



**Annual Report of the Audit and Risk
Committee of
An Garda Síochána for the year ended
31 December 2020**

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1. Chair's Summary

I am pleased to present the Annual Report of the Audit and Risk Committee (“the Committee”) of An Garda Síochána for the year ending 31/12/2020. This report is prepared to comply with the obligations under Section 45(1)(b) of the Garda Síochána Act 2005 as amended by Section 36 of the Garda Síochána (Policing Authority Miscellaneous Provisions) Act 2015.

The Committee is appointed by the Policing Authority to independently and objectively oversee governance and financial matters including the system of the internal control in An Garda Síochána and to evaluate the related risk management arrangements in place. The Committee is therefore an important element of An Garda Síochána governance structures. This report ensures that the Commissioner, the Policing Authority and the Minister for Justice are fully aware of Committee's activities.

The year 2020 was a COVID-19 interrupted year for the Committee. The four meetings in 2020 were attended by all Committee members. Demonstrating his commitment to, and support of the work of the Committee, every Committee meeting was also attended by Commissioner Drew Harris. This annual report provides the detail of this work and is structured under the following three headings:

- Governance issues (Section 2 of this report)
- Financial Reporting (Section 3 of this report)
- Quality of Internal and External Audit (Section 4 of this report)

The Committee's annual business cycle is designed to provide adequate time to evaluate each of these three areas which this report reflects. The Commissioner reported that he believes that An Garda Síochána governance structures operated in a reasonable manner during 2020, subject to any control weaknesses highlighted in the 2020 Statement of Internal Financial Control (signed in 2021 and not yet seen by the Committee). The Committee has not been facilitated in overseeing the process to support the signing of the Statement of Internal Financial Control (see Section 5).

Previous chairman, Dr. Cyril Sullivan, completed his term of office in April 2020. I thank him for his exemplary service to the Committee. Having been nominated by the Policing Authority, I commenced my three-year term as Chair of the Committee on 1 May 2020. The Policing Authority re-appointed the remaining two members of the Committee, Ms. Áine Cornally and Ms. Anne Tynan for a further three-year term commencing 1 May 2020. In addition, the Policing Authority appointed Mr. Eoin McVey to the Committee for a three-year term. I thank Dr. Sullivan and my fellow committee members, the Commissioner, members of his management team and his staff for their support during 2020.

2. Governance Issues

This section sets out the work completed by the Committee to monitor and assess An Garda's Síochána governance arrangements as provided under its Charter during 2020. This section introduces the Committee and its operation and is then followed by the main governance issues assessed by the Committee during 2020 including:

- Internal audit
- Human Resources Management
- The Divisional Policing Model
- Risk Management
- Garda Professional Standards Unit
- Comptroller and Auditor General

The Audit and Risk Committee

The Audit and Risk Committee ('the Committee') was established in 2006 by the Garda Commissioner in accordance with Section 44 of the Garda Síochána Act 2005 ("the Act") as amended by Section 36 of the Garda Síochána (Policing Authority Miscellaneous Provisions) Act 2015. The current Committee was appointed by the Policing Authority in May 2020.

The following are members of the current Audit Committee:

Dr. Cyril Sullivan (Chair) (to April 2020)

Professor Niamh Brennan (Chair from May 2020)

Ms. Áine Cornally

Ms. Anne Tynan

Mr. Eoin McVey (from May 2020)

Mr. Joseph Nugent

Short biographies of the current members may be accessed at

<https://www.garda.ie/en/about-us/audit-and-risk-committee/audit-and-risk-committee.html>

The services of a Committee Secretary transitioned from the Office of the Commissioner to the Office of Deputy Commissioner Strategy, Governance and Performance in 2020. The Committee would like to thank Ms. Catherine Heffernan and Ms. Órlaith Kelly for their dedication and professionalism as Committee Secretary during 2020.

The Audit and Risk Committee Operations

As mentioned above, the Committee's operations are set out in Section 45 of the Garda Síochána Act 2005 and further elaborated in its Charter (formally agreed between the Committee and the Commissioner). A copy of this Charter may be accessed at:

<https://www.garda.ie/en/about-us/audit-and-risk-committee/charter-for-the-garda-siochana-audit-committee1.pdf>. Among other things, the Charter provides that the Committee supervises the process of internal audit; reviews and approves internal audit reports; and advises the Commissioner in relation to his role as Accounting Officer.

Meetings

Section 45 (3) of the Act requires the Committee to meet at least four times in every year. The Committee met on four occasions during 2020, namely on the 4^h March, 15th July, 24th September and 19th November 2020.

