



Garda
Ombudsman
INQUIRY INDEPENDENCE IMPARTIALITY

Annual Report 2022

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Statement from the Chair of the Audit and Risk Committee

I am pleased to present the first Annual Report of the Audit and Risk Committee (ARC) for the Garda Síochána Ombudsman Commission (GSOC) for the first six months of the Committee's operation to 31 December 2022.

The ARC was established by the Ombudsman Commission in January 2022. Under the Draft Policing Security and Community Safety Bill, GSOC is moving towards becoming a new organisation and a Vote holding body and an ARC is a requirement for a Vote holding body under the Civil Service Corporate Governance Standard.

The ARC was established to provide independent and objective advice on the adequacy of systems of governance, internal control and risk management to the Ombudsman Commission, including, through oversight of the internal and external audit functions. Our role is advisory rather than supervisory. We provide an independent view of the financial reporting process, governance systems and procedures, risk management systems, internal control and audit functions to the Ombudsman Commission.

For GSOC was a busy period, as the Commission enters into a transitional period both in terms of business operations and the preparation and challenges faced with the drafting of the new legislation, the restructuring of the organisation and its processes.

Likewise, the ARC has had to establish itself and review the existing governance structures within GSOC. The Committee have considered the drafting of a revised Risk Management Framework and a redesigned Risk Register and advised on the procurement of internal audit services. GSOC appointed Mazars as their Internal Audit provider and work on the drafting of the internal audit plan has commenced. Based on its considerations during the past year, the Audit and Risk Committee are satisfied that GSOC has a solid control environment in place.

The ARC is satisfied that the internal audit service provided by the Department of Justice Internal Audit Unit has made a valuable contribution to the overall control environment and the Ombudsman Commission can rely on the assurances provided and that its recommendations are appropriately addressed by management.

The external auditor provided a similar level of assurance from the audit of the 2021 financial accounts.

The ARC is satisfied with:

- the assurances provided by the external and internal audit;
- the Committee's own work in the review of financial, internal control, risk and governance matters; and
- engagement with management during 2022.

The ARC is assured that there are adequate risk management and internal control systems in place in GSOC for 2022 which can be relied on to give assurances to the Ombudsman Commission.

1. Introduction

The Audit and Risk Committee (ARC) Annual Report 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). It is the first annual report of the ARC.

2. Membership, Meetings and Support

The members of the ARC are:

Member	Position	Meeting attended in 2022
Mr Paul Dempsey	Chair – External member	3
Ms Emily Logan	Internal Member	3
Mr James O’Boyle	External Member	3

The ARC held three meetings in 2022, on the following dates;

- 15 June 2022;
- 06 October 2022; and
- 07 December 2022.

The Committee was supported by the Director of Administration, the Head of Finance and Corporate Services and the Chief Risk Officer. Ms Pauline Byrne was Secretary to the Committee in 2022.

3. Role and Functions of the Audit and Risk Committee

The ARC is part of GSOC’s control environment, tasked with providing independent advice to the Ombudsman Commission and supporting them in their responsibilities for issues of risk, internal control, and governance. In doing so, the ARC will review the comprehensiveness, reliability, and integrity of assurances to the Ombudsman Commission, including the suitability and robustness of the organisation’s internal control, internal audit, risk management and governance systems and procedures. The ARC may make recommendations to GSOC and the Ombudsman Commission 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 Controls and Risk Management Systems
- Financial Reporting
- Governance and Compliance
- Internal Audit

- External audit
- Protected Disclosures
- Data Protection

4. Audit and Risk Charter

The Audit and Risk Committee Charter was put in place by the Committee in 2022, with the approval of the Ombudsman Commission. In accordance with the Charter, the Committee confirms that the following have been carried out:

- the functions outlined in the Charter; and
- a review of the Committee's performance.

