



Rialtas na hÉireann
Government of Ireland

LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Kildare County Council

for the

Year Ended 31 December 2018

Department of Housing, Planning and Local Government

housing.gov.ie

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AUDITOR'S REPORT TO THE MEMBERS OF KILDARE COUNTY COUNCIL

1 Introduction

I have audited the Annual Financial Statement (AFS) of Kildare County Council for the year ended 31 December 2018, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Funds Flow Statement and notes to and forming part of the accounts. The financial reporting framework that has been applied in its preparation is the Code of Practice and Accounting Regulations for Local Authorities, as prescribed by the Minister for Housing, Planning, and Local Government.

My main statutory responsibility, following completion of the audit work, is to express my independent audit opinion on the AFS of the Council, as to whether it presents fairly the financial position at 31 December 2018 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 7 of the AFS.

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the AFS. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion. I conducted my audit in accordance with the Code of Audit Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the AFS. It also includes an assessment of the significant estimates and judgments made by the Council's management in the preparation of the AFS, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations, which I considered necessary to provide sufficient evidence to give reasonable assurance that the financial statement is free from material misstatement, whether caused by fraud or error.

This report is prepared in accordance with Section 120(1) (c) of the Local Government Act, 2001 and should be read in conjunction with the audited AFS.

Chief Executive's Response

The Council has once more received an unmodified audit opinion and the figures in the 2018 AFS that was presented to the elected members in April 2019 had no audit adjustment applied.

2 Financial Standing

2.1 Statement of Comprehensive Income (Income and Expenditure Account)

The Council recorded a surplus of €0.23m (2017: €0.22m) for the year ended 31 December 2018. The achievement of this surplus reduced the accumulated deficit to €0.5m at that date.

The elected members, at the Council meeting held in April 2019, approved (by resolution in accordance with section 104(2) of the Local Government Act, 2001) the expenditure incurred in 2018 that was in excess of the adopted budget for the year. The details of the divisional variances are outlined at note 16 to the AFS.

The surplus recorded for 2018 confirms that the Council continues to adhere, in overall terms, to the strict budgetary requirements for the year.

The main movements in the finances of the Council during the year under review were as follows:

Increase in fixed assets (paragraph 2.4)	€64.2m
Increase in cash balances	€10.6m
Increase in WIP and preliminary expenses account (paragraph 2.5)	€10.2m.

Chief Executive's Response

The Auditor's comments on the reduction on the revenue deficit due to the strict budgetary controls that are in place in the Council are welcome. It is intended to continue the reduction of this deficit until the adverse balance is cleared. The pace at which this is achieved will be dictated by budgetary and economic circumstances.

2.2 Local Property Tax

The current funding model for the distribution of the Local Property Tax (LPT) was first introduced in 2015.

As provided for in legislation, the Council again passed a resolution not to vary the basic rate of LPT for 2018, giving the allocation for the year of €17.3m.

Because of the Council's surplus LPT position (calculated on the basis of anticipated 2018 receipts compared to the original baseline position established from the General Purposes Allocations for 2014), there remains a requirement to self-fund some services which for 2018 were delivered in the Housing divisional area.

In October 2017, the Department of Housing, Planning and Local Government (the Department) confirmed that €1.2m was required to be applied by the Council to fund the 2018 costs associated with the delivery of both housing revenue and capital projects.

2.3 Statement of Financial Position (Balance Sheet)

The Council's net assets increased from €2.81bn at 31 December 2017 to €2.91bn at 31 December 2018, a year-on-year increase of €100m approximately. The acquisition and construction of fixed assets was the main contributor to this significant increase.

2.4 Fixed Assets

It was reported at the previous audit that the required reconciliations between the amounts recorded in Agresso (the Council's financial management system) and those contained in the land and property registers had not been completed.

Good progress has been made in this important internal control area since the last audit. The additional staff resources that have been assigned have resulted in improvements in the completeness of the databases being recorded. The housing units and other properties under the direct management of the Council now appear to be fully accounted for in the property registers. The work done to date ensures that these important assets can be adequately insured and protected.

I have also noted progress in improving the control environment applied to Council owned properties and land that are currently on lease to third parties. However, the work is not yet complete and additional staff resources with the necessary technical skills should be considered to ensure the remaining outstanding problem areas are resolved.

