



Comhairle Contae Chill Dara
Kildare County Council

2023

AUDIT COMMITTEE

ANNUAL REPORT

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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.

Section 2: Membership

The composition of the Audit Committee for 2023 is as follows:

- Chairman, Dr. Moling Ryan
- Mr. Ken Conway
- Ms. Deirdre Coghlan-Murray
- Ms Aislinn O Gorman
- Councillor Seamie Moore
- Councillor Nuala Killeen
- Councillor Mark Stafford – Resigned August 2023
- Councillor Paddy Curran – Commenced November 2023

The Committee was supported and assisted by Mr. Eoghan Ryan, Director of Services, Corporate Services and Ms Pauline O Connor, Staff Officer, Corporate Services.

Section 3 – Schedule of Meetings

The Audit Committee met on five occasions in 2023 as follows:

- 17th January 2023
- 7th March 2023
- 2nd May 2023
- 5th September 2023
- 15th November 2023

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

Section 4: Chairperson's Statement

I am pleased as Chairperson to present the fifteenth Annual Report of the Audit Committee of Kildare County Council.

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. We noted with satisfaction that the Local Government Auditor's report was again unmodified.

Our Committee relies heavily on the work of the Internal Audit and Corporate Governance Unit to enable us to satisfy ourselves that the financial systems and controls in use are effectively operating and fit for purpose. I would also like to note the significant input of the Internal Auditor, Mr. Paul Quinn, during the course of the year. His reports were consistently of a high order and well presented. I would also like to acknowledge members of the Internal Audit team who were always responsive to our suggestions and advice and their work has enabled us to oversee this important aspect of our work to our satisfaction. As a Committee we are conscious of the necessity of the Unit to be appropriately staffed and skilled to ensure an effective operation in an ever-changing and challenging environment.

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 continue to collaborate with a view to enhancing the effectiveness of the Council in identifying and managing risks in this post-Covid environment.

There has been an emphasis on pursuing value for money in a structured way for a number of years now which the Committee acknowledges. We are satisfied that there is a strong value for money culture in the Council, but we would reiterate that continuing work is required to quantify and demonstrate that value for

money is being achieved. The reports published by NOAC continue to be an important reference source in comparing the performance of Kildare County Council with what is being achieved by other County Councils and the Committee was very pleased with this verified comparative performance.

Value for money will continue to be a matter for the Committee in 2024.

I attended, by invitation, the meeting of the Council on the 27th November 2023. This afforded me an opportunity to be available 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 the Secretary to the Committee, Ms. Annette Aspell, Director of Services and her successor in the role, Mr. Eoghan Ryan, Director of Services. We were also extremely well served during the year by Ms Pauline O'Connor.

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 staff.

In our judgment, Kildare County Council continues to be well governed and well managed and we are further satisfied that the internal audit service is providing a valuable contribution to the overall control environment in the Council and that its recommendations are appropriately addressed by management.

Dr Moling Ryan

Chairperson of Audit Committee

Section 5: 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 6: Internal Audit Annual Report 2022

The Internal Audit Annual Report for 2022 was presented to the Committee at its meeting held on the 17th of January 2023 by Mr. Paul Quinn, Head of Internal Audit and Corporate Governance Until.

The report was prepared by the Audit Team and it provided an overview of the operation and activities of the Internal Audit Department in 2022. Mr. Quinn confirmed that nine audits were completed and work commenced on a further two audits.

The Audit Committee considered the work of the Internal Audit Unit to be of a consistently high standard and managed to produce an appropriate body of work.

Section 7: Internal Audit Plan 2023

The Internal Audit Plan for 2023 was presented to the Audit Committee on the 17th January 2023. The plan included six audits brought forward from previous years. In addition, there were eight audits scheduled for 2023. The Plan was presented to the Management Team and was approved. Subsequently, the Audit Committee agreed the audits outlined in the Internal Audit Plan 2023.

Section 8: Briefings from Senior Management

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

- Mr Rory Hopkins, Head of Information Systems
- Ms. Michelle Devine, Innovation Officer
- Mr Paul Quinn, Head of Internal Audit and Corporate Governance Unit
- Mr Eoghan Ryan, Director of Service
- Mr Joe Boland, Director of Service
- Ms Clodagh Lyons, Senior Executive Engineer
- Ms Fiona Millane, A/Head of Finance
- Ms Barbara Sweeney, Financial Accountant
- Mr Michael Hurley, Health and Safety Officer

Throughout 2023, The Audit Committee was briefed and updated on the following, which had been identified as areas of priority:

- Annual Financial Statement 2022
- Public Spending Code Audit Report – Naas, Newbridge By-Pass Upgrade
- Public Spending Code Audit Report – Kildare Sports Partnership
- Departmental Risk Registers
- Overview of Rebuilding Ireland Home Loans issued by Local Authorities
- Overview of Health and Safety Work Programme
- Anti-Fraud and Corruption Policy
- Property Interest Register

- National Service Indicators – NOAC Performance Indicator Report 2022
- 2023 Budget
- Local Government Auditor’s report on the Annual Financial Statement.

Section 10: Audit Committee Objectives for 2023 and Related Outcomes

I. Annual Financial Statement (AFS) 2022

The Annual Financial Statement of Kildare County Council for the financial year ending 31st December 2022 was presented by Ms Barbara Sweeney, Financial Accountant. The outcome was deemed to be positive.

