Stakeholder Research for the Office of the Comptroller and Auditor General

An Amárach Report

Executive Summary

The Office of the Comptroller & Auditor General (OCAG) commissioned Amárach Research to undertake stakeholder research among two key groups. The first group consisted of the members of the Committee of Public Accounts (PAC) of Dáil Éireann. The second group consisted of a range of different organisations whose accounts are audited by the OCAG on an annual basis. All members of the PAC were invited to participate in the process. For the second group, Amárach clustered the organisations by different characteristics and types and selected 10% of the total client base.

In overall terms, there is a strong sense that the OCAG is fulfilling its constitutional obligations and remit. It is seen to be independent and deal with, and in, facts. The work completed by the OCAG is seen to be vigorous and thorough. For most organisations the tensions that arise in relation to audits are about small issues rather than big ones.

Many interviewees do not like the relationship that they have with the OCAG. While they feel that they, as audited organisations, are open to robust debate about findings they feel that they are being regulated rather than audited. They are wary of the escalation of OCAG findings into the PAC. There is also an ongoing undercurrent about the proportionality of findings. There is universal belief in and support for the OCAG and its role in accounting for the use of public money, but there is a very common and frequent sense that the perceived focus on small granular issues is perceived to have several outcomes. It can lead to a risk averse culture in the audited organisation.

The other core issue that needs to be considered is the communication between the OCAG and the audited organisations. Many of those that we interviewed have formed a view that the OCAG has taken an active *decision not to* build a relationship with them. This leads to several frustrations on their part.

Five core themes emerged in the research:

1. There is a widespread belief in the independence and integrity of the work of the OCAG.
2. There is a variable customer service for audited organisations.
3. There is a desire among organisations to learn from the OCAG and share best practice.
4. The information collection from audited organisations could be streamlined.
5. There is a requirement to improve project communications.

One of the key objectives of the project is to review the communications strategy for the OCAG.

Communications work at various stakeholder levels and through various channels and media. There are clearly differing levels of engagement and differing communication requirements for different stakeholder groups.

There is an opportunity, if properly resourced, to communicate to these and other stakeholder groups about the function, work and outcomes of the OCAG.

1.0   Introduction

Following a competitive tender process in 2018, Amárach Research (www.amarach.com) was commissioned by the Office of the Comptroller and Auditor General (OCAG) to undertake research among the sample organisations audited by the OCAG. This report details the findings of the research programme. It is structured as follows:

2.0   Methodological Approach

      2.1 Engaging with Participants

      2.2 The Profile of the Participants

      2.3 The format and subject matter of the interview

3.0   Key Findings

      3.1 Overall Impressions

      3.2 Core themes

4.0   Developing a Communications Strategy

5.0   Conclusions

2.0   Methodological Approach

The Office of the Comptroller and Auditor General (OCAG) audits 300+ organisations annually. Like any professional services organisation, it is important that it understands feedback from its client base.

The scale and nature of the organisations audited by the OCAG varies significantly. Some have annual budgets of €20 billion, while others have budgets of less than a million. Consequently, the scale of the interaction between the OCAG and its clients can vary significantly. In some organisations the interaction takes place centred on interim and final audits. In the case of larger and more complex organisations, the interaction is continuous and on-site. The organisations audited by the OCAG share much in common, but they each also have a unique function – there is only one Department of Defence or Health Services Executive.

The interaction between the OCAG and its client base is also influenced by the nature of the audited organisation's purpose, scale and complexity. Given the relatively small number of organisations and individuals who are audited by the OCAG, their varying scale and the differing nature of their functions, it was decided that qualitative research methodology would be most appropriate as a research and data gathering exercise.

Stakeholder research programmes can adopt a number of different research methodologies. Where there is a very large number of potential participants, or where there is a standard approach adopted to the interaction, a quantitative questionnaire survey can be utilised. Where the interaction varies as a consequence of organisation, role of the interviewee, organisational function and size, a purely quantitative survey can lack the flexibility and capacity to gather the relevant data.

