



Audit Committee

Minutes of the Meeting of 13 February 2020

Attendance & Declaration of Interests

Audit Committee:

Ms Patricia Byron (Chair), Ms Ilona McElroy, Mr Liam Irwin, Ms Emma Cunningham, Mr John McCarthy

Internal Audit Unit:

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

Declaration of Interests:

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

There was no declaration of interest in any item on the agenda for the meeting.

Agenda item 1 – Minutes and action points arising from the meeting of 12 December 2019

(i) Minutes

The minutes of the Audit Committee meeting of 12 December 2019 were approved by the Committee.

(ii) Action Points

The Audit Committee noted that all the action points from the last meeting were implemented. The HIA briefed the Committee on feedback from the Head of Civil Service HR in relation to access to full PMDS forms by DFIN HR. Based on discussions it was agreed that this should be noted for a possible operational review in DPER HR Audit.

In relation to the proposed meeting with the Risk Committee, it was agreed that the dates of the Risk Committee's 2020 meetings should be communicated to the Audit Committee members when available (**Action point 1**).

It was also agreed that the Principal Officer with responsibility for Exchequer processes should be invited to the next meeting to brief the Committee on the activities of the Section, in particular,

- the part they play in preparation of the Appropriation Account,
- the potential impact of the Financial Management Shared Service (FMSS), and,
- the potential risk areas (**Action point 2**).

Agenda item 2 – Progress of audits against plan

(i) Progress of 2019 IA Plan

The Secretary outlined the progress of audit assignments on the 2019 plan. The Committee noted that it was previously agreed to defer the audit of the Department's interaction with the Tax Appeals Commission to 2020. All other audits were completed and have been reported to the Committee, with the exception of the report of the Audit of FOI processing which is currently in the process of being finalised and will be presented to the next Audit Committee meeting.

(ii) Progress of 2020 IA Plan

The Secretary briefed the Committee on progress with the audits planned for 2020. The audits in progress were discussed under the respective agenda items.

(iii) Terms of Reference: Audit of the Management of Credit Union Fund

The Secretary gave an overview of the background to the audit. It was clarified that the scope of the audit will be limited to the Exchequer Section's management of the transactions on the fund account. Based on discussions, the Committee requested that the title of the audit should be updated to indicate that it relates only to transactional management (**Action Point 3**). The Committee was satisfied with the TOR and agreed that the audit should proceed as planned.

(iv) Terms of Reference: Audit of interaction with the Tax Appeals Commission (TAC)

The auditor assigned to this audit gave an overview of the Department's interaction with the TAC. It was noted that in addition to examining the internal control systems in place for interaction with the TAC as a body under the aegis of the Department, the audit will examine DFIN's role in the context of:

- the recommendations from the report: "Review of the workload and operations of the Tax Appeals Commission" commissioned by the Minister in 2018, and,
- the recommendations arising from the C&AG's review of the internal controls in the TAC in 2016.

The Committee was satisfied with the TOR and agreed that the audit should proceed as outlined.

(v) Draft Report: Review of the implementation of Anti-Fraud Coordination Service (AFCOS)

The auditor assigned to carry out this review joined the meeting to speak to the report and outline the background to the conclusions in the report. The HIA outlined the link between the conclusions in this internal audit report and the audits of systems carried out by the Unit in its role as Ireland's designated ERDF Audit Authority.

It was noted that AFCOS is situated in Finance ministries in most Member States and, based on discussions, it was agreed that the HIA will confirm the structure and functions of AFCOS in countries that are similar to Ireland. The draft report was approved by the Committee.

(vi) Draft Report: Audit of eDocs records management

The auditor assigned to this audit outlined the work done on the audit and the background to the key findings in the report. The Committee noted that records management is significant in the context of Freedom of Information, Discoveries, Data Protection and other key Areas. The Committee noted that the audit of non-eDocs records management is planned for 2020 and recommended that a follow-up audit of eDocs records management should be scheduled for 2021 (**Action point 4**).

