



**Annual Report of the Audit Committee of  
An Garda Síochána  
for the year ended 31 December 2007**

Annual Report of the Audit Committee of An Garda Síochána  
For the year ended 31 December 2007

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

**Constitution**

The Audit Committee (“the Committee”) was established in 2006 by the Garda Commissioner in accordance with Section 44 of the Garda Síochána Act 2005 (“the Act”).

The members of the Audit Committee throughout 2007 were:

Robert Woods, Chairman  
Deputy Commissioner Peter Fitzgerald  
Peter O’Grady Walshe  
Aileen Pierce and  
Paul Turpin

Short biographies of the members may be accessed at [www.garda.ie](http://www.garda.ie)

**Code of Practice for the Governance of State Bodies**

Notwithstanding that the Committee has been advised that the Code of Practice is not applicable to this Statutory Body, it is the intention of the Committee to seek to comply with the spirit of the Code of Practice.

**Functions and Audit Charter**

The functions of the Committee are set out in Section 45 of the Garda Síochána Act 2005. However, in accordance with good governance and to clarify a number of matters not specifically addressed in the legislation, a detailed Audit Charter has also been formally agreed between the Committee and the Commissioner. A copy of this Charter may be accessed at [www.garda.ie](http://www.garda.ie)

**Meetings**

Section 45 (3) of the Act requires the Committee to meet at least four times in each year. The Committee met on seven occasions during 2007:

1. 18 January
2. 1 March
3. 23 March
4. 18 May
5. 29 June
6. 29 August and
7. 16 November

The Chairman also met with outgoing Commissioner Conroy on 17 April 2007 and with incoming Commissioner Murphy on 6 November 2007.

At its meetings, the Committee received presentations from, *inter alia*, Deputy Commissioner Peter Fitzgerald, the Director Finance of An Garda Síochána, Michael Culhane, the Heads of the Garda Internal Audit Section (“GIAS”), Francis Hughes and Niall Kelly, Director of the Shared Service Centre, Killarney, Ken Bruton, Head of IT Planning, Tommy Quinn and Sergeant John Rafter, Change Management.

The Committee also met with a representative of the Comptroller and Auditor General on 18 January 2007 and 16 November 2007.

### Garda Internal Audit Section

The Garda Internal Audit Section was led by a Chief Superintendent until 16 January 2007. From 17 January 2007 until 18 June 2007 it was led by an independent external consultant. On 18 June 2007, a civilian accountant was appointed to be the new Head of GIAS.

At the beginning of 2007 GIAS was a team of five sworn officers comprising of a Chief Superintendent, an Inspector and three Sergeants. At the end of 2007, it comprised 2 civilians and 3 sworn officers. The Committee is of the view that a unit comprising both sworn officers and civilian staff is required for the effective operation of the Section.

During the year, GIAS carried out a number of audits and a list of the audits completed in 2007 is attached at Appendix 1.

The current GIAS Plan runs to 31 March 2008 and preliminary planning in respect of GIAS work for the balance of 2008 has been undertaken and a detailed Plan will be presented to the Audit Committee for its consideration at its meeting of 12 March 2008. The initial plan will be based on the current cohort of three sworn officers and two civilians. When additional staff have been recruited, the plan will be revisited by GIAS and resubmitted to the Committee for its consideration. The Committee is concerned that the process of recruitment of suitably qualified additional civilian staff to GIAS has taken so long and that the GIAS team was significantly understaffed during 2007 and remained so at 31 December 2007.

The ongoing accommodation problems of GIAS are expected to be resolved in early 2008.

### Reorganisation of GIAS

Prior to the establishment of the Committee, a decision had been taken and the Department of Finance had sanctioned an increase in the numbers within GIAS and to introduce a number of suitably qualified civilians as follows:

- 1 Principal Officer (Head of GIAS)
- 2 Assistant Principals (one with I.T. experience)
- 4 Higher Executive Officers
- 2 Executive Officers
- 1 Clerical Officer.

