

Audit Committee

Minutes of Meeting of 26 January 2018

Attendance

Audit Committee:

Members: Mr Ambrose Loughlin (by phone), Professor Ciarán ÓhÓgartaigh (Acting Chairman), Mr John McCarthy, Ms Emma Cunningham.

Apologies: Ms Josephine Feehily was unavailable to attend but read the papers and emailed her comments on the various agenda items

Internal Audit Unit:

Mr Dermot Byrne (Head of Internal Audit), Ms Busola Laiyemo (Secretary to the Committee).

The initial part of the meeting was held in private session by members of the Committee. The Head of Internal Audit (HIA) and the Secretary to the Committee (Secretary) subsequently joined the meeting.

Declaration of Interests

There were no declarations of interests in relation to any of the agenda items.

Agenda Item 1 - Minutes and Action Points

(i) Minutes of the meeting of 05 December 2017

The minutes of the meeting of 05 December were discussed and approved by the Audit Committee.

(ii) Action points arising from the meeting of 05 December 2017

Salient points from the discussions are outlined below.

Action Point 1 The Secretary confirmed that the C&AG's Audit Planning Memorandum for the next audit has been updated to include a follow up of Shared Services issues.

Action Point 2 The Audit Committee noted that the DFIN HR meets with PeoplePoint on a monthly basis. A timeline for implementing an arrangement to deal with the C&AG findings is to be requested **(AP1 – Secretary)**.

Action Point 3 The HIA noted that the high level of purchase order compliance rate reflects changes made to DFIN processes following the C&AG finding in relation to purchase orders. It was agreed that DFIN should be encouraged to carry out an analysis of the underlying non-compliant purchase orders and progress should be monitored.

Action Point 4 The Audit Committee noted that the Chairman's meeting with the Secretary General is scheduled for 06 February.

Action Point 5 The Secretary confirmed that the letter from DFIN to OPW, in relation the long outstanding IAU recommendation on the Audit of Health and Safety, issued on 29 August 2017. The Audit Committee noted FMU's December 2017 update on OPW's progress with addressing the recommendation.

Action Point 6 The Audit Committee noted the inclusion of Dignity at work in the Audit of Compliance of Employment Practices with Workplace Safety and Dignity at Work Requirements which is scheduled for Q2 2018.

Action Point 7 The Audit Committee noted that the final 2018 Audit Plan has been shared with the Executive Board

Action Point 8 The Audit Committee noted the inclusion of two back-up audits on the final 2018 Audit Plan

Agenda Item 2 – Internal Audit Assignments

(i) Progress of audits against Plan

The secretary noted that in addition to the two audits from the 2017 plan to be discussed under Agenda Item 2(iii) and 2(iv), there are two more audits that are near completion and are expected to be reported at the next Audit Committee meeting. The remainder 25 audit days from the 2017 plan will be spent finalising the remaining two audits and year-end reports.

The secretary also noted that terms of reference (TOR) for two out of the three audits planned for Q1 2018 were in the process of being agreed. TOR for the third audit, GDPR readiness review was discussed under Agenda Item 2(ii).

(ii) Completed Terms of Reference for Audits

In relation to the completed terms of reference (TOR) for the GDPR Readiness Review of Data Protection Process, the Audit Committee noted that other regulations such as the National Archives Act which are applicable to DFIN as a public body have implications for data retention periods. The Audit Committee requested that relevant regulations and their implications for data protection should be included in the scope of the review (**AP2 – Secretary**). The Audit Committee also asked the HIA to consider a review of the Data Protection area after about 6 months, possibly by contracting external expertise. The HIA noted that enrolling IAU staff on the GDPR training that DPER is currently planning will be considered.

(iii) Audit of IT Fixed Asset Management

The Audit Committee highlighted that all the implementation actions to address the audit recommendations have Q1 2018 as target dates. The Secretary noted that management has already commenced addressing the recommendation since completion of the audit in December 2017 and progress on implementation actions will be monitored and reported with the Audit Recommendations Tracker at the next meeting. The Audit Committee requested that the procedures in relation to the DFIN data on old mobile phones should be confirmed with the relevant Division and the report updated as necessary (**AP3 – Secretary**).

It was also noted that the number of non-compliant purchase orders identified during this audit is high by comparison to the monthly purchase order compliance report. The Secretary noted that the sample examined by the audit pre-dates the commencement of purchase order compliance reporting. The Audit Committee requested that the Head of Corporate Affairs should be invited to the June meeting to address the report (**AP4 – Secretary**).

(iv) Audit of Non-ICT Business Continuity Management

The Audit Committee noted that the findings in the report are typical as the formal non-ICT business continuity planning is in its infancy in many organisations. It was agreed the Report should be updated to

include an additional recommendation that a member of the Executive Board should be appointed as the central 'go-to person' who will coordinate the Non-ICT Business Continuity contributions of the different Divisions **(AP5 – Secretary)**.

It was agreed that the Business Continuity Management Committee should be encouraged to meet its commitments and that this area should be monitored by the Risk Committee.

Agenda Item 3 – Audit Committee Administration

(i) Risk Committee Update

The executive member on the Risk Committee provided an update on the matters currently being considered by Risk Committee. It was agreed that the process of populating the risk register will be reviewed as part of the audit of risk management scheduled for Q2 2018.

The HIA confirmed that there was no Freedom of Information request and no Protected Disclosure since the last meeting.

Agenda Item 4 – AOB

(i) Service Level Agreement

The Audit Committee noted the Service Level Agreement and requested minor updates to the Internal Audit Plan at the appendix prior to the signatures of the Secretaries General of DFIN and DPER **(AP6 – Secretary)**.

(ii) Audit Committee Charter

The Audit Committee requested a minor update to the 2018 Audit Committee Charter.

(iii) Internal Audit Annual Report 2017

The Audit Committee noted Internal Audit Annual report 2017, commended the team on achieving the targets for the year and requested minor updates to the table of KPIs

(iv) DPER Final 2018 Audit Plan

The Audit Committee noted DPER final 2018 Audit Plan and agreed to share DFIN final 2018 Audit Plan with DPER Audit Committee **(AP7 – Secretary)**.

END

Appendix

ACTION POINTS IDENTIFIED AT AUDIT COMMITTEE MEETING OF 26 JANUARY 2018

No.	Action Required	By Whom	When
1	A timeline for implementing an arrangement to address the issues in relation to payroll that was raised in the C&AG report is to be requested	Secretary	April Audit Committee
2	Relevant regulations and their implications for data protection should be included in the scope of the GDPR Readiness Review	Secretary	Immediately
3	Procedures in relation to any DFIN data on old mobile phones should be confirmed with the relevant Division and the report of the Audit of IT Fixed Asset Management should be updated as necessary	Secretary	April Audit Committee
4	The Head of Corporate Affairs is to be invited to the June meeting to address the report of the Audit of IT Fixed Asset Management	Secretary	June Audit Committee
5	The Report of the Audit of Non-ICT Business Continuity Management is to be updated to reflect Audit Committee comments in relation to an additional audit recommendation.	Secretary	April Audit Committee
6	The Final 2018 Internal Audit Plan should be updated to reflect the Audit Committees comments prior to arranging signatures of the Secretaries General of DFIN and DPER on the 2018 SLA	Secretary	Immediately
7	The Final 2018 Internal Audit Plan for DFIN is to be shared with DPER Audit Committee	Secretary	Immediately