

An Garda Síochána

Oifig Saoráil Faisnéise
An Garda Síochána
Teach áth Luimnigh
Lárionad Gnó Udáras Forbartha Tionscail
Baile Sheáin
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Re: Freedom of Information Request 000059-2016 Internal review

Dear

I refer to the appeal which you made under the Freedom of Information Act 2014 (FOI Act) dated and received on the 13th April 2016. This letter only refers to your request for “*The Report to the Commissioner in relation to Financial Controls in 2014*”.

Chief Superintendent, Peter Kirwan, Garda Headquarters, who is a more senior member of staff of this Organisation, has conducted an Internal Review of your Freedom of Information request. His decision on review is an entirely new and separate decision on your request and is explained as such below.

Your request is shown below:

- 1. The Garda internal audit of the Serious Crime Review Team following Allegations of Financial Irregularities from 2013 and the 2014 Joint Audit with GPSU of the Serious Crime Review Team.*
- 2. The audit of the Fixed Charge Processing Office - Non-discretionary Cancellations from January 2014 and the Report of the Fixed Charge Penalty System from September 2014.*
- 3. The Audit of DMR South Central from 2014 and the Joint Audit with GPSU of DMR South Division, also from 2014*
- 4. The Report to the Commissioner in relation to Financial Controls in 2014.*
- 5. The 2013 Audit of Salary and Pension Overpayments.*

In arriving at his decision, Chief Superintendent Kirwan had regard to the original request, the records which were located as part of that request and the appeal which you submitted in this regard. In reviewing the records in this particular case Chief Superintendent Kirwan gave particular consideration to the provisions of the FOI Act and also the legislative obligations placed upon An Garda Síochána under various Acts. In particular the definitions of functions and responsibility were considered as set out under section 7 of the Garda Síochána Act 2005 and the unique position the Garda Organisation holds within Irish Society, in providing policing and security services for the State with the objective of:

- (a) preserving peace and public order,
- (b) protecting life and property,
- (c) vindicating the human rights of each individual,
- (d) protecting the security of the State,
- (e) preventing crime,
- (f) bringing criminals to justice, including by detecting and investigating crime, and
- (g) regulating and controlling road traffic and improving road safety.

Part 1(n) of Schedule 1 of the FOI Act states that An Garda Síochána is listed as a partially included agency “*insofar as it relates to administrative records relating to human resources, or finance, or procurement matters*”. Therefore the only Garda records falling within the scope of the provisions of the FOI Act are administrative records relating to human resources, finance or procurement.

Having considered the nature and scope of the contents of “*The Report to the Commissioner in relation to Financial Controls in 2014*”, Chief Superintendent Kirwan provides the following decision.

In his considered opinion, auditing of the functions that are carried out in the process of applying the above mentioned objectives and primary function using numerous pieces of legislation does not fall within the definition of an administrative record. The audit of operational activities, application of legislation, seizure of property, investigations and oversight process is not in itself an administrative record for the purpose of human resources, finance or procurement as set out in Part 1(n) of Schedule 1 of the FOI Act. Therefore Chief Superintendent Kirwan has deemed sections of the your request with regards to the “*The Report to the Commissioner in relation to Financial Controls in 2014*”, out of the scope of the FOI Act insofar as An Garda Síochána is concerned. As a result the relevant audit report is provided inclusive of redactions by Chief Superintendent Kirwan as set out below.

The provision of certain records that are not otherwise available to the general public concerning the operations of a specific division within An Garda Síochána, in my view, is not in the best interest of the public. Therefore information is not being provided in the manner you have requested as it could prejudice the effectiveness of lawful methods used by An Garda Síochána to prevent, detect and investigate crime. My decision has been made in accordance with section 32(1)(a)(i), of the Freedom of Information Act 2014 as shown below.

Section 32 states:

(1) A head may refuse to grant an FOI request if access to the record concerned could, in the opinion of the head, reasonably be expected to –

(a) prejudice or impair –

(i) “the prevention, detection or investigation of offences, the apprehension or prosecution of offenders or the effectiveness of lawful methods, systems, plans or procedures employed for the purposes of the matter aforesaid

The audit “*The Report to the Commissioner in relation to Financial Controls in 2014*” is attached and the list of redactions is contained in the attached Schedule of Records.

You may appeal this decision by writing to the Information Commissioner at 18 Lower Leeson Street, Dublin 2. There is a fee of €50 (€15 for medical card holder) for such appeals, other than appeals against a decision to impose a fee.

