



Annual Report of the Audit and Risk
Committee of
An Garda Síochána
for the year ended
31 December 2018

Table of Contents

Introduction.....	3
Committee Functions and Audit Charter	4
Charter of the Garda Internal Audit Service	4
Audit and Risk Committee Meetings in 2018	5
Meeting with the Policing Authority	5
Statement of Internal Financial Controls	6
Garda Property and Evidence Management	6
Garda Human Resource Management	6
Garda Financial Controls	7
Garda Risk Assessment Processes	8
Collaboration with Garda Professional Standards Unit (GPSU) and GIAS	9
Garda Anti-Fraud Policy	9
Garda 2018 Procurement Processes	9
Other matters discussed by the Committee in 2018.....	10
Garda Internal Audit Service (GIAS).....	11
Meeting with the Office of the Comptroller and Auditor General's Office	11
Contract Levels under Section 45(5)(a) of the Garda Síochána Act 2005	11
Value Added from the Garda Audit Processes.....	12
Conclusion.....	12

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(Prepared in compliance with Section 45 (1) (b) of the Garda Síochána Act 2005)

Introduction

The Audit and Risk Committee (“the Committee”) was established in 2006 by the Garda Commissioner in accordance with Section 44 of the Garda Síochána Act 2005 (“the Act”) as amended by Section 36 of the Garda Síochána (Policing Authority Miscellaneous Provisions Act). The current Committee was appointed by the Policing Authority in May 2017.

The following are members of the current Audit Committee since May 2017:

Dr. Cyril Sullivan (Chair)

Professor Niamh Brennan

Ms. Áine Cornally

Ms. Anne Tynan

Mr. Joseph Nugent

The Committee members serve a three-year term. With the exception of Mr. Nugent (the internal Garda management representative on the Committee), the other members are external appointees. All members attended the five meetings held during 2018.

The Committee had a very busy year during 2018 as is detailed in this report below. During its five meetings, it considered 25 internal audit reports, received presentations from management on 9 different areas of Garda operations, met with the Comptroller and Auditor General to discuss the 2017 appropriation accounts and the related management letter, and the Committee welcomed a new Garda Commissioner, Mr. Harris, who attended his first Audit and Risk Committee meeting on 6th December, 2018.

The Committee would like to thank the Commissioner Dónall Ó Cualáin who retired during the year and who was a previous member of the Committee for his co-operation and assistance to the Committee. As mentioned earlier, the Committee welcomes the new Commissioner, Mr. Harris, and would like to thank him for his engagement with the Committee since he took up office.

The Committee would like to thank Garda Claire Haugh who acted as Secretary to the Committee until she was redeployed to Clare Division in 2018 and the Committee welcomes Ms. Catherine Heffernan who succeeded her as secretary to the Committee.

Short biographies of the current members may be accessed at <https://www.garda.ie/en/about-us/audit-and-risk-committee/membership-profile.html>

Committee Functions and Audit Charter

The functions of the Committee are set out in Section 45 of the Garda Síochána Act 2005 and further elaborated in a detailed Audit Charter formally agreed between the Committee and the Commissioner. A copy of this Charter may be accessed at

<https://www.garda.ie/en/about-us/audit-and-risk-committee/charter-for-the-garda-siochana-audit-committee.pdf>.

The Charter provides among other things that the Committee supervises the process of internal audit; reviews and approves internal audit reports; and advises the Commissioner in relation to his role as Accounting Officer. The Committee reviewed its Charter during 2018 with no amendment recommended.

Charter of the Garda Internal Audit Service

The Committee welcomes the new Charter for the Garda Internal Audit Service (GIAS) which was signed between the Chair of the Committee, the Garda Commissioner and the Head of Internal Audit on 1st June 2018. The new Charter establishes for the first time a direct reporting relationship between the Head of Internal Audit and the Garda Commissioner.

Audit and Risk Committee Meetings in 2018

Section 45 (3) of the Act requires the Committee to meet at least four times in every year. The Committee met on five occasions during 2018, 24th January, 8th March, 15th May, 5th September and 6th December.

All of these meetings were held in the Officers Club at Garda Head Quarters. The Head of Internal Audit, as well as other Officers, were invited to attend as required in order to provide up-to-date information to the Committee on relevant subjects.