Consequently, we deployed a qualitative research methodology for this research programme. The qualitative research programmes involved a detailed in-depth discussion with the interviewee on a one to one basis, who in all cases was the Accounting Officer (or occasionally his or her nominee), in each organisation. The interviews were all carried out by senior personnel in Amárach Research. We initially agreed to undertake 25 interviews of audited

organisations. As a consequence of the level of co-operation and engagement from potential participants, we eventually completed 29.

2.1   Engaging with Participants

For a qualitative research programme to be successful, it is clearly important that a variety of different types of organisations participate fully in the programme. These organisations must also represent a cross section of the client base. The original tender request from the OCAG identified a number of organisation categories from which interviewee participants should be drawn. The categories were:

- Government Departments.
- Major Agencies.
- Medium and Small Agencies.
- Health Related Agencies.
- Third Level Bodies.
- Education and Training Boards.
- Bodies whose audits are contracted out to a private firm of auditors.
- The Members of the Committee of Public Accounts (PAC) of Dáil Éireann.

Amárach Research was given a list of all the organisations audited by the OCAG in each category. Amárach then selected organisations in each subcategory. We included more than the required potential sample in each category to allow for non-participation and non-availability for logistical reasons. In the case of the PAC, all members were invited to participate in the programme.

2.1.1   Selecting Organisations for Interview

With the identification of the potential participants complete, a three-stage recruitment process was followed. Communication process was as follows:

- The selected sample of organisations participation list was sent to the OCAG.

- The OCAG then wrote to the Accounting Officer in each Organisation and to all the members of the PAC. The letter informed them about the purpose and remit of the project and invited them to participate. The voluntary nature of the participation was also highlighted. The potential participants were told that Amárach had been engaged to undertake the assignment.

- Once the letters were dispatched, the OCAG then passed the list back to Amárach Research. Working from Amárach's in-house call centre all participants on the list were contacted and appointments were made with those that were available to participate.

Typically, qualitative research programmes such as this do well to achieve a participation rate of between 40% and 50%. The participation rate in this programme was almost 70%. The non-participation was typically a consequence of logistics rather than a decision not to participate.

2.2   The Profile of the Participants

There were two different categories of interview – organisations audited by the OCAG and members of the PAC.

We invited every member of the PAC to participate. We successfully interviewed eight members of the PAC. They were drawn from a cross section of parties and backgrounds.

In the case of the organisations, we conducted twenty-nine interviews, the majority of which were with the Accounting Officers. In some cases, the Accounting Officer delegated the interview to a member of their management team who typically had responsibility for the finance function in very large organisations. In other interviews the Accounting Officer's nominated person was joined by the organisation's finance officer who was responsible for the day to day interaction with the OCAG or had had a longer relationship with the OCAG in the context of that organisation.

Table 1 provides a more detailed breakdown on the profile of the organisations who participated in the research programme.

Table 1. The Profile of the Participants.

Organisation Category	Number of Interviews Completed
Members of the Committee of Public Accounts of Dáil Éireann	8
Government Departments	8
Major Agencies	6
Medium / Small Agencies	3
Health Related Agencies	3
Third Level Bodies	2
Education and Training Boards	1
Contracted Bodies	6

2.2.1   Confidentiality

The participants are a key group in the Irish Public Service. At the outset of each interview, we guaranteed them complete confidentiality so that they could engage fully and openly in the discussion. We believe that the commitment to confidentiality created a climate of trust and frankness which was important to the success of the research programme. We do not believe that the commitment impacted on the positive or negative views of the OCAG. We believe that the confidentiality promise stated at the outset was important in moving to full engagement. But undoubtedly others took comfort (particularly those whose interaction with the OCAG was less frequent) from the approach adopted.

All research undertaken by Amárach operates under the guidelines of AIMRO (Association of Irish Market Research Organisations) and its European equivalent ESOMAR.

2.3   The Format and Subject Matter of the Interview

We developed discussion guides which reflected the background and role of the interviewees. The first was for the interviews with Dáil Deputies who are members of the PAC. The second was for the organisation interviews. The core of both interviews was the same and focussed on:

- An Introduction to the Interviewee and their role relative to the OCAG.
- Their individual Interaction with the OCAG.
- The OCAG and the PAC.

