Following the presentation of the audit report and management letter the Committee then had a discussion with the Local Government Auditor and the Head of Finance to expand on the information provided. This information would then be used to inform the Audit Committee's Annual Report on the audited AFS and auditor's report for 2020. This report was then presented to the full County Council in November.

Audit Committee Meeting 15th December

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

- The Committee reviewed its effectiveness through the results of consultation undertaken with the Committee Members. The results of this exercise are expanded on later in this report.
- The Committee approved the Audit Committee Charter, Standing Orders, and Annual Work Programme for 2022.
- The Internal Audit Plan for 2022 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 CPCM presented a report on the NOAC Performance Indicators 2020 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 adopted Annual Budget for 2022 was provided to the committee and it was noted at this meeting.
- The Committee were presented with and approved the ICT Audit Plan 2022-2024

Audit Committee Training

Induction training for Audit Committee members was provided by the Institute of Public Administration (IPA). This was attended online by Councillor Costello.

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.

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 2021.

The Internal Auditor presented the self-evaluation exercise which led to the Committee discussing the results and agreeing on refresher training for anyone that may wish to avail of it.

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. This meeting was held on 22nd of December 2021 with the Chairperson and Chief Executive having a discussion on the work of the Committee during 2021.

Section 5: Conclusion

The Committee has exercised its duties and functions during 2021, responding effectively to the continuing challenges that the year presented.

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 2021.

Eilis Quinlan
Chairperson
SDCC Audit Committee