Ms Sweeney outlined that an overall surplus was achieved and after 16 years the deficit has now been effectively eliminated.

Ms Sweeney noted that collection rates in 2021 were at 82 per cent, this increased to 86 per cent in 2022. Housing loan collections were 69 per cent in 2021, this increased to 73 per cent in 2022.

II. Public Spending Code Audit Report – Revenue and Capital Projects

On the 5th of September 2023, the Audit Committee was presented with, and considered, Kildare County Council's Annual Public Spending Code Audit Report.

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:

- Public Spending Code In-Depth Check (Capital) – Naas – Newbridge By-Pass Upgrade
- Public Spending Code In-Depth Check (Revenue) – Kildare Sports Partnership

The Audit Committee agreed that both reports were excellent and approved of the processes in place.

III. Departmental Risk Registers

During 2023, The Audit Committee met with Director of Services along with other Council officials who presented the departmental risk registers for the following areas:

- Corporate Risk Register
- Cyber Security Risk Register
- Kildare County Council's Risk Register

The Audit Committee found these presentations valuable and appreciated the assurance offered in the course of engagement. The Audit Committee suggested recommendations which we believe will improve transparency and understanding to the risks identified.

The Corporate Risk Register

On the 7th March 2023, Mr Joe Boland, Director of Services presented the Corporate Risk Register to the Audit Committee.

The following was noted:

- The Corporate Risk Register Cycle for 2023 had commenced
- A meeting took place with the risk advisory group to outline training and objectives of the system as follows:
 - ✓ Preparation of departmental risk registers
 - ✓ Getting staff engaged in the process
 - ✓ Guidance under traffic light system
 - ✓ Guidance of impact
 - ✓ Guidance
- The Corporate Risk Register is a standing item on the agenda for Management Team meetings

Cyber Security Risk Register

On the 7th of March 2023, Mr Rory Hopkins, Head of Information Systems presented the Cyber Security Risk Register to the Audit Committee.

The following was noted:

- Cyber Security is seen as the number one risk in the organisation
- Kildare County Council work with a security partner, Paradyn, who introduced the Centre for Internet Security (CIS)
- Kildare County Council now have a dedicated IT Security Project Leader
- IT cyber security training is run regularly for all staff using an online training tool called Meta Compliance
- Annually, the risks are submitted to the overall Council Risk Register and an annual CIS gap analysis process is performed

Kildare County Council Risk Register

On the 5th of September 2023, Mr Eoghan Ryan, Director of Services presented the Kildare County Council Risk Register to the Audit committee.

The following was noted:

- Risk is now under the Finance Directorate
- Each risk that is identified will be assigned a rating and a manager
- Each department will meet with IPB and will be required to attend the workshops

IV. Property Interest Register

On the 5th September 2023, Ms Clodagh Lyons, Senior Executive Engineer briefed the Audit Committee on the Property Interest Register.

The following was noted:

- The newly developed system is not complete
- The system has now been rolled out to 6 key pilot users whose feedback has been quite positive
- The benefit of the system is the satellite view where you can observe land and its surrounding areas

- From a Kildare County Council point of view and property management perspective, documents can be uploaded and associated to each piece of land/unit
- There are currently 7,500 records uploaded to the new system which includes housing units, buildings, and land

V. National Service Indicators – NOAC Performance Indicator Report 2022

On the 15th of November 2023 a summary of the findings of the NOAC National Performance Indicator Report 2022 was presented to the Audit Committee.

This was the ninth annual report produced by NOAC.

It was noted that this gives a good basis on which to examine comparative performance between local authorities.

VI. Local Government Auditors Report on the 2022 Annual Financial Statement

On the 15th of November 2023, the Local Government Auditor, Mr. Eamon Daly discussed his audit report on the Annual Financial Statement 2022 with the Audit Committee.

The Audit Committee noted with approval that the audit report was again unmodified. We noted the auditor's report to be a comprehensive, insightful document that addressed a considerable 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.

Section 11: Progress Report

During the year our committee received detailed briefings and considered the following audit areas:

- SICAP 2021 Audit Report
- Shop Front Grants Audit Report
- Overtime Audit Report
- Arts Grants Audit Report
- Travel and Subsistence
- Compliance with Planning Obligations within Statutory Time Frames
- Assessment and Application of Development Contributions and any Subsequent Amendments

During the year our Committee discussed the implementation of Internal Audit's recommendations throughout the organisation and placed strong emphasis on the timely follow up of Internal Audit recommendations. We were informed that staff across the organisation recognised the recommendations proposed and were extremely supportive and helpful during the auditing process.

Section 12: Internal Audit

Updates on the Internal Audit function is a standing item on the agenda of all meetings of the Audit Committee.

The Committee acknowledged the work of the executive and staff of the Internal Audit unit.

Section 13: Internal Audit Charter

The Internal Audit Charter was reviewed in 2020 and adopted by the Committee on the 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 1.

Section 14: Conclusion

The Audit Committee is satisfied that throughout the course of our work in 2023 we delivered effectively on the statutory functions of the Committee, as set out in the Local Government Reform Act 2014.