- Their overall Impressions of the OCAG.

- Their sense of the Independence of the OCAG.

- OCAG Communications Strategy.

- Conclusion and Other Comments.

All interviews took place in early 2019. The interviews were undertaken on a one to one basis by Michael McLoughlin (Chief Executive) or Gerard O'Neill (Chairman) from Amárach Research. They took place either in person in the interviewee's office or more frequently over the telephone.

3.0   Key Findings

In any reporting of qualitative research programmes, it is important to focus on shared themes and outcomes – not just on isolated cases. In analysing the outcomes, we have focussed on issues that emerged from several organisations.

3.1   Overall Impressions

We have developed some core themes in section 3.2 of this report but have also highlighted some overarching impressions about the performance of the Office of the Comptroller and Auditor General (OCAG) at a high level.

3.1.1   Positive Impressions

- There is a strong sense that the OCAG is fulfilling its constitutional obligations and remit. It is seen to be independent and deal with facts.

- Many interviewees argued that it should pay more attention to the changed context into which its reports are issued. There is an acknowledgement that the OCAG cannot control this changed context and may indeed be victims of it.

- There is regard for the staff and team in the OCAG. There is a widespread view that the OCAG faces many of the recruitment and retention challenges that permeate across the wider public service. There is a view that the skills of the team have been strengthened in recent years, but that the OCAG team is clearly under pressure to get its workload completed. There is a view among members of the Committee of Public Accounts (PAC)

in particular that the skillset of the OCAG needs to be strengthened to take account of changes in technology and how it impacts on organisations.

- There is a view from PAC that the OCAG provides good value for money through shining a light on Government expenditure and how the control and management of this expenditure could be improved.

- The work completed by the OCAG is seen to be vigorous and thorough. For most organisations the tensions that arise are not about big issues, but about small ones.

3.1.2 Less Positive Impressions

- Many interviewees do not like the relationship that they have with the OCAG. While they feel that they as audited organisations are open to robust debate about findings, they also feel that they are being regulated rather than audited.

- They are wary of the escalation of OCAG findings into the PAC.

- There is also an ongoing undercurrent about the proportionality of findings. There is universal belief in and support for the OCAG and its role in accounting for the use of public money, but there is a very common and frequent sense that there is a wrong balance between materiality and probity on some occasions.

- The perceived focus on small granular issues is believed to have a number of outcomes. It can lead to a risk averse culture in the audited organisation. In every organisation OCAG audit findings and management letters are taken extremely seriously. It can also lead to a perception that OCAG audits and management letters do not add value to the running of the organisation. While this is a widespread rather than a universal view, there is a sense that organisations should be able to get more benefit from OCAG audits.

- The other core issue that needs to be considered is the communication between the OCAG and the audited organisations. Many of those that we interviewed have formed a view that the OCAG has taken an active decision *not* to build a relationship with them. This leads to a number of frustrations on their part:

1. They would like to be able to have a conversation, at a senior level, about their organisation and the context in which decisions may have been made. Many feel unable to do so.

2. The organisations ask questions of the audit team. The queries are not resolved in their conversations with the OCAG. The query is escalated to senior staff at the OCAG with an unpredictable response and response time.

3. There is frequently no end of audit meeting on completion.

4. Organisations are often unsure of what is required from them (in data and time terms) and sometimes it can involve duplication.

5. There can be disagreements in interpretation between State agencies, a differing interpretation on procurement rules between the OCAG and the Office of Government Procurement was raised on several occasions. This means that organisations can comply with the latter and be told that it is a technical breach by the OCAG.

- Organisations have a limited sense of when an audit will end. For those with more than one regulatory reporting responsibility (e.g. to HIQA), they can be under pressure to meet earlier deadlines.

- The OCAG is seen to be unique. If comparisons are made, they are made with the Revenue Commissioners and with private audit firms. Those who use private audit firms describe a different relationship where there is a client audit relationship and an effective open-door policy between them. Private sector audit relationships are considered no less thorough but do appear to focus on issues of materiality and proportionality. The relationship also appears more constructive.

