



**Annual Report of the Audit Committee of  
An Garda Síochána  
for the year ended 31 December 2012**

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

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 Committee’s three year term of engagement expired on 30<sup>th</sup> September 2012. The Minister for Justice and Equality re-appointed the members for a further period ending on 31<sup>st</sup> October 2013.

The following were members of the Audit Committee in 2012:

Mr. Jimmy Farrelly (Chair)

Deputy Commissioner Nacie Rice

Mr. Pat Fitzpatrick

Mr. Eamon Kinch

Mr. James Collins

The Committee would like to thank Garda John Griffin who acted as Secretary to the Committee.

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

### **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 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 every year. The Committee met on six occasions during 2012 on 6<sup>th</sup> February, 25<sup>th</sup> March, 22<sup>nd</sup> June, 2<sup>nd</sup> August, 28<sup>th</sup> September and 17<sup>th</sup> December. All the meetings were held at Garda Headquarters, Phoenix Park Dublin. The Committee met with the Garda Commissioner on 26th March 2012.

The Committee commences all meetings with a private session of at least thirty minutes at which only committee members attend. Following this session the Committee meetings are normally attended by the Executive Director of Finance and Services and the Head of Internal Audit in order to provide up to date information to the Committee on relevant subjects.

## **Garda Internal Audit**

### **Staffing of Internal Audit**

Garda Internal Audit is led by a qualified accountant.

The Committee reviewed the staffing levels and competencies within Garda Internal Audit. Three vacancies out of a staffing complement of ten still exist at the level of Professional Accountant Grade II, Garda Inspector and Garda Sergeant. The vacant positions were not filled in 2012 due restrictions in staff numbers within An Garda Síochána.

Within the context of the limited funds for training of staff and the absence of development training provided centrally, internal audit training was limited to seminars sourced free of charge from within the shared public service resources or at low cost from the Accounting and Audit professional bodies. One member of staff studied for the professional examinations of the Association of Chartered Certified Accountants in 2012. Other staff attended short courses and seminars on subjects such as Risk Management, Information and Communications Technology Audit, Fraud and Forensic Accounting, Governance and Project Management and Procurement. Two staff members attended the Annual Conference of the Institute

of Internal Auditors. All staff attended the Seminar organised by the Heads of Internal Audit Forum and the Department of Public Expenditure and Reform entitled the “Value of Internal Audit in Changing Times”.

### **Compliance with Professional Standards**

In November 2012, the Department of Public Expenditure and Reform in conjunction with the Heads of Internal Audit Forum (made up of the Heads of Internal Audit from Central Government Departments and Offices) launched new Professional Standards for the conduct of Internal Audit in organisations with voted expenditure. It is the intension of Garda Internal Audit Section to be fully compliant with these Professional Standards. These standards are available at [www.govacc.per.gov.ie](http://www.govacc.per.gov.ie) .

### **Risk Assessment**

In order to develop the Audit Plan for 2012 Garda Internal Audit undertook a risk assessment of the organisation. This risk assessment was based on;

1. The Corporate Risk Register
2. Interviews with Senior Management (Assistant Commissioner and above) and with the Risk Management Team
3. The findings of previous audits and other relevant reports.

From this risk assessment five key overarching risk areas were identified that could potentially have an impact on financial risk and management controls in the organisation. This risk analysis has lead to the development of mitigating strategies.

Key risk areas were examined in the course of all Divisional/District and Business Unit Audits undertaken in 2012 in order to recommend mitigation strategies to offset the potential adverse affects of such risks. The audit recommendations have contributed to a reduction in the inherent risk in An Garda Síochána. The Audit Committee was presented by the Risk Management Team with the outcomes of work done in this area.

