

Annual Report of the Audit Committee 2024



Introduction

The Secretary and Director of Audit is the administrative head of the Office of the Comptroller and Auditor General and the Accounting Officer, accountable under law to Dáil Éireann for the governance and performance of the Office. The Office supports the Comptroller and Auditor General in the exercise of his constitutional and statutory functions. The main outputs from the Office's work are assurances to Dáil Éireann on the accuracy of around 285 annual accounts of public bodies and funds, and reports on the financial management of State resources. During 2024, the Office also completed 25 reports on specific issues.

An audit committee operates to support the Accounting Officer in the discharge of her duties by offering independent advice on matters relating to risk management, internal control, governance and external reporting and also seeks to foster generally the development of best practice in the conduct of internal audit and risk management in the Office. In accordance with the committee's charter, the committee reports annually to the Accounting Officer on its activities during the year. This report also outlines the major issues examined by the committee during 2024.

Role of the committee

The committee operates under a written charter, which is set out at appendix A. The charter was reviewed during 2024 in accordance with the requirement that it be reviewed by the committee periodically to ensure it is appropriate to the needs of the Office and accords with best practice.

The committee supports the accountability regime in the Office by offering independent advice and, in particular, through its

- general oversight of the internal audit function and advice to the Accounting Officer in relation to the operation and development of that function
- review of the Office's risk management procedures and advice thereon
- review of and advice on the annual financial and performance reports of the Office
- review of and advice on the process by which the Accounting Officer obtains assurance on the financial control system.

Audit committee 2024

During 2024, the committee comprised five members who are external to the Office:

- **Mr John McCarthy** (Chairperson) — former Secretary General of the then Department of the Environment, Community and Local Government.
- **Ms Anne Vaughan** — former Deputy Secretary of the then Department of Employment Affairs and Social Protection.
- **Dr. Geraldine Smith** — former National Director of Internal Audit for HSE and Tusla.
- **Ms Diane McGiffen** — Chief Executive of the Law Society of Scotland.
- **Mr Daniel Lambauer** — Chief Operating Officer, UK Competition and Markets Authority and former Executive Director, Strategy and Resources, UK National Audit Office.

During 2024, the role of Accounting Officer was held by Ms Colette Drinan. The committee was assisted throughout the year by the directors of audit — Ms Colette Drinan, Mr Andy Harkness and Ms Deirdre Quaid.

Mr Mitchell McIntyre acted as secretary to the committee.

There were four committee meetings during 2024. The members, chair, directors and committee secretary attended all meetings, with the exception of two members and one director who each attended three meetings.

Oversight of internal audit function

Internal audits are commissioned by, and are reported to, the Accounting Officer, with the process being monitored by the audit committee. A separate written charter agreed by the audit committee and the Accounting Officer governs the work of the internal auditor.

The charter, which was reviewed during 2024 and is set out at appendix B, describes

- the role and responsibilities of the internal audit function
- the authority for and scope of work performed
- measures to ensure the independence of internal audit
- the approach to work, and
- reporting and follow-up procedures.

Internal audit services are provided under contract by an external audit firm. Following a public procurement competition, Forvis Mazars were appointed as internal auditor for a period of three years commencing in 2024. Upon appointment, Forvis Mazars conducted an analysis of risks facing the Office and developed a multi-annual rolling plan of areas to be examined. The plan is reviewed annually by the committee, in discussion with the Accounting Officer, and areas are prioritised for examination in line with emerging risks and developments.

The Committee met privately with Forvis Mazars at its February 2024 and December 2024 meetings.

A programme of three internal audits to be