During the course of the audit, I was made aware of concerns relating to the use, by a local community group, of a property leased to the Council. Despite the provision of a mediation service, it was not deemed possible to resolve the matters raised. I have advised Council management that in the absence of a resolution, a formal agreement covering the continuing use of the property by third parties is needed to ensure the Council's interests are appropriately protected.

Chief Executive's Response

The Council will continue to work on the fixed asset registers and leases to third parties and also wishes to acknowledge the positive comments from the Auditor on the work that has been done to date in these areas. The matter raised in regard to the local community group is an issue that the Council is aware of and appropriate action has been taken to protect its interests.

2.5 Work in progress

During 2018 the accumulated expenditure on the work in progress and preliminary expenses account amounted to €24m (2017: €13.8m). The year-on-year increase reflects the substantial increase in activity in both the housing construction and roads development areas.

The 2018 year-end balance on the account includes the costs of acquiring sites in recent years to the total value of approximately €8m.

Development has not yet commenced at any of the relevant sites and consequently the Council is not yet in a position to drawdown grants from the Department to fund the acquisition costs.

The costs of acquiring the individual sites are currently being funded by short-term loan facilities and as the amounts involved are significant, their development should be a priority matter for management.

Chief Executive's Response

The Council is currently in discussions with the Department with respect to the development of each site.

2.6 Development Contributions

Included in trade debtors and prepayments at 31 December 2018 was €8m (2017: €6.4m) in respect of development contributions due to the Council (note 5 to the AFS).

While the bad debts provision in respect of the collectability of the 2018 year-end debtors was considered appropriate, it should be kept under regular review to ensure that it remains adequate.

2.7 Loans Payable

At 31 December 2018, the Council owed €104m (2017: €107m) in the form of medium to long term loans.

- **Affordable Housing Loans**

Included in the 2018 year-end balance were 6 interest only loans (the total balances on which at 31 December 2018 were €12m approximately). As reported at the previous audit, these loans refer to bridging facilities to fund the acquisition of 67 affordable housing units drawn down from the Housing Finance Agency (HFA) over 10 years ago. The interest charged and paid on these loans in 2018 was €155k.

All of the properties have been temporarily transferred for occupancy as social housing accommodation under the social leasing scheme (paragraph 8).

The principal sums are currently not due for full repayment until 2023.

Chief Executive's Response

The Council is awaiting advice from the Department to finalise a long term solution for these leased units and their associated loans.

- **Land Acquisition Loans**

The 2018 year-end balance also included €5.28m that was owed to the HFA on loans that were taken out some years ago to acquire land for housing development that has not yet commenced.

The total interest incurred and paid on these loans in 2018 were €66k.

As stated at the previous audit, the development or alternative use of these sites should remain a priority matter for management as the value of the loans are significant.

Chief Executive's Response

Loans are only drawn down with the approval of the Department and by way of resolution from the elected members. It is intended to explore every avenue to utilise these sites to the benefit of the Council and this matter is being kept under review.

3 Income Collection

3.1 Main revenue income collections

A summary of the collection performances showing the 31 December 2018 arrears position in respect of the main income categories with the comparative figures for the previous year were as follows:

Income Source	Yield %		Debtors €m	
	2018	2017	2018	2017
Rates	82	81	12.7	13.7
Rents & Annuities	89	88	1.5	1.6
Housing Loans	51	43	3.7	4.2

While the 2018 collection yield that was recorded in respect of rents & annuities of 88% was above the 2017 national average for local authorities, the returns for both rates at 82% (2017 national average: 86%) and housing loans at 51% (2017 national average: 72%) were below their respective 2017 national average returns.

The total amount collected in 2018 across all 3 of the above categories of income was approximately €70m which represents an increase of €4.6m (7%) on the collections for 2017 and this year-on-year improvement is acknowledged.

Chief Executive's Response

The Auditor's comments on the increase in the collection of all three categories of income are welcomed.

3.2 Rates

The status of the rates accounts that were in arrears at 31 December 2018 is summarised as follows:

	Number of customers	Amount owed €m	% of total arrears
Collectable and being pursued	1,949	6.1	48%
Legal proceedings commenced	204	3.8	30%
Accounts in an agreed payment plan	404	1.9	15%
Customers in liquidation / receivership or administration	62	0.9	7%

While the arrears position at the end of 2018 recorded a year-on-year reduction of approximately €1m, which is acknowledged, the collection yield for the year was still below the previous year's national average returns for this most significant income collection category.