5. Work of the Audit and Risk Committee in 2022

The following matters were considered by the ARC during 2022:

- The Charter for the Audit and Risk Committee was agreed by the Chair of the ARC and the Chair of the Ombudsman Commission;
- The Committee met with GSOC's Senior Management Team, who provided a brief overview of the roles and functions of their areas of responsibility within GSOC.
- Considered the report undertaken by the Department of Justice (DOJ) Statement of Internal Controls 2021 and met with representatives from the internal audit team.
- Considered the outcome of the audit of the 2021 accounts and Management letter from the Comptroller and Auditor General (C&AG). Met with a Senior Auditor from the C&AG, who discussed the report of the audit;
- Considered an externally commissioned report on ICT Service Delivery Model Audit and met with a representative of the audit team and GSOC's Head of ICT to discuss the finding and next steps;
- Met with the Head of GSOC's newly established Quality Management and Review unit and discussed the draft report of a quality management review;
- Considered and approved a revised Risk Management Framework for GSOC, advice on the establishment of a Risk Management Group and on-going monitoring of risk. Reviewed the draft risk register and met with the Chief Risk Officer (CRO) and management to discuss risks;
- Noted the appointment by GSOC of an internal auditor service following a procurement process.

The approved minutes of meetings are circulated to the Commission and are published on GSOC's website. In addition, the Committee retains a log of actions arising from its meeting and the status of these actions is updated on an ongoing basis.

6. Director Updates

The Director of Administration updated the Committee at each of its meetings in relation to GSOC's main activities and its operating environment. Regular updates on the status of the new legislation and GSOC's preparation for transition to implement the requirements of the legislation was noted, this includes, an external independent business analysis being undertaken by Grant Thornton with a view to designing a new operating model and identifying resources requirements to ensure that the organisation has the capacity to meet the new remit envisaged by the proposed new legislation. The Committee were also briefed in relation to the financial position of GSOC and other matters.

7. Financial Matters

The Committee reviewed GSOC's financial reports for 2021 and examined expenditure against budgets allocated. The budget allocation for 2023 was discussed and noted that further discussions would take place with regards to resources on foot of the organisational review report.

The Committee noted that under a Vote arrangement the requirement will be for an Appropriation Account rather than the current set of Accruals Accounts.

8. Internal Audit

The Review of Internal Controls 2021, were considered by the Committee. Internal audit (DOJ) confirmed that they were satisfied that:

- recommendations made were implemented;
- GSOC has effective internal controls systems in place.

The Committee discussed GSOC's need for the provision of its own internal audit service in light of the new legislation, which will see GSOC becoming a Vote holding body. During Quarter 4 2022, GSOC appointed Mazars to provide an internal audit service.

9. External Audit

The Comptroller and Auditor General (C&AG) conducted an audit of GSOC's 2021 financial accounts. The C&AG management letter noted a few risks, including ICT controls and the accrual of annual leave. The Committee were advised that GSOC's accounting policies and disclosures are appropriate and that there is a highly compliant procurement process in place.

The C&AG Senior Auditor presented the finding of the Audit to the Committee at the December 2022 meeting. The Committee noted that the finding of the C&AG Audit Report was a positive reflection on GSOC's control environment.

10. Implementation of Audit Recommendations

GSOC 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 reviewed by the Committee.

11. Risk Management

The Committee reviewed and discussed GSOC's revised Risk Management Framework in advance of being approved by the Commission in November 2022. The Committee noted that the policy framework sets out the establishment of a Risk Management Group and advised that this is established at an early date in 2023.

The Committee noted that Risk Management is a standing item at the Commissioners meeting. The Committee noted the appointment of a Chief Risk Officer in GSOC. Risk Management is a standing agenda item at ARC meeting when risks are reviewed and discussed with the Chief Risk Officer.

12. Self-Evaluation of Audit and Risk Committee Effectiveness

The Committee carried out an assessment of its effectiveness during Quarter 1 2023. The Committee completed the questionnaire in the Code of Practice for the Governance of State Bodies to assess its effectiveness and compliance with the requirements of the Code.

The membership and skills mix of the Committee was considered and no gaps were identified;

The skills, knowledge and experience of members

13. Priorities for 2023

During 2023 the Committee will continue with the areas of business undertaken in 2022 to provide oversight of the governance, financial, audit and risk management arrangements in place in GSOC with a view to providing assurance to the Ombudsman Commission with respect to the adequacy of and compliance with the system of internal control. Particular attention will be given to the following areas of work as GSOC continues to prepare for the transition into a new organisation:

- Engagement with the newly appointed internal auditors and the development of an internal audit plan;
- Monitoring of the Risk Management Framework and a detailed review of the revised Risk Register;
- Monitoring of key risks for GSOC; including, but not limited to the transition project;
- Meeting with the new CEO Designate, when appointed;
- Engagement with Comptroller and Auditor General.