- One government organisation that the OCAG is often compared with is the Revenue Commissioners. Like Revenue the OCAG is rules based. On the other hand, Revenue runs lots of information events and seminars to keep people up to date with changes coming down the line. This is not the case with the OCAG, although the different scale of the organisations is also acknowledged. Among the suggestions made was that the C&AG could speak to a forum like Association of Chief Executives on State Agencies under

Chatham House rules to better understand the issues/concerns of the client organisations.

3.2 Core Themes

3.2.1 There is a widespread belief in the independence and integrity of the work of the OCAG.

- There is a widespread and shared understanding about the importance of the role of the OCAG. Interviewees believe in the criticality of its work to the functioning of the State and of the requirement for such functions to be carried out in a democracy.

- The recognition of the importance of the role that the OCAG plays is universal. While some may not like specific reports or findings (and in several instances argued that case) in no way does this reflect on their perception of the impartiality of the OCAG as a function or as an organisation.

- As mentioned above, some interviewees believe that it is too difficult to get engagement on what they perceive as reasonable points of clarification or information in audit and management letters. Without seeking to excessively influence audit outcomes, many feel that the interaction process would benefit if time was taken at the start of the audit process to understand the context within which the organisation being audited operates. The organisations have a sense that the OCAG believes that such interaction could damage its independence and integrity. The organisations do not believe that this would be the case.

- There is a sense, particularly among Government Departments, that the OCAG needs to better understand the context into which its reports are released. There is a concern among some interviewees that the OCAG is failing to understand the changed culture of the PAC and how the committee operates. The use of language in audit reports may be intended in one way by the OCAG author, but may be interpreted in a completely different way at the PAC.

- The role of the PAC is clearly outside the remit of this research programme, but it was worth noting that the desire not to appear before the PAC was common place.

Views of members of the PAC

- PAC members strongly believe that the OCAG supports their role and remit in focussing on the expenditure of public money. They see the OCAG as being the key resource in implementing this constitutional function. There is a widespread perspective among PAC members that the OCAG is an example of a well-run government office.

- The OCAG is seen to deal in facts.

- The OCAG is seen to be rigorous, professional, independent and as a benchmark for the Public Service.

- The PAC members did not appear to interact directly with the OCAG on a frequent basis, although the C&AG is a permanent witness at their weekly meetings. They relied on the secretariat of their own committee to provide reports and summaries of the OCAG output. They are aware that they can interact with the OCAG if required, but they appear happy with the existing arrangements.

3.2.2   Variable Customer Service for Audited Organisations

- Many organisations are happy with their interaction with the OCAG. They are often larger organisations, with large in-house finance functions who carry out different routine transactions.

- There is a belief that the nature of the interaction between the organisation and the OCAG is too dependent on the composition of the OCAG team that are carrying out the organisation's audit. That includes the team who are gathering the data on site, the team undertaking the analysis in the OCAG and the senior OCAG personnel assigned to the audit. Here too there is an acceptance and recognition of best practice of rotating staff across projects and audits. They also see and are aware of the logistical and practical pressures facing the OCAG in seeking to complete projects within a defined and regulatory timeframe.

- These pressures and challenges are different to the examples where interviewees cited situations where a change of personnel on the OCAG team had a material

impact on the quality and delivery of service by the OCAG, both positive and negative. The resulting consequences included:

- *A difference in tone and approach to the organisation and the interaction with the OCAG.* There were several examples where the audit team changed and the nature of the interaction (and its focus) also changed e.g. it focussed on different aspects of organisational expenditure. Some believed that particular auditors had specific areas of focus (e.g. travel and subsistence) while others could focus on micro issues.

- *Lack of organisation memory or continuity on OCAG handover.* A new audit team will involve a huge learning curve for the OCAG personnel given that each organisation is different and has a different purpose. A new audit team also has an impact on the organisation being audited. A change in the audit team (while it was recognised that this has to happen to reflect both best practice and reality) can also create a significant additional workload for the audited organisation. This is especially the case where the organisation itself is small or the finance function is small. The challenge of these changes is exacerbated If these changes are not communicated to the audited organisation in advance, it can create an additional workload for the organisation being audited.

