



Comhairle Contae Chill Dara
Kildare County Council

Audit Committee

Annual Report 2020

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Section 1: Introduction

The Audit Committee is a statutory committee of the council appointed under Section 59 of the Local Government Reform Act 2014.

The members of the Audit Committee during 2020 were:

- ❑ Chairman, Dr. Moling Ryan
- ❑ Mr. Charlie Carri
- ❑ Mr. Ken Conway
- ❑ Ms. Deirdre Coghlan-Murray
- ❑ Councillor Seamie Moore
- ❑ Councillor Nuala Killeen
- ❑ Councillor Mark Stafford

The Committee was supported and assisted by Ms. Annette Aspell, Director of Services, Housing and Corporate Services and Ms. Angela Quinn, Staff Officer, Corporate Services.

During 2020, the Audit Committee met on the following dates:

- ❑ 25 February 2020
- ❑ 01 July 2020
- ❑ 06 October 2020

The meeting scheduled to be held in December was held in January 2021, due to delays relating to Covid Restrictions during 2020.

This is the twelfth annual report of the Audit Committee to the elected members of Kildare County Council.

Section 2: Chairperson's Statement

On behalf of Our Committee, I am pleased to present the twelfth Annual Report of the Audit Committee.

Our role is advisory rather than supervisory. We provide an independent view of the budgetary and financial reporting processes; the internal controls and the internal audit function; efficiency and value for money; and the management of risks. The aim of our work is to contribute to enhancing the corporate governance function of Kildare County Council.

The role of the Audit Committee is set out in our report.

Our Committee met with the Local Government Auditor and discussed with him our respective and complementary roles. Our Committee noted with satisfaction that the Local Government Auditor's report was again unmodified.

Our Committee relies heavily on the work of the Internal Auditor and their team to enable us to satisfy ourselves that the financial systems and controls in use are fit for purpose. The Internal Auditor has been most responsive to our suggestions and advice and the valuable work of the team she leads has enabled us to oversee this important aspect of our work to our satisfaction. On our part, we are mindful of the need to be supportive of the Internal Audit team so that their expertise can be deployed to best effect. Ms. Mairead Sweeney, Internal Auditor resigned in September 2020 and the process is underway to recruit a replacement. Ms. Fiona Millane and Ms. Barbara Sweeney continue to provide Our Committee with updates on the work being carried out by the Internal Audit Team.

During the year, Our Committee again reviewed the Council's approach to identifying and managing risks and satisfied ourselves that these functions continue to receive the attention their importance merits. Risk management and internal audit functions now collaborate with a view to further enhancing the effectiveness of the Council in identifying and managing risks.

There has been an emphasis on pursuing value for money in a structured way for a number of years now. We are satisfied that there is a strong value for money culture in the Council, but we believe that further work is required to quantify and demonstrate that value for money is being achieved. The appointment of a Procurement Officer is an important and valuable step in that regard. The reports published by NOAC are an important reference source in comparing the performance of Kildare County Council with what is being achieved by other County Councils.

Having regard to the emphasis on value for money in our terms of reference, our Committee will be devoting special attention to this aspect of our work during 2021. I attended, by invitation, the meeting of the Council on the 21 September 2020. It afforded me an opportunity to brief the members on the work of the Committee and to answer members' questions.

During the year our Committee was very well served and supported by Ms. Annette Aspell, Director of Services, and Ms. Angela Quinn.

I wish to acknowledge the commitment of the members of the Committee to the work involved. They are generous in giving of their time and expertise.

I wish also to acknowledge the support and co-operation our Committee has received at all times from the Chief Executive and his staff.

In our judgment, Kildare County Council continues to be well governed and well managed.

Section 3: Role of the Audit Committee

The statutory functions of the Audit Committee, as set out in the Local Government Reform Act 2014, are:

- To review financial and budgetary reporting practices and procedures within the local authority that has established it.
- To foster the development of best practice in the performance by the local authority of its internal audit function.
- To review any audited financial statement, auditor's report or auditor's special report in relation to the local authority and assess any actions taken within that authority by its Chief Executive in response to such a statement or report and to report to that authority on its findings.
- To assess and promote efficiency and value for money with respect to the local authority's performance of its functions.
- To review systems, which are operated by the local authority for the management of risks.

