

## **Audit Board**

### **Meeting of 27 February 2020 – Agreed minutes**

In attendance: Seamus McCarthy, C&AG  
Colette Drinan, Secretary and Director of Audit  
Andy Harkness, Director of Audit  
Patricia Sheehan, Director of Audit  
Deirdre Quaid, Deputy Director Corporate Services, Secretary to the board

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

The draft agenda as circulated 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 and matters arising**

The minutes of the previous meeting dated 16 December 2019 were previously agreed and were therefore noted by the Board.

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

The Board noted the risk to business continuity in a time of pandemic which has been recorded on the Office's risk register. The Deputy Director noted that the business continuity plan was about to be circulated that day to all relevant staff. The Secretary undertook to send an email to all staff stating that staff should follow the medical advice of the Health Service Executive and travel advice from the Department of Foreign Affairs and Trade, as appropriate staff who have come in close contact with or who have been diagnosed as having the coronavirus or staff with particular vulnerabilities will be asked to contact their line Deputy Directors. All staff will be contacted using the Office SMS text alert system and also via email to cover those who have not yet signed up to the service.

#### **5. Audit board actions (Paper 1)**

The Audit Board action status on the legislative summary database action was updated to reflect that templates are currently being reviewed by the C&AG with a view to having an assembled database by end of March 2020. The Board asked that consideration be given to publishing the database on the Office website.

The Board agreed to suspend the action on developing a guidance document for financial audit contractors pending promulgation of new UK guidance on the audit of public sector bodies.

## **6. Reporting programme**

The Board noted the status of reporting programme items with most chapters at post scoping stage. The board noted that reporting may benefit from group meetings with the C&AG regarding the development of the chapters and specials at this stage to reduce the burden of finalisation later in the year. The Board also noted the audit insights event on the financial management maturity model scheduled for April 2020 and the pending launch of the audit insights page on the Office's website. The board agreed that these developments, arising originally from a special report, should be noted in the Office's performance report.

## **7. Financial audit programme**

The Board noted that three of the nine uncertified audits at year end 2019 were now cleared and a further four were signed. The remaining two audits which were accounts year ending 2017 and 2018 for the same entity, were not in a state of preparedness for audit. The Board noted that this mainly, arose from the cessation of the entity and that where a cessation was planned, an appropriate 'sunset clause' should be in place. Oversight departments should examine if the sunset clause was workable before a body ceased to exist in order that final accounts could be properly prepared and presented for the final audit of the entity. The Board decided that this examination of entity cessation should be included as a separate section in the C&AG's next annual timeliness report '*Public Sector Financial Reporting for 2018*'.

The Board discussed the proposal approved by the C&AG for an early wave of vote certification. The Board requested a meeting be scheduled with those responsible for vote editing and the C&AG to discuss the template. The Board requested review note on Vote certification and publication with particular focus on the efficiency options. The paper should examine the legislative framework as it applies to votes and how the framework could change to require departments publish their own accounts. Consideration should be given to a second wave of early certification by end July. The Board approved the suggestion to have the vote template translated into Irish as soon as the template is approved by the C&AG and provide that template along with a glossary of terms in Irish to the departments. The Board recommended engaging a quality reviewer similar to the process put in place for the reporting section last year. An OIS work return category should be set up to capture time spent on Irish translation for reporting and vote publication.

The Board also discussed the proposal from the Secretary to increase the delegation of sign off limits to turnover of €100 million for Directors and €25 million for Deputy Directors. The Board noted that originally, delegation had been for €25 million for Directors. This increased to €50 million and was then extended to Deputy Directors (with a €5 million threshold). Legally, the C&AG cannot delegate the certification of voted accounts or the sign off of reports and therefore only the certification of financial audit of non-voted monies can be considered for delegation. The C&AG has gained assurance over the delegated process via his annual examination of a sample of audit files which had delegated sign off in the previous year. On this basis, the Board agreed to the further extension of delegated authority to Directors and Deputy Directors. The Board requested an information note on the delegation in other jurisdictions which operate the Westminster model of national audit.

## **8. New/final audits (Paper 2)**

The board noted that:

- The C&AG will be the auditor of the Judicial Council, a newly established entity. The first set of financial statements will cover the period from 16 December 2019 to 31 December 2020. The Deputy Director responsible for the audit of the Department of Justice will liaise with this newly established body regarding the first audit.
- The legislation to establish the Land Development Agency did not proceed as expected, and therefore accounts year ending 2019 are unlikely to be presented for audit by the C&AG.
- The Church of Ireland College of Education final account has been certified.

The Board noted that while there was guidance from the Department of Public Expenditure and Reform on the management of accounting for a change in grouping for the appropriation accounts, there was no guidance that the Board were aware of for the establishment or change of other government bodies. There is a 'new client checklist' included in the financial audit manual. This checklist should be reviewed.

## **9. Proposed audits for hot review (Paper 3)**

The Board approved the audits proposed for an EQCR, subject to a direct swap of two of the 2020 with two of the 2021 audits. The Board requested a review of the process of identification of audits for EQCR to take into account the risk rating of audits now in place in the Office and the timing of the reviews. The Board agreed that they would examine a revised proposal for EQCRs at the next meeting of the Board in May to plan the 2021 cohort of EQCRs mid-2020.

## **10. Strategy 2016-2020 progress (Paper 4)**

A revised paper four was presented and the status as indicated was considered and noted. The Board noted the preparedness for the next strategy and the need to include measures or key performance indicators as part of the development of that strategy. The final report resulting from the ongoing work of the peer review, expected before the end of April and the completed stakeholder survey would inform the next statement of strategy for the Office covering the period 2021 – 2025. The Board noted the need to involve staff in the creation and development of the strategy and also to consult with staff once a draft strategy was ready for review.

## **11. Note on disposal of Office records (Paper 5)**

The Board noted the policy proposal and the granting of authority from the National Archives to the Office to dispose of certain record. The board recommended a stock take be carried out on the records in the Finglas facility to establish:

- what periods documents currently held relate to
- what files are older than or approaching 30 years old, and if certificates of retention should be applied for
- what files are coming up for destruction/retention decision
- any anomalies in the sequencing of files.

The Board noted a number of matters such as the period of retention starting point to be determined e.g. from audit certification date or from date of disposal at the Committee of Public Accounts. As the period of disposal covered in the authorisation from the National

Archives was from 1992, files retained for 30 years would be scheduled for destruction or retention decision in 2022. The Board queried if there was a shorter retention period in respect of audits of cross border bodies. The Board approved the proposal, subject to the policy being updated to include a specific note on the retention of files on protected disclosures and whistle blowers. The (revised) policy should be returned to the Board for approval prior to operationalising.

## **12. Any other business**

The Board agreed to arrange for the dates of two further meetings for the year in early May and November in the coming days and the Deputy Director undertook to discuss standing agenda items and a schedule of annual reporting to the Board with the C&AG following the meeting.