- *A difference in the volume of data collected.* Some audit teams seemed to collect a significant amount of data while others seemed to take a more focussed, and risk-based approach. If data was missing (and the examples cited were receipts for less than €50) the reaction from the OCAG was, in their eyes, overly dependent on what the project team's perspective was.

- *A difference in the understanding of the role and purpose of the organisation being audited.* This is clearly different to a transition from one project team in the OCAG to another. Some audit teams are perceived to understand the organisation more than others and make it their business to do so.

- *A difference in the approach being taken after fieldwork is completed.* For some there is no contact until very near the certification of an audit. For those with

multiple reporting lines, and for those with more than one regulator, the unknown factor of when audits and management letters will be delivered is a cause of stress and concern. One organisation is also audited by HIQA and as a result has different (earlier) reporting deadlines, including a completed audit.

- *A willingness to discuss and debate outcomes.* There is a real sense that some OCAG personnel are open to debate and discussion about audit findings but that others simply are not. No-one argued against the right of the OCAG to make negative findings but there was a sense among some participants that clients should have the ability to debate outcomes in a reasonable fashion and have their arguments heard. The most frequent cause of frustration focussed on issues of proportionality which came through in the management letter.

- *Private Sector audits are different.* For those who have experience of audits carried out by private sector firms, either as a consequence of subsidiaries being audited or because the audit of the organisation was contracted out by the OCAG, the experience and culture of the audit is quite different. One large agency described how they had met the OCAG Director in charge of their audit five years ago, but not since. The same organisation outlined how they would be far more likely to ring an audit partner in a private sector firm for advice (with whom they have regular business contact) than they would the equivalent personnel in the OCAG.

- *Those whose audits are contracted out can have a somewhat different experience to those whose audits are carried out by an internal OCAG team*. They understand that essentially the same process is being undertaken, with the same end goal and results. The process is the same in terms of accountability for the use of public funds. They see the process as being as rigorous, but with a more predictable risk-based approach. Those organisations where audits are outsourced appear to have a more 'standardised' experience than those where the work is carried out by OCAG personnel. They also believe that while the process is as thorough, it is quicker in terms of fieldwork completion with issues raised and discussed during the fieldwork period rather than after the completion. There are concerns that the finance function

in individual organisations is not given sufficient notice as to whether their audit is being outsourced and to whom it is being outsourced to.

- The implications of this theme are that there is too much variability in requirements for a standardised process. While very large organisations have very large and capable finance and audit functions and can anticipate and predict what is required, smaller organisations can struggle with the unpredictable demand on resources. Some of the issues that we have discussed related to communication and expectation and that is dealt with in more detail in section 4.0.

- The members of the PAC see the role of accountability for the use of public funds as being the shared purpose of the OCAG and their own committee. They see the accountability for the public fund use as being the key function of the OCAG from their perspective, a consequence of the audit function rather than the audit role having the primary function.

3.2.3 Feasible to Share Best Practice?

- In using the analogy and comparisons with private sector audit firms, no-one described themselves or their organisation as a client of the OCAG. Those who used private audit firms in other aspects of their operation (e.g. internal audit) did describe a typical client relationship.

- There was a sense that the OCAG was more akin to a regulator working on behalf of the government, focussed on value for money and appropriate use of government funds. It may be that is how the OCAG (and Government) sees its role and how the role should be defined. However, it was clear that it is not perceived as a client relationship.

- The role of public accountability is always in the background to the audit of public organisations. Some of the organisations have relationships with other audit firms. They describe the relationship as more standardised and commercial. They typically talk about a relationship that is peer to peer. These relations may relate to internal audit functions; specific project support or other interactions.

- Large organisations with large finance functions are more confident about their ability to challenge findings and implications, if required to challenge in the PAC.

- Smaller organisations, in particular appear more nervous of a negative response from the OCAG (and that this could escalate to PAC) than their larger peers. While they know in theory that they can challenge findings and outcomes, there is a sense that they feel less able to respond and challenge findings of the OCAG than they might otherwise do.

