



**To: Cathaoirleach and Each Member of Kilkenny County Council**

**Re: Review of Effectiveness of Kilkenny County Council's Audit Committee**

**Date: 6<sup>th</sup> March 2025**

A Chara,

The Audit Committee in Kilkenny County Council fulfils an important role in the governance framework of the Council. It assists the Council to monitor the internal control environment, risk management, financial reporting and internal and external audit functions. The Committee does not undertake Management responsibilities and is not a substitute for Management controls and accountabilities.

Under the Local Government (Audit Committee) Regulations 2014, the Audit Committee is required to undertake a review of its own effectiveness and shall report to the Local Authority on its findings.

A Review of Effectiveness was undertaken by the Audit Committee in 2025 to cover the period June 2024 – December 2024. The review examined in detail the Effectiveness of the Audit Committee to carry out its Statutory Functions. This review was approved by the Audit Committee at their meeting on 3<sup>rd</sup> March 2025.

I recommend approval of the Review of Effectiveness of Kilkenny County Council's Audit Committee in line with the details set out in this memo and the attached report to the Elected Members.

**Mary Mullholland**  
Director of Services

## Review of the Effectiveness of Kilkenny County Council Audit Committee

The Role of the Audit Committee	Y	N	N/A	Comment / Suggestion
<p><b>The Audit Committee fulfils an important role in the governance framework of an entity by assisting the Council monitor the internal control environment, risk management and financial reporting and internal and external audit functions. The Committee does not undertake management responsibilities and is not a substitute for entity management controls and accountabilities.</b></p> <p>1. Is there a written charter and terms of reference setting out the roles and responsibilities of the Audit Committee and its members, and has it been communicated to all members?</p>	Y		N/A	
<p>2. Do the terms of reference require the Audit Committee to regularly review its own effectiveness? If so, when was the last time such a review was carried out?</p>	Y			<p>June 2024 for the term 2019 – 2024.</p> <p>This review covers June – Dec 2024 and will be carried out annually hereafter.</p>
<p>3. Does the Audit Committee meet at least four times a year?</p>	Y			<p>The Committee met three times in 2024 due to the Local Election and appointment of new Audit Committee</p>
<p><b>Membership, Independence, Objectivity and Understanding</b></p> <p><b>The Audit Committee should be independent and objective. In addition, each member should have a good understanding of the objectives and priorities of the organisation and of their role as a Committee member.</b></p>	Y	N	N/A	Comment / Suggestion
<p><b>Membership and Terms of Appointment</b></p> <p>4. Are you satisfied that the Audit Committee membership complies with the requirements of S.I. No. 244 of 2014?</p>	Y			
<p><b>Relationship with the Executive and Other Participants</b></p> <p>5. Is the Executive Management of the organisation invited to attend Audit Committee meetings, participate in discussions and provide information to the Audit Committee as required?</p>	Y	N	N/A	Comment / Suggestion



<b>Access to Additional Skills</b>		<b>Y</b>	<b>N</b>	<b>N/A</b>	<b>Comment / Suggestion</b>
12. Is the Audit Committee empowered to co-opt members on a short-term basis to provide specialist skills needed at a particular time? When was the last time this was done?	Y				This was not necessary during the term of this review.
13. Can the Audit Committee procure specialist advice (at reasonable and approved expense to the organisation) on an ad-hoc basis, to assist the members with specific areas of Committee business? When was this last done?	Y				The Audit Committee can procure specialist advice as required. This was not necessary to date.
<b>Training and Development</b>		<b>Y</b>	<b>N</b>	<b>N/A</b>	<b>Comment / Suggestion</b>
14. Is there a formal induction process (including individually tailored training) for new Audit Committee members?	Y				
15. Does the Audit Committee keep up to date with best practice and developments in corporate governance?	Y				
<b>Scope of Work</b>		<b>Y</b>	<b>N</b>	<b>N/A</b>	<b>Comment / Suggestion</b>
<b>The scope of the Audit Committee's work should be defined in the terms of reference, and encompass all of the assurance needs of Kilkenny County Council, including particular engagement with the work of the internal audit function, external auditor and associated financial reporting issues.</b>					
<b>Relationship with Internal Audit</b>					
16. Does the Audit Committee monitor and review the effectiveness of the Internal Audit Unit?	Y				
17. Does the Audit Committee consider that the independence, experience, expertise and professional standard of the internal audit team are appropriate for the organisation?	Y				



18. Does the Audit Committee consider whether the scope of internal audit work, the resources at its disposal and their access to information and people allow it to address significant risks within the organisation?	Y				
19. Does the Audit Committee receive regular progress reports on work undertaken by the Internal Audit Unit?	Y				
20. Does the Audit Committee review internal audit reports and management responses to issues raised, and monitor the progress made on internal audit recommendations?	Y				
21. Does the Head of Internal Audit have direct access to the Chairperson of the Audit Committee?	Y				
<b>Relationship with External Audit</b>	Y	N	N/A		<b>Comment / Suggestion</b>
22. Does the Audit Committee consider the external auditor management letter and other relevant reports and the management response, and monitor the progress made on the recommendations?	Y				
23. Does the Audit Committee meet the external auditors at least once a year, without Council officials being present, to discuss any issues of concern?	Y				
<b>Relationship between Internal and External Audit</b>	Y	N	N/A		
24. Does the Audit Committee seek confirmation from the Internal Audit and External Auditor on the effectiveness of there Relationship?	Y				
<b>Fraud</b>	Y	N	N/A		<b>Comment / Suggestion</b>
25. Does the Audit Committee consider whether anti-fraud and corruption policies and procedures are in place and operating effectively?	Y				
26. Does the Audit Committee consider whether there is an anti-fraud policy and code of conduct and its distribution to employees?	Y				