It was agreed that implementation of the recommendations in the report will be tracked as per usual practice. The Committee approved the report.

Agenda item 3 – Assistant Secretaries' presentation series

(i) Shareholding and Financial Advisory Division

The Head of the Division was not available due to conflicting diary appointments. It was agreed that the presentation should be rescheduled for the next meeting (**Action point 5**).

(ii) Human Resources Unit

The Head of Human Resources and his team joined the meeting to give a presentation of on the overview HR activities, business priorities, challenges and key risks. The Committee noted that HR information that was not available a few years ago is now being actively recorded and has proved useful for strategic decision making. The Committee thanked the HR team for the informative presentation.

(iii) Tax Division with responsibility for Accounts Branch

The Assistant Secretary for the Division joined the meeting to give the Committee an overview of the Division's main activities, priorities, challenges and key risks, including consideration of a new program for government. The Committee thanked him for a background and information provided and it was agreed that a presentation for the Accounts Branch may be planned for another meeting.

Agenda item 4 – Audit Committee Administration

(i) Risk Committee update

The Committee noted the Risk heat map, the risk register briefing and the Risk Committee report. The Executive member of the Committee gave a brief overview of the dynamics of the heat map and the workings of the Risk Register. The Committee requested that an up-to-date Risk Appetite statement should be provided by Risk Management Section (**Action point 6**).

(ii) Freedom of Information requests / Protected Disclosures update

The HIA confirmed that there were no FOI requests or Protected Disclosures notified to him since the last meeting.

Agenda item 5 – Annual reporting

(i) IA Annual Report 2019

The HIA gave an overview of Internal Audit Activities summarised in the annual report. The Committee noted that some of the assignments carried out in the year were of a consultative nature and therefore did not result in an audit opinion. Based on discussions, it was agreed that, the explanatory footnote currently in the report should be replaced with an explanatory paragraph and the list of audit assignments should be grouped so as to show their

category of audit opinion (**Action point 7**). The Committee commended the Internal Audit team for the work done in completing the 2019 plan.

(ii) Audit Committee Report 2019

The Committee noted the draft annual report included in the papers. Based on discussions, it was noted that the Committee's engagement with Assistant Secretaries commenced during the year and should be included in the report (**Action point 8**).

(iii) Audit Committee Charter 2020

The draft Audit Committee Charter was noted and approved for signatures.

Agenda Item 6 – AOB

(i) Dates of 2020 meetings

The next meeting is scheduled for Wednesday 29 April.

(ii) Audit Committee membership

The Committee thanked the outgoing executive member, Ms Emma Cunningham for her contribution to the Committee since her appointment in March 2016

END

Appendix

Action Points Identified at Audit Committee Meeting of 13 February 2019

No.	Action Required	By Whom	When
1	The dates of the Risk Committee's 2020 meetings should be communicated to the Audit Committee members when available.	Secretary	As soon as possible
2	The Principal Officer with responsibility for Exchequer processes should be invited to the next meeting to brief the Committee on the activities of the Section and how they fit into the Appropriation Account, the FMSS and potential risk areas.	Secretary	Before the next meeting
3	The title of the audit of the Management of Credit Union Fund should be updated to reflect the Committee's comments.	Auditor	After the meeting
4	An audit of eDocs records management should be scheduled for 2021.	Secretary	After the meeting
5	The presentation by Head of the Shareholding and Financial Advisory Division should be rescheduled for the next meeting.	Secretary	Before the next meeting
6	An up-to-date Risk Appetite statement should be provided by Risk Management Section.	Auditor	After the meeting
7	A paragraph should be added to the Internal Audit annual report to reflect the Audit Committee's comments.	Secretary	Before the next meeting
8	The Committee's engagement with Assistant Secretaries during the year should be included in the Audit Committee annual report.	Secretary	Before the next meeting