



AN TÚDARÁS PÓILÍNEACHTA
POLICING AUTHORITY

Minutes of Meeting of Audit and Risk Committee

Date: 19 March 2019

Venue: 90 North King Street, Dublin 7.

Attendance:

Committee	Moling Ryan (Chair), Melanie Pine, Ronan Nolan
Secretary	Clare Kelly
Executive	Aileen Healy, David Murphy
Apologies	Helen Hall (Chief Executive)
Visitors	Vincent Tao (Partner)– Internal Audit Provider, Crowleys DFK - for Item 1.4 (iii) to (vi)

1. Agenda

The following matters were considered and discussed as set out on the agenda:

- 1.1 Closed Session – Committee members only
- 1.2 Chair's opening remarks:
 - (i) Apologies
 - (ii) Agenda
 - (iii) Minutes and matters arising
 - (iv) Chief Executive's update
 - (v) Draft Audit Committee Work Plan for 2019
- 1.3 Governance
 - (i) Committee's Self-Assessment 2018
 - (ii) Annual Report of the Audit Committee for 2018
 - (iii) Chairpersons Statement of Internal Control (for inclusion in Policing Authority Annual Report)
- 1.4 Audit
 - (i) Financial Report
 - (ii) Draft Appropriation Account 2018
 - (iii) Draft Internal Audit Reports
 - Risk Management
 - Data Protection
 - Internal Controls Review
 - (iv) Internal Auditors Annual Report to the Audit and Risk Committee for 2018
 - (v) Internal Audit Work Plan 2019
 - (vi) Internal Audit Standards for Government Departments and Offices (Dec 2018)
 - (vii) Assessment of effectiveness of internal Audit function
 - (viii) Status of implementation of Audit recommendations
 - (ix) C & AG Audit Planning Memorandum for audit of 2018 Appropriation Account
- 1.5 Risk
 - (i) Risk Management Report
 - (ii) Risk Register
- 1.6 Other Business

2. Chair's Opening Remarks

The agenda was approved. The minutes of the meeting on 4 December 2018 were approved and cleared for publication. The Committee log of actions was noted and there was agreement to close the items proposed.

The Head of Governance and Corporate Services gave an update on recent issues and events, including in relation to the Authority's Statement of Strategy 2019-21, the Corporate Priorities 2019 and the Government Programme for Policing Reform.

The Committee was advised of the recent appointment and induction of two new Authority members. The Committee noted the Authority's new website.

The Committee considered and agreed their work plan for 2019.

3. Governance

The Committee undertook a self-assessment of its performance during 2018 based on the outcome of a survey completed by members, which fed into the completion of the Audit Committee Checklist set out in the Code of Practice for the Governance of State Bodies. Members considered a number of areas for improvement and recommended a number of actions to be implemented.

The Committee received its draft Annual Report to the Authority for 2018 and, subject to finalisation to reflect the outcome of the Committee's self-assessment of performance in 2018, approved it for submission to the Authority.

The Committee reviewed the draft Chairperson's Statement of Internal Control (SIC) to be included in the Authority's Annual Report 2018 and the supporting documentation. Members were satisfied that the system of internal control, as set out in the SIC, operated effectively during 2018 and gives early warning of internal control failures and emerging risks.

4. Audit

The monthly Financial Report was noted.

The draft Appropriation Account was reviewed by the Committee. It was noted that the Account would be finalised for the Accounting Officer's signature in advance of the deadline for submission to the Comptroller and Auditor General for audit of 31 March.

The Internal Audit provider presented audit reports in relation to the following audits:

- Risk Management;
- General Data Protection Regulation (GDPR); and
- Internal Controls Review.

The draft report of the Risk Management review was discussed and it was agreed that the Internal Auditor would finalise the report taking account of the discussion.

The Committee discussed the findings and recommendations of each of these audits with the auditor, noting the auditors' conclusion that there were no significant findings arising in relation to the systems in place for risk management, GDPR or the internal control system. A small number of low ranked recommendations were noted with regard to the audits of GDPR and internal controls,

which management have agreed to implement as set out in the management comments of each report and the Committee approved these reports. In particular, the following matters were noted and welcomed by the Committee:

- The very good practices in place for GDPR and the very methodical implementation of GDPR requirements;
- That there were no major breaches in control to be declared in the statement of Internal Control;
- The substantial strengths identified during the reviews as set out in a new section in the Audit reports.

The Internal Auditor noted the substantial reliance placed on third parties in relation to the outsourcing of processing of the financial transactions, particularly with regard to payroll and, while good internal controls are in place in the Authority over these risks and no significant risk has been identified in the Authority's context, advised ongoing vigilance in relation to obtaining assurance regarding the adequacy of systems and the skills and competencies in place to give assurance to the Authority. Management noted that a meeting had been arranged to discuss a range of matters arising with the National shared Services Office in this regard. The Committee agreed that the Chair would also write to the NSSO to raise the matters discussed and the assurance available to the Authority.

It was noted that there was one medium ranked finding and recommendation in relation to the risk management audit, which has since been implemented in full, in addition to a number of low ranked recommendations which management have implemented as appropriate as set out in the Management comments. The Internal Auditor agreed to revert to the Secretariat with regard to a query raised in relation to the audit report and the Committee agreed to finalise that report for submission to the Authority subject to satisfactory clarification of the matter.

The Internal Auditor's Annual Report to the Audit and Risk Committee for 2018 was considered with particular regard to the assurances given regarding the reliance that can be placed on the Internal Audit work to support the Chairperson's Statement of Internal Control for 2018.

The Committee noted the audit work, which is planned, as set out in the Internal Audit Plan for 2019. It was noted that this is the third year of the 3 year Internal audit plan and that, if necessary, the plan would be revised in light of the necessity for other audit reviews arising based on further assessment of risk during the year.

The Committee noted the revised Internal Audit Standards for Government Departments and Offices which were published by the Department of Public Expenditure and Reform in December 2018 and which have been brought to the attention of the internal Audit provider.

The Committee discussed and noted satisfaction with the services provided by and the effectiveness of the internal Audit function in 2018.

The Committee reviewed the Register of Audit Recommendation and noted the status of implementation audit recommendations.

The C&AG Audit Planning Memorandum for the audit of the 2018 Appropriation Account was noted.

5. Risk

The Committee noted the Risk Management Report at 28 February 2018.

The Risk Register was reviewed in detail and the status and mitigation of high and extreme risks were discussed. In particular, the Government Programme for Policing Reform was discussed with particular reference to the impact on staff and risks arising for the Authority of the proposed changes. The risk register and the risks and presentation issues discussed will be updated in light of the discussion.

6. Other Business

The Committee discussed the format of the Authority's evaluation of performance which is due to be undertaken, noting the requirement in the Code of Practice for an external review every three years. In light of the significant changes impacting on the Authority which are effectively underway for end of next year, there was little value in undertaking an external review at this point given the practical realities and in view of the time consuming and costly nature of such a review. It was agreed that it be proposed to the Authority to proceed to undertake an internal self-evaluation in accordance with the methodology set out in the Code for such evaluations.