

4<sup>th</sup> September 2019

To Cathaoirleach and Members of Kilkenny County Council

**Audit Committee Charter and Work Plan 2019**

Audit Committees are required, under Article 8 and 9 of the Local Government (Audit Committee) Regulations 2014 to (a) operate in accordance with a written charter that shall be adopted by the Local Authority with or without amendment and (b) to prepare an annual work programme that shall be adopted by the Local Authority with or without amendment, respectively.

At a meeting of the Audit Committee held on the 2<sup>nd</sup> September 2019, the Committee approved the Charter set out in Appendix A and also agreed the 2019 Annual Work Programme set out in Appendix B. Both documents were prepared in accordance with the above referred to Regulations and the Guidance Notes issued in 2014 by the then titled "Department of the Environment, Community and Local Government".

Accordingly, I now submit the Audit Committee Charter and 2019 Work Programme to the City Council and I recommend that they be formally adopted.

*Sean Brady*

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Dr. Sean Brady  
Chairperson  
Audit Committee



Appendix A

# Audit Committee Charter

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**Kilkenny County Council**



This Audit Committee Charter was adopted by resolution of Kilkenny County Council on \_\_\_\_\_

The charter is based on the SI 244, Audit Committee Regulations 2014, the statutory obligations within relevant Local Government legislation, Audit Committee Guidance June 2014 as well as guidance and good practice as outlined in various professional and authoritative codes and reports.

## **1 PURPOSE**

As part of the governance arrangements that operate within Kilkenny County Council, the audit committee has an independent role to advise the Council on financial reporting processes, internal control, risk management and audit matters.

## **2 FUNCTIONS**

The functions of the audit committee are as prescribed by section 59 of the Local Government Act 2014:

### **2.1 To review the financial and budgetary reporting practices and procedures within the local authority:**

- This will incorporate a review and consideration of all aspects of the financial cycle within Kilkenny County Council from budget preparation and adoption, monitoring of income and expenditures through to the completion of the annual financial statements.
- The audit committee may request reviews of financial management and reporting arrangements in addition to auditing existing financial policies, procedures and protocols as it considers necessary.

### **2.2 To foster the development of best practice in the performance by the local authority of its internal audit function:**

- Review with management and the internal auditor the charter, activities, staffing and organisational structure of the internal audit function, its compliance with relevant professional standards and bring any recommendations to the attention of the Chief Executive. In this regard, the Committee should ensure that no limitations are placed on the work of the internal audit unit.
- Approve the audit plan and monitor its implementation
- Review audit reports, findings and recommendations and management responses
- Review , on an ongoing basis, the audit engagement process

### **2.3 To review any audited financial 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 report its findings to the authority:**

- Review with management and the external auditors the results of the statutory audit.
- Review with management and the external auditors the management letter and all matters required to be communicated to the committee under generally accepted auditing standards.
- Report to Council on its findings at the next practicable meeting of Council.

### **2.4 To assess and promote efficiency and value for money with respect to the local authority's performance of its functions:**

- Review management's arrangements to ensure and demonstrate economy, efficiency and effectiveness across the organisation.
- Request special reports from management or internal audit as considered appropriate.

- 2.5 To review systems that are operated by the local authority for the management of risks:**
- Evaluate the scope and effectiveness of the framework established by management to identify, assess, monitor and effectively manage risk.
  - Review the corporate risk management policy and receive presentations from management on corporate, directorate, divisional and sectional risk registers.
- 2.6 To review the findings and recommendations of the National Oversight and Audit Commission (NOAC) and the response of the Chief Executive to these and take further action as appropriate:**
- Review the relevant findings of NOAC and ensure that its work programme takes NOAC's findings and recommendations into account.
  - Request special reports from management or internal audit as considered appropriate.

### **3 COMPOSITION AND OPERATION OF AUDIT COMMITTEE**

#### **3.1 Membership**

The audit committee is established by resolution of the Council upon nomination by the Corporate Policy Group and following consultation with the Chief Executive. The term of the committee is concurrent with that of the current Council which commenced on 1<sup>st</sup> June 2019 and will terminate on 31<sup>st</sup> May 2024.

The Chairperson of the committee shall be selected by its members and shall be one of the external members.

#### **3.2 Induction Process and Training Requirements**

It is the duty of the Chairperson to ensure that the training needs of the audit committee and of individual members are reviewed on an annual basis and reported to the Chief Executive and Council. Where training needs are identified, the Chief Executive will facilitate the provision of such training, where practicable.

#### **3.3 Meetings**

The committee will ordinarily meet on a quarterly basis and may hold additional meetings if required. Meetings will normally be held in the County Hall, Johns Street, Kilkenny at times and dates which will be agreed by the committee and the Secretary.

