



AN TÚDARÁS PÓILÍNEACHTA
POLICING AUTHORITY

Audit and Risk Committee

Annual Report 2024

MARCH 2025

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Statement from the Chair of the Audit and Risk Committee

I am pleased to present the annual report of the Audit and Risk Committee (ARC) of the Policing Authority ('the Authority') for 2024.

The ARC was established by the Authority in June 2016 to provide independent and objective advice on the adequacy of the systems of governance, internal control and risk management in the Authority, including through oversight of the work of the internal audit function. This is the seventh annual report of the ARC and covers its eighth full year of operation¹.

The role of the ARC is advisory rather than supervisory. It provides an independent view of the financial reporting process, internal control and risk management systems, governance and audit functions of the Authority and provide assurance on the adequacy of and compliance with these systems to the Authority and the Accounting Officer.

In 2024, the Authority continued to undertake its oversight, Garda appointments, and internal governance functions in a highly complex and fast changing operating environment – most notably in the context of a wide-ranging change to the policing and policing oversight landscape, emanating from the Policing, Security and Community Safety (PSCS) Act 2024. This has included a significant amount of preparation for the transition of the Authority to the new Policing and Community Safety Authority (PCSA).

On commencement of the Act the Policing Authority will be dissolved and the new Policing and Community Safety Authority will take over the roles and responsibilities as outlined in the 2024 Act. The timing of commencement of the PSCS Act 2024 has posed challenges to the work of the ARC during 2024. Initially it was indicated that commencement of the Act would take place at the end of Q2 2024; however, this timeline was moved out incrementally to Q3, then Q4 and ultimately to end of Q1 2025. These changing timelines required ongoing renegotiation by the Authority of targets and deadlines for both the oversight and corporate governance aspects of its work.

It is in this challenging operating environment that the Committee executed its role to oversee the ongoing development and maintenance in the Authority of appropriate structures for audit and risk, in line with the Authority's Audit and Risk Committee Charter, and as detailed in this report. This was enabled by continued ongoing and regular engagement with our outsourced Internal Audit Provider and with the Comptroller and Auditor General.

The planned schedule for internal audit was pared back in comparison to previous years; a prudent decision in light of the necessary focus of available resources across the organisation on the complex work of preparing for transition to a new body. It should be noted that the internal audit schedule for 2024 was predicated on the presumption of an initial commencement date of mid-year, with incremental changes to the proposed date throughout the course of the year. These matters were outside of the control of the Authority and required a flexible and pragmatic response in terms of the audit and risk functions.

Crowleys DFK continued to provide internal audit services by auditing the activities of the Authority. The Authority went to tender for Internal Audit services in September 2024; the contract was awarded to Crowleys DFK in December 2024. Crowleys DFK completed the Review of Internal

¹ The first annual report of the ARC covered its initial 18 months of operation (June 2016 - December 2017).

Control 2024. Their conclusions in this audit are that: “Our audit results indicate that **substantial assurance** can be placed on the adequacy and operating effectiveness of controls to mitigate and/or manage risks to which the audit area may be exposed”. This assurance is welcomed by the ARC. The ARC recognises the valuable contribution to the overall control environment that Crowleys DFK provide, including that the Accounting Officer and the Authority can rely on the independent assurance that they provide.

Concerning the generally minor findings and related recommendations noted in their reports, the ARC is satisfied that these are appropriately addressed by management.

The C&AG, as the external auditor, provided a similar level of assurance from their audit of the Appropriation Account 2023 for the Authority’s Vote, with a clear audit certificate issued.

Accordingly, the ARC is satisfied with:

- the assurance provided by internal and external audit;
- the Committee’s own work in the oversight and review of financial, control, risk and governance matters;
- engagement with management during 2024; and
- the assurance provided in relation to the internal control systems in place in other organisations which provide financial, payroll, HR and ICT services on behalf of the Authority, including where available, independent internal audit reports.

On the basis of its considerations during the past year, as outlined, the ARC is satisfied that the controls in place address the range of financial, operational, reputational, and strategic risks facing the Authority and that these controls are both adequate and operating satisfactorily and can therefore be relied on to give assurance to the Authority and the Accounting Officer.