- That perception of where power lies in the relationship between the OCAG and the audited companies, coupled with inconsistent communication, leads to a widespread view that if something negative arises in the case of an audit, there is limited opportunity for the organisation to provide explanation or clarification. There were several mentions of a 'gotcha' culture operating among some audit teams.

- As currently structured, the OCAG reports that gain attention in the public arena are negatively focussed. This is not the consequence of any action of the OCAG. The reports are not seen to represent the best of the public service, but they are not designed to. The perception is that the focus of reporting and activity that ends up in the public domain simply charts where things went wrong.

- There is an appetite and aspiration among some of those interviewed that there could be some sharing of better or best practice across the public service. Examples were cited where this was used elsewhere with the detailed and specific example of the Comptroller General of the United States cited by one interviewee. Those advocating the sharing of best practice believe that it could ultimately improve the effectiveness of the organisations that they run. Those who put forward the proposition saw it as a means to benefit from the shared experience of other organisations across the public service. Another by-product would be that it is also seen to be an opportunity to portray a better side of the public service.

- The feasibility of sharing best practice was not universally acknowledged. While there is a universal recognition of the benefit of sharing best practice there is a debate as to whether this is a role that should be played by the OCAG or other organisations such as the Department of Public Expenditure and Reform. Those who were sceptical about the OCAG sharing best practice saw it as a blurring of the lines between the focus on audit and accountability and a different function which is managing best practice.

- The OCAG has brought people together to discuss change in the past. There was an event focused on the impact of the introduction of FRS 102 which everyone who mentioned found beneficial. There may be other areas where a process such as this could add value. It may be that there could be a commentary on annual observations after the annual audits are completed with a collective client conference or individual feedback on process performance as well as findings.

- The realisation of any of these suggestions will have to take account of the current resource constraints. The OCAG cannot simply be asked to add to its work burden without the allocation of additional resources or alternatively a revision of its remit.

3.2.4 Information Collection from Audited Organisations

- For many the field work process and data gathering exercises takes an inexplicably long time. There is a view that the data gathering exercises, that take place as part of audit programmes, are overly comprehensive and that data is gathered without regard to whether it is actually required.

- In the views of the interviewees, the data collection process required is not standardised.

- Those who engage with private sector audit firms (either on a contracted out basis or to undertake some other function) argue that the private sector firms appear to collect less data and do the field work on a more systematic basis focussing their data collection efforts on areas of the organisation's activity which have the greatest materiality and impact on risk to the business.

3.2.5 What should the relationship between the Organisation and the OCAG be?

- There is universal recognition that the relationship between the audited organisation and the auditor has to be professional and carried out at an appropriate distance. This view is shared among all those that we interviewed, and, for those, who have experience of other audit relationships, is seen to be a standard feature.

- The relationship between the audited organisations and the OCAG comes across as much more distant than that. It is a source of some regret to many of those we

interviewed, that they feel they cannot contact senior personnel in the OCAG and discuss an audit issue from a theoretical, practical or organisational standpoint.

- The relationship between the OCAG and the audited organisations comes across as more of a regulator/regulated relationship. One described how he felt that the audit work carried out in the organisation was primarily on behalf of the government, rather than designed to add value to the organisation.

- The distance of the relationship between the organisations at senior level compounds the problem. The OCAG audit staff (with whom interaction at an organisation level takes place) are seen to lack autonomy in decision taking. In the view of the interviewees they see all queries and questions escalated to the senior management of the organisation for decision and issue resolution. This is a cause of some frustration to the interviewees. They believe that that decisions and interpretations in relation to their Organisation's audit are being taken by personnel whose interaction with the organisation has been only through their own audit team.

- This speaks to the broader issue of the nature of the relationship between the OCAG and the audited companies. Does the OCAG aspire to an auditor–client relationship or a regulator–regulated entity relationship?

3.2.6 There is concern about issues of proportionality in audit findings and management letters.

- Interviewees perceive that issues that are often identified as major in accounts and management letters are quite simply not considered to be major or material by the organisation.

- They believe that some issues raised fail to take account of the context. As an example, three interviewees (unconnected) were unhappy about what they perceived as an over focus on the analysis of travel and entertainment expenditure which they believed amounted to a preoccupation with something which was not material to the overall accounts and was defensible.