During 2007, a civilian accountant was appointed Head of GIAS and an Assistant Principal transferred from the Department of Justice, Equality and Law Reform. Permission to recruit two accountants and two executive officers was sought from the Department of Finance and approval was received on 29 September 2007, but only for recruitment from within the Public Service. No applications were received for the advertised accounting posts by a deadline of 3 December 2007 and, accordingly, permission was sought on 7 December 2007 to hold an open competition for these posts and approval has since been received. Although the recruitment process has started, the recruitment of the executive officers from within the Public Service had not happened by 31 December 2007.

### **The Garda Síochána Inspectorate**

The Chairman of the Committee met with Kathleen O'Toole, Chief Inspector of the Garda Síochána Inspectorate, on 30 May 2007 and 17 December 2007. He has emphasised to her the benefits of and need for effective communication as, for example, while the Audit Committee is happy that within the most recent report by the Garda Inspectorate it proposes to undertake an inspection of procurement policies, processes and practices in the Garda Síochána, this is an area on which the Audit Committee is specifically required to advise the Commissioner under Section 45 (2) (c) (i) of the Garda Síochána Act 2005.

The Chief Inspector and the Chairman agreed that as the focus of both their organisations is to contribute in a positive manner to efficiency and effectiveness of An Garda Síochána, they will continue to communicate and to meet, from time to time, as appropriate.

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

This section of the Act places a requirement on the Commissioner to inform the Committee of contracts which are to be entered into above a specified monetary amount. The Committee has set a €5 million threshold, but has also requested that it should also be informed of contracts which fall under this threshold, but which may be particularly sensitive to upward change or are unusual in nature.

### **Statement of Internal Financial Controls**

The responsibility of the Secretary General, as accounting officer, transferred to the Commissioner on 14 July 2006. The Audit Committee accepted, with gratitude, the offer of the Internal Audit Unit of the Department of Justice, Equality and Law Reform that the auditor who worked in 2006 on the Report on the Statement of Internal Financial Controls in respect of the 2005 Garda Appropriation Accounts would be made available to participate in that work in 2007 on the 2006 Garda Appropriation accounts in order to assist in a smooth transition and knowledge transfer.

The Committee reviewed the Report of the Head of GIAS on the Statement of Internal Financial Controls and a Report by the Director of Finance and on the basis of these two Reports and various enquiries, together with the Committee's review of the documents that the Commissioner was required to sign, the Committee concluded that it was not unreasonable for the Commissioner to sign

Annual Report of the Audit Committee of An Garda Síochána  
the Appropriation Accounts and the Statement by the Accounting Officer on Internal Financial Controls to be included with the 2006 Appropriation Accounts. The Committee communicated that opinion, in writing, to the Commissioner on 29 March 2007.

### **Overspend**

Section 45 (2) (c) (ii) of the Act requires the Audit Committee to advise the Commissioner on seeking sanction for expenditure and complying with that sanction. It was evident to the Committee for many months during 2007 that An Garda Síochána would not be able to both carry out the work required of it and to adhere to its sanctioned expenditure. Verbal and written reassurances were sought from the Department of Justice, Equality and Law Reform in respect of the overspend throughout 2007 and in November 2007 an additional amount of €25 million was sought from the Government as a supplementary vote for An Garda Síochána. The supplementary vote of €25 million was subsequently approved by the Government.

### **Other important matters considered by the Audit Committee**

In addition to matters raised in Internal Audit Reports, the Committee has considered and advised the Commissioner, directly and indirectly on a variety of matters (some of which are work in progress). These include:

- **Risk Register** - While An Garda Síochána appears to the Committee to be extremely aware of the need for constant attention to risk management, the preparation of a risk management framework in accordance the Department of Finance Guidelines of March 2004 has not been completed. The Committee notes that a project board chaired by an Assistant Commissioner is working on a risk management framework and expects to have a first draft available in the first quarter of 2008, but the Committee would urge that its completion receives appropriate priority.
- **Service Level Agreement (“SLA”)** - While a SLA with the Financial Shared Services Centre (“FSSC”) in Killarney is in place, it is dated prior to the change in Accounting Officer in 2006 to the Commissioner. The Committee has requested that a comprehensive review of this SLA be carried out by the Director of Finance before its renewal in April 2008, *inter alia*, to ensure that it fully reflects any changes that may have arisen by virtue of the change in Accounting Officer to the Commissioner.
- **Custody of Financial Evidence** - The Committee recognises that there are a number of issues including accommodation, systems, centralisation etc which are under review to ensure that all relevant evidence in the possession of An Garda Síochána is held safely and securely [with a demonstrable chain of custody]. Mindful of the substantial amounts of money that are unaccounted for from two Garda stations, and while appreciative of the fact that there are different requirements over evidence in different jurisdictions, the Committee is seeking information through the Department as to what procedures are in place elsewhere with a view to **establishing whether it would be feasible to recommend that, where banknotes are being held as evidence, all but a sample of such funds could be lodged in a bank account.**