Section 4: Audit Committee Charter

Our Committee reviewed the Charter at our meeting in November 2019. No amendments to the charter were identified at this time and the Audit Committee Charter was adopted by the Committee on 7 November 2019. The Audit Committee Charter is required to be adopted by the local authority under Regulation 8, S.I. No. 244/2014 – Local Government (Audit Committee) Regulations 2014. The Audit Committee Charter was reviewed and adopted by the Elected Members at the Full Council Meeting held on 21 September 2020. A copy of the Audit Committee Charter is attached hereto at Appendix 1.

Section 5: Internal Audit Annual Report 2019

The Internal Audit Annual Report for 2019 was presented to us at our meeting held in February 2020 by Ms. Mairead Sweeney, Head of Internal Audit and Corporate Governance. The report was prepared by the Audit Team and it provided an overview of the workings of the Internal Audit Department in 2019.

The report confirmed the completion of 5 audits, 4 audits in progress which were expected to be presented to the Audit Committee in the first half of 2020 and 2 audits carried forward to 2021. The audits carried forward included Road Bonds – Recoupable Bonds and Part V.

Our Committee judged the work of the Internal Audit Unit to be of a uniformly high standard and amounted to a substantial and relevant body of work produced by the unit.

Section 6: Internal Audit Plan 2020

In preparing the Internal Audit Plan for 2020 the Internal Auditor met with each Director of Services and agreed priority areas. The plan was presented to the Management Team and was approved. The Internal Audit Plan 2020 was presented to the Audit Committee at its meeting on 25 February 2020.

Section 7: Briefings from Senior Management

During the year the Committee met with the Chief Executive and several members of the Senior Management Team including:

- Ms. Mairead Sweeney, Head of Internal Audit and Corporate Governance
- Ms. Fiona Millane and Ms. Barbara Sweeney, Financial and Management Accountants and Acting Head of Finance respectively.
- Ms. Annette Aspell, Director of Service – Housing and Corporate Services

- Mr. Tadhg McDonnell, Director of Service – Roads, Transportation & Public Safety
- Mr. Eoghan Ryan, Director of Service – Planning and Strategic Development

During 2020 our Committee was briefed and updated on the following areas, which had been identified as areas of priority.

- Departmental Risk Registers
- Covid-19 Risk Assessment
- Annual Financial Statement 2019
- Public Spending Code Audit Report 2019 – Revenue and Capital Projects
- National Service Indicators – NOAC Performance Indicator Report 2019
- Local Government Auditor’s report on the 2019 Annual Financial Statement.

Section 8: Audit Committee Objectives for 2020 and Related Outcomes

Departmental Risk Registers

During 2020 our Committee met with each Director of Service along with other council officials who presented the departmental risk registers for the following areas.

- Housing
- Finance
- Planning and Strategic Development
- Roads, Transportation and Public Safety

The Committee found these presentations very beneficial and it allowed us a more in- depth understanding of the final compilation of the Corporate Risk Register. Our Committee suggested recommendations which we believe will improve clarity and understanding to the risks identified.

In 2021 our Committee plans to meet with representatives to review the departmental risk registers for the following remaining areas.

- Corporate Services

- Water Services and Environment
- Economic Development, Community & Culture and Human Resources

Covid-19 Risk Assessment

At the July meeting, our Committee was provided with a brief of the Covid-19 Risk Assessment, drafted by the Business Continuity group which was formed in February to assess the likely impact that Covid-19 would have on the Council. It was agreed at this meeting that our Committee would be provided with regular briefs on this matter.

Annual Financial Statement (AFS) 2019

The Annual Financial Statement for 2019 was very positive. Once again, the Council recorded a surplus and there was an increase in the collection of Loans and Rates. The Housing Department put into stock over 400 houses, a significant increase on the 2017 figure of 160 houses. It was noted in the AFS that Covid-19 brings financial uncertainty and consequences that will be of proportions impossible to estimate effectively at this time.

Public Spending Code Audit Report 2019 – Revenue and Capital Projects

At the October meeting our Committee was presented with, and considered, Kildare County Council's Annual Public Spending Code Audit Report 2019. The value of the projects selected for in-depth review each year is subject to the following criteria:

Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all Revenue Projects on the Project Inventory.

Capital Projects: Projects selected must represent a minimum of 5% of the total value of all Capital Projects on the Project Inventory.