The Committee continued to express its concerns to the outgoing Commissioner at the ongoing absence of the Garda Executive Director for Finance from Committee meetings. The Executive Director for Finance had not attended Committee meetings during 2017 and 2018 (nearly two years). The Committee viewed this as a major constraint in its ability to properly hold Garda management to account for the financial governance and management operations in An Garda Síochána. The Committee welcomed the intervention of the new Commissioner who arranged that the Executive Director attend Committee meetings from early 2019 onwards.

As detailed later, the Committee met with senior officials from the Comptroller and Auditor General's Office (C&AG), namely, Maureen Mulligan (Deputy Director of Audit) and Kiernan Scott (Senior Auditor) at the meeting held in January 2018. The C&AG officials outlined audit issues that arose during the audit of the 2016 appropriation account.

Meeting with the Policing Authority

In line with the Committee's Charter, the Committee Chair, Dr. Sullivan, met with the Policing Authority on 24th May to brief the Authority on the Committee's 2017 annual report. The Authority welcomed the update and commended the Committee on its work for 2017. The Authority expressed its concerns at the ongoing absence of the Garda Executive Director for Finance from Committee meetings (and has since welcomed the new Commissioner's intervention in this regard). The Authority committed to continue to support the Committee in its endeavors to strengthen the governance structures within An Garda Síochána.

Statement of Internal Financial Controls

As part of its work in support of the Garda Commissioner in his capacity as Accounting Officer for the Garda Vote, the Audit and Risk Committee reviewed the Statement of Internal Financial Controls. This review was informed by the contents and recommendations of internal audit reports received during the year and the contents and recommendations of a review of internal controls by the GIAS. On the basis of the reports provided to the Committee by management coupled with the assurances received from the work of the GIAS, the Committee were satisfied that the Statement of Internal Financial Controls should be signed by the Commissioner.

Garda Property and Evidence Management

The controls regarding the recording and storage of Property and Evidence Management (PEM) have been identified as weak and in need of improvement by this Committee for several years. This weakness persisted in 2018.

In late 2017, a new PEM system, PEMS2, was put in place with the facility to link every property item to an incident recorded on PULSE and to barcode each item taken into control of An Garda Síochána. Preliminary findings of an audit currently in train by GIAS would indicate that in general property coming into Garda possession, since the implementation of PEMS2, is more accurately recorded than previously.

However, property in Garda possession under the previous PEMS manual receipt (Property and Exhibit Tracking System (PETS)¹) and also the earlier manual Property Book system, is not all recorded accurately and transferred to the new electronic system and some older items appear to be ignored.

The Committee will further review this issue in 2019 on completion of the internal audit work currently underway.

Garda Human Resource Management

Approximately 90% of the total Garda Vote relates to “staff costs” in one form or other (e.g. basic pay, overtime, allowances and pensions). As well as complying

¹ Property and Exhibit Tracking System (PETS) was an earlier version of the PEMS system.

with administrative procedures, it is also important this expenditure is managed effectively and represents value for money. Both the Policing Plan, and recommendations from the Garda Inspectorate Report (November 2015)¹, have highlighted the importance of ensuring that the maximum number of Gardaí are assigned to high visibility policing duties with “*direct contact with the public*”, with management, administrative and support roles undertaken by Garda Staff to the fullest extent possible to allow Garda Officers to perform policing roles.

An Audit of Resources Allocation and Management at District and Divisional Level conducted in 2018 found that on average 44% of Garda Officers at Garda and Sergeant ranks in the sample of Divisions audited, were engaged in patrolling and high visibility policing. The Committee fully supports the Commissioner and his management team in progressing the civilianisation objective, as appropriate, through the Workforce Modernisation Plan.

The Committee reviewed a draft audit report on Absence and Attendance Management Controls which identified deficits in the systems for recording and managing attendance and absences. On foot of this report the Committee recommends further investment in modern HR management systems that should yield significant improvements in controls relating to deployment of staff resources in the most effective and efficient way, and in reducing overtime, absences and overpayments to employees.

Garda Financial Controls

The Committee also considered a number of internal audit reports into Garda financial controls during 2018. While the Committee were satisfied that controls in operation were in reasonable order, there were a number of financial control weaknesses identified during audit relating to banking, suspense accounts, recording of expenditure sanctions, asset valuation and control, the purchase ordering system and the general governance of the Financial Directorate (in the area of strategies and financial planning) that are to be addressed.