The quorum necessary for the transaction of business shall be 3 members. In the absence of the Chairperson, those present shall select a chairperson for the meeting.

The committee may invite the Chief Executive, members of management, internal and external audit, or others to attend meetings and provide information, as necessary.

Minutes will be prepared and a copy shall be forwarded to the Chief Executive. Minutes will be approved at the next meeting of the audit committee.

#### **3.4 Working Procedures and Access**

The committee will adopt its own working procedures, which may include as necessary the commissioning of independent professional expertise following consultation with the Chief Executive and by resolution of the Council.

## Audit Committee Charter Kilkenny County Council

Each year the committee will develop a detailed annual work programme and this will be provided to the Council at the start of each year.

The committee will have access to documents or other data and information as it reasonably requires in order to discharge its functions.

The Chief Executive will ensure that staff facilitate the committee in relation to briefings required by them in a timely and efficient manner.

The local government auditor and the head of internal audit may communicate with the committee as they consider necessary. The local government auditor or the head of the internal audit unit may, with the agreement of the Chairperson of the committee, request a meeting to discuss a matter of exceptional importance.

### **4 INDEPENDENCE**

The committee shall be independent in the performance of its functions and responsibilities and shall not be subject to direction or control from any other party. The committee is accountable to the Council.

### **5 CONFIDENTIALITY**

The agendas, papers, reports, documentation and discussions of the committee are confidential and will contain sensitive material and information necessary to allow members to carry out their duties. Members and those in attendance shall not, without the approval of the Chairperson, discuss matters arising with third parties or directly or indirectly disclose to these parties information obtained in the course of their duties, either during the term of their membership or at any time afterwards.

### **6 MEDIA PROTOCOL**

Members will forward all queries, requests for interviews or comments from the media or outside parties immediately to the Secretary of the committee.

### **7 CONFLICT OF INTEREST PROCEDURES**

All possible conflicts of interest are to be notified to the Chief Executive prior to the first meeting of the committee. If the personal circumstances of a member changes in any way that may result in a conflict of interest for them in the exercise of their audit committee duties then they are to immediately declare the circumstances to the Chairperson of the Audit Committee. Declaration of interests will be a standing agenda item.

Each year members of the audit committee will be asked to make an annual declaration and disclosure of interests for the local government sector. This will be as detailed in the Ethical Framework for the Local Government Service and set out in Part 15 of the Local Government Act 2001 (as amended).

The Committee members will adhere to the code of conduct for the Committee

**8 FREEDOM OF INFORMATION/DATA PROTECTION**

The committee will have regard to the statutory requirements in relation to Freedom of Information and Data Protection and ensure that its obligations in this regard are fully and properly implemented.

**9 REVIEW OF PERFORMANCE AND EFFECTIVENESS**

The Audit Committee will undertake an annual review of its own performance and effectiveness and will report to Council on its findings.

Where the assessment highlights the need for improvement in the role, operational processes or membership of the committee, it is the duty of the Chairperson to take action to ensure that such improvements are implemented. The Chairperson, in consultation with the Chief Executive, will decide on appropriate training and/or actions required to improve the performance and effectiveness of the committee.

**10 REPORTING**

The committee will prepare an annual report within three months of the expiration of each calendar year of operation

The committee will report to the Council on its consideration of the audited Annual Financial Statement, Auditor's Report or Auditor's Special Report at the next practicable meeting of the Council

**11 PROTECTED DISCLOSURES (WHISTLEBLOWING)**

The committee shall ensure that procedures are in place whereby employees may in confidence raise concerns about possible irregularities in financial reporting or other financial matters

**12 QUALIFIED PRIVILEGE**

Members of the audit committee are entitled to qualified privilege in relation to any statements made by them at any meeting that they attend under the Local Government (Audit Committee) Regulations 2014 or in their capacity as a member of the audit committee.

**13 REVIEW OF THE AUDIT COMMITTEE CHARTER**

The audit committee charter will be subject to annual review by the committee and Council

Audit Committee Charter Kilkenny County Council

Signed By: Alan Brady  
Chairperson  
Kilkenny County Council Audit Committee

Date: 2<sup>nd</sup> September 2019

Signed By: Naileth Byrne  
Chief Executive  
Kilkenny County Council

Date: 3-9-19



## Appendix B

### **Audit Committee Work Programme 2019**

1. The approval of the Annual Internal Audit Plan.
2. A review of the Audited Financial Statement and Auditors report.
3. The Preparation of the annual report – prepared under Regulation 15 of the Local Government (Audit Committee) Regulations 2014.
4. A review of the Audit Committee Charter
5. The review of periodic internal audit reports
6. The review of relevant findings and recommendations of the National Oversight and Audit Commission and the response of the Chief Executive to such findings and recommendations: and take further action as appropriate.
7. Any other actions necessary to discharge our functions.