<b>Internal Control</b>	Y	N	N/A	<b>Comment / Suggestion</b>
27. Does the Audit Committee satisfy itself that the system of internal control has operated effectively throughout the reporting period and that the system of internal reporting gives early warning of control failures and emerging risk?	Y			
28. Does the Audit Committee consider whether financial control, including the structure of delegations, enables the organisation to achieve its objectives and achieve good value for money?	Y			
<b>Financial Reporting</b>	Y	N	N/A	<b>Comment / Suggestion</b>
29. Does the Audit Committee review the draft of the annual financial statements?	Y			The Audit Committee is updated on the draft AFS by the Head of Finance at the March meeting of the Audit Committee in advance of the presentation to the full Council.
30. Before the Chief Executive/Head of Finance signs off the financial statements, does the Audit Committee consider whether: <ul style="list-style-type: none"> <li>▪ accounting policies, completeness of financial statements, anti-fraud policy and losses are properly recorded and accounted for?</li> <li>▪ there has been a robust process in preparing the financial statements to ensure completeness and whether appropriate processes are in place to ensure accurate accounting records are maintained?</li> <li>▪ suitable processes are in place to ensure regularity, probity and propriety are achieved?</li> <li>▪ issues raised by the external auditors have been given appropriate attention?</li> </ul>		N		The Council follows the required process in compiling and presenting the Draft Annual Financial Statement to Council Members. On completion of Audit the final Annual Financial Statement and Auditors Report is also presented to the Council Members. The Audit Committee review the Audited Financial Statement and Auditors report annually. The Audit Committee is also updated on the Annual Financial Statement by the Head of Finance in his Management reports. The Audit Committee meet with the External Auditor annually and independently of the Directors of Service and Internal Audit.
<b>Communication</b>	Y	N	N/A	<b>Comment / Suggestion</b>

The Audit Committee should ensure it has effective communication with the County Council, Chief Executive, the Head of Internal Audit, the external auditor, and other stakeholders.				
31. Does the Audit Committee provide an annual report to the Council and Chief Executive?	Y			
32. Does the annual report of the Audit Committee present the Committee's opinion about: <ul style="list-style-type: none"> <li>▪ the adequacy of risk management and internal control systems?</li> <li>▪ the adequacy of sources of assurance for same?</li> <li>▪ governance issues and concerns?</li> <li>▪ financial reporting for the year?</li> <li>▪ quality of internal and external audit?</li> <li>▪ the Audit Committee's view of its own effectiveness, including advice on ways in which it considers it needs to be strengthened or developed?</li> </ul>	Y			
33. Does the Chairperson of the Audit Committee have open lines of communication with the Council Members, Chief Executive, the Head of Internal Audit and the external Auditors?	Y			
34. Do reports to the Audit Committee communicate relevant information at the right frequency, time and format to be effective?	Y			
<p align="center"><b>The Role of the Audit Committee Chairperson</b></p> <p><b>The Chairperson of the Audit Committee has responsibility for ensuring that the work of the Committee is effective, that the Committee is appropriately resourced, and that it is maintaining effective communication with stakeholders.</b></p>	Y	N	N/A	<p align="center"><b>Comment / Suggestion</b></p>
<p align="center"><b>Monitoring Actions</b></p>				
35. Does the Chairperson of the Audit Committee ensure that members who have missed a meeting are appropriately briefed on the business conducted in their absence?	Y			<p>Minutes of meetings are circulated to all Committee members containing all the business conducted at the meeting. In advance of the approval of the minutes at the next meeting the Chair would ask if any member had any matter</p>

					arising from previous meeting which needed to be addressed.
<b>Appraisal</b>					<b>Comment / Suggestion</b>
36. Are records of attendance maintained and reviewed annually by the County Council?	Y	N	N/A		
	Y				
<b>Appointments</b>					<b>Comment / Suggestion</b>
37. Is the Chairperson involved in the appointment of new Audit Committee members, including providing advice on the skills and experience required of the new individual?	Y	N	N/A		
	Y				
<b>Audit Committee Support</b>					<b>Comment / Suggestion</b>
<b>The organisation should provide its Audit Committee with appropriate secretariat support to enable it to be effective. This is more than a minute-taking function, it involves providing active support for the work of the Committee and helping its members to be effective in their role.</b>	Y	N	N/A		
38. Is the Audit Committee supported by a secretariat?	Y				
39. Does the Audit Committee secretariat:	Y				
<ul style="list-style-type: none"> <li>▪ commission papers as necessary to support agenda items?</li> <li>▪ circulate meeting documents and meeting minutes to all Committee members, Internal Audit and external auditors in good time before each meeting?</li> <li>▪ for any agreed actions, document the owner, deadline and any advice given by stakeholders and monitor between meetings?</li> <li>▪ keep the Committee abreast of development in the County Council?</li> <li>▪ maintain a record of when members' terms of appointment are due for renewal or termination?</li> <li>▪ ensure that appropriate appointment procedures are initiated when required?</li> </ul>					
<b>Member Contribution</b>					<b>Comment / Suggestion</b>
	Y	N	N/A		



40. Are you satisfied that appropriate attention is given to the discussion of Value for Money in the programme of work of the Audit Committee? Please include in the box provided any suggestion you have in how this could be enhanced?	Y	
41. Are you satisfied that you have been provided with appropriate training and skills to maximise your personal contribution to the work of the audit committee?	Y	
42. In the comment box provided, please outline any perspectives and ideas you may have on how the audit committee could enhance its performance and add greater value to its work programme.		

*Sean Brady*

**Dr Sean Brady**

**Chair of Kilkenny County Council Audit Committee**

Date 31<sup>st</sup> March 2025