### **Value Added from Internal Audit**

The audit process has provided assurance in relation to the adequacy of the financial and management controls in place within An Garda Síochána. Internal Audit has advised the Garda Commissioner in his role as Accounting Officer. In addition, the Audit Committee is pleased to record improved performance from recommendations of the audit process in the following areas:

- Management and recording of sickness absences; compliance with the EU Working Time Directive and the control and management of discretionary staffing costs, including overtime and travel and subsistence expenses.
- Compliance with Public Procurement Requirements leading to transparency, improved oversight and accountability, greater efficiency with some savings. Increased centralisation of procurement and payments, which is still a work in progress, facilitated a reduction in balances held at Garda District Imprest Accounts.
- Control of vehicle costs including fuel and maintenance costs. In addition the critical issue of availability of vehicles was reviewed in the course of each Divisional Audit conducted.
- Management and maintenance of the Garda vehicle fleet.
- Data quality and completeness of information on Garda ICT Systems and procedures for the tracking and management of information.

### **Garda Professional Standards Unit**

The Head of Internal Audit met with the Chief Superintendent GPSU in June 2012 to co-ordinate the activities of the two oversight functions in order to minimise duplication of audit. A high degree of co-operation has been developed with both units exchanging all completed reports and sharing relevant information.

### **The Garda Síochána Inspectorate**

The focus of both the Garda Síochána Inspectorate and the Garda Internal Audit Unit is to contribute in a positive manner to efficiency and effectiveness of An Garda Síochána. The Chairman will be arranging a meeting with the Chief Inspector for 2013.

### **Comptroller and Auditor General**

Garda Internal Audit has maintained a professional working relationship with the Office of the Comptroller and Auditor General. All significant audit findings have been communicated to the C&AG. The Committee discussed the letter from the Office of the Comptroller and Auditor General detailing the findings from their external audits conducted by that Office. The Committee has agreed with the Office of the Comptroller and Auditor General for a meeting to be held in early 2013.

### **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 entered into above a specified monetary amount. The Committee has set a €5 million threshold and has requested that it be informed of contracts which fall under this threshold which may be particularly sensitive to upward change or are unusual in nature. The Committee had a presentation from the Executive Director of Finance and Services on the contract with Ford for the service, repair and maintenance of vehicles, which has an approximate value of €7m.

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

The Garda Commissioner is the Accounting Officer for the Garda voted expenditure and receipts. The Committee reviewed the Report of the Head of Internal Audit on the Statement of Internal Financial Controls and a Report by the Executive Director of Finance. On the basis of examination of these two Reports together with further enquiries and 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 the Appropriation Accounts and the Statement by the Accounting Officer on Internal Financial Controls to be included with the 2011 Appropriation Accounts. The Committee communicated that opinion, in writing, to the Commissioner on 26th March 2012.

## **Public Procurement**

Procurement policies, processes and practices in the Garda Síochána, is an area about which the Audit Committee continued to review and to advise the Commissioner under Section 45 (2)(c)(i) of the Garda Síochána Act, 2005. The Committee acknowledges the significant progress made during 2012 and welcomed the Corporate Procurement Strategy 2013-15 which will be reviewed in 2013.

Department of Finance circular 40/02<sup>1</sup> requires that all incidents of non-compliance with procurement procedures be reported, as an appendix, to the Appropriation Account. The Committee discussed the 40/02 return and acknowledged the work that had been put into this document which necessitated trawling through all District Imprest Accounts.

The Committee was provided at each meeting with a report detailing procurement activity and a timetable for the implementation of audit recommendations. Procurement will continue to be scrutinised in 2013. Progress made in 2012 relating to procurement includes the following:

## **Change Developments**

The Committee noted the Government decision to establish a National Procurement Office and to appoint a Chief Procurement Officer reporting directly to the Minister for Public Expenditure and Reform.

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<sup>1</sup> 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.

A more efficient on-line uniform application system is now available in the Dublin Metropolitan Region, Southern Region and in the Kilkenny Division.

Increased centralisation of procurement allowed placing of larger contracts at National, Regional and Divisional levels instead of each District procuring locally, this has resulted in greater efficiencies of scale, enhanced accountability and greater levels of competition. Challenges remain in managing these changes.

An Garda Síochána have participated in a number of public service procurement initiatives and joint contracts.

The national contract for vehicle repairs and maintenance has co-ordinated the servicing and repair of vehicles. This has allowed for information on the service history of vehicles to be captured on the Garda Fleet Management System (Tranman).