In summary, given the shared understanding of the importance and purpose of the OCAG's work the issues that are raised, and one of the causes of frustration on the audit side, is the focus on what are perceived as trivial or small amounts.

3.2.7 There is a requirement to improve project communications.

- There were several communication challenges identified in the audit process. There is a sense that communication is improving between the OCAG and the audited organisations.
- The challenges mentioned included:
  1. Changes occurring in an OCAG project team should be communicated well in advance of the audit commencement.
  2. The need for greater interaction at senior level between the OCAG and the audited organisations as a matter of course.
  3. Lack of clarity of the length of time of fieldwork.
  4. Lack of clarity about the project timeframes after fieldwork.
  5. The emergence of previously un flagged issues post fieldwork several months after field work has been completed.
  6. The importance given to relatively trivial issues in management letters.
  7. The lack of recognition by the OCAG of the sometimes-multiple pressures that exist in audited organisations and have to be completed and signed off in advance of OCAG deadlines.
  8. The delivery of accounts and management letters.
  9. Once fieldwork is complete, the audit team can disappear and only re-emerge when it is close, and often too close, to regulatory deadlines.
- The solutions are easy to describe but harder to implement in an organisation (OCAG) where resources are stretched and under pressure. Better communications of audit plans and timeframes would be appreciated as would project plans and deliverables after fieldwork.

4.0   Developing a Communications Strategy

- One of the key objectives of the project is to review the communications strategy for the Office of the Comptroller and Auditor General (OCAG).

- Communication works at various stakeholder levels and through various different channels and media. There are clearly differing levels of engagement and differing communication requirements for different stakeholder groups. Arising out of the in-depth interviews there seems to be the following perceptions:

  1. The Accounting Officers and the Finance functions in the audited organisations have a full understanding of the role and purpose of the OCAG. Once you move beyond that, discussions with other senior management and other functions within the organisation have less understanding. As one goes down through the organisation, the knowledge of the role and purpose of the OCAG becomes more unclear/less understood. Accounting Officers tend to focus on reports on their own organisations rather than looking at other work that the OCAG completes on other organisations.

  2. The members of the Committee of Public Accounts (PAC) also have a definite view on the role of the OCAG, they are probably more concerned with the areas where concerns are flagged rather than the bulk of routine audit activity. Members of the PAC believe that even their colleagues in the Oireachtas would not have as comprehensive an understanding of the purpose of the OCAG as they do.

  3. The Accounting Officers believe that the media see the OCAG as focussed on the negative aspects of public expenditure, that the media are driven by issues that are raised at the PAC.

  4. There is no sense among interviewees that the wider public has a good understanding of the role of the OCAG.

  5. There is also a belief that seeking wider publicity and profile for the work done by the OCAG should not be done at the expense of its integrity and independence.

4.1   What does the OCAG want to communicate?

Communication can clearly work at various different levels. We have seen communication challenges at various levels and have included them in the table below:

Stakeholder Group	Challenges	Opportunity
Accounting Officers	• Communication with the OCAG about the organisation. • What is the nature of the relationship that the OCAG desires? • What is the opportunity to share best practice? • What is the opportunity for feedback? • Project Plans and deadlines. • Proportionality in findings.	• Define and build the relationship. • Build project communications. • Consider sharing best practice. • Consider the use of language in findings?
Committee of Public Accounts (PAC)	• Definition of relative roles between the OCAG and PAC. • Presentation of findings and reports.	• The communication of purpose of the OCAG and how it differs from the PAC.
Wider Public Service	• Communication of findings and clarification of role.	• Does the OCAG want to focus on the purpose and role of the OCAG in the context of individual organisations.
Wider Public	Communication of findings and wider role How interested should the public be in the work of the OCAG?	• To strengthen the awareness of the role of the OCAG in supporting management of public finances.

A new communications strategy could achieve the following:

1. **Making reports more accessible.** A new frontend on reports (infographics) would make the information accessible to various stakeholder groupings. Reports need to be more accessible and readable, even those who are engaged in the analysis of OCAG outputs can find them impenetrable and difficult to understand. Making reports more accessible also involves the development of a web and social media strategy.

