

Kilkenny County Council

Audit Committee

Annual Report 2023

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 fifth 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.

Membership

The composition of the Committee is as follows:

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

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

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

Cllr. Andrew McGuinness. Municipal District – Kilkenny City.

Cllr. Fidelis Doherty. Municipal District – Piltown.

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.

The list of Internal Audit Assignments carried out in 2023 is as follows:

- NOAC Public Spending Code – In Depth Checks of Capital and Revenue Projects
 - Acquisition of 58 Turnkey Housing Units, Pennefeather Green, Hebron Road
 - Construction of Abbey Quarter Urban Street and Park, Kilkenny City
 - Operation of Arts Programme
 - Operation of Motor Tax Office
- Travel & Expenses Payments
- Covid Rates Waiver Scheme
- SICAP 2022
- Review of Risk Register
- Random Cashier Check Motor Tax, Traffic/Receipts
- Ukrainian Response Unit
- Housing Capital Recoupments
- Motor Tax End of Year Stocktake

The progress on the implementation of Internal Audit Recommendations is monitored by Internal Audit and a quarterly report is prepared for review by the Audit Committee. This body of work was an integral part of the Audit Plan for 2023 and a total of 205 Audit Recommendations were closed out across the Directorates.

Meetings of the Audit Committee

The Committee met on four occasions during 2023. The four meetings were in person meetings with the option of remote access. The attendance record for each member was as follows:

Member	6th March	12th June	4th September	4th December
Dr. Sean Brady (Chair)	✓	✓	✓	✓
Ms. Maura Joyce	✓	✓	✓	✓
Mr. Joe Allen	✓	✓	✓	✓
Cllr. Fidelis Doherty	✓	✓	✓	✓
Cllr. Andrew McGuinness	✓	✓	✓	✓

Presentations from Management

The following presentations were made to the Audit Committee during 2023:

Date of Meeting	Service Area	Presented by
6 th March & 4 th December	Corporate, HR, Roads & Transportation, Water Services, Health Safety & Communications	Tim Butler - Director of Services
6 th March, 12 th June & 4 th December	Finance, Information Technology & Procurement, Facilities Management & Special Project's	Martin Prendiville - Head of Finance
12 th June	Management of Displaced Ukrainian Persons situation & Fire Services	Fiona Deegan – A/Director of Services
12 th June	Information Systems and Procurement	Kevin Hanley - Head of Information System & Procurement
4 th September	Planning, Environment, Building Control, Parks, LEO/Economic Development, Tourism Marketing & Veterinary Services	Denis Malone – A/Director of Services
4 th September	Housing – Approved Housing Bodies	Michael Leahy, Senior Executive Officer, Housing Section
4 th December	Housing, Community, Library, Arts, Heritage & Fire Service	Eimear Cody, Senior Engineer, Housing Section

The Audit Committee also met with Mr Sean McKeown, Acting Chief Executive at its meeting of 6th March 2023. The Local Government Auditor met with the Committee on the 4th December 2023 in accordance with Local Government (Audit Committee) Regulations 2014 Sections 9(c) and 11 (2)(a) and there were no findings required to be notified to the Plenary Council. The newly appointed Chief Executive was introduced to the Audit Committee on 4th December 2023. Mr Power was welcomed by the Audit Committee and wished every success with Kilkenny County Council.

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 2023 is estimated at €110 million. At present the Annual Financial Statement is in draft format. Capital expenditure is estimated at €92 million.

As reported previously, the Council operates standard local government financial management systems, Aggresso 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. Following an Internal Audit Report on the Risk Register in 2023 the Corporate Affairs Directorate undertook a full review of the Risk Register Process. Risk Register training was provided to 16 Service Areas. A new template for quarterly review of the Register is now in place. The new Risk Register will be rolled out in Q1 2024. High risk items are reviewed fortnightly by the Management Team.

Work Priority for 2023

Income Risk

The Committee met with the Head of Finance on three occasions in 2023 to gain an overview of the current income risks. 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.

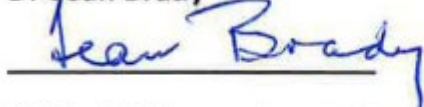
Conclusion by Chair

As the term of this Audit Committee will expire in May 2024, I wish to confirm the Committee received all the support and information it requires to fulfil its remit. I am satisfied that a new Committee 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, former Chief Executive and Sean McKeown, Acting Chief Executive & Lar Power, Chief Executive and his staff in relation to all aspects of our work. We particularly would like to thank Tim Butler, Director of Services, Anne Maria Walsh, Senior Executive Officer, Corporate and Brigid Webster, Internal Auditor for their support to the Committee.

I wish to reserve a special word of thanks to my Audit Committee colleagues for their contributions and for facilitating meetings held in 2023. I would like to express my thanks to the Committee for their exceptional work since our term began in 2019.

Dr Sean Brady



Chair of Kilkenny County Council Audit Committee

Date

11th March 24