An analysis of the aged debt status of this category of debtors indicated that €6.7m was outstanding for more than 1 year, equating to 51% of the total gross debtors at 31 December 2018. The current debt book was reviewed with management during the audit and I am satisfied that the level of provision is currently adequate. However, it should be kept under regular review.

Over the course of 2018, the Council's commercially rated properties were subject to a revaluation as part of the national review undertaken by the Valuation Office. It is noted that a large number of the Council's ratepayers have appealed the new rateable valuations. If these appeals are successful, the resulting reductions in amounts payable could have a significant impact on the Council's finances.

The level of arrears remain significant and the outstanding accounts should continue to be pursued.

Chief Executive's Response

Work is ongoing, in a challenging environment, to improve the annual collection percentage and to continue the reduction in the level of arrears that was achieved in 2018.

As referenced by the Auditor, the outcome of the valuations appealed to the Valuation Office Tribunal could have a significant impact on the Council's finances, as the elected members are aware.

3.3 Housing Rents and Annuities

The year-on-year arrears in this category of income decreased to €1.5m at the 31 December 2018 (2017: €1.6m). The amount collected in 2018 of €12.5m represents an increase of €1m when compared to the previous year's collection and this improvement is also acknowledged.

3.4 Housing Loans

While the returns achieved for 2018 recorded an 8% increase on the 2017 returns, this most recent annual recorded performance was still well below the 2017 national average returns for this category of income.

Despite the improved collection performance in 2018, the returns achieved for the year continue to be unsatisfactory. The current arrears remain significant and should be pursued.

Chief Executive's Response

The improvement of 8% in the housing loans' annual collection for 2018 is very encouraging. However, this income category continues to be a priority area for the Council's management. The arrears arise primarily as a result of shared ownership loans that were issued in a rising property market and during periods where stress testing of loan applications was not as robust as the current adopted internal procedures for granting similar type loans.

Every reasonable effort will continue to be made to improve this collection rate.

4 Capital Account

4.1 Capital Account overview

The capital account recorded a net credit balance of €154m, a year-on-year increase of €27m.

The internal review of the capital account that was requested at the previous audit has now been completed. Sources of funding were identified that eliminated the deficits arising in some schemes and reduced the adverse balances in others.

4.2 Deficit balances

Notwithstanding that the internal review of the capital account resulted in the elimination of some long standing deficit balances, there remain a small number of schemes that are still carrying significant deficits.

The elimination of the remaining significant deficit balances on the capital account should remain a priority matter for management.

Chief Executive's Response

As highlighted by the Auditor above, a review of the capital balances was conducted as part of the preparation of the 2018 AFS and similar reviews have now been adopted as a regular internal control procedure.

5 Irish Water

5.1 Transfer of Water and Sewerage functions to Irish Water

The Council continues to deliver services on behalf of Irish Water (IW) under a service level agreement. A review carried out during the current audit of the internal procedures adopted in this area indicated that it is being effectively managed.

Section 12 of the Water Services (no.2) Act, 2013 provided for the transfer to IW of all underground water services assets previously vested in the Council.

The statutory transfers of the above ground water related assets to IW are given legal effect by Ministerial Orders that are issued by the Department in consultation with the Council and IW.

Of the 244 assets identified for transfer, 113 were registered in the sole ownership of the Council. Good progress has been to date in completing the transfer of these assets to IW. I have been advised that there are just 11 site transfers that have yet to be completed.

Included in the total assets for transfer, were 40 sites that were classified as unregistered and of these, 10 have been transferred to date. Further reviews of the files are needed to enable the transfers of the remaining sites to be completed.

There are a further 91 sites that are registered to third parties, of which 38 have been transferred to date.

The resources currently assigned to this area should be reviewed to ensure that the remaining sites for transfer to IW are completed in a timely manner.

6 Non Pay Expenditure

6.1 Purchasing and Invoice payments

The timely raising and approving of purchase orders and the subsequent recording of the receipts of the related goods and services can greatly contribute to the accuracy and relevance of an organisation's budgetary and financial reporting.

The improvements in compliance with the Council's own internal procedures reported at the previous audit have been sustained during 2018 and for the early part of 2019. The quarterly returns of compliance (in respect of the timely raising of purchase orders) continue to average at approximately 85%.

