

Audit Board

Meeting 26 March 2021 – 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 Central 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 October 2020 were previously agreed and were therefore noted by the Board.

4. Emerging risks

The board noted recent media coverage of protected disclosures. It was noted that, in line with the Office's agreed internal audit plan, the internal auditors are currently reviewing the Office's policies and procedures regarding protected disclosures. It was also agreed that when the annual report of the Monitoring and Ethics Director is issued, staff will be reminded of the procedures in place for raising issues relating to financial audit and examination work.

The board also noted that a second procurement exercise was required to carry out cold reviews of financial audits and the risk that the second exercise may be unsuccessful.

Potentially significant movement in the UK private sector audit sector and the potential impact on the Irish private audit sector was also noted.

5. Covid-19 impact update

The board noted the national level five restrictions were still in effect and that attendance at the Office premises was minimal. The facilities unit was continuing to operate well in terms of meeting staff equipment and other requirements during remote working. The Office will commence a Future of Work working group in the coming weeks with a view to having a report for the next board meeting in July.

Employee pulse surveys are running fortnightly and showing a broad level of satisfaction amongst staff. The Secretary noted the success of the Office's first virtual annual conference and the town halls conducted with staff in quarter one. The town halls may be repeated in May. An issue in relation to the accrual of flexi leave during remote working has come up at management board. The Directors have spoken to each Deputy Director regarding working arrangements for teams from a health and safety perspective.

With regard to access for financial audit teams, any issues arising is being dealt with locally. The audit of balance sheet items can require on site testing and clients are largely facilitating on site visits so far where necessary.

The board noted that where entities had not addressed the impact of Covid-19 on the control environment with in the Statement on Internal Financial Control (SIFC), the omission must be corrected if possible and included in the management letter. Where the same or adequate level of assurance was not in place, this may require a referral in the audit certificate.

6. Audit board action list (paper A)

The board noted that three items, the records and retention policy, the international report, and the communications policy were now complete. The remaining actions were updated to reflect progress since last October.

7. Reporting programme (papers B – E)

The board adopted the reporting strategy as presented subject to further review of three themes with a view to possibly combining some themes — the themes being (a) cross-department responsibilities (b) civil service skills, capabilities and capacity and governance and (c) accountability and transparency to account for performance.

In relation to resources the Board noted the commitment to increasing reporting resources and noted the need to review how this will be operationalised on an ongoing basis.

The board noted the revised reporting manual and the plan to roll out a comprehensive training programme for all reporting staff on all aspects of the manual. The Board also noted the requirement for a shorter training intervention for (financial audit) staff that may complete chapters on an ad hoc basis in order to allow project leaders to sign off on the finalisation checklist (submitted to C&AG with all reports for sign off) where project leader confirms that ‘all material statements in the report have been checked and are referenced to supporting evidence in project files’.

8. Financial audit programme (paper F)

The board noted the audit performance report for 2020 and that the office had met two of the three financial audit targets being 95% of accounts measured by turnover certified within nine months of financial year end and financial statements not yet certified at year end of less than 30. The board also noted that of the ten financial statements not yet certified as at 31 Dec 2020, five have since been certified and four of the remaining five are at advanced stages in the clearance process.

9. New/final audits (paper G)

The board noted a change to the arrangements in listing new audits. Previously any new audits remained on this paper until assigned. However, this will now to change to audit assigned and entity established before the audit can be removed. The board noted the new audits of:

- Department of Further and Higher Education, Research, Innovation and Science
- Climate Action Fund
- Approved Housing Bodies Regulator

The board also noted the European Funds of the European Agricultural Fund, European Agricultural Fund for Rural Development (EAFRD) and the European Maritime Fisheries Fund (EMFF) were no longer subject to audit by the Office.

10. International activity report (paper H)

The board noted the Secretary's appointment to the Evaluation and Audit Advisory Committee of the International Civil Aviation Organisation (ICAO).

The board noted the international activity report and were satisfied that the no business travel policy would continue. The board also noted the Office's continued involvement with working groups and project groups and were happy with the level of engagement internationally.

11. Records and retention policy (paper I)

The board approved the records management policy subject to the audit and VFM records retention period increasing for all records to 30 years. The National Archives have previously stated parts of these records should be retained for 30 years and then examined for either transfer to the National Archives or destruction. They also have advised all Government departments not to have differing retention periods for record series and therefore, it is better to retain all audit and VFM records in their series for 30 years. The remaining records retention will be grouped into series and retention periods consequently determined by any legislative requirement that may be included in each series.

12. AoB

The board noted that the Monitoring and Ethics Director report and the Office's Annual performance report will be circulated by written procedure to facilitate timely sign off before the next meeting.

The board noted the publication of the Offices' statement of strategy 2021 – 2025 since its last meeting.

The C&AG also noted the competition to fill the Director of Auditor post and recognised it is expected to be Patricia Sheehan's last audit board meeting. The board thanked Ms. Sheehan for her long service to the Office and recognised the significant contribution made during her tenure. The Secretary echoed the comments and in particular noted the board had worked very well as a team over the past number of years. The board closed the meeting by wishing Ms. Sheehan the very best of luck and hoped she enjoyed her pending retirement.