- **Accommodation Issues** – The Committee is concerned at the financial and logistical implications for An Garda Síochána of the manifest need to immediately upgrade or rebuild many of the 700+ stations. This has been largely brought about by the recent rapid expansion of the numbers of staff in the organisation and of the projected future growth. The Committee notes that these stations are owned by the Office of Public Works (“OPW”) rather than by An Garda Síochána and that all repair, refurbishment and upgrade work must be channelled through one supplier, the OPW. The Committee recognises that the Commissioner has taken measures to address this critical issue including:
  - Setting up of a multi-agency Accommodation Programme Board
  - Development of short term and long term strategic plans for the estate
  - Appointment of additional resources to the Garda Housing Section including agreeing to the hiring of a consultant
  - Commissioning a series of nationwide surveys of the estate and
  - Discussions with the OPW on the expenditure on Garda stations under the National Development Plan
- The Committee noted that a number of suspense accounts were not being reconciled on a regular basis and that a number of suspense accounts contained unresolved items dating back a number of years. The Finance Directorate and the FSSC in Killarney have allocated additional resources to this area and much work has been carried out during 2007 to bring these matters up to date.
- **Review of Depreciation Policy** - An Garda Síochána accounts principally on a cash basis rather than on an accruals basis. However, in accordance with Government accounting rules, some limited asset and liability information is included in the Appropriation Accounts.

The Department of Finance Circular 1/96 “Appropriation Accounts Requirements for 1995 and related issues” which deals with the depreciation policy states that the general policy is to calculate depreciation on all capital assets in existence at year end.

The Committee has reviewed the application of depreciation within An Garda Síochána and notes that the Finance Directorate of An Garda Síochána, with the concurrence of the Comptroller and Auditor General, has applied depreciation to capital assets in compliance with this policy.

However, in the light of its review, the Committee has recommended that a detailed examination be carried out by the Director of Finance of the application of specific depreciation policies to the capital assets of An Garda Síochána. This examination would cover, *inter alia*, matters identified by the Committee such as the appropriate timing for the commencement of depreciation of fixed assets purchased but not commissioned and, in the light of residual writedowns on disposals, the validity of the 20% straight-line depreciation rate applied to all Garda vehicles.

**Conclusion**

The members of the Committee would like to acknowledge the assistance that they have received during the year ended 31 December 2007 from within An Garda Síochána and the Department of Justice, Equality and Law Reform.

The Committee is concerned that the process of recruitment of suitably qualified additional civilian staff to GIAS takes so long and that the GIAS team remained significantly understaffed at 31 December 2007.

While the Committee is pleased to report significant progress during 2007, a number of important issues remain to be progressed in 2008 to ensure that the Commissioner is provided with the appropriate support that he needs to ensure that the financial affairs of An Garda Síochána are efficient and effective.



Robert T. R. Woods

Chairman of the Audit Committee of An Garda Síochána

18 January 2008

**Appendix 1: Audits Completed in 2007**

Audit of Cork City Division

Audit of Air Support Unit

Audit of Galway West Division

Audit of Transport Systems

Audit of Sligo/Leitrim Division

Audit of the Special Detective Unit

Audit of the National Bureau of Criminal Investigations

Audit Report on Review of Internal Financial Controls

Audit of Louth/ Meath Division

Audit of Tipperary Division

Audit of Fixed Charge Penalty Office

Audit of Garda Bureau of Fraud Investigation