The two projects examined by Internal Audit were:

- 20.1 Public Spending Code in-Depth Check 2019 – Procurement & Management of Pay Parking Enforcement Contract.

- 20.2 Public Spending Code in-Depth Check 2019 – Social Housing Acquisitions 2019.

It is the opinion of Internal Audit that the Housing Acquisition programme 2019 and the management of the Pay Parking Enforcement Contract is 'in substantial compliance' with the requirements of the Public Spending Code.

National Service Indicators – NOAC Performance Indicator Report 2019

At the meeting held in January 2021, Ms. Fiona Millane presented our Committee with a report summarising the findings in the NOAC National Performance Indicator Report 2019. This was the sixth annual report produced by NOAC.

Our Committee judged the report to be a valuable document, not just for comparison with other local authorities but an informative document that offers indicators that can be used. We observed that there is a gap to be bridged between the public's opinion and understanding and the actual services provided by the Council and now that a dedicated Communications Officer has been appointed, we look forward to her response to this challenge.

Local Government Auditor's report on the 2019 Annual Financial Statement

Our Committee met at a later than usual date (due to the impact of Covid-19) on 12 January 2021 with the Local Government Auditor, Mr. Eamon Daly, and discussed his audit report on the Annual Financial Statement 2019.

Our Committee noted with satisfaction that the audit report was again unmodified. We observed the auditor's report to be a thoughtful, reflective document that addressed a significant number of areas.

The Audit Committee values these annual meetings with the Auditor, which provide a useful link between the Committee and the internal and statutory auditors. They are also valuable in considering and identifying areas of mutual interest. In the course of its work, the Audit Committee has regard to the reports of the Local Government Auditor. The Audit Committee is obliged to prepare a report on the Local Government Auditor's Report on the Annual Financial Statement for 2019 for presentation to the

full Council. The report was presented and noted at the full Council meeting on 25 January 2021.

Progress Report 2020

During the year our Committee received detailed briefings and considered the following audit areas.

- Annual Stores Stock Take 2019
- Motor Tax Stock Take 2019
- Management of Bonds - procedures
- The Social Inclusion and Community Activation Programme (SICAP) 2018 and 2019 Audit Report
- Payroll – Overtime Audit Report (Transportation & Public Safety Directorate)
- Follow-Up Audit: Ethics Register & Conflicts of Interest 2017 Audit Report
- Local Government Audit Service (LGAS) Overview report

During the year our Committee discussed the implementation of Internal Audits recommendations throughout the organisation and placed strong emphasis on the timely follow up of Internal Audit recommendations. We were advised that staff across the organisation acknowledged the recommendations proposed for them and that staff by all accounts were very cooperative during the auditing processes.

Internal Audit

Updates on the Internal Audit function is a standing item on the agenda of all meetings of the Audit Committee. These updates were provided by Ms. Mairead Sweeny, Head of Internal Audit and Corporate Governance at the meetings held in February and July. Mairead resigned from her position on 4 September 2020 and Our Committee wished her well in her future endeavours. In the absence of a Head of Internal Auditor, Ms. Fiona Millane and Ms. Barbara Sweeney kindly provided updates on the Internal Audit function to our Committee at the meetings held in October 2020 and January 2021. It is not yet known when the position of Head of Internal Audit and Corporate Governance will be filled, but our Committee were advised that staff in the Internal

Audit department will continue to take the lead on specific audits and these audits will be carried out as scheduled.

Internal Audit Charter

The Internal Audit Charter was reviewed in 2020 and adopted by the Committee on 25 February 2020. The charter sets out the role and responsibilities of the Internal Audit Section along with management's responsibilities and reporting arrangements. A copy of the Internal Audit Charter is attached hereto at Appendix 2.

Assessment of the Effectiveness of the Audit Committee

It is intended that, later this year, our Committee will complete an assessment of our effectiveness, in line with the questionnaire developed by the Institute of Public Administration, from which a review will be conducted. No training was provided by the IPA in 2020, but we are eager to participate when training is made available to us.

Section 9: Conclusion

There is a very good working relationship between our Committee, the Chief Executive and his staff. Our Committee receives all the support and information we require to fulfil our obligations and we are satisfied we will continue to be able to fulfil our role in the overall governance arrangements of the Council into the future.