If you wish to appeal, you must usually do so not later than 6 months from the date of this notification. Should you write to the Information Commissioner making an appeal, please refer to this letter.

Yours sincerely,

 **SUPERINTENDENT**
HELEN DEELY
FREEDOM OF INFORMATION OFFICER




 **May 2016**

Report to the Garda Commissioner in relation to Financial Control in 2014



March 2015

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Part 1(n) Schedule 1 -
Out of Scope

Introduction

This Report documents issues identified by Internal Audit or brought to the attention of Internal Audit during 2014 and the first quarter in 2015, that are relevant to the Financial Control Framework in An Garda Síochána. It will form part of the analysis informing the Commissioner in relation to whether she should sign the Statement of Internal Financial Control¹ in relation to Vote 20, An Garda Síochána, Appropriation Account 2014.

The opinions expressed in this Report are those of the Garda Internal Audit Section (GIAS) in its role as an independent oversight of the financial control framework within An Garda Síochána.

Work Completed

Nineteen audit reports were completed in 2014 and the first quarter 2015 (see Appendix 1). These included;

- Six Audits of Garda Divisions/ Districts/Specialist Units.
- Four Thematic Audits.
- Four Review Audit Reports which focused on the implementation of recommendation from previous audits.
- One Report, to the Garda Commissioner in relation to Financial Control and encompassing the Annual Report of the Garda Internal Audit Section.
- Two expenditure reviews.
- and
- Two joint audits with Garda Professional Standards Unit (GPSU)

¹ The Statement of Internal Financial Control is required as part of the implementation of the Mullarkey Report – Department of Finance (2002).

Audit Reports Completed	2013	2014
Audits of Divisions/Districts/Specialist Units	10	6
Review Audits	6	4
Joint Audits with GPSU	2	2
Thematic Audits	6	4
Expenditure Reviews	0	2
Reports to Commissioner/Annual Report	1	1
Total	25	19

Approximately 67% of the Audit Plan 2014 recommended by the Audit Committee was completed. The other 33% of the plan could not be completed due to staff vacancies and also because priority areas were identified during 2014 in a year when risks were changing fast and audit priority were changed accordingly. The approved strength of GIAS is ten staff but only six are currently employed in the Section. The capacity was reduced by vacancies at Sergeant and Executive Officer and Accountant grades.

Notwithstanding the fact that 33% of the original audit plan has not been completed, I am confident that the major high risk areas contained in the 2014 Audit Plan and emerging risks that became apparent during the year which overshadowed in terms of importance some of the original risks, have been examined and reported on.

Appointment of Garda Audit Committee

The Garda Síochána, Act, 2005, Section 42 provides for the appointment of the Garda Audit Committee by the Minister for Justice and Equality. The term of Office of the Committee expired at 31st October 2013. A new Audit Committee was appointed in 2014 consisting two new members, two existing members and one internal nominee. Assistant Commissioner Kenny was also invited to attend the meetings in 2014 in his

capacity as acting Deputy Commissioner Strategy and Change Management. The new committee first met in June 2014 and held three meetings before the end of the year.

Risk Reduction

Internal Audit Reports have identified and reported on risks to the financial management and reputation of the Garda Organisation. The reports classify the recommendations made, as priorities 1 to 3. Priority One recommendations are those where both the impact of the control weaknesses on the operations of the organisation as a whole or on Divisions/Units within the Garda Organisation and the likelihood of occurrence is considered to be high. Priority One issues require immediate attention by management. There are currently 46 *priority one* recommendations from Internal Audit Reports outstanding or not fully implemented. These can be broken down into the following categories;

Priority One Recommendations Outstanding;

Category	Number
[REDACTED]	1
[REDACTED]	1
Procurement Procedures	4
[REDACTED]	1
Sick and Absence Management	2
Overtime and Allowances	2
Seizure of Vehicles	1
[REDACTED]	1
[REDACTED]	1
Staffing Issues	3
[REDACTED]	1
Administration re-organisation	2
Supervision and management	1