While these compliance rates are high, I have again recommended to management that reminders should issue to all staff with assigned purchasing responsibilities to highlight the requirements to comply with the Council's own purchasing policy. This is a critical internal control area where some improvements are still needed to ensure that adequate budgetary compliance is being implemented across all of the Council's administrative divisions.

6.2 Public Spending Code

To comply with the requirements of the Public Spending Code (PSC), the Council's internal audit unit (IAU) issued a report, covering the financial transactions incurred in 2018 in the following areas of activity:

Capital expenditure	Athy Community Library
Revenue expenditure	Street Lighting.

The findings and recommendations contained in the PSC reports were taken into account as part of this audit.

7 Procurement

7.1 Procurement non-compliance

The previous audit report highlighted instances of the Council's non-compliance with the national procurement regulations and guidelines.

This area was again reviewed during the course of the current audit and good progress, in respect of improvements in the internal control environment in some areas, have been noted. The re-establishment of the post of a procurement officer is contributing to the improvements noted during the audit. A procurement steering group comprising senior staff is now in place that oversees the implementation of the adopted three year corporate procurement plan.

The current review covered both revenue and capital related payments made in 2018. While it was noted that payments made on capital funded projects were generally compliant with the national guidelines, areas of non-compliance were again identified in respect of payments on revenue related activities.

The main areas of concern noted during the audit were as follows:

- **Transportation and roads**

The sample selected at audit indicated that significant levels of payments were again made without recourse to compliant national procurement guidelines. It was again noted that payments were made to some contractors for the supply of road materials based on prices included on framework agreements that were no longer in force during 2018. Some contracts continue to be accepted without being formally put out to tender. These current procedures are not compliant with good practice.

Because of the levels of non-compliance noted during the audit, I recommended to divisional management to seek advice from the procurement officer for the purpose of implementing new work practices to ensure that all of the major contracts comply with the national procurement rules and regulations.

- **IT**

While areas of non-compliance were also noted in this area, a full review of the procurement status of all of relevant contracts is currently being undertaken. I have been advised that the completion of this review will ensure full compliance for all of the major contracts.

- **Housing**

I acknowledge the efforts made by the housing staff in responding to the matters raised in the previous audit report. The division's major contractual requirements have now been advertised in accordance with the national guidelines and best practice. However, I note that one of the unsuccessful companies in the tender process contested, during the standstill period, the Council's decision in establishing the framework agreements. This matter is currently before the Commercial High Court.

As a public organisation, the Council (including its subsidiary and related companies) is required to comply, in all respects, with both the national and EU procurement regulations and directives.

Chief Executive's Response

As the Auditor has acknowledged, since early 2019 the procurement officer has been working with the newly established procurement steering group (comprised of senior staff) to oversee the implementation of the three year procurement plan across all areas of the Council. Procurement training has been delivered to all relevant staff.

During 2019, the Roads Department secured an additional post of Executive Engineer whose responsibilities will include focusing on ensuring that the relevant roads related contracts comply with the EU Directives and the national public procurement guidelines and regulations.

The IT divisional management are currently reviewing the relevant contracts to ensure procurement is compliant as commented on by the Auditor above.

The Housing Department complies with the relevant EU Directives and public procurement guidelines. One unsuccessful tenderer that participated on a housing maintenance framework challenged the procurement process. The Council is now defending this challenge and legal proceedings are currently ongoing.

8 Housing

8.1 Provision of social housing by Approved Housing Bodies

At 31 December 2018, the Council had contractual arrangements with 34 approved housing bodies (AHBs) for the provision of social housing to tenants on the Council's housing waiting lists. At that date, 1,370 properties were managed by the AHBs under the following national schemes:

- Capital assistance scheme (CAS)
- Capital loan and subsidy scheme (CLSS)
- Social housing leasing initiative (SLI).

The Council has also engaged with 2 of the AHBs to manage 67 Council owned properties that were acquired for resale under the former Affordable Housing Scheme. The 2018 year-end balance on loans drawn down to fund these properties amounted to €33.3m (note 7 to the AFS refers). The repayments of these loans are fully funded by the Department.

There were some areas of concern noted following the review undertaken in this area at the previous audit and while good progress has been made further work is still needed in the following areas:

- **Deficit balances**

The capital account continued to record a deficit balance of €222k in respect of one of the CLSS schemes. The Housing directorate has submitted a claim to the Department for funding of this deficit and I have been advised that a response is currently awaited.

