

Kilkenny County Council

Internal Audit Report Arts Programme –

Date: 14th November 2022

Review of Procurement Procedures and Income Collection

Report Distribution

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Introduction

The Kilkenny Arts Office works to further strengthen Kilkenny’s position as a centre of excellence for the arts and to ensure a successful and thriving arts environment. The Arts Office works to develop, co-ordinate, motivate, inspire and strengthen artistic activity throughout the City and County. Kilkenny County Council promote the arts as a worthwhile activity for all, coordinate key cultural events, and provide advice and support for groups and individuals.

Kilkenny County Council has a framework agreement in place with the Arts Council. The purpose of this agreement is to highlight the shared strategic priorities for arts development in Kilkenny over the period 2016 – 2025. The framework outlines a shared vision for a new era of arts development, striving for equality of access to and engagement in the arts by all those living in Kilkenny. Funding from the Arts Council amounted to €69,500 in 2021.

Approach

Internal Audit spoke with staff from the Arts Office to obtain an overview of the Arts Programme. A random sample of purchases for the Arts Section for 2021 were reviewed to ensure compliance with procurement guidelines. These purchase orders included grants, contributions to other bodies and general purchasing for the Arts Section. The income received and method of recoupment from the Arts Council was also reviewed.

Scope & Limitations of scope

Scope of the audit was limited to a random sample of 25 purchase orders processed on the Agresso Financial Management System (FMS) and 3 items purchased by Low Value Purchase Card (LVPC).

The total income for the Arts Programme for 2021 and the recoupment from the Arts Council was also reviewed.

Audit Risk

Lack of Delegated Officers Orders approving contributions to other bodies from the Arts Budget.
No Delegated Officers Orders in place authorising payment of Arts Grants following approval by the Elected Members.

Co-operation of Management and staff

Internal Audit received full co-operation from Council Management and Staff throughout the Audit and would like to thank them for their assistance.

Internal Audit Opinion

Internal Audit's findings and recommendations are detailed below. Based on this audit of the Arts Section the audit opinion is reasonable assurance. There is a sufficient framework of key controls for objectives to be met. Controls are generally applied but some lapses in the application of controls have been observed.

This report was distributed to the Arts Directorate and includes their Management Action Plan.

The report was approved by the Management Team on 22nd November 2022.

The Audit Committee reviewed the Audit Report at their meeting of 5th December 2022.

Brigid Webster, Internal Auditor

Findings, Recommendations and Management Comments

Operation of Arts Programme 2021			
Expenditure		Income	
Administration	€266,182	Arts Council Grant	€69,500
Contribution to other Bodies	€284,985	Fees for courses	€800
Museums Operation	€203,052	DCCI Keep Well Campaign Grant	€3,599
Service Support Costs	€90,326	Service Support Costs	€4,570
Total Expenditure	€844,545	Total Income	€78,469

<i>Findings</i>	<i>Implications</i>	<i>Recommendations</i>	<i>Management Action Plan & Timeframe</i>
<p>1. Procurement</p> <p>A random sample of 25 purchase orders and 3 LVPC purchases were reviewed to ensure compliance with procurement procedures. Internal Audit found all 28 were compliant.</p>	<p>No issues noted</p>		
<p>2. Contributions to other Bodies</p> <p>A total amount of €284,985 was agreed for contributions to other Bodies at budget time from the Arts Budget e.g., Kilkenny Arts Festival, Music Generation, Butler Gallery, Artlink's, Barnstorm etc.</p> <p>Internal Audit noted that no Delegated Officers Orders were in place for these payments</p>	<p>Lack of Delegated Officer Order authorising payment to other bodies.</p>	<p>Internal Audit recommends a Delegated Officer Order should be on file for these contributions to other bodies. One overall Delegated Officer Order would suffice, giving details of all the contributions. The DOO number can be referenced in the memo to accompany the request for payment to the Finance Section.</p>	<p>The Delegated Officer Order will be implemented in January 2023</p>

<i>Findings</i>	<i>Implications</i>	<i>Recommendations</i>	<i>Management Action Plan & Timeframe</i>
when the payment request for the contributions were sent to the Finance Section. The invoices for these payments were accompanied by a memo from the Arts Section.			
<p>3. Allocation of Arts Grants</p> <p>Arts grants in the amount of €22,000 were approved by Kilkenny County Council's Elected Members on 21st February 2022. Internal Audit notes that no Delegated Officer Order is in place to accompany the request for payment of these grants. A memo from the Director of Services and a copy of the signed resolution were available on file.</p>	No Delegated Officers Order in place with the request for grant – non-compliance with Policy & Procedure document for Chief Executive & Delegated Orders.	Internal Audit recommends that “where Elected Members have approved by resolution the allocation of grants at a Council meeting, it is in order to pay these approved grants with one overall Delegated Order. Copy of the resolution should also accompany the request for payment of grants” (contained in Policy & Procedure for Chief Executive & Delegated Orders).	The Delegated Officer Order will be implemented in January 2023
<p>4. Fees for Courses</p> <p>The fees received for courses in 2021 was €800. Internal Audit reviewed the booking sheets against the monies receipted and they were in order. However, the booking sheets did not contain the receipt numbers for the monies paid.</p>	Payments may not be tracked and allocated correctly.	I would recommend that for accountability and ease of audit that the corresponding receipt number should be recorded on the booking sheets.	The recording of the corresponding receipt number for course income will be implemented from January 2023