The March 2020 meeting was held in the Officers' Club at Garda HQ. The remaining three meetings were held virtually. The Head of Internal Audit, as well as other officers, were invited to attend as required to provide up-to-date information to the Committee on relevant subjects.

The Committee welcomed the attendance of Commissioner Harris at each of its meetings during 2020. Notwithstanding the demands of his Office, the Commissioner has made it his

business to attend Committee meetings since his appointment in September 2018. The Committee acknowledges the Commissioner's commitment to its function and its work. The Committee has found that working closely with the Commissioner has enhanced the Committee's effectiveness and connects the Committee directly into the organisation's operations.

Conflicts of Interest

The members of the committee make a *no conflicts of interest* declaration at the beginning of every meeting, to confirm our independence. There were no conflicts of interest during 2020.

Main Governance Matters for 2020

Internal audit

The operation of the Committee depends on the quantity and quality of internal audit reports provided to it. The Committee wishes to acknowledge the work and commitment of the Garda Internal Audit Section (GIAS). Section head, Mr. Niall Kelly, left An Garda Síochána for a new role on 13 April 2020. Since then, Ms. Therese Carolan has been acting head of Internal Audit. We thank Mr. Kelly for his lengthy and diligent service to An Garda Síochána and in supporting the work of the Committee. We also thank Ms. Carolan for stepping into the role pending appointment of a new Head of Internal Audit.

It is of considerable concern to the Committee that this vacancy has not yet been filled. The Committee has not received satisfactory explanations to justify the lengthy delay in filling this role.

COVID-19 hampered the ability of Internal Audit to conduct its work. First, some personnel were moved from Internal Audit to other roles during the pandemic emergency. Second, it is challenging to conduct audits in circumstances requiring social distance. Consequently, while the Committee received five internal audit reports at its March 2020 meeting, two audit reviews were reported to the September 2020 meeting and one report (Payroll) to the November 2020 meeting.

In its 2019 Annual Report, the Committee reported its concern including the need for a new integrated HR/Payroll system and the need for a detailed implementation plan to be put in place in relation to the audit of overpayments of Garda pay and pensions (joint audit completed by GAIS and the National Shared Service Office Internal Audit Section). In 2020, overpayments of Garda pay and pensions continued to escalate. In addition, the Committee recommended that findings highlighted within the Garda overtime and allowances payroll audit be fully investigated – especially those raised of possible fraudulent payments. The Committee has not yet received an update on these investigations. In addition, given the seriousness of the findings of the Garda payroll audit, the Committee experienced unacceptable difficulties in obtaining appropriate management responses to the issues raised in the audit.

An Garda Síochána – New Divisional Policing Model

The Committee was briefed throughout 2020 on the roll-out of the new Divisional Policing Model. The Committee was provided with details of the pilots of the new model and the related positive impact in several areas including the reduction in administrative tiers and the operational benefits of the new Business Services and Performance Assurance areas. In addition, both the Human Resources Section and the Finance Section have registered improved quality and efficiency of management reporting from these pilots. However, some issues have been identified (such as the need to change legislation to allow for a change in Garda management structures i.e. to remove responsibility from the Superintendent) and there are other issues with IT systems currently in place that require further development to be fully aligned to the new Operating Model.

The Committee has queried if the new internal control procedures of the Operating Model would fully provide the Commissioner with the assurance he needs to sign the Statement of Internal Financial Control. The Committee has not yet received adequate response to this question.

Human Resource Management

The Committee welcomed the comprehensive audit completed by the Garda Internal Audit Section (GIAS) during 2019 of the Garda Human Resource Management Section, including

completion of six audits. As staffing costs represents approximately 89% of the total Garda Vote, this is a high risk area. During 2020, the Committee continued to oversee this area, including implementation of the recommendations from these reports.

Risk Management

The Committee continued to review the risks identified within the Risk Management Process and was briefed regularly by the Superintendent heading the Garda Risk Management Unit. The Committee is satisfied that there is a robust risk management process in place but notes that further work is needed to embed its operation so as to improve its effectiveness.

Garda Professional Standards Unit (GPSU)

The Chief Superintendent, GPSU, provided an update to the Committee at its October 2020 meeting on the thematic reviews conducted by the GPSU during 2020. These reviews were selected based on the Inspections and Reviews System, the Corporate Risk Register and request from stakeholders. The Committee welcomed the update.

The Committee requested that there should be greater collaboration and joint reviews conducted between GPSU and the Garda Internal Audit Section (GIAS). During 2020, the Committee sought and received a joint audit plan from the GPSU and GIAS that set out their areas for collaboration during 2020.

