



**Minutes of Audit and Risk Committee  
28 March 2024**

**Attendance**

Committee:	Paul Dempsey (Chair), Emily Logan and James O'Boyle
Secretary:	Pauline Byrne,
Management/Staff:	Aileen Healy (Director of Administration), Amanda McLoughlin (Head of Finance), Joanne O Donohue (Chief Risk Officer) (item 4), Ellen Kenny (Data & Governance).
Visitor:	Robert Burke (Mazars) (item 5)
Apologies:	Valerie Woods (Principal Officer Administration)

**1. Committee Chair Opening Statement**

The agenda was approved and no conflicts of interest were declared.

**2. Minutes and Matters Arising**

The minutes of the ARC meeting on 15 February 2024 were approved.

**3. Administration Update**

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

- GSOC continues to focus on its transition to Fiosrú, in particular those actions that are essential for the commencement of the Act on 1 July 2024, including:
  - The recruitment for the Senior Management posts is being run by PAS and all three competitions are underway and applications are now closed. The position of Chief Executive Officer (CEO) is currently at an advanced stage and The Department of Justice (DoJ) expect it to be complete by the end of April.
  - The work to redefine processes is continuing and a number of processes for Casework and Investigations have been workshopped and documented. A small number have been completed and signed off by the Project Board. These processes will feed into the new case management system (CMS), roles, procedures and staff training.
  - The contract for the new CMS has been signed with the successful supplier. The project will be ongoing for the next year. An interim solution will be put in place, which will work alongside the existing CMS system.

- The development and branding of a new corporate identity for Fiosrú has been finalised and approved. Work is continuing on developing key messages and other material for a public information campaign. The design for the new website has been outsourced and work is continuing on its development.
- The procurement process for a programme manager for the Transition team is complete.
- There is ongoing engagement with the Financial Shared Services (FSS) in the Department of Justice (DOJ) regarding the establishment of the Vote. An interim system has been configured and is now place to establish separate payroll accounting for Fiosrú.
- Finance Unit are currently engaging with Revenue with regards to the tax number, once this is available testing of the new Fiosrú Financial management system can commence.
- Work to prepare the material required for a Further Revised Estimates, which will transfer the balance of GSOC's funding for 2024 to the new Fiosrú on establishment. A meeting of the Justice Select Committee on Vote 6 is scheduled for May.
- There is ongoing engagement with the DOJ on key issues, which impact on Fiosrú processes including the Garda Conduct Regulations and the establishment of the Independent Examiner.
- GSOC's annual report has been signed off and is due for submission to the DOJ.
- The Comptroller & Auditor General (OCAG) will commence their audit in April 2024. It was noted that the OCAG will undertake 2 audits of 2024 accounts for the organisation and that they propose to conduct both audits in 2025 – one of the GSOC Financial Statements up to commencement date; and one of the Fiosrú Appropriation Account for the remainder of the year.
- Internal auditors, Mazars will commence their audit of Risk Management on 8 April 2024.
- The Learning and Development Unit continue to liaise with the awarded contractor on the accredited training programme for staff.
- It was noted that a new fleet management system has been procured and a draft policy has been prepared which will be discussed at the next Departmental Council meeting.
- The Activity Report was noted.

There was a discussion on the work to be undertaken in relation to the preparation of governance documents for Fiosrú, in particular the statutory Code of ethics for Fiosrú staff. It was noted that, while this was not a Day 1 essential, an update on progress would be provided to the next ARC meeting.

The Committee noted that the terms of members is due to expire at the end of 2024 and acknowledged that the new CEO (Accounting Officer) may wish to appoint a new ARC. It was agreed that it would be beneficial for the existing ARC to meet with the new CEO for a discussion and sharing of the ARC's experience of the GSOC audit and risk issues at the next ARC if possible.

#### **4. Risk Management**

The Chief Risk Officer briefed the Committee on the Risk register. In particular, it was noted that:

- The Risk Register was submitted to and approved by the Commission at its last meeting;
- The Committee were updated on the six risks with a high rating;
- Data Protection remains as a high risk as a result of reported data breaches.

- The Risk Management group met in March and the two additional operational risks were added to the Risk Register, these relate to:
  - The development of the new CMS; and
  - The putting in place of an interim CMS to meet the needs of Fiosrú from commencement date. It was noted that the interim CMS will be a mirror of the existing system, with a number of amendments to facilitate some alignment with the new legislation;
  - Despite both risks relating to the CMS, they are considered to be distinct risks.
- Risk associated to GSOC's transition to Fiosrú with particular emphasis on the need for proper performance management, as highlighted in a recent Internal Audit Report.
- There was a discussion on the importance of KPI's for both operations and the organisation and the advantages of KPI's in measuring accountability at a corporate level. KPI's are a useful tool in regards to reports on business planning from new strategy, resourcing issues and prioritising work. The Committee referred to the Report of the Investigatory Powers Commissioner's Office (IPCO) and their use of KPI's in reporting and recommended that GSOC examine standards of other organisations as a benchmark tool.
- The Committee requested a presentation on progress on Performance Management at the next meeting.