2. **A Sharing of Outcomes.** There is a desire among the interviewees to learn from the shared experience of other audits and organisations. There are clearly resource issues within the OCAG which mean that capacity would have to be created or added to but sharing of best practice would at least allow more than reactive approaches to annual audits.

There are mixed views as to whether the OCAG should take more ownership of the reports and findings. If the OCAG is to raise its profile, the tone and nature of the engagement with the media about its own role and the role of the audited organisations will be crucial.

3. **Defining the Relationship with Audited Organisations**. While the OCAG website does highlight the desired relationship between the OCAG and the audited organisations, in reality there is very little sense of a value adding relationship to the audited organisation. Those who have relations with other audit organisations describe the relationship in a different way to the one they have with the OCAG. Audited organisations in general and the OCAG need to agree:

a. The purpose and nature of the relationship between the two organisations.

b. The willingness (or not) of the OCAG to engage with each audited organisation.

c. The timeframe for audit projects and their conclusion.

d. The process after fieldwork, who is engaged in the audit finalisation?

e. The criticality of various audit findings.

f. Are they clients or not?

g. What value is the OCAG seeking to add to the audited organisations?

To a large extent establishing a communications strategy between the OCAG and the audited organisations is a fundamental first step in a wider communications strategy. There is little point in seeking to publicise a wider role, if the audited organisations are unclear or ambiguous about the OCAG's actual purpose.

4. **Wider Public.** A review of perceptions of the wider public was beyond the remit of this report. It is reasonable to assume that the wider public have limited knowledge of the role of the OCAG and its remit. While there will not be a technical understanding of the outputs of the OCAG work, there is an opportunity to promote the OCAG as a watchdog who is ensuring that public expenditure and resources are constantly under review. The challenge for the OCAG is that in the current context the implication of much of the reports that make it into the public domain is that there is widespread waste of public funds. In developing a communications strategy for the wider public, the OCAG needs to consider whether it wants to take a position on this perception: whether it is a perception that is true, or whether it is a perception that should be challenged or balanced with reassurance, if appropriate.

5. **The PAC**. The role of the PAC was not the focus of this review, but it came up in many interviews. Accounting Officers in the organisations interviewed know the role that the OCAG reports play in the agenda of the work of the committee but want to ensure that the division between the PAC and the OCAG stays clearly defined. Perceptions of impartiality and independence of the OCAG will be compromised if this division is not maintained.

5.0   Conclusions

The role of the Office of the Comptroller and Auditor General (OCAG) is clearly understood by the stakeholders interviewed. It plays and is seen to play a vital constitutional function. No-one sought to change its core function and role.

In overall terms, the strong shared sense that the OCAG is fulfilling its constitutional obligations and remit is extremely positive for the organisation. It is seen to be independent and deal with facts. The work completed by the OCAG is seen to be vigorous and thorough. For most organisations the tensions that arise are not about big issues, but about small ones.

The relationship between the OCAG and the audited organisations has room for improvement. Many organisations are of the view that they are being regulated rather than audited. The ongoing undercurrent about the proportionality of findings could also be addressed. There is universal belief in and support for the OCAG and its role in accounting for the use of public money, but there is a very common and frequent sense that the perceived focus on small granular issues is perceived to have several negative outcomes. It can lead to a risk averse culture in the audited organisations.

Many of those that we interviewed have formed a view that the OCAG has taken an active *decision not to* build a relationship with them. This leads to several frustrations on their part. The OCAG needs to reflect on whether this is the type of relationship it desires with the audited organisations. Project communications should also be reviewed to ensure greater alignment between the OCAG and the organisations.

The other positive opportunity which could have a benefit across the public service is a desire among organisations to learn from the OCAG and share best practice.

Communication works at various stakeholder levels and through various channels and media. There are clearly differing levels of engagement and differing communication requirements for different stakeholder groups.

There is a real opportunity, if properly resourced, to communicate to these and other stakeholder groups about the function, work and outcomes of the OCAG.

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