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

2. During 2014, GIAS in partnership with GPSU developed a new policy in regard to local management Inspections and Reviews. In July 2014 a new HQ Directive (59/14)² was launched. This Directive includes templates for assisting local managers to inspect 19 topics that are usually examined by GPSU and 15 headings that are audited by GIAS. Each Superintendent or Section Head is required to risk assess, on a quarterly basis, their area of responsibility and select from the suite of topics the most risky issues for inspection. It is suggested that two or three issues from the GPSU list and two or three from the GIAS list of issues should be inspected each quarter and then reviewed the next quarter. These inspections are forwarded to Chief Superintendents/ Principal Officers and copied to GPSU and GIAS. Chief Superintendents/ Principal Offices are then required to risk assess and conduct inspection half yearly and Assistant Commissioner/ Executive Director yearly. Master-classes were conducted in October/November 2014 across the country to help local managers with their inspections. The initial returns for quarter three and quarter four, 2014 are being evaluated by GIAS and GPSU. This new policy will facilitate greater local management oversight of all the issues highlighted above [REDACTED] at District and Divisional level [REDACTED]
[REDACTED]

3. While much work has been done to enhance compliance with public procurement requirements leading to transparency, improved oversight and accountability and greater efficiency, GIAS found outstanding issues in regard to procurement in Roscommon/Longford, Mayo, DMR North and Sligo Divisions.

² HQ Directive 59/14; Garda Inspections and Reviews; July 2014.

4. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

5. Improved control is being observed in relation to recording and management of sickness and other staff absences.

6. The control of vehicle costs including fuel and maintenance costs is improving. In addition the critical issue of availability of vehicles was alleviated with the procurement and deployment of 300 new vehicles in 2014.

7. Enhanced control and management of overtime costs and travel and subsistence expenses and allowances including improved compliance with the Working Time Directive was achieved following audit recommendations.

8. Audit recommendations were made in regard to more effective allocation of staffing resources and re-organisation of administrative functions to better fit our strategic and operational goals.

9. Assurance was provided in regard to the robust controls in place in regard to the system for making payments.

10. [REDACTED]
[REDACTED]
[REDACTED]

Collaboration with Garda Professional Standards Unit

It is recognised that there is a crossover of responsibilities and roles between Garda Internal Audit Section and the Garda Professional Standards Unit. Both units are involved in audit and examination of the systems and processes in An Garda Síochána with GIAS providing an objective assurance and consulting activity designed to add value and improve the organisations operations. GIAS, as part of the overall governance and control environment within An Garda Síochána, provides reasonable audit assurance that significant risks are identified, managed and controlled effectively throughout the Organisation. GPSU examines and reviews operational, administrative and management performance. GIAS and GPSU make recommendations and propose measures to enhance controls and improve performance. Both units have developed competences in certain areas of audit and examination. In some complex audits the skill set of both units is required working collaboratively. During 2014 two joint audits were undertaken between GPSU and GIAS with comprehensive reports prepared as follows;

1. Joint Audit with GPSU of DMR South Division
2. Joint Audit with GPSU of the Serious Crime Review Team

During 2014 this collaboration with GPSU has worked well with joint teams working together under the direction of Chief Superintendent GPSU and the Head of Internal Audit. This collaboration will continue in 2015 with both sections currently engaged in an Audit of National Supports Services.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Main Audit Findings

1. Financial Control Environment

In general An Garda Síochána has well developed systems for setting out financial responsibilities and financial reporting. These systems are documented in the Garda Finance Code and the Public Financial Procedures³. The audit process has established that:⁴

- ♦ *Financial responsibilities have been assigned at management level with corresponding accountability,*
- ♦ *Reporting arrangements have been established at all levels where responsibility for financial management has been assigned,*
- ♦ *Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action,*
- ♦ *A new Audit Committee was appointed in 2014 to advise the Accounting Officer in discharging her responsibilities for the internal financial control system.*

2. Administrative Controls and Management Reporting

A framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation of responsibility and accountability and in particular the audit process has established that:

- *There is an adequate budgeting system with an annual budget which is kept under review by senior management,*
- *There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts,*

■ [REDACTED]

■ [REDACTED]

³ Public Financial Procedures – Department of Finance

⁴ Bullet points are taken from the Statement of Internal Financial Control included in DPE Circular 17/13 Section C.

- *There are appropriate capital investment control guidelines and formal project management disciplines,*
- *An Garda Síochána has systems and procedures to enable compliance with all relevant guidelines and circulars regarding procurement including a Central Procurement Office and Divisional Procurement Committees throughout the country. However difficulties, legal issues and delays in placing and replacing contract in some Divisions remain as highlighted in the four Divisions found not be complaint (see Page 8 above point 3) ⁵*

3. Internal Audit

Garda Internal Audit Section has appropriately trained staff operating under a Charter agreed with the Garda Commissioner. Audit work is informed by analysis of the financial risks to which An Garda Síochána is exposed and it's Annual Audit Plan which was approved by the Audit Committee and the Commissioner in 2014 is based on this analysis. The Internal Audit function is reviewed periodically by the Audit Committee and the Commissioner. Procedures are in place to ensure that the recommendations from the Internal Audit Reports are implemented.

