

Appropriation Account 2017

Vote 41

Policing Authority

Introduction

As Chief Executive of the Policing Authority, I am the Accounting Officer for Vote 41. I am required each year to prepare the Appropriation Account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2017 for the salaries and expenses of the Policing Authority.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2017, including the amount that could be used as Appropriations-in-Aid of expenditure for the year.

A surplus of €0.7 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Establishment of the Vote

The Policing Authority was established on 1 January 2016 by the enactment of the Garda Síochána (Policing Authority and Miscellaneous Provisions) Act 2015. It comprises the Chairperson and eight members. The role of the Authority is to oversee the performance by the Garda Síochána of its functions relating to policing services.

The Authority is responsible for

- leading and directing the Authority's activities
- compliance with all applicable statutory obligations
- holding the CEO and senior management to account for the effective performance of their responsibilities
- matters relating to audit, governance and risk management
- ensuring that there are effective systems of internal control in place and implemented
- the preparation and adoption of a strategic plan, and
- the preparation of the annual report of the Authority.

The Authority has adopted the Code of Practice for the Governance of State bodies. The annual report of the Authority for 2017 was published in March 2018.

Statement of Accounting Policies and Procedures

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in Circular 25 of 2017, have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Policing Authority. This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared Services

I have fulfilled my responsibilities in relation to the requirements of the Service Level Agreement between this office and the Department of Justice and Equality for the provision of Financial Shared Services.

I rely on a letter of assurance from the Accounting Officer of the Department of Justice and Equality that the appropriate controls are exercised in the provision of shared services to this Office.

During 2017, employees of the Policing Authority continued to be paid through the Justice and Equality Vote with a recoument process in place. This arrangement was necessary to ensure a payroll service was provided pending the Policing Authority becoming a separate client organisation of the National Shared Services Office, which occurred in the first quarter of 2018.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system is in place
- procedures for all key business processes have been documented and
- there are systems in place to safeguard the assets.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability. This includes the following elements:

- there is an appropriate budgeting system with an annual budget which is kept under review by the Senior Management Team (SMT)
- there are regular reviews by the SMT of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system is in operation
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines and
- the Authority ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines, which are complied with by the Authority.

Internal Audit and Audit and Risk Committee

I confirm that the Policing Authority has an internal audit function currently outsourced with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Authority is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Authority's Audit and Risk Committee.

I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Risk and Control Framework

The Authority has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Authority and these have been identified, evaluated and graded according to their significance. The risk register is reviewed and updated as appropriate by the SMT on a monthly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring and control processes and control deficiencies are communicated to those responsible for taking corrective action and to the SMT, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of Effectiveness

I confirm that the Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Authority's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the SMT within the Authority responsible for the development and maintenance of the internal financial control framework.

Internal Financial Control Issues

No weaknesses in internal financial control were identified in relation to 2017 that require disclosure in the Appropriation Account.

Helen Hall
Accounting Officer
Policing Authority

29 March 2018

Comptroller and Auditor General

Report for presentation to Houses of the Oireachtas

Vote 41 Policing Authority

Opinion on the appropriation account

I have audited the appropriation account for Vote 41 Policing Authority for the year ended 31 December 2017 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 41 Policing Authority for the year ended 31 December 2017
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Policing Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

12 September 2018

Vote 41 Policing Authority Appropriation Account 2017

	2017		2016
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A. Provision of Independent Oversight of the Policing Functions of the Garda Síochána	2,712	2,007	1,106
Gross expenditure	2,712	2,007	1,106
B <i>Deduct</i>			
Appropriations-in-aid	58	51	31
Net expenditure	2,654	1,956	1,075

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2017	2016
	€	€
Surplus to be surrendered	697,910	1,564,883

Helen Hall
Accounting Officer
Policing Authority

29 March 2018

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2017

	2017	2016
	€000	€000
Administration Pay	1,246	680
Administration Non-pay	761	426
Gross expenditure	2,007	1,106
<i>Deduct</i>		
Appropriations-in-aid	51	31
Net expenditure	1,956	1,075
Changes in capital assets		
Purchases cash	(7)	
Depreciation	5	
	(2)	(3)
Changes in net current assets		
Increase in closing accruals	52	
	52	(52)
Direct expenditure	2,006	1,020
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	57	235
Net programme cost	2,063	1,255

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 41 borne elsewhere.