There was a discussion on the risk relating to non-compliance with statutory and regulatory obligations, the need for the establishment of a Governance Unit to lead on a range of governance issues was emphasised.

The Committee expressed concern that there are a lot of high-risk areas recorded on the register with little evidence to show change in the rating of these risks over a period of time. They emphasised the need for areas responsible to implement the mitigating actions identified so as to improve the effectiveness of internal controls, and to record this on the register and adjust residual risks accordingly.

## **5. Audit**

### **5.1 Complaints Review Process**

The Committee welcomed the representative from Mazars for discussion on the findings and recommendations of their internal audit on GSOC's Complaints Review Process.

The Committee noted the Terms of Reference and the finding of the audit. No high-level priority finding was identified; two medium priority findings were identified in the area of Policies and Procedures. The Committee discussed and expressed concern with the management responses with regards to the recommendations made, noting that they appeared to be defensive, there was no indication as to whether the recommendations were accepted and no target timeframe, although these may be difficult to define and there may need to be exceptions to any defined timeframe. The Committee requested that management reconsider their responses and bring the report back for consideration at their next meeting.

## **5.2 Review of the System of Internal Controls 2023**

The Mazars representative discussed the finding of the Review of System Internal Controls audit. The Committee noted that the audit was conducted in two parts, audit of the Internal Financial Controls and the Internal Control Questionnaire.

The auditor outlined the findings of the Internal Financial controls, noting their finding and recommendations on a number of matters, and management acceptance of those recommendations. The auditors confirmed that they have gained reasonable assurance that the system of internal controls was operating as intended and that the draft Statement of Internal Controls included in the draft Financial statement reflected the position. The audit opinion, that there is an adequate and effective system of governance, risk management and internal control in place, was noted.

The Mazars representative outlined the findings and methodology of the Internal Control Questionnaire (ICQ). The Committee noted that this work is conducted through meetings with management and staff to identify and evaluate internal controls, as well as a review of the relevant policies and procedures in place. The auditor expressed the opinion that the ICQ finding should provide assurance to the ARC and the Commission.

The Committee noted that GSOC's Anti-Fraud Policy has been reviewed and revised and recommended further discussion at the next ARC meeting. There was a discussion on GSOC's Code of Ethics and the Committee noted that significant progress has been made on it. It was agreed that the Committee will be provided with a further update at the next scheduled meeting.

## **5.3 Internal Audit Plan**

The Mazars representative briefed the Committee on the Internal Audit Plan 2023/2024. The Committee was informed of the audits conducted in 2023 and the audits scheduled for 2024. The Committee noted that the 2023 System of Internal Control review had been completed and work will commence on 8 April 2024 on the Risk Management Audit. There was discussion on the remaining two scheduled audits for 2024 on Cyber Security and Case File Management. It was agreed that the audit on the recommendations of the previous independent audit of GSOC's ICT, as well as assessing status of compliance with new compliance requirements. It was agreed that further discussion on the terms of reference is scheduled for the next ARC meeting.

There was a discussion on GSOC's fleet management and proposals for the introduction of a new fleet management system. It was agreed that an audit on Fleet Management could be in the 2025 Audit Plan. The Committee asked for an update on the fleet management risk at the next scheduled ARC meeting.

It was noted that the new CEO will wish to review the Internal Plan and the Audit and Risk Committee arrangements on establishment of Fiosrú.

## **5.4 Register of Audit Recommendations**

GSOC's Head of Finance updated the Committee on the Register of Audit Recommendations. It was agreed that a number of audit recommendations could be closed and some recommendations were repetitious and could be consolidated and removed from the register.

## **5.5 Internal Audit Charter**

The Internal Audit Charter was approved and signed by the Chair. The Internal Audit Charter will now be submitted for signature by the Chairperson of the Commission and the Head of Internal Audit.

## **6. Finance**

The Head of Finance briefed the Committee on GSOC's draft Financial Statements for the year end 2023. The Committee discussed the financial statements, which were agreed subject to a number of minor amendments. It was noted that it would be usual for the Accounting Officer to receive a letter of assurance from the NSSO, however in GSOC's case these are provided to the Accounting Officer of the Department of Justice. It was agreed that it should be noted that these assurances have been received in the Department of Justice. The Committee reviewed the Statement of Internal Controls, which were also approved, subject to minor redrafting. It was noted that the ARC review of the Statement of internal Controls, having considered the review of internal controls undertaken by Internal audit, the management representations made and their own work over the past year, gives assurances that the Statement of Internal Controls can be approved as drafted.

## **7. AOB**

The Committee noted the departure of the Principal Officer in Administration and wished to convey their thanks for the support she provided to the Committee.

The next ARC meeting is scheduled for 4 July 2024.