3. Financial Reporting

Financial Updates to the Committee

An important business control for An Garda Síochána is the oversight and monitoring of its financial performance. Given its significance, this is a standing item on the Committee's agenda.

During 2020, the Executive Director for Finance provided regular updates on the financial and budgetary position for each Committee meeting. The reports, presentations and discussions provided an opportunity to re-enforce the central role of management assurances in relation to controls, compliance and governance issues. This enabled the

Committee to gain a greater insight into the activities across the organisation as well as an opportunity to meet senior management and to receive explanations for variances and financial performance throughout the year. The financial reports to the Committee included updates on major procurement contracts and the status of the main suspense accounts.

In addition, the Garda Internal Audit Section (GIAS) carried out an audit in 2020 on the controls in place throughout 2020. The outcome of this audit provided the Committee with a number of assurances as to the standard of governance and control in operation during the year. This is discussed in more detail below under the heading 'Financial Controls'.

Statement of Internal Financial Control

As part of its work in support of the Garda Commissioner in his capacity as Accounting Officer for the Garda Vote, the Audit and Risk Committee reviewed the 2019 Statement of Internal Financial Controls. This review was informed by the contents and recommendations of internal audit reports received during the year coupled with the contents and recommendations of a review of internal controls by the Garda Internal Audit Section (GIAS). The Committee believes An Garda Síochána financial systems need to be reformed as a priority, as the new Operating Model and audit recommendations require.

Financial Controls

The Committee considered audits in 2020 relating to (i) EU recoupment claims, (ii) the Dublin Metropolitan Region East, (iii) the Donegal region, (iv) the governance and management of information and communications technology (ICT), (v) corporate communications, (vi) reviews of Clare and Limerick regions and (vii) Payroll.

In March 2020, a Mazars powerpoint presentation "A draft summary of work to date" on the Future Needs of the Garda Finance Function 2019 was circulated to the Committee. The Committee has not yet received a copy of the Mazars external review of the Finance Directorate as An Garda Síochána consider it to be a draft report. The Committee is informed the report is near to completion. The length of time taken to complete this report

is a concern. The Committee is not aware of the recommendations in the Mazars' report nor the status of implementation of the recommendations.

Anti-Fraud Policy

During 2020, the Committee maintained a watching brief on the Garda Síochána Anti-Fraud Policy. It was noted that nine cases (21 – 2019) of suspected fraud were reported per the policy to Internal Audit. These cases were investigated by appointed investigating officers in line with the policy.

Public Procurement

The Audit and Risk Committee continued to review procurement policies, processes and practices in An Garda Síochána, and to advise the Commissioner as required under Section 45(2)(c)(i) of the Garda Síochána Act, 2005. An update on procurement issues was presented to the Committee by the Executive Director of Finance at every Audit Committee Meeting during 2020.

The Committee noted that audit work in 2020 continues to identify non-compliance with procurement procedures particularly in relation to towing and storage of vehicles and in relation to medical services. Nevertheless, improvements were identified during 2020 and the Committee welcomed these – it is hoped that improvements will go some way to address the C&AG concerns with regard to on-going procurement compliance.

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 the Commissioner proposes to enter into above a specified monetary amount. The Committee has set a €5 million threshold on these contracts. In accordance with a Department of Public Expenditure and Reform Circular 16/2013, An Garda Síochána is required to use central procurement frameworks and contracts established by the Office of Government Procurement. During 2020, there were 2 such contracts. In preparing this report, the Committee has discovered that it was not notified of procurement contracts exceeding €5 million threshold. The Committee is not clear concerning the intent of the legislation, and therefore the process it is expected to adopt, in relation to these contracts.

4. External and Internal Audit

4.1 External Audit - The Comptroller and Auditor General (C&AG)

An Garda Síochána external auditor is the Comptroller and Auditor General (the C&AG). In March 2021, the Committee met the C&AG's audit team, namely, Paul Southern (Deputy Director of Audit), Kiernan Scott (Senior Auditor) and Eileen Reddin (Auditor). The meeting reviewed the C&AG's letter in relation to audit issues that arose in 2019, and the audit planning memorandum for the 2020 audit. The C&AG's letter refers to material instances of non-compliance with public procurement processes, which were disclosed in the Statement of Internal Financial Control.

