

Audit Board

Meeting 5 November 2021 via Skype for business

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 Central Services, secretary to the Audit Board

1. Agreement of agenda

A change to the draft agenda was agreed. The circulated Paper B was split into Paper B1 incorporating the standard reporting update and Paper B2 incorporating the proposal to chair the INTOSAI Performance Audit Subcommittee. Paper B2 was then considered under a new agenda item 9.

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 meeting dated 1 July 2021 were agreed with minor edits and approved for publication on the Office intranet. The minutes of the special meeting (re. the Office's future working model) held on 17 August 2021 had previously been agreed via written procedure and were therefore noted by the Board.

4. Emerging risks

The Board noted potential implications for the Office relating to the role of a new Protected Disclosures Office envisaged under the Protected Disclosures (Amendment) Bill 2021. The Board agreed to keep developments in this regard under review.

5. Audit Board action list (paper A)

It was agreed that in future, actions arising from meetings would be tracked in a table at the end of the minutes rather than in a separate paper.

The Board noted that two items from previous meetings — reporting audit certifications by week and the establishment of a group to propose a future working model — were now complete. The four open actions from previous meetings are included in the table at the end of this document.

6. Reporting programme (paper B1)

The Board noted the current position in respect of the reporting programme — including the status of 15 ongoing special reports — and an early outline of the 2021 annual report for publication in September 2022.

The Board had a useful discussion around delivery of the reporting programme in light of the experience with the 2020 annual report.

The Board welcomed the invitation to the Office to present at the Accounting Technicians Ireland annual conference for 2021, on the topic of data analytics. Two senior auditors from the Office will present at the conference on 17 November to be held remotely, the first covering the chapter in the annual report and the second covering the launch of the new data analytics unit within the Office.

The Board noted its appreciation for the effort and dedication shown by those involved in the production and publication of the annual report.

7. Financial audit programme (papers C, C1 and C2)

The Board noted the audit performance report for the year to date. It was noted that 97% (target 95%) of 2020 year-end audits, by turnover, and 66% (70% target) of audits, by number, were certified within nine months of the year end.

The Board reviewed the paper comparing the certification of audits by week in 2021 against the previous year and welcomed the improvement. It was agreed that the secretary to the Board should request the data analytics team to prepare the following additional reports

- monthly audit certifications (cumulative) for the current year and each of the four previous years
- weekly audit certifications (cumulative) for the current year and the previous year

When received, the secretary will circulate the above reports to Board members by email.

The Board discussed the likely end year arrears position following an update from each director on the status of audits in their respective areas.

The Board noted its appreciation for the effort and dedication shown by financial audit teams and in particular those involved in the production and publication of the 2020 appropriation accounts.

It was agreed that the Office should request the Department of Public Expenditure and Reform to include a requirement in the upcoming appropriation account circular for departments to make an assertion in their statements of internal financial control that they have considered the impact on their control environments of the prolonged decentralised working arrangements.

The Board agreed the proposals set out in Paper C2 for amendments to certain audit certificates for the 2021 financial year. It was further agreed that the changes should be implemented and checked centrally before the revised certificates are forwarded to deputy directors.

8. New/final audits (paper D)

The board noted the new audit of

- Parole Board

The Board discussed the potential new audits mooted in planned legislation and agreed that the Office's position will be that the first financial period for new entities should ideally be no less than four months and no longer than 18 months.

The Board discussed the quarterly legislative review paper and agreed that future versions should specify the party (or Deputy/Senator) that is bringing forward each bill.

9. Proposal to chair INTOSAI Performance Audit Subcommittee (paper B2)

The Board noted and agreed the proposal for the Office to declare an interest in chairing the Performance Audit Subcommittee of the INTOSAI Professional Standards Committee for the three years 2022 to 2025. The position of chair would be at director level. Should the Office be selected to chair the committee, the arrangement should be reviewed after two years.

10. Proposal for delegation of financial audits with 2021 year end (paper E)

The Board noted and approved the proposed approach to delegation of financial audits for accounts with financial years ending in 2021. The principal agreed changes to the previous delegation approach are that

- delegations to deputy directors and directors for 2022 onwards should explicitly exclude any audits classified as either A or B (i.e. higher inherent risk) using the audit risk categorisation tool
- the turnover threshold for delegation to deputy directors should be increased from €25 million to €50 million, with the rest of the existing criteria remaining in place
- delegation to directors to be extended to include bodies in the further or higher educational sector with turnover between €100 million and €200 million.

The existing convention that audits should only be delegated to [deputy directors] with at least one year's experience in the grade will be retained.

11. Audit Board forward agenda 2022 (paper F)

The Board noted the paper setting out a draft forward agenda for three meetings in 2022. Following discussion, the Board agreed that it should plan for four regular meetings per year. A revised forward agenda will be presented for approval at the first Audit Board meeting of 2022.

12. AoB

The Board agreed that the meetings in 2022 should take place in March, July, October and December. The next meeting is scheduled for Friday 25 March 2022 and will take place via video conference.

The matter of whether future Board meetings should take place virtually or in-person will be kept under review.