Chief Executive's Response

The claim has been submitted to the Department and is actively being pursued.

- **Twelve properties at Ballymakealy, Celbridge**

As outlined in the previous audit report, the properties located in Celbridge were previously owned and managed by an AHB that ceased trading some years ago. The relevant deeds of transfer and mortgage documentation were never formally executed and I have been advised that the land on which the properties were constructed remains in the beneficial ownership of the Council.

The resolution of this ongoing matter is currently subject to legal advice. The balance of the loan with the HFA of €348k, as at 31 December 2018, originally drawn down to fund the acquisition of these properties remains outstanding.

Chief Executive's Response

The Council's solicitor has received advice from the Chief State Solicitor's Office and this matter will be progressed over the coming months.

- **Registration of mortgages**

The ongoing efforts by the Housing directorate staff to ensure that all of the relevant mortgages are appropriately registered is acknowledged. However, there are still 15 CLSS and 5 CAS schemes that do not yet have their mortgages legally registered.

Management has been requested to again follow up with the relevant AHBs to ensure that their contractual obligations are fulfilled in all respects.

Chief Executive's Response

This matter is with the Council's solicitors who are engaging with their counterparts in the relevant AHBs in order to register the properties.

- **Annual compliance statements**

It is acknowledged that annual compliance statements are requested from every AHB with which the Council is currently contracted and those failing to submit the requested documentation are regularly contacted by staff of the Housing directorate.

Of the 34 AHBs contacted by the Council to submit an annual compliance statement for 2018, 27 have made submissions to date.

Of the 2018 returns submitted, 17 AHBs have forwarded their signed audited annual financial statements covering financial periods ending in 2018.

In addition to the AHBs that have not yet made any submissions to the Council, there is also outstanding information with regard to the company Directors', insurance and rent details as well as occupancy and void rates from those companies that have made partial returns.

Chief Executive's Response

The Council has again requested the outstanding information to be supplied and will continue to follow up on this.

- **Inspections of properties and review of rents charged by AHBs**

I acknowledge the efforts made by the housing directorate staff, during the current year, to improve the level of inspections of AHB managed properties.

The number of properties inspected increased to 462 in 2018 and I have been advised that a further 912 inspections have been completed in the nine months to 30 September 2019. This level of improvement is commendable but needs to be sustained to ensure that the required level of inspections continues to be undertaken.

I note that a process to independently review the rents charged by AHBs, to ensure that they comply with the terms of the relevant schemes, has now been implemented.

Chief Executive's Response

The Auditor's comments on the improvements made are acknowledged.

- **Affordable Housing units under lease agreements with AHBs**

There are currently 67 unsold affordable housing units operated and managed under lease agreements with two AHBs. One of these lease agreements has proved problematic to replace when the original lease became due for renewal in 2018. Management has advised me that contact has been made with the Department with a view to resolving this matter.

The resources assigned to the governance and oversight of AHBs generally should be regularly reviewed to ensure that they are sufficient to meet the Council's ongoing requirements and statutory obligations.

Chief Executive's Response

The Council is awaiting advice from the Department to finalise a long term solution for these leased units and their associated loans.

9 Local Authority Companies

9.1 Interest in Companies Associated with the Council

The Council has an interest in a number of connected companies, the details of which, together with the relevant 2018 trading results, are disclosed at appendix 8 to the AFS.

All of the companies, listed therein, are audited by private firms of auditors having been appointed by the respective board of directors to undertake the annual audits. The companies' board of directors (whose primary functions under the Companies Act, 2014 is to manage the businesses on behalf of the shareholders - the Council is the sole shareholder of Kildare Sports and Leisure Facilities Ltd.) include representatives of the Council's senior management team and also the elected members who act in ex-officio capacities.

9.2 Kildare Sports and Leisure Facilities Ltd.

This company oversees the day-to-day management of the K Leisure swimming pools located at Naas and Athy and related activities. It is a limited liability company with issued shares of €100, all of which are in the beneficial ownership of the Council.

The company's audited accounts for the year ended 31 December 2018 recorded a surplus for the year of €451k (2017 surplus: €315k), thereby increasing the shareholders' funds at that date to €1.6m. Turnover in 2018 was €3.3m approximately (representing a significant increase in revenue generating income of almost €1m over two years).