### **Contract Database**

The Garda Central Procurement Section has, since 2010, used the Supplier Agreement Database developed by the Department of Justice and Equality. This database included details of contracts placed and has a facility to alert the Procurement Section within three months of the expiry of a contract. The database continued to be expanded during 2012. Contracts in relation to ICT Services were inputted to this database, as recommended by the Committee, following on from the findings of Internal Audit. This Supply Agreement Database will be replaced by a National Database of Public Sector Contracts in 2013.

### **Medical Services**

Sanction has been obtained from the Department of Public Expenditure and Reform (DPER) for the placing of tender notices for medical services for persons detained. The development of the Request for Tender Specification for provision of these services is at an advanced stage. Discussions are on-going with the HSE and others in regard to sharing medical contracts amongst Departments and Agencies that require a variety of medical services on an on-going basis.



### **Other Procurement Issues**

Sanction was obtained from DPER for progressing tender competitions for a range of cleaning contracts in various locations throughout the country and for interpretation and translation services. The Committee discussed the length of time taken to receive sanction in order to go to tender for services as well as place contracts that are essential to the operations of An Garda Síochána.

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

The Committee agreed the Audit Plan 2012 set out by Internal Audit for 2012 and reviewed progress against this plan during the year. The Committee agreed additional priorities and amended the plan during the year. Amendments to the plan recommended by the Head of Internal Audit were accepted by the Committee.

In total the Committee considered 26 Audit Reports;

Divisional/Specialist Unit Audits	12
Thematic/Crosscutting Audits	5
Review Audits	9

The Committee discussed findings of audit reports in regards to inadequate storage of property coming into the possession of An Garda Síochána.

There is currently significant work being undertaken on warrant management across the country and a working group has been formed to examine the matter and implement audit recommendations. The Committee recommended that warrant management should be further reviewed in 2013.

Opportunities for the development of civilian staff were discussed. Structured performance management and development/training for civilians has the potential to increase performance and maximize the contribution of more than 2000 civilian staff in the Garda organisation. An Garda Síochána has recently developed joint professional development training of sworn and civilian staff at a senior level (Garda Superintendent /Assistant Principal grades).

The Committee examined the outturn of the Appropriation Account for 2011 and at each meeting the Management Accounts and budgetary position were reviewed.

The Committee discussed and noted the Anti Fraud Policy which was published in August 2012. This policy is designed to provide information and guidance to all staff in relation to the risk of fraud in An Garda Síochána.

The Committee reviewed the incidence of overpayment of salary and pensions. It was agreed that the account for salary and pension overpayments would be further reviewed in 2013.

The Sickness Absence Management System developed between the HR Directorate and the ICT Directorate which has enhanced the management of sickness absence was discussed by the Committee.

The committee was informed of an issue at the Garda College in Templemore, whereby the OPW discovered that a number of blocks of accommodation do not comply with fire regulations. The Office of Public Works is putting a programme in place to address the issue.

## **Conclusion**

The members of the Committee would like to acknowledge the co-operation and assistance that they have received during the year from staff of An Garda Síochána up to and including the Commissioner and also the assistance of the Department of Justice and Equality. They also thanked the Head of Internal Audit and his staff for the excellent work carried out by them during the year.

Progress can be reported in relation to reduced risks across the organisation as a result of the implementation of audit recommendation as highlighted above. The findings from the audit reports highlight that significant added value is being contributed to the Garda organisation by Internal Audit. The Committee is satisfied that there are adequate systems of control across the Organisation. While the Committee is pleased to report significant progress during 2012, some issues

continued to be progressed and will be reviewed further in 2013, including compliance with procurement procedures, the recoupment of overpayments of salary and pensions, the management of property in the possession of An Garda Síochána, the management of work absences and indirect staffing costs including overtime and travel and subsistence expenses, the tracking and execution of Court Warrants and progress in relation to the delivery of the Corporate Procurement Strategy 2013/15.



*Jimmy Farrelly*

*Chairman of the Audit Committee of An Garda Síochána*

*Date: 25 March 2013*