

COMHAIRLE CONTAE ÁTHA CLIATH THEAS
SOUTH DUBLIN COUNTY COUNCIL



South Dublin County Council

Audit Committee

2017 Annual Report

Circulation List

Daniel Mc Loughlin, Chief Executive

Members of South Dublin County Council

21st February, 2018

Section 1: Role of the Committee

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

Section 2: Terms of Reference

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 13th December 2016 for the period 2017 and was adopted by resolution of the Council at its meeting held on the 9th January 2017.

Section 3: 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 2017 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 incorporating the National Children's hospital
5. **Councillor Dermot Richardson**
6. **Councillor Guss O'Connell**
7. **Councillor Martina Genockey**

Dermot Carter resigned from the Committee on the 12th December '17.

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

Members	meetings attended (eligible)
George Kennington	4 (4)
Eilis Quinlan	4 (4)
Ann Horan	3 (4)
Dermot Carter	0 (4)
Cllr Dermot Richardson	1 (4)
Cllr Gus O'Connell	3 (4)
Cllr Martina Genockey	4 (4)

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

- 13th March 2017 to present the Audit Committee's Annual Report 2016
- 25th September 2017 to present the Committee's report on their consideration of the audited Annual Financial Statement 2016 and the Auditor's report.

Section 4: Chairperson's Statement

This report sets out the activities of the Audit Committee for year ending 31st December 2017 and is the fourth annual report issued by the current committee.

The Committee put in place an extensive work programme for 2017 which incorporated all its statutory obligations and the objectives in the plan were scheduled over the quarterly meetings to ensure all targets were met.

The Committee received various presentations and reports from different departments within the Council. These presentations / reports form a very important contribution to the work of the Committee and assists in the oversight of activities of the Council.

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 2017.

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.

I would like to thank George Kennington for his time and commitment to the committee during his term as Chairperson.

I would also like to thank Dermot Carter who resigned in December from the Committee, for his contribution over the last few years.

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 2018.

Ann Horan
Chairperson

Section 5: Principal matters considered by the Committee in 2017

- **Review of Internal Audit's Work Programme**

The 2017 audit plan was agreed by the Chief Executive and approved by the audit committee. Audit 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. The implementation of the audit plan was also monitored by the committee by means of progress reports presented by the Internal Auditor at each of the quarterly meetings.

The internal audit charter is reviewed and approved on an annual basis by the committee. Resourcing and training of the unit was also reviewed and considered appropriate. Going forward the Strategic Audit plan 2018 – 2020 was agreed with the Chief Executive and approved by the committee.

The work of the unit contributes to the improvement in the internal control framework in the organisation.

- **Consideration by the Committee of its findings in relation to the Audited Financial Statement 2016 and Auditor's Report**

The Committee met with the Principal Local Government Auditor in relation to her audit of the Annual Financial Statement 2016 and audit report. The Committee noted progress made during 2016 on issues identified by the auditor in her 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 Risk Management & Financial Reporting

The Head of Finance informed the Committee of the Risk Management process embedded into the organisation, which is supported by a dedicated Risk Management Officer. Management team members attend committee meetings on request to present an overview of their operational areas, key risks and mitigating factors. During 2017 the Director of Land use Planning & Transportation and the Law Agent attended meetings in this regard.

The Head of Finance also presented to the Committee on the adopted budget 2018 and three year capital programme 2018 – 2020 and the financial reporting process.

- Value for Money

On an annual basis the Committee review management's arrangements for assessing VFM across the organisation. The Director of Corporate Performance & Change Management gave an overview to the Committee of the VFM governance framework in the organisation. As well as reviewing the framework in place, the Committee also reviews VFM reports as published by the Local Government Audit Service. During 2017, VFM Report No. 30 in respect of '*Corporate Estate Management & Maintenance in Local Authorities*' was published. The Committee reviewed the findings and recommendations contained in the report as they related to SDCC. Management issued a detailed report to the Committee in relation to the implementation of recommendations.

- Other Reports Considered

- SDCC 2016 Report on Corporate Achievements
- SDCC's Annual Report 2016
- SDCC's Quality Assurance Report 2016 to NOAC
- NOAC's report no. 12 '*Management & Maintenance of Local Authority Houses*'.

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

- Audit Committee Matters

- The committee's charter and work programme for 2017 was approved at the January Council meeting. These documents clearly set out the Committee's role, responsibilities and objectives. The work programme is monitored at committee meetings and the objectives set out were achieved.
- The Committee reviewed its own procedures in respect of protected disclosures having regard to the template issued by the LGMA and also the Council's policy and procedures and determined that the procedures in place were appropriate and did not require amendment.

- The Committee were advised of relevant training events organised by the Institute of Public Administration.
- The Committee held its annual meeting with the Chief Executive who gave the Committee an overview of Council's activities during 2017 and a look forward to 2018. He also responded to queries from the Committee at the meeting.
- The Committee reviewed the effectiveness of its performance in 2017 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.

Section 6: 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 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 2017 were met.

Ann Horan
Chairperson
SDCC Audit Committee