4. Significant issues identified from the Audit Process

[REDACTED]

[REDACTED]

⁵ The wording of this bullet point has been amended from that shown in DPE Circular 17/13, Section 13, as full compliance cannot be claimed at this point in time. The wording shown more accurately reflects the situation within An Garda Síochána.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.2 Procurement

Significant progress has been achieved in relation to the improvement of procurement procedures in 2014. It was found that the Procurement Section is achieving the strategic procurement goals set out in the 2013-15 Procurement Strategy. However, this work should be continued until contracts for the supply of goods and services are in place at Divisional/ Regional or National level.

The main findings from the thematic Audit of Procurement Developments in 2013 (March 2014) are as follows;

1. Sample testing identified four incidences of non-compliance with the guidelines. In addition the outstanding recommendations from Divisional Audits include four other occurrences of non-compliance

with the guidelines. Furthermore the Department of Finance Circular 40/02 Statement for 2013 sets out 87 incidences of divergence from the requirements.

2. The Divisional Procurement Committees (DPC) varied in quality and level of activity. From six Divisional Audits undertaken by GIAS during 2014, it was found that four Divisional Procurement Committees were not meeting on a regular basis. While the award of contracts is now mainly handled centrally by Procurement Section, the DPC has an important role in liaising with Procurement Section to ensure the timely implementation and active monitoring of contracts. DPCs should ensure that there are no gaps between expiration and renewal dates of contracts and that the service has been satisfactory.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The audit concluded that—

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

4.4 Recoupment of Overpayments on Salary and Pension

Balances outstanding in relation to overpayments of Salary and Pensions at the end of 2014 amounted to approximately €1,139,014 an increase of €184,000 (or 19%) on the previous year. Repayment plans were in place for 44% of the cases of overpayments. These cases are being pursued by the Recoupment Unit in HRM. It is likely that write-off for some of this debt will be required but every effort is being made to recoup as much of this amount as possible. Overpayments were found by Internal Audit to have occurred for four main reasons, namely;

1. late notifications regarding Deaths, the payment of pensions in advance contributes to the cause of overpayments in this area
2. late notifications regarding payroll adjustment events such as unpaid leave, allowances, sick leave and rates of pay
3. Incorrect points of scale

4. Social Welfare Benefit Retention. This refers to members who had social welfare payments paid directly to themselves when it should have been paid to An Garda Síochána.

GIAS are concerned that adequate human resources are not being provided to the Recoupment Unit.

Conclusion

Improvements in the financial control environment were made in the relation to guidelines for local management inspections, [REDACTED] at Garda Stations, [REDACTED], greater compliance with competitive procurement requirements, better control of overtime and allowances including improved compliance with the EU Working Time Directive⁶.

[REDACTED]

⁶ Working Time Directive 2003/88/EC.

GIAS also considers that better monitoring and reporting of Corporate Risks is required. This is in order to move toward the timely identification, reporting of and response to risks and to facilitate consideration of more current and emerging risks as well as risks that we have known about for some time.

While there are some significant issues to be resolved and I am required by professional audit standards to highlight the significant risk exposure [REDACTED], nonetheless we can report that strategies are in place to ensure a continuous quality improvement in the financial control framework. It is therefore not unreasonable for the Commissioner to sign the Statement of Internal Financial Control in relation to the Garda Vote in 2014.

Niall Kelly
Head of Internal Audit
26th March 2015

Appendix 1: Audit Reports Completed in 2014 and 1st Quarter 2015.

1. Report to the Commissioner in relation to Financial Controls
2. Report of Fixed Charge Penalty System September 2014
3. Audit of Laois Offaly Division
4. Audit of Mayo Division
5. Audit of National Self Assessment of Warrant Administration
6. Audit of Payment Process
7. Joint Audit with GPSU of DMR South Division
8. Joint Audit with GPSU of the Serious Crime Review Team
9. Audit of NBCI
10. Review Audit Kerry
11. Review Audit Meath
12. Review Audit Clare
13. Review Audit Louth
14. Audit of Waterford Division
15. Audit of DMR South Central
16. Audit of DMR North Central
17. Audit of Non Public Duty at Race Meetings
18. Expenditure Review 2013
19. Expenditure Review 2014