The key management letter issues highlighted by the C&AG's Office at the meeting included the following:

- On-going material non-compliance with procurement regulations
- Omission of capital projects valued at €97.8 million from An Garda Síochána appropriation accounts
- Flawed budgetary processes requiring supplementary estimates for the previous six years
- Errors and inaccuracies in the first draft of the appropriation accounts
- Escalation of salary and pension overpayments
- Delay in resolving issues concerning the Garda College's "golf club lands"
- Weaknesses raised in internal audit reports.

The Committee welcomed the C&AG's engagement which it considered thorough and comprehensive.

4.2 Garda Internal Audit Section (GIAS)

The Committee welcome the on-going commitment by the Commissioner and the Policing Authority to adequately resource the Garda Internal Audit Section (GIAS).

During 2020, GIAS operated with less than its full complement of 16 staff. However, it was noted that towards the end of the year, the staff in GIAS decreased from 15 to 13. A full

complement would be important to deliver the 2020 audit plan so the Committee urges An Garda Síochána to progress the recruitment campaigns for these vacancies as a matter of urgency.

Internal Audit Work Reviewed by the Committee

The Committee approved the Audit Plan for 2020 set out by Internal Audit and reviewed progress against this plan during the year. The Garda Internal Audit Service was effectively ‘stood down’ in mid-March 2020 while An Garda Síochána focused on the continuation of policing services and was asked to provide whatever support would be required by the wider organisation, including possible transfer of staff. The Committee was not informed of this development at the time until its meeting in July 2020. National travel restrictions meant that audit on-site visits were suspended and changes were made to work systems. A decision was made to continue to undertake audit work where possible as desk-based projects. The Plan was continually reviewed and the Committee agreed additional priorities and amendments to the plan during the year. GIAS and the Committee always remained mindful that material would be required to enable the provision of a level of assurance on internal controls to the Commissioner for the year 2020.

In total, the Committee considered and approved ten Audit Reports:

Divisional/Specialist Unit Audits	0
Review Audits	4
Audits of HQ Sections/Units	0
Thematic/Crosscutting Audits	2
Value for Money	1
Report to the Garda Commissioner	3
	10

Collaboration with Garda Professional Standards Unit (GPSU) and other Governance Units

As mentioned above, the Chief Superintendent Garda Professional Standards Unit and the Head of Internal Audit briefed the Committee in relation to the work of their respective

Units. The Committee recommended that a Joint Assurance Plan be developed for 2020 and this was agreed between GPSU and GIAS. This plan has now been put in place and contains work that will be separately completed by GPSU and GIAS as well as audits that will be engaged in jointly.

Value Added from Audit Process

Using year-on-year comparisons there was less internal audit work reported to the Committee in 2020, due to the vacancy in the Head of Internal audit position and due to staff being redeployed out of internal audit to front-line COVID roles. We started 2020 with 88 priority one recommendations (high risk issues). Of these, 10 were either fully resolved or down-graded to lower risk status. An additional 12 priority one issues were added in 2020 resulting in a total of 90 outstanding priority one issues in 2020.

	2020	2019
Priority one audit recommendations outstanding at start of year	88	69
New priority one audit recommendations raised during year	12	53
Priority one audit recommendations resolved during year	(10)	(34)
Priority one audit recommendations outstanding at end of year	90	88

5. Plans for 2021

The Committee plans to oversee An Garda Síochána compliance with the Code of Practice for the Governance of State Bodies. The Committee has concerns that neither the annual report nor the financial statements/appropriation accounts come before it. Thus, the Committee is unable to exercise oversight on these important processes and allied processes such as the preparation of the Statement of Internal Financial Control and the signing of the letter of representation to the Comptroller & Auditor General by the Commissioner. Reflecting the problem, An Garda Síochána website does not include the financial statements/appropriation accounts and re-directs users wishing to examine these documents to the C&AG's website. This is an unsatisfactory situation.

6. Conclusion

The members of the Committee would like to acknowledge the co-operation and assistance that they have received during the year from the Commissioner, management and staff of An Garda Síochána. The Committee also acknowledges the work of the management and staff of the Garda Internal Audit Section (GIAS), conducted in challenging COVID-19 circumstances. Ultimately, the degree to which an Audit and Risk Committee, comprising mainly external members, can contribute to the success of the organisation can turn on the level of responsiveness from senior management to issues raised.

Currently, An Garda Síochána is going through a process of significant change and reform. The Committee continues to support the organisation during this process, focusing on the opportunities this change project provides to strengthen its governance structures and to demonstrate its support for Internal Audit.



Prof Niamh Brennan

Chair of the Audit and Risk Committee of An Garda Síochána

Date: 25th May 2021