

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



**South Dublin County Council**

**Audit Committee**

**2016 Annual Report**

**Circulation List**

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

**3<sup>rd</sup> February, 2017**

## **Section 1: Membership of the Audit Committee**

The Audit Committee of South Dublin Council comprises a seven member committee, four of which are external to the organisation and three servicing elected representatives. In January 2016 Councillor John Lahart resigned from the committee and was replaced by Councillor Martina Genockey.

The composition of the committee at the end of 2016 was as follows:

1. George Kennington (Chair), Partner Audit, Crowe Horwath
2. Eilis Quinlan, Quinlan & Co Chartered Accountants
3. Ann Horan, Chairperson of the Health Products Regulatory Authority (HPRA).
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 Martina Genockey

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

<b>Members</b>	<b>1<sup>st</sup> March</b>	<b>14<sup>h</sup> June</b>	<b>29<sup>th</sup> September</b>	<b>13<sup>h</sup> December</b>
George Kennington	Yes	Yes	Yes	Yes
Eilis Quinlan	Yes	Yes	Yes	Yes
Ann Horan	Yes	Yes	Yes	Yes
Dermot Carter	Yes	Apologies	Apologies	Yes
Cllr Dermot Richardson	No	No	Yes	Yes
Cllr Gus O'Connell	Yes	Yes	Apologies	Yes
Cllr Martina Genockey	Yes	NO	Yes	Yes

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

- 14<sup>th</sup> March 2016 to present the Audit Committee's Annual Report 2015
- 17<sup>th</sup> October 2016 to present the Committee's report on their consideration of the audited Annual Financial Statement 2015 and the Auditor's report.

## **Section 2: Chairperson's Statement**

This report sets out the activities of the Audit Committee for year ending 31<sup>st</sup> December 2016 and is the third annual report issued by the current committee.

The Audit Committee's charter which sets out the Committee's purpose, functions and working procedures was approved by Council at its meeting held on 14<sup>th</sup> December 2015 for operating in 2016 and is subject to annual review by the Committee and Council.

The Committee put in place an extensive work programme for 2016 which incorporated all its statutory obligations and which was also approved by Council at its meeting on 14<sup>th</sup> December 2015. The objectives in the plan were scheduled over the quarterly meetings to ensure all targets were met.

Presentations, reports and updates were received from management at each of the committee meetings, these updates are important in assisting the committee in its oversight role of governance and practices in the organisation and also to deliver on its work programme.

The committee met with the Chief Executive and also with the Principal Local Government Auditor in relation to the audit of the Annual Financial Statement 2015.

The committee reviewed and approved the Internal Audit plan for 2016 and monitored its implementation. Internal Audit reports were reviewed and the committee received regular updates with regard to management's implementation of audit recommendations.

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 2016.

The committee is satisfied that it fulfilled its 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.

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 2017.

***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 Committee operates under a charter which sets out its role and responsibilities. The Charter for operating in 2016 was approved by Council at its meeting held on 14<sup>th</sup> December 2015 and sets out the following functions for the Committee in accordance with the regulations:

- 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

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 17<sup>th</sup> October 2016 in respect of AFS 2015.

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 Chairperson presented the committee's annual report in respect of 2015 to the March Council meeting 2016 and this report is before Council in respect of the Committee's 2016 activities.

#### **Section 4: Activities of the Audit Committee**

During 2016, the Audit Committee met on four occasions. The following standing 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
- Monitoring delivery of the Audit Committee Work programme

The following specific items were reviewed by the Committee in addition to the standing items:

#### **Meeting held 1<sup>st</sup> March**

- VFM report on oversight role of Local Authorities in respect of Approved Housing Bodies
- NOAC reports:
  - Tenants satisfaction Survey
  - National Service Indicators 2014
  - Corporate Plans
  - Public Spending Code Quality Assurance report 2014
- Internal Audit's Annual Report 2015

#### **Meeting held 14th June**

- Presentation by Director of Environment Water & Climate Change in relation to the Department's operations and key risks
- Review of arrangements in place for assessing VFM across the organisation
- Review of Internal Audit operations in relation to resourcing, training, standards and charter

The Committee noted the following NOAC reports which had been circulated in advance:

1. Local Government Efficiency Review reforms

2. Local Government Shared Services
3. Local Authority Rates Collection Report
4. Financial Performance of Local Authorities
5. SDCC's 2015 Quality Assurance report to NOAC

#### **Meeting held 29<sup>th</sup> September**

- The Committee met with the Principal Local Government Auditor in relation to the audit of the 2015 Annual Financial Statement and reviewed the auditor's findings. A report on the Committee's consideration of the audit findings was presented by the Chair to the October Council meeting.
- Review of Risk Management process in the Organisation
- Review of SDCC's Annual Report 2015

The Committee noted NOAC's Public Spending Code Quality Assurance report 2015 which had been circulated in advance.

#### **Meeting held 13<sup>th</sup> December**

- The Audit Committee reviewed their Performance 2016
- Audit Committee Work programme 2017 was agreed and circulated to members for approval at the December Council meeting.
- The Committee reviewed the Audit Committee Charter which was circulated without amendment to the December Council meeting for approval for operating under for 2017
- Mr George Kennington was re-elected Chair for 2017
- The Committee reviewed and approved the Internal Audit plan 2017
- The Committee reviewed the following NOAC reports:
  - Performance Indicators in Local Authorities 2015
  - Local Authority Performance of Private Rented Houses Regulations Function
- Review of presentation by Head of Finance in relation to adopted budget 2017 and Financial reporting
- The Committee met with the Chief Executive in relation to the audit of the Annual Financial Statement 2015

The Chair presented the Committee's Annual Report 2015 to the March meeting of the Council 2016. The Chair also presented the Committee's report on their consideration of the audited Annual Financial Statement 2015 and Auditor's report to the October Council meeting.

No material issues were identified by the Committee during the course of its work and no such issues were brought to the attention of the Committee by management. The Committee was satisfied that its statutory obligations under the Local Government Audit Committee regulations were carried out and that the objectives in their work programme for 2016 were met.

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