

## **Audit Board**

### **Meeting 24 March 2023, via Skype for business — draft minutes**

In attendance: Seamus McCarthy (Chair), C&AG  
Colette Drinan, Secretary and Director of Audit  
Andy Harkness, Director of Audit  
Deirdre Quaid, Director of Audit  
Shane Carton, Deputy Director, secretary to the Audit Board  
Jennifer O'Halloran, Audit Manager, attended for agenda item 12.

#### **1. Agreement of agenda**

The draft agenda was agreed.

#### **2. Noting of any conflicts of interest**

No conflicts of interest were reported in relation to the items scheduled for discussion at the meeting.

#### **3. Minutes of previous meeting, matters arising and action list**

The minutes of the meeting of 9 December were agreed with minor amendments and approved for publication on the Office intranet and website.

The action list was reviewed and discussed

- The Board noted that a staff resource is to be reassigned to complete the project to develop a legislative summary database. The Board will continue to receive updates on the progress of the project at future meetings.
- The Board noted that a legislative summary for Uisce Éireann had recently been submitted to the C&AG.
- The Board agreed to close a further three actions on the basis that relevant papers had been tabled for consideration at the current meeting.

#### **4. Emerging risks**

No new emerging risks were noted by the Board.

#### **5. Financial audit programme (paper A)**

The Board noted the paper which reported that the Office had achieved its three financial audit KPI targets for 2022. The paper also summarised the current audit status for the nine remaining uncertified accounts with periods ending in 2021.

#### **6. Performance audit programme (paper B)**

The Board noted the paper which presented updates on a number of matters relating to the performance audit directorate.

The Office met its KPI target of 25 reports to be signed in 2022. All post project reviews for chapters published in the Report on the Accounts of the Public Services 2021 are now complete.

It was noted that the twelve sectoral strategies due for review this year are complete and that the Audit Board had approved a list of chapters to be included in the Report on the Accounts of the Public Services 2022, subject to scoping approval and sufficient resources being available.

The Board noted Mazars' conclusion in the recent report on its quality assurance reviews of eight of the Office's reporting outputs that the overall standard of quality and delivery was high, with adequate examination sources used and methodologies applied. The Mazars report further noted that no significant issues or findings were identified relating to the content, format and structure of the reports reviewed.

The Board noted the status of seven ongoing special reports. It was noted that the C&AG had decided since the last meeting not to report in the format of a special report on the topic of public sector financial reporting.

## **7. Strategy for the follow-up of recommendations (paper C)**

The paper set out the current arrangements for following up on recommendations in reports produced by the Office and put forward a number of proposed changes.

Following discussion, the Audit Board agreed the following:

- Include a timeline for implementation (to be set by the audited body) of recommendations in future published reports.
- On a twelve-month pilot basis, the relevant financial audit teams are to follow up with audited bodies as part of the annual financial audit on the implementation of report recommendations, with updates to be reflected on the internal recommendations tracker — the potential to make a searchable tracker available online will be considered after the twelve months.
- The performance audit directorate to review the recommendations register annually with the aim of identifying potential trends and any wider implications.

## **8. New/final audits (paper D)**

The Board noted the paper and agreed a number of changes to the tables. The Board noted the new audits of

- The Irish Aviation Authority
- Tailte Éireann.

The Board noted difficulties that have arisen in relation to the audits of a number of dissolving bodies. While the relevant legislation typically sets out the arrangements to apply for the final set of accounts of the dissolving body, it can sometimes be the case that the dissolution takes longer than anticipated and more than one set of accounts is required. Andy Harkness wrote to the Department of Public Expenditure, NDP Delivery and Reform who responded to say that they will liaise with the Office prior to the Office of Parliament Counsel on drafting legislation pertaining to dissolution of public bodies.

The Board noted its dissatisfaction with the length of time that a number of accounts have remained inactive or not serving a purpose without any effective action on the part of the relevant audited bodies to resolve matters. It was agreed that the Secretary and Director of Audit would prepare a note on the matter for the next meeting.

## **9. Quarterly legislative update (paper E)**

The Board noted the paper.

## **10. Disclosures log (paper F)**

The Board noted the paper which set out summary details of disclosure cases that are currently open and those that have been closed since the last meeting. The Board noted that a report for 2022 under Section 22 of the Protected Disclosures Act 2014 was published on the Office website on 1 March 2023.

## **11. International activity report 2022 (paper G)**

The Board noted the paper which outlined the Office's engagement with international agencies during 2022. It was noted that the Office is due to host a meeting of the Performance Audit Subcommittee of INTOSAI's Professional Standards Committee in Dublin Castle on 28-29 March 2023.

## **12. Protected disclosures — revised policies and procedures (paper H)**

The paper included proposed revisions to the existing Policy on Disclosures to the Office of the C&AG and the Speak Up Policy in order to address the requirements of the Protected Disclosures (Amendment) Act 2022.

The Board approved the revised Policy on Disclosures to the Office of the C&AG subject to a number of amendments. It was agreed that refinements to the introduction section should be considered in the next review of the document. The revised Speak Up Policy was approved as tabled. The agreed versions of both documents will be posted on the Office website.

## **13. Follow-up paper on Office KPIs (paper I)**

The Board noted the paper which set out proposed new key performance indicators (KPIs) linked to the Office's strategic objectives and drawing on the characteristics of good performance measures published by the Office (in Chapter 11 of the Report on the Accounts of the Public Services 2019). The paper also set out the recommendations from a recent internal audit review of the Office's KPIs.

The Board requested that a further paper be prepared for the next meeting setting out how the proposed KPIs link to the metrics currently reported for Vote 8 in the Revised Estimates Volume and the Office's performance report. The paper should also reflect the characteristics of a good performance measurement system previously published by the Office (Chapter 11, 2019).

The Board agreed that the necessary actions should be taken to implement the recommendations from the internal audit review.

## **14. Implications of new quality control standard, ISSAI 140 (paper J)**

The Board noted the paper which set out the likely impact of the new quality management standards on relevant reports produced by the Office.

For supreme audit institutions, the new standards will be implemented through a revised ISSAI 140 which is likely to have an effective date in 2025. However, to ensure consistency with audit practice in Ireland, the Office is implementing the new requirements from the start of 2023.

The Office considered the exposure draft of ISSAI 140 both in its capacity as an active member of the working group updating ISSAI 140 and as chair of INTOSAI's performance audit subcommittee and comments were provided by the deadline of 21 June as requested by the ISSAI 140 working group.

**15. Any other business**

The next regular Audit Board meeting is scheduled for Monday 3 July 2023.