There is still no lease in place between the Council and the company to provide for the use of the lands owned by the Council on which the company's buildings currently stand. This needs to be regularised as soon as practicable.

Chief Executive's Response

The Council has been working to resolve this matter and will continue in its endeavours to put a lease in place as soon as possible.

9.3 Riverbank Arts Centre Company Limited by Guarantee

This company oversees the day-to-day management of the Riverbank Arts Centre, located in Newbridge. It is a company limited by guarantee and not having a share capital.

The company's audited accounts for the year ended 31 December, 2018 recorded a net profit for the year of €62k (2017 net loss: €2k), thereby increasing the net assets at that date to €138k. The total amount of grant assistance provided by the Council to the company in 2018 was €311k (2017 €277k).

10 Governance and Propriety

10.1 Governance overview

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. The Chief Executive, his management team and the Council's elected members all have a role in ensuring there are sound systems of financial management and internal controls in place.

As outlined below the Council has recently improved the internal procedures applied to this important area of the organisation's operations and I also acknowledge the upgrading in staff assigned to the internal audit unit.

10.2 Protected disclosures policy

The Council has adopted and implemented policies and internal procedures to adhere fully to the provisions of the Protected Disclosures Act 2014.

During 2019, a protected disclosure was received by the Council appointed designated officer that is assigned responsibility for dealing with such disclosures. I also independently received a copy of the matter raised in this disclosure during the course of the audit and I forwarded it to the designated officer.

I have been advised that the matter has been investigated in accordance with the internal procedures and is now closed.

Chief Executive's Response

The Council has investigated the protected disclosure in accordance with the relevant internal procedures and this investigation is now closed.

10.3 Anti-Fraud & Corruption Policy

The Council has recently updated its anti-fraud and corruption policy to ensure it takes account of the new requirements under the General Data Protection Regulation, which came into force in 2018 and the provisions of the Protected Disclosures Act 2014.

10.4 Risk management

An effective risk management framework provides the elected members and the Council management with assurances that the major organisational risks are identified and appropriately managed.

There is currently a formal internal control mechanism in place that is being implemented across the various administrative divisions to ensure that the individual registers are regularly reviewed.

It is important that the current resources assigned to this area remain in place and is particularly relevant given the recent additional work areas taken on by the Council and the staff changes made at senior level.

10.5 Internal Audit

While the position of Head of the Internal Audit unit was vacant for the first half of 2019, I acknowledge the efforts made by Council management to have the post filled as early as possible. The position is now filled and I welcome that the recent appointment has resulted in an upgrading of the post that includes taking on additional responsibilities with regard to ensuring the adequacy of the corporate governance procedures within the organisation.

Because of the reduction in available staff resources during the year, the current year's work programme has been delayed but management has advised me that it is anticipated that the output from the unit is expected to improve for the remainder of the year.

The work carried out by the unit in 2018 included the annual detailed checking of cash receipting across the various cash desks of the Council and the findings and results from this important internal control procedure were taken into account as part of this audit.

It is a critical element of good corporate governance that the internal audit function for an organisation the size and complexity of the Council is adequately resourced with professionally trained staff and I am satisfied that, with ongoing training, this is now in place.

Chief Executive's Response

In 2019, the Council sought sanction for and subsequently appointed a new Head of Internal Audit and Corporate Governance which is a more senior position reflecting the importance management place on internal audit and corporate governance. We acknowledge the Auditor's comments on the importance of the internal audit checking function.

10.6 Audit Committee

The Council's audit committee met on 5 occasions during 2018 and issued its annual report for that year in April 2019.

I commend the work of the committee which continues to make significant contributions to the independent oversight of corporate governance within the Council.

10.7 Annual Declarations of Interest

Part 15 of the Local Government Act, 2001 (as amended) imposes obligations on all Council members and staff of a certain grade or assigned certain duties to make annual declarations to the designated Ethics Registrar of the local authority.

The returns made in respect of the period ended 28 February 2019 were examined during the current audit and it was again noted that there is a high level of compliance from those required to make returns. All the elected members submitted their returns by the statutory date and only a small number of staff failed to submit their returns on time.

The internal controls and procedures that continue to be applied to this area contributed to achieving the high response rates and is acknowledged.

Acknowledgement

I wish to record my appreciation for the courtesy and co-operation extended to audit by the management and staff of the Council.

Eamonn Daly

Eamonn Daly,
Local Government Auditor.

31 October 2019.