The Committee maintained a watching brief on the recommendations to address the serious governance and financial control weaknesses identified in the Garda Training College in Templemore. The Committee is satisfied that all issues are

now addressed and that the College operates its policies and procedures in line with good practice.

Garda Risk Assessment Processes

The Committee accepts that a minimum of three years is required to embed a new risk management system so that it can be truly effective. With the introduction of a formal risk management system into An Garda Síochána's Governance Structure in March 2017, the Committee recognises that it would be the end of 2020 before this Risk Management System is well established.

In the meantime, the Garda Risk Management Unit (GRMU) has made significant progress since March 2017. Nevertheless, further work is needed to develop the maturity level of risk management in An Garda Síochána (AGS). Other risk management initiatives, such as risk appetite and tolerance, need to be high on the Garda Risk & Policy Governance Board's agenda to provide practical direction, advice and information to support on risk governance structures for the Force.

During 2018, the Committee received regular presentations and updates from GRMU. GRMU ensures that all risk registers are submitted in line with policy and ensure consistency across the organisation. There has been an emphasis in improving quantitative compliance rates and embedding the process around the country over the last two years. The Committee is of the opinion that this process has worked well. This was further reflected by The Enterprise Risk Network Recognition Awards that are held annually by the State Claims Agency to acknowledge leaders in enterprise risk management in the State sector. At the awards ceremony held on Thursday 8th November 2018, AGS took top honours winning the category; 'Long Term Value' for the 'Revised Approach to Risk Management' initiative. The process has been effective in normalising risk management within AGS and has enabled the organisation to make informed decisions to manage risk.

A recent audit of the risk management framework has identified some areas for improvements, including;

- The provision of an electronic system to support the risk management framework
- Managing all significant risks within the risk framework

- Having more focus on risks effecting the delivery of policing services to our customers
- Streamlining the processes in order to facilitate speedier mitigation of risks when identified.

Collaboration with Garda Professional Standards Unit (GPSU) and GIAS

The Committee welcomed the continuing collaboration between GIAS and GPSU. This took the form of joint training initiatives for staff in both Units, joint audits and coordination of activity through the Governance Stakeholders Group which meets monthly.

The Committee has also been made aware of an initiative that is being considered by the new Commissioner that seeks to streamline the GIAS/ GPSU assurance process to the Garda Commissioner. The Committee would welcome such an initiative.

Garda Anti-Fraud Policy

During 2018, the Committee continued to monitor the AGS Anti-Fraud Policy. It was noted that twelve cases of suspected fraud were reported (per the policy) to the Head of Internal Audit. These cases were investigated by appointed investigating officers again in line with the policy. The Committee requested that GIAS consider these cases and to test for similar incidences in future audit assignments.

Garda 2018 Procurement Processes

The Audit and Risk Committee continued to review procurement policies, processes and practices in An Garda Síochána, and to advise the Commissioner as required under Section 45 (2)(c)(i) of the Garda Síochána Act, 2005. Department of Finance circular 40/02ⁱⁱ requires that all incidence of non-compliance with procurement procedures be reported in an appendix to the Appropriation Account. The Committee reviewed the 40/02 return made with the Appropriation Account 2017 at the meeting on 15th May 2018.

While the Committee would consider that AGS is generally compliant with its public procurement obligations, the Committee considered audit work in 2018 that indicated an element of non-compliance with procurement procedures particularly in relation to towing and storage of vehicles and in relation to medical services.

In relation to ICT Procurement, the Committee noted that Government Frameworks are now being utilised to ensure compliance with public procurement obligations. It noted that the main ICT contract has been divided into four Requests for Tender (RFTs) which are currently at various stages of the procurement process. The Committee will keep this process under review.

Other matters discussed by the Committee In 2018

The Committee approved the Audit Plan for 2018 set out by Internal Audit and reviewed progress against this plan during the year. The Committee agreed additional priorities and amended the plan during the year. The amendments to the plan recommended by the Head of Internal Audit were accepted by the Committee.

