
Audit Committee Annual Report 2018.

The Audit Committee is a statutory committee established in accordance with Section 59 of the Local Government Reform Act 2014. In the case of Dublin City Council there are seven Members on the Committee who are as follows:

Mr. Brendan Foster, Dublin Chamber of Commerce (Chairperson).
Mr. Johnny McElhinney, Docklands Business Forum.
Councillor Naoise O Muiri.
Councillor Cathleen Carney Boud (Deputy Lord Mayor) replaced Councillor Noeleen Reilly who resigned from the Audit Committee in June 2018.
Lord Mayor Councillor Nial Ring.
Ms. Louise Ryan, Trinity College Dublin.
Mr. Nathy Walsh, Institute of Public Administration.

The role of the Audit Committee is to support the Elected Council by providing an independent assessment of the activities of Management in controlling the City Council and the quality of the risk management, financial reporting, financial management and internal audit.

The functions of an Audit Committees are clearly defined and set out in Section 59(2) of the Local Government Reform Act 2014.

The functions of an audit committee are –

- (a) To review financial and budgetary reporting practices and procedures within the local authority that has established it,
- (b) To foster the development of best practice in the performance by the local authority of its internal audit function,
- (c) To review any audited financial statement, auditors' report or auditors' 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,
- (d) To assess and promote efficiency and value for money with respect to the local authorities performance of its functions, and
- (e) To review systems that are operated by the local authority for the management of risks.

Audit Committees are also required under Article 15 of the Local Government (Audit Committee) Regulations 2014 to prepare an annual report, within three months of the expiration of each calendar year, on its activities and findings during the previous year, which should also include the Committee's assessment of its own effectiveness and performance. This report has been prepared and is being submitted, for your consideration, in compliance with the above referred to Regulations.

Audit Committees activities during 2018:

The Committee met on four occasions in 2018: March, July, September and December. The Audited Annual Financial Statement (AFS) for 2017 and the Principal Local Government Auditor's (PLGA) Report on the AFS was considered by the Committee at the September meeting. Ms Ita Howe, Principal Local Government Auditor was in attendance at that meeting. All of the issues contained in the PLGA's report were considered and discussed in detail. The Audit Committee duly submitted its report (as required under the relevant legislation) to the City Council on its considerations of the audited AFS and PLGA's report. The City Council noted that report, at the October 2018 City Council meeting. (Report No. 256/2018 refers). Ms. Ita Howe also attended the March 2018 meeting of the Audit Committee prior to the formal commencement of the statutory audit and indicated to the Committee a number of areas that she intended to review.

The Committee also reported to the City Council (April 2018 Council meeting), as required by the Audit Committee Regulations 2014, on its activities during the year 2017. (Report to Council No. 84/2018 refers)

Reports/Updates:

Article 8 of the Local Government (Audit Committee) Regulations 2014 requires that an Audit Committee's Charter be reviewed annually by the Committee and the Local Authority. The Charter was reviewed by the Committee at its meeting in December 2018 and approved by the Elected Council at its meeting in January 2019. (Report to Council No. 36/2019 refers)

Article 9 of the Local Government (Audit Committee) Regulations 2014 requires an Audit Committee to prepare an "Annual Work" Programme which shall be adopted with or without amendment by the Local Authority. The 2019 "Work Programme" was prepared by the Audit Committee at its December 2018 meeting and subsequently approved (without amendment) by the Elected Council at its January 2019 meeting. (Report to Council No. 36/2019 refers)

Mr. Terence O'Keefe (Law Agent) and Ms. Audrey O'Hara (Senior Solicitor) attended the July meeting of the Committee and updated the members on the progress and preparedness of the Dublin City Council in relation to General Data Protection Regulations.

Copies of reports issued by the National Oversight and Audit Commission in 2018, were circulated to the Members by the Secretary to the Committee and were listed for discussion at the next meeting of the Audit Committee following their circulation.

Internal Audit Unit:

Mr. Hugh Fitzpatrick, Head of Internal Audit and Secretary to the Audit Committee attended all four meetings of the Committee as did Ms. Kathy Quinn Head of Finance. The following Audit Reports were submitted to the Audit Committee during the year:-

- (a) Review of Recommendations Implementation for Internal Audit Reports 2015 & Follow-up of Recommendations 2011-2014.
- (b) In-Depth Check of Post-Implementation (Post-Project Review) Stage, as per the Requirements of the Public Spending Code (PSC).
- (c) In-Depth Check of the Appraisal/Planning/Design Stage of the Sandford (Clonskeagh) to City Centre Cycle Route (PSC).
- (d) In-Depth Check of DCC's on-going Management of Dublin City Car Parking (PSC).
- (e) In-Depth Check of the Appraisal/Planning/Design Stage of the Dodder Public Transportation Opening Bridge (PSC).
- (f) Review of Driver Records.
- (g) A Review of DCC's Development Contributions.

- (h) Review of Stock Procedures at the Public Lighting and Electrical Services Depot, Marrowbone Lane.
- (i) Review of Procurement within Dublin Fire Brigade.

The Head of Internal Audit presented a draft Audit Plan for 2019 to the Committee at the December meeting, which was approved by the Committee.

Internal Audit, as a matter of course, periodically review the implementation rate of recommendations contained in previous years Internal Audit Reports and formally report the findings to the Audit Committee.

The Committee was extremely concerned at the sharp decline in compliance in relation to the recommendation implementation rate achieved for some audit reports, which was particularly poor in the case of two reports. These concerns were conveyed to the Chief Executive on a number of occasions during the year, both by the Head of Internal Audit, on behalf of the Committee and directly by myself. The Chief Executive and the Assistant Chief Executive with responsibility for the areas, the subject of the two Audit Reports, attended the December meeting of the Committee. The Assistant Chief Executive personally undertook to follow up each of the recommendations and to report back to the Committee on progress in that regard within a few months.

Regulation 13(1) of the Local Government (Audit Committee) Regulations 2014 states as follows:

“The Audit Committee shall undertake annually a review of its own effectiveness and shall report to the Local Authority on its findings”.

The Audit Committee has reviewed its own performance and effectiveness in relation to (A) Legislative requirement, (B) Audit Committee Charter (C) the Audit Committee’s Work Programme for 2018 and 2019 (D) Risk Management (E) Review of the Authority’s Financial and Budgetary reporting practices and procedures and (F) Engagement with the National Oversight and Audit Commission (NOAC).

I, as Chairperson on behalf of the Members wish to state that we are satisfied that the Audit Committee has complied fully with all of its obligations and carried out its functions satisfactorily.

The Members of the Audit Committee completed their annual return, as provided for in the A.C. Charter, and “Any Conflict of Interest”, is a standing item on the agenda for meetings of the Committee.

Attendance and participation by Members at our meetings was excellent.

In conclusion, on behalf of the Committee I wish to thank the management and staff of Dublin City Council for their support and co-operation during 2018. The Committee particularly wishes to thank the Head of Finance and all the staff in Internal Audit for their input, advice and assistance.

Brendan Foster,
Chairperson,
21st March 2019.