	2017	2016
	€000	€000
Vote 9 Office of the Revenue Commissioners	25	—
Vote 13 Office of Public Works	—	203
Vote 24 Justice and Equality	32	32
	57	235

Note 2 Statement of Financial Position as at 31 December 2017

	Note	2017 €000	2016 €000
Capital assets	2.2	11	9
Current assets			
Bank and cash		48	2
Stocks		6	6
Prepayments		16	71
Total current assets		<u>70</u>	<u>79</u>
Less current liabilities			
Accrued expenses		22	25
Other credit balances	2.3	10	2
Net Exchequer funding due	2.4	38	—
Total current liabilities		<u>70</u>	<u>27</u>
Net current assets		<u>—</u>	<u>52</u>
Net assets		<u><u>11</u></u>	<u><u>61</u></u>
Represented by:			
State funding account	2.1	<u><u>11</u></u>	<u><u>61</u></u>

2.1 State funding account

	Note	2017 €000	2016 €000
Balance at 1 January		61	
Disbursements from the Vote			
Estimate provision	Account	2,654	
Surplus to be surrendered	Account	<u>(698)</u>	
Net vote		1,956	1,075
Expenditure (cash) borne elsewhere	1.1	57	235
Net programme cost	1	(2,063)	(1,255)
Transfer of assets	2.2	<u>—</u>	<u>6</u>
Balance at 31 December		<u><u>11</u></u>	<u><u>61</u></u>

2.2 Capital assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2017	5	30	35
Additions	5	2	7
Cost or valuation at 31 December 2017	10	32	42
Accumulated depreciation			
Opening balance at 1 January 2017	1	25	26
Depreciation for the year	2	3	5
Cumulative depreciation at 31 December 2017	3	28	31
Net assets at 31 December 2017	7	4	11
Net assets at 31 December 2016	4	5	9

2.3 Other credit balances

	2017 €000	2016 €000
at 31 December		
Amounts due to the State		
Professional Services Withholding Tax	8	—
VAT on foreign invoices	2	2
	10	2

2.4 Net Exchequer funding due

	2017 €000	2016 €000
at 31 December		
Surplus to be surrendered	698	1,565
Exchequer grant undrawn	(660)	(1,565)
Net Exchequer funding due	38	—
Represented by:		
Debtors		
Bank and cash	48	2
	48	2
Creditors		
Due to State	(10)	(2)
	(10)	—
	38	—

Note 3 Vote Expenditure by Subhead

Analysis of programme expenditure

The following note presents an analysis of the expenditure of the Vote and outlines the reasons for significant variations (+/-25% and €100,000).

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	1,712	1,246	680
ii	Travel and subsistence	50	17	3
iii	Training and development and incidental expenses	685	592	275
iv	Postal and telecommunications services	50	14	8
v	Office equipment and external IT services	125	66	98
vi	Office premises expenses	80	50	41
vii	Consultancy and other services	10	22	1
		2,712	2,007	1,106

Significant Variations

1. *Salaries, wages and allowances*

Estimate provision: €1.712 million, outturn: €1.246 million

The shortfall of €0.466 million on expenditure on salaries, wages and allowances was due to longer than expected timelines to recruit and appoint staff members. Only 29 of the total staff complement of 39 were in place by the end of 2017.

Note 4 Receipts

4.1 Appropriations-in-aid

	Estimated	2017 Realised	2016 Realised
	€000	€000	€000
Receipts from pension-related deductions on public service remuneration	58	51	31
	<u>58</u>	<u>51</u>	<u>31</u>

Note 5 Employee Numbers and Pay

5.1 Employee numbers

	2017	2016
Number of staff at year end (full time equivalents)	<u>29</u>	<u>14</u>

5.2 Employee pay

	2017 €000	2016 €000
Pay	1,143	618
Higher, special or additional duties allowance	—	6
Employer's PRSI	103	56
Total pay	<u>1,246</u>	<u>680</u>

5.3 Authority members' fees and expenses

In 2017, there were eight members of the Authority, including the Chairperson. Fees totalling €169,421 were paid during 2017. The Authority met in plenary a total of 19 times (5 in public) and a total of 41 subcommittee meetings were held. Expenses paid to the Authority's board members in 2017 were €8,767. The fees and expenses were charged to subhead A2(iii).