In total the Committee considered and approved 25 Audit Reports:

Divisional/Specialist Unit Audits	3
Review Audits	6
Audits of HQ Sections/Units	3
Thematic/Crosscutting Audits	12
Report to the Garda Commissioner	1

The Committee reviewed, at each meeting, the Management Accounts and budgetary position. The Committee were concerned with the adverse variance in the Payroll (A1) budget of approximately €35 million that required a supplementary budget at the end of 2018. However it was noted that following the appointment of the new Commissioner that there was an improvement in control of the pay budget and it is expected that this improvement will continue in 2019. The Committee welcomed the new Commissioner's, Commissioner Harris, intervention that improved the control of this variance – this improvement will continue in to 2019.

The Committee was given presentations on the following topics by AGS management and staff:

- Risk Management
- The Divisional Policing Model
- The Secret Service Fund
- Garda Professional Standard Unit
- Roads Policing
- The Youth Diversion Programme
- Improvements in Data Quality
- Non Work Related Illness
- Homicide Related Data

Garda Internal Audit Service (GIAS)

During 2018, the staff in GIAS increased from 12 to 15. New staff engaged in both formal and on the job training and mentoring. Four staff completed the Certificate in Audit Skills Programme with the Institute of Public Administration (IPA). Two staff are currently undertaking the Certificate in Governance again provided by the IPA.

The Committee welcomed the additional resources approved and provided by the Policing Authority and the Commissioner. It demonstrates a commitment to sound internal controls and Governance Structure within An Garda Síochána.

Meeting with the Office of the Comptroller and Auditor General's Office

In January 2018, the Committee met with the Deputy Director of Audit and the Senior Auditor from the Office of the Comptroller and Auditor General to review their Annual Report in relation to expenditure in 2016 and audit issues that arose in 2017. Possible future risks and audit strategy in 2018 were also discussed.

Contract Levels under Section 45(5)(a) of the Garda Síochána Act 2005

Section 45(5)(a) of the Act requires the Commissioner to inform the Committee of contracts which are to be signed above the specified monetary amount. The Committee has set a €5 million threshold on these contracts. In accordance with a

Department of Public Expenditure and Reform Circular 16/2013, An Garda Síochána is required to use central procurement frameworks and contracts established by the Office of Government Procurement. The Audit and Risk Committee was informed throughout 2018 about contracts that are being managed for An Garda Síochána by the OGP.

Value Added from the Garda Audit Processes

The Committee are satisfied that its work continues to be effective. The recommendations from audits over several years have contributed to bringing to fruition a number of important initiatives. For example initiatives such as the new PEMS2, the revised governance structures of the Garda Training College, the Work Force Modernisation Plan and the Risk Management Framework were reviewed and scrutinised by the committee with significant progress achieved.

Using year on year comparisons there was significant internal audit work reported to the Committee. In March 2018, there were 46 priority one recommendations (high risk issues), of these 21 were either fully resolved or down-graded to lower risk status. An additional 43 priority one issues were added in 2018/19 resulting in a total of 68 outstanding priority one issues in March 2019. The increase in the number of priority one issues in the year is likely to have arisen as a result of increased audit activity as extra staff were provided to GIAS.

Conclusion

The members of the Committee would like to acknowledge the co-operation and assistance that they have received during the year from the Commissioner, management and staff of AGS.

During 2018, the Committee welcomed the improvements in the financial control environment in providing a uniform Property and Exhibit Management System (PEMS2) and in relation to the development of the Workforce Modernisation Model and Divisional Policing Model which are likely to resolve issues around deployment of resources.

In 2018, the status of GIAS within An Garda Síochána has been improved. Additional staff have been provided. The Committee also acknowledges the good work of the management and staff of the Garda Internal Audit Service.

Ultimately, the degree to which an Audit and Risk Committee made up of mainly external members can contribute to the success of the organisation can turn on the level of support received from senior management.

At present, AGS is going through a process of significant change and reform. The Audit and Risk Committee wishes to continue to support the Force during this process and would be anxious to draw attention of the management to the opportunities this process provides to strengthen its governance structures and to demonstrate its support for internal audit.



Dr. Cyril Sullivan

Chairman of the Audit and Risk Committee of An Garda Síochána

Date: 28 March 2019.

ⁱ Garda Síochána Inspectorate; November 2015; Changing Policing in Ireland.

ⁱⁱ Department of Finance Circular 40/02 requires that in exceptional cases where procurement procedures are not fully complied with that this expenditure is detailed on an annual return forwarded with the Annual Appropriation Account forwarded to the Office of the Comptroller and Auditor General.