

COMHAIRLE CONTAE ÁTHA CLIATH THEAS
SOUTH DUBLIN COUNTY COUNCIL



South Dublin County Council

Audit Committee

2015 Annual Report

Circulation List

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

February 2016

Section 1: Membership of the Audit Committee

The Audit Committee of South Dublin Council comprises a seven member committee, five of which are external to the organisation and four servicing elected representatives. In February 2015 Councillor Brendan Ferron resigned from the committee and was replaced by Councillor Gus O'Connell.

The composition of the committee at the end of 2015 was as follows:

1. George Kennington (Chair), Partner Audit, Crowe Horwath
2. Eilis Quinlan, Quinlan & Co Chartered Accountants
3. Ann Horan, Retired Chief Executive, DCU Ryan Academy
4. Dermot Carter, Director of Finance, The Adelaide & Meath Hospital incorporation the National Children's hospital
5. Councillor Dermot Richardson
6. Councillor Gus O'Connell
7. Councillor John Lahart

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

Members	24th February	9th June	8th September	8th December
George Kennington	Yes	Yes	Yes	Yes
Eilis Quinlan	Yes	Yes	Yes	Yes
Ann Horan	Yes	Yes	Apologies	Yes
Dermot Carter	Yes	Yes	Apologies	Yes
Cllr Dermot Richardson	Yes	Yes	Yes	Yes
Cllr Gus O'Connell	N/A	Yes	Yes	Yes
Cllr John Lahart	Apologies	Apologies	No	No

In addition, the Chair George Kennington attended the County Council meetings on the following dates:

- 13th April 2015 to present the Audit Committee's Annual Report 2014
- 14th December 2015 to present the Committee's report on their consideration of the audited Annual Financial Statement 2014 and the Auditor's report.

Section 2: Chairperson's Statement

This report sets out the activities of the Audit Committee for year ending 31st December 2015 and is the second annual report issued by the current committee.

The committee had an extensive work programme in 2015 which was scheduled over the quarterly committee meetings. The work programme and charter was approved by Council at its meeting held on 10th November 2014.

During the year the committee received presentations, reports and updates from management which were essential in assisting the committee in its oversight role of governance and practices in the organisation.

The committee met with the Chief Executive in relation to Risk Management policies, systems and reporting. The committee also met with the Principal Local Government Auditor in relation to the audited Annual Financial Statement 2014 and her audit reports. I presented a report on the committee's consideration of the audit, the auditor's reports and management's responses to issues raised to the December Council meeting. The committee will monitor progress of the implementation of actions required by management as identified during the audit. This will be carried out as part of the Audit committee's current work programme.

The committee reviewed and approved the Internal Audit plan for 2015 and monitored its implementation. Internal Audit reports were reviewed and the committee received regular updates with regard to management's implementation of audit recommendations.

At the December Audit Committee meeting the committee reviewed its effectiveness in meeting its objectives as set out in our work programme for the year. The committee is satisfied that we fulfilled our statutory obligations under the 2014 regulations and the Local government Act 2001 and met all our objectives as set in the committee's work programme.

Training was also considered and upcoming events were notified to the committee for availing by members if required.

The Committee was not notified by Management of any materially adverse instances occurring in the financial and operational management of Council activities and did not identify any material adverse matters arising from its own work during 2015.

On behalf of the Committee, I wish to thank the Chief Executive, management and staff for their cooperation and support, also the staff of Internal Audit for their support and work during the year. I would like to take this opportunity to thank the members of the Audit Committee for their contribution and commitment and look forward to working with them during 2016.

George Kennington
Chair

Section 3: Role of the Audit Committee

The role of the Audit Committee is that of oversight and as such is part of the governance framework in SDCC. The function of the Committee is set out in the Local Government (Audit Committee) regulations 2014 and it operates under a charter which is approved annually by the Council. The Charter governing the operations of the committee for 2015 was approved by Council at its meeting held on 10th November 2014 and sets out the following functions for the Committee:

- 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 functions of the Audit Committee are delivered through its Annual Work Programme which is approved by Council. The Committee's work programme for 2015 was approved at the Council meeting held on the 10th November 2014. The delivery of the work programme is monitored on a quarterly basis to ensure all the objectives contained therein are met.

In accordance with Section 121 of the Local Government Act 2001, the Committee is obliged to report its findings to Council having considered the audited Annual Financial Statement (AFS) and Auditor's report. The Chairperson delivered the committee's report to Council at its meeting held on 14th December 2015 in respect of AFS 2014.

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. I presented the committee's annual report in respect of 2014 to the April Council meeting and this report is before you in respect of 2015 activities.

Section 4: Activities of the Audit Committee

During 2015, the Audit Committee met on four occasions on 24th February, 9th June, 8th September and 8th December. The following standard agenda items are reviewed and considered at all Committee meetings:

- Review of findings in Internal Audit reports and management's response
- Review of management's implementation of external and internal audit recommendations
- Monitoring of delivery of the Internal Audit plan

Meeting specific items addressed as follows:

24th February

- Procedures adopted for Committee members declaration of interests
- Template for monitoring delivery of Audit Committee work programme agreed
- Presentation by Head of Information Technology in relation to the Department's operations and key risks
- The Committee's Annual Report to Council in respect of 2014 was considered
- Internal Audit Charter reviewed
- Internal Audit's Strategic Audit Plan 2015 – 2017 reviewed and agreed
- Annual Audit Plan 2015 reviewed and agreed
- Internal Audit Annual Activity Report 2014 reviewed and noted
- Agenda format agreed

9th June

- Role of Audit Committee reviewed
- Draft procedures for receipt of Protected Disclosures reviewed
- Review of Financial & Budgetary reporting
- Internal Audit Charter agreed

8th September

- Procedures for dealing with Protected Disclosures agreed
- Met with the Chief Executive to review Risk Management:
 - Risk Management Policy
 - System for recording risks
 - Risk Management Policy
 - Reporting on principal risks
- Reviewed Managements' Comparison of SDCC to National Service indicators Reports in Local Authorities 2013
- Reviewed Managements' Comparison of SDCC to Local Government Audit Service VFM progress Report No 6 – Performance Indicators for Sick Leave December 2014
- Reviewed Managements' arrangements for assessing VFM across functional areas.
- Reviewed 2014 Annual Report of SDCC

8th December

1. Met with the Local Government Auditor to review the audited Annual Financial Statement 2014 and Auditor's reports
2. Received presentation by the Management Accountant in relation to the Annual Budget 2016
3. Met with staff of the Internal Audit Unit
4. Reviewed Audit Committee's performance during 2015
5. Reviewed Audit Committee's Charter for presenting to Council for approval
6. Audit Committee's work programme for 2016 agreed and prepared for presenting to Council for approval
7. Annual Audit Plan 2016 reviewed and agreed
8. Chair elected for 2016

The Chair presented the Committee's Annual Report 2014 to the April meeting of the Council. The Chair also presented the Committee's report on their consideration of the audited Annual Financial Statement 2014 and Auditor's report to the December Council meeting.