

# Kilkenny County Council

## Audit Committee

### Annual Report 2021

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#### Chair's Statement

I am very pleased to introduce the Annual Report of Kilkenny County Council's Audit Committee on behalf of the Membership of the Audit Committee and to present it to the Chief Executive, the Cathaoirleach and Members of Kilkenny County Council.

This is the third Annual Report of the Audit Committee 2019 – 2024 to the Council. I am honoured to serve as Chair of the Committee and I compliment my fellow Committee Members on their hard work, vigilance and professional input into the work of the committee and look forward to continuing to work with them.

The continuing Covid-19 pandemic presented an unprecedented challenge to Kilkenny County Council in 2021. I would like to acknowledge the work carried out by the Council Members and Staff in providing support and essential services to the people of Kilkenny during this challenging time while maintaining all services.

#### Membership

The composition of the Committee is as follows:

**Dr. Sean Brady**, Chair of the Committee. Dr Brady is a Director of the Ornua and formerly Managing Director of Minch Malt and Irish Sugar.

**Cllr. Fidelis Doherty**. Local Electoral Area - Piltown

**Cllr. Andrew McGuinness**. Local Electoral Area – Kilkenny City

**Dr. Maura Joyce**. Dr. Joyce trained as auditor with Coopers and Lybrand. Maura worked for Avonmore for many years in senior positions (now Glanbia).

**Mr. Joe Allen**. Mr. Allen is a former Principal Officer of the Department of Environment, Community, and Local Government.

#### Role of Committee

Audit Committees play a crucial role in the governance framework of Local Authorities. They have an independent role in advising the Council on financial reporting processes, internal control, risk management and audit matters.

#### Statutory Functions

The statutory functions of Audit Committees are:

- To review financial and budgetary reporting practices and procedures within the Local Authority.
- To foster the development of best practice in the performance by the Local Authority of its internal audit function.

- To review any audited 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 function.
- To review systems that are operated by the Local Authority for the management of risk.

### Internal Audit Plan

Each year a new plan of work for Internal Audit is designed and prepared based on risk evaluation and in consultation with Management of the Council, Local Government Auditor and the Audit Committee. Covid-19 had an impact on the completion of the Internal Audit Plan in 2021. There was a change of Internal Auditor in 2021 with Michael Leahy taking up a new post in the Housing Section. Brigid Webster replaced Michael as Internal Auditor in September 2021.

The list of Internal Audit Assignments carried out in 2021 included as follows:

- Public Spending Code – In Depth Review of Capital and Revenue Projects
  - N24 Tower Road Junction Improvement Scheme
  - N77 Ballyragget to Ballynasiee Road Improvement Scheme
  - Administration of Homeless Services
- Low Value Purchase Card Checks Corporate
- Covid19 Office Based Compliance Checks
- Vodafone Accounts Checks
- Housing Loan Applications
- Payroll Process
- Procurement
- Motor Tax End of year stocktake

### Meetings of the Audit Committee

The Committee met on four occasions during 2021. Due to the Covid-19 restrictions the four meetings were held remotely using Microsoft Teams. The attendance record for each member was as follows:

Member	1st March	14th June	6th September	6th December
Dr. Sean Brady(Chair)	✓	✓	✓	✓
Ms. Maura Joyce	✓	✓	✓	✓
Mr. Joe Allen	✓	✓	✓	✓
Cllr. Fidelis Doherty	✓	✓	x	✓
Cllr. Andrew McGuinness	✓	✓	✓	x



## Presentations from Management

The Audit Committee met with Ms Colette Byrne, Chief Executive at its meeting of 1<sup>st</sup> March. The Local Government Auditor met with the Committee on the 6<sup>th</sup> December 2021 in accordance with Local Government (Audit Committee) Regulations 2014 Sections 9(c) and 11 (2)(a).

The following presentations were made to the Audit Committee during 2021:

Date of Meeting	Service Area	Presented by
1st March & 14th June	Corporate, HR, Roads & Transportation, Water Services, Health Safety & Communications	Tim Butler - Director of Services
14th June & 6th September	Finance, Information Technology, Procurement, Facilities Management, Procurement & Special Project's	Martin Prendiville - Head of Finance
14th June	Information Systems and Procurement	Kevin Hanley - Head of Information System & Procurement
6th September	Housing	Michael Leahy - Senior Executive Officer
6th December	Planning, Environment, Building Control, Parks, LEO/Economic Development, Tourism Marketing & Veterinary Services	Sean McKeown - Director of Services

## Internal Audit Development

The Internal Audit Department is a function of the Corporate Services Directorate. It is the responsibility of Internal Audit to give assurance to the Chief Executive on the existence, adequacy and effectiveness of the Council's internal controls and risk management systems. The Committee acknowledges the level of training and development provided by the Council to assist the Internal Auditor.

## Financial and budgetary management reporting

The Council's total gross Revenue Expenditure for 2021 is estimated at €104m. At present the Annual Financial Statement is in draft format. Capital expenditure is estimated at €44 million.

As reported previously, the Council operates standard local government financial management systems, Agresso and accrual accounting practices.

The Council must operate within its Annual Budget and achieve income targets while at the same time provide a good standard of public and community services. To this end, it is noted that the Council implements continuous financial control and audit systems to monitor the performance of the organisation. The operation of the monthly management account reporting, through accountable Line Managers, is central to the good financial control in place. It is also noted by the Committee that individual service areas carry out a review of expenditure and income on a monthly basis.

## Risk Register

The Council first prepared a Risk Register in 2006 and since then Management has regularly updated the document. The Risk Register is an internal document prepared to identify the main risk areas

facing the Council and to put measures in place to mitigate against the risks. Risks can be financial, physical, political, legal, or reputational.

## Work Priority for 2021

### Income Risk

The Committee met with the Head of Finance on two occasions in 2021. The committee raised concerns over the impact of Covid-19 on the Council's income especially in the areas of Commercial Rates and Parking Fees. The committee will continue to monitor this area in the future.

### Budgetary Controls

Controls of over budget expenditure are key to the efficient operation of the Council. The Committee will continue to require quarterly updating of the budgetary position of the Council and provide advice and commentary as necessary.

### Internal Audit Plan

The information gathered through Internal Audit Reports provides the Committee with significant insight into the management and operations of the Council.

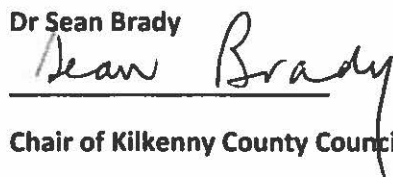
### Conclusion by Chair

The Committee receives all the support and information it requires to fulfil its remit and is satisfied it will continue to be able to fulfil its role in the overall governance arrangements of the Council into the future. We remain satisfied that Kilkenny County Council has proper governance procedures in place.

We received full cooperation from Colette Byrne, Chief Executive and her staff in relation to all aspects of our work. We particularly would like to thank Tim Butler, Director of Services and Anne Maria Walsh, Senior Executive Officer, Corporate for their support to the committee. We wish Michael Leahy, Internal Auditor well in his new role as Senior Executive Officer in Housing and thank Michael for his work during his time in Internal Audit. We welcome Brigid Webster who took up the post of Internal Auditor in September and we look forward to working with Brigid.

I wish to reserve a special word of thanks to my Audit Committee colleagues for their contributions and for facilitating remote meetings held in 2021.

Dr Sean Brady



Chair of Kilkenny County Council Audit Committee

Date 11-3-2022