



**Minutes of Audit and Risk Committee
7 December 2022**

Attendance

Committee:	Paul Dempsey (Chair), James O'Boyle and Commissioner Emily Logan
Secretary:	Pauline Byrne
Management/Staff:	Aileen Healy (Director of Administration), Amanda McLoughlin (Head of Finance), Ellen Kenny (Data & Governance)
Visitors:	Mark Mulvihill (Comptroller and Auditor General) – Item 4.1
Apologies:	Joanne O'Donohue – Item 5 & 6

1. Committee Chair Opening Statement

The Chair opened the meeting by acknowledging that it was the Committee's third and final meeting of the year.

2. Minutes and Matters Arising

The minutes of the previous ARC meeting were reviewed and approved. No conflicts of interest were noted.

3. Director of Administration Update

The Director of Administration briefed the Committee on the main developments occurring within GSOC since the last meeting, including:

- Significant progress has been made in the development of a cross-organisational monthly activity report. It was agreed that, once completed, the activity report will be circulated to the Committee.
- GSOC's financial expenditure for 2022 was on profile at the end of November. Expenditure to year end is being closely monitored to ensure the full year's allocation is spent.
- The Estimates provision for GSOC for 2023 is €16.2m, a 21% increase over 2022. The publication of the Revised Estimates is awaited and there is an expectation that additional funding may be provided for 2023 in light of the recent pay awards.
- Staffing levels in GSOC have increased from 123 to 156 in 2022. It is expected that GSOC will be in a position to appoint a number of new staff, who are at various stages of recruitment, early in 2023.

- The draft Grant Thornton Report on organisational review is due to be submitted to the Commission in the coming weeks. It is expected that the finding of the organisational review will reinforce and provide an evidence base for additional resource requirements.
- The Policing Security and Community Safety Bill ('PSCS Bill') was published on 22 November. It makes a number of significant changes to GSOC including to change the organisation's name to the Office of the Police Ombudsman, which will strengthen GSOC independence. The remit of the organisation is also changed including to broaden the scope of its functions. The legislation will replace the current Commission structure with an Ombudsman/Deputy Ombudsman and CEO structure. It is expected that DOJ will progress the recruitment for these posts in early 2023 and that the successful candidates will be appointed on a designate basis later in the year to lead the establishment of the new organisation. The Office of the Police Ombudsman will be funded by an Exchequer Vote and the CEO will be the Accounting Officer. The Committee indicated that it would be beneficial to meet with the designate CEO when in place.
- The Department of Justice ('DOJ') have put in place an implementation programme to oversee the implementation of the PSCS Bill. GSOC is represented on the programme board and steering group and on two project groups which are overseeing preparations in GSOC for transition to the new legislation.
- GSOC has a high level P1 Project group in place which meet on a bi-monthly basis. A small Transition team has also been established to, undertake internal planning and communication, in addition to monitoring the developments of the PSCS Bill and coordinating all work in relation to the transition. The Committee requested that a presentation be provided at their next meeting on the recommendations of the Grant Thornton report and the progress being made in relation to the arrangements in preparation for the new legislation. It was also agreed that a number of documents to give an overview of the work to date and arrangements in place would be circulated.
- DOJ P3 approval has been obtained to proceed with the development of the new case management system ('CMS'), a peer review group has been put in place and final OGCI0 funding approval is awaited. Consideration is being given to how to proceed with what will be a complex procurement process. In the meantime, an extension to the support for the current CMS has been negotiated.

4. Audit

4.1. Meeting with C&AG Representative.

The Chair welcomed the representative from Comptroller and Auditor General's Office ('C&AG'), who presented the Audit Completion Memorandum and the findings of their audit of the 2021 accounts. It was noted that GSOC's accounting policies and disclosures are appropriate and that there is a highly compliant procurement process in place. In relation to specific risk areas, there was a discussion on ICT and the need to ensure that the recommendations of the recent ICT Delivery Model Audit were implemented as a priority. It was noted that financial and fraud risk had been assessed to be low. A low rated recommendation of the audit was in relation to the accrual for annual leave, however, it was noted that this was not an ongoing issue and the build-up of annual leave at the end of 2021 was due to the Covid pandemic. The Committee noted that GSOC adheres to the DoJ guidelines concerning fixed assets, however, it was noted that the Asset Register and accounting for assets will have to be revised on the context of the establishment of a Vote.

New arrangements for the appointment of an Internal Audit Service were discussed and the C&AG representative recommended that the ARC specify high risk issues for inclusion in the internal audit plan. He thanked the Finance unit for their cooperation, as it enabled the audit to be completed on a timely basis.

It was agreed that it would be useful for GSOC to meet with the office of the Comptroller and Auditor General in the context of the transition to the new Vote.

4.2. 2021 Financial Statements

The Committee reviewed the 2021 financial statements and there was a discussion in relation to a number of matters raised. It was noted that the GSOC accounts are required to be in the form of accruals-based accounts. It was agreed that the details of each of the cash outturn against the estimates for recent years would be provided to the Committee, as these are not apparent in the accrual's accounts. It was also noted that under a Vote the requirements will be for an Appropriation Account which is on a modified cash basis.

In response to queries from the Committee, it was confirmed that a Financial Procedures Manual is in place which provides detailed guidance on financial management procedures in GSOC and appropriate financial policies. The Committee were advised that GSOC operates strict controls over all levels of expenditure. It was agreed that a governance process should be in place for overriding any organisational policy and a record maintained, with explanation of instances where these are overridden.

The C&AG Management letter was discussed and it was agreed that the nature of the finding set out in the C&AG Audit report were a very positive reflection on the organisation.

4.3. Internal Audit service

Following a procurement process, GSOC have appointed Mazars to provide an Internal Audit service. GSOC has scheduled a meeting to discuss arrangements for this work and with a view to the early drafting of an Internal Audit Plan to inform a discussion at the next ARC meeting of areas that need to be covered in 2023. It is expected that Internal Audit will undertake an annual review of the financial and internal control systems in line with the requirements of the Code of Practice for the Governance of State Bodies and to give assurance to the Chairperson regarding the adequacy of internal controls. This is to be built into the 2023 audit plan and conducted in Quarter 1 2023. The Mazar's lead will attend future ARC meetings.

5. Risk Management

The Director of Administration provided an update on the status of the revised risk management framework and Risk Register. The Committee noted that the Risk Management Policy has been updated in light of discussion at the last meeting and has now been approved by the Commission. GSOC has formally appointed a Chief Risk Officer, who has met with all GSOC management and identified controls across all risk areas. The Risk Management Group will be established early in 2023 and will finalise the Risk Register in terms of risk rating the identified risks and complete the refined risk register on a continuous basis. It was agreed that the Risk Register would be presented to the Committee at its next meeting and thereafter.

6. Quality Management

The agenda item to discuss the Quality Management Report on supervised investigations under s94(5) of the Garda Síochána Act was deferred to the Committee's next meeting.

7. Governance

The Committee discussed its work agenda for Quarter 1 2023. It was noted that there are a number of requirements under the Code of Practice for the Governance of State Bodies, including to undertake a self-assessment of effectiveness and to prepare an annual report for submission to the Chairperson. It was agreed that the annual report be drafted and the template for the self-evaluation circulated to members for completion in advance of discussion at the next meeting.

It was noted that the ARC will need to review the draft accounts and the Statement of Internal Controls before the GSOC Accounts are finalised by the 31 March deadline. It was agreed that the draft accounts be circulated for discussion at the March ARC meeting.

8. AOB

The Committee agreed to schedule an additional meeting in light of a busy workload for Quarter 1.