

Audit Board

Meeting 12.00pm, 20 March 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 and secretary to the board

1. Agreement of agenda

The Audit Board convened an unscheduled meeting via conference call. The agenda called for the formal noting of a number of decisions that have been taken by the Audit Board to manage the impact of the recommended change in working arrangements due to the pandemic of COVID-19. The agenda was agreed at the start of the meeting.

Other than the escalation of the pandemic since the Audit Board's previous meeting, only one other emerging risk was noted which was the potential requirement for a supplementary appropriation-in-aid if the audit program (and related audit fees) does not proceed as estimated. The Audit Board agreed to keep this risk under review.

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

2. Remote working

The Audit Board noted the emergency situation evolving over the previous number of weeks and the issuance of circular 07/2020 '*Arrangements for temporary assignments across the Civil and Public Service in response to the challenge of COVID-19*' (circular 7/2020). Audit Board members have been meeting remotely to decide on matters.

In line with the Business Continuity Plan and the statement of the Taoiseach on 12 March, all staff of the Office were requested to work from home from Friday, 13 March given the Office's capacity for remote working systems. All staff have been recalled from client sites to continue work on the audits while teleworking. With no on site work on client premises, this will have an impact on audits. All line managers were requested to check in daily with their staff for progress of work and staff wellbeing.

Remote working and lines of communication are working well and consequently decisions of the Audit Board made since 13 March continue to be actioned quickly. The Audit Board noted that staff of the ICT unit had been very responsive and supportive during this change in working arrangements.

The Audit Board noted there has been and continues to be skeleton staffing of the Office premises since 13 March.

3. Prioritisation of functions

Circular 7/2020 issued on 18 March 2020 requires organisations to identify critical and non-critical functions and where possible, to release staff from non-critical functions for temporary reassignment. The Audit Board had discussed and decided on these functions and communicated this via email to all staff on 19 March. The Audit Board decided that the processing of credits, and finance and facilities, HR and ICT are Office critical functions. These critical functions also require the Office to retain a limited number of staff who can approve payments e.g. bank job holders. This is to ensure that the Office payments including payroll continue to be operationalised. The Emergency Management Response Team (EMRT) and alternates are also critical to the continued functioning of the Office.

Initial soundings have been taken from key clients on the feasibility of completing or progressing audits, given client capacity and availability of systems. A small number of critical audits, which are at a well-advanced stage, as well as one examination, which is at a very advanced stage, also fall into the critical category by virtue of the fact that they are almost complete. Those particular assignments were notified to line Deputy Directors (DDs) and communicated to audit and examination teams. As these audit and examination tasks are completed, it is expected that some staff involved will then become available for additional temporary re-assignments.

Financial audit, including support services such as IT audit, quality and standards and reporting work, subject to a small number of exceptions as outlined above, have accordingly been deemed non-critical for the three-month period envisaged by circular 7/2020.

Prioritisation of functions will be kept under ongoing review by the Audit Board.

4. Availability of staff for temporary reassignment

The Audit Board noted that the Directors had requested DDs to return a completed template to them on 19 March categorising their staff in terms of availability for temporary reassignment.

The templates returned indicated that staff broadly fell into three almost equal sized categories. A third of staff are not available for temporary assignment as they work in Office critical functions or due to personal circumstances. A third of staff are available for immediate temporary assignment and a further third may become available depending on the completion of critical work and changing personal circumstances.

The Audit Board noted their deep appreciation and sincerely thanked the staff of the Office who have very quickly demonstrated a willingness to contribute in a variety of ways to address the wider public service need. Some have contributed through agreeing to temporary assignment and others through agreeing to adapt work practices and work plans in the short term which will minimise disruption for the Office once normal business operations resume.

5. Priority and timing of audits

The Audit Board noted the first priorities must be the statutory obligations of the annual report and appropriation accounts audit certification and publication by end September. Audits that are significantly progressed and advanced will be completed when this can be done quickly. Other strategic audits have been identified for high priority and a final list will be provided to the Audit Board by Andy Harkness. The Office will try to progress these subject to availability of resources.

Appropriation accounts will be arriving, according to early indications from some government departments, on 30 - 31 March and will be contacted to ask for the necessary documents to be presented electronically rather than by post or courier. The Board noted however that there is likely to be some impact upon the readiness of government departments for audit. A sufficient number of departments have stated that they can facilitate the audit. However, the Audit Board agreed to keep the situation under close review in the coming weeks and months.

The Audit Board committed to communicate with clients whose audits are not being progressed and other stakeholders that for now audit work is suspended and to keep all parties informed of changes in this area.

6. Propriety approach 2019

The Audit Board considered a paper on revising the approach to propriety testing with a view to identifying opportunities for efficiencies in light of the current emergency. It noted the progress which had made in recent years on greater transparency in reporting on propriety related matters and the work of the annual audit in supporting bodies in embedding revised governance requirements and related controls. The Audit Board emphasised the importance of reporting on propriety matters but noted that there was some scope to perform a reduced level of work particularly in the area of procurement sampling. It noted that given the progress by bodies in reporting on procurement compliance there were opportunities for a broader cross sectoral approach with focused sampling. Finally, it noted that the audit would continue to consider any propriety issues arising from general audit testing and from the disclosure requirements for bodies.

It agreed that Mr Harkness and the Deputy Director responsible for the standards unit would arrange for the revised approach to be communicated to DDs and through virtual sessions with teams.

7. Reporting

Once the Audit Board have established the number of remaining staff available and the staff required for strategic audits, the Director responsible for reporting will liaise with the C&AG on the annual report. Two special examinations were likely to be completed as relevant bodies noted an interest and capability in clearing and finalising these reports.

8. Communication

The Audit Board requested the Secretary to finalise the minutes by Monday so that they could be circulated to staff and audit committee members as soon as possible. The Audit Board will keep in view any formation of a committee of public accounts and will consider communication with committee members once established. Office clients were communicated with via audit liaison officers and the relevant senior auditors. As audit portfolios are to be updated due to temporary assignment of some senior auditors, an information note should be requested from all seniors summarising the status of and communication with each audit or examination client.

The Audit Board agreed that an 'all staff' email should be sent by the Audit Board secretary covering a number of items to prepare administration of the Office during temporary reassignment of staff. Staff are to be requested to update milestones on the Office OIS system in order that the progress of all audits and examinations at the time of temporary assignment of staff be fully captured. The communication should also ask staff where possible to cancel annual leave already booked on the shared services system for the time being. Updating of work returns, the time management system, retention of Office ICT equipment while staff are on temporary assignment and assurance on payroll should also be included. Staff should be advised to check the Office email every couple of days for further staff communications during temporary assignment.

9. Any other business

The minutes of February's Audit Board meeting had been agreed via written procedure and the minutes of this meeting would also be agreed via written procedure on Monday in order to communicate via the minutes to all staff.