Finally, I would like to recognise the important contribution of the members of the ARC in 2024 in providing the critical independent advice and assistance to the Authority in discharging its governance responsibilities.



Anthony Harbinson

Audit and Risk Committee Chair

27 March 2024

1. Introduction

The Audit and Risk Committee (ARC) Annual Report 2024 is prepared in accordance with the Audit and Risk Committee Charter and the requirements of the Code of Practice for the Governance of State Bodies (the Code).

2. Membership, Meetings and Support

The ARC held three meetings in 2024, on the following dates:

- 05 March 2024
- 24 June 2024
- 19 September 2024

The members of the ARC and their attendance at meetings in 2024 are shown in Table 1.

Table 1: Membership of Audit and Risk Committee 2023		
Member	Position	Meetings attended in 2023
Mr Anthony Harbinson	Chair	3
Mr Declan Hoban	External Member	3
Ms Geraldine Smith	External Member	3

The Committee was supported by the Executive throughout the year.

3. Role and Functions of the Audit and Risk Committee

The ARC is part of the Policing Authority's (the Authority) control environment, tasked with providing independent advice to the Accounting Officer and the Authority and supporting them in their responsibilities for matters of internal control, risk and governance. In so doing the ARC reviews the comprehensiveness, reliability and integrity of assurances to the Authority and the Accounting Officer, including the suitability and robustness of the organisation's internal control, internal audit, risk management and governance systems and procedures. The ARC may make any recommendations to the Authority and the Accounting Officer it deems appropriate on any area within its remit where action or improvement is needed.

The main functions of the ARC are set out in the *Audit and Risk Committee Charter* and cover the following areas:

- Internal control and risk management systems;
- Financial reporting;
- Compliance with laws, regulations and codes;
- Internal audit;

- External audit;
- Protected disclosures; and
- Governance.

4. Audit and Risk Committee Charter

Due to the anticipated commencement of the PCSA and the expected dissolution of the Committee, a review of the Charter was not carried out by the Audit and Risk Committee during 2024.

It was thought more appropriate that the new PCSA ARC should establish its own charter during 2024; however, this was not possible due to repeated delays in establishment of that body outside of the control of the Policing Authority.

5. Work of the Committee in 2024

The following matters were considered by the ARC as part of its work plan in 2024 under the general headings of governance, audit, finance, and risk:

Governance

- The Authority's progress against the Corporate Priorities was monitored through regular updates, as provided to the Authority, and through regular consideration of the risk register;
- Consideration and advice was given in respect of the governance elements of the ongoing transition project to enable the Authority to become the Policing and Community Safety Authority (PCSA) – under the Policing, Security and Community Safety Act 2024;
- The Committee's annual report was reviewed.; and,
- The Chairperson's Statement of Internal Controls for inclusion in the Authority's Annual Report to the Minister for Justice, was reviewed in compliance with the Code.

Audit

- The internal audit work plans for 2024 were reviewed and updated to reflect an appropriate audit coverage in light of areas of highest risk, and taking into consideration the expected transition to the PCSA;
- Consideration of reports provided by the internal audit provider (see Section 7 below) and regular meetings to discuss same;
- Consideration of the outcome of the audit by the Comptroller and Auditor General (C&AG) in relation to the external audit of the Authority's Appropriation Account 2023 (See Section 8 below) and meeting with the C&AG Senior Auditor to discuss matters arising from the audit;
- Internal Audit Annual Report for 2023 to the Audit and Risk Committee; and,
- Ongoing review of the status of implementation of audit recommendations.

Finance

- The adequacy of the Authority's annual financial provision and monthly financial reports were considered on a regular basis;
- The draft Appropriation Accounts were considered prior to submission; and,

- Regular oversight was applied to the matter of prompt payments and any other matters as required.

Risk

- Risk management reports were considered at all meetings of the Committee;
- Complete review of the risks and mitigations in the Authority's Risk Register; and,
- Advice on the evolving Risk Register as a living document.

Matters discussed by the ARC in relation to all items under its remit are communicated by the Committee Chair to the Authority in an update at monthly Authority meetings. Approved minutes of ARC meetings are made available and published on the Authority's website as a matter of normal practice. Final audit reports are also provided to the Authority. In addition, the ARC retains a log of actions arising from its meetings and progressed by the Executive. The status of these actions is updated on an ongoing basis and monitored.

6. Senior Management Updates

The Chief Executive or Director of Business Services updated the ARC at each of its meetings in relation to the Authority's main activities, risks and the Authority's environment. The ARC had reference to the monthly CEO Report to the Authority; the ongoing preparations for the transition to the Policing and Community Safety Authority; the Authority's oversight of policing performance generally; the Authority's resourcing and progress against the business plan for 2024; and matters pertaining to both the Authority's appointments and research functions. The Finance Officer briefed the ARC in relation to the financial position of the Authority and other relevant matters.

7. Internal Audit

The Internal Audit Provider (IAP), Crowleys DFK, carried out the review of Internal Controls during 2024. No further audits were conducted due to the anticipated dissolution of the Authority in June based on the multi-annual and annual Internal Audit Plans, which were adjusted with ARC approval, to take account of the changing environment and risk since the plans were developed

The final report of this report was provided to the ARC and presented by the IAP. Through this audit report the IAP confirmed that they were satisfied that overall the Authority had established reasonable systems and controls for the management and mitigation of key risks and that these systems and controls operated effectively during 2024.

8. Audit of the 2023 Appropriation Account by the External Auditor

The C&AG is the Authority's external auditor and carried out their audit of the 2023 Appropriation Account for the Authority's Vote in 2024. The Authority's 2023 Appropriation Account was published by the C&AG in September 2024.

The C&AG found one matter for attention identified in the management letter to the Authority and issued a clear audit certificate. The Senior Auditor with responsibility for the audit presented her

report to the Committee in September 2024 and confirmed satisfaction with the financial controls in place and the books of accounts maintained. The internal audit provider was also in attendance at the meeting for the C&AG report.

9. Implementation of Audit Recommendations

The Executive maintains a register of audit recommendations from all internal and external audits and the status of the implementation of these recommendations is regularly updated and routinely reviewed by the ARC. The implementation status of recommendations is also subject to annual review by the internal audit provider who completed such an exercise in Q2 2024. At the end of 2024, two recommendations remained open on the Authority's register.

10. Risk Management

The Authority has a risk management system in place including a comprehensive Risk Management Policy, a Risk Appetite Statement, and a Risk Register. This system, which includes regular ongoing identification, assessment, mitigation and management of risk by the Authority is monitored regularly by the ARC as a standing agenda item.

The ARC reviews the Risk Register and Risk Management Report at each meeting and advises in relation to the identification, ranking, and mitigation of risks in addition to the operation of the risk management system.

The Risk Register is regularly updated to reflect observations by the Authority, Committees, the Senior Management Team and staff, including where appropriate to add new risks, remove or modify risks, to consider the ranking and mitigation of risks and to escalate particular risks in light of changing circumstances.

An in-depth review of the Risk Register is completed at least annually. A full review took place during Q2 2024 with minor amendments being identified. In light of very significant risks relating to the establishment of the PCSA, another in depth review took place in Q3 2024, with a number of new risks of extreme rating identified at this time.

11. Assessment of Audit and Risk Committee Effectiveness

Due to the anticipated commencement of the PCSA and the expected dissolution of the Committee, a review of the Committee's performance was not carried out in 2024.

12. Priorities for 2025

During 2025 the ARC will continue to provide oversight of the governance, financial, audit, and risk management arrangements in place in the Authority with a view to providing assurance to the Authority and the Accounting Officer with regard to the adequacy of and compliance with the system of internal controls. The ARC will continue its oversight until such a time as the Policing Authority is dissolved upon the establishment of the PCSA.

Particular attention will be given to the following areas of work as the Authority develops its staffing complement, operations, activities, and systems:

- The arrangements and activities undertaken to facilitate the transition of the Authority to the PCSA;
- Overseeing the work of internal and external audit in accordance with a risk based plan to give assurance regarding the adequacy and effectiveness of the internal control system;
- Examining new areas of expenditure, with particular regard to the processes and controls relating to procurement and risk; and,
- Continued focus on risk management policy and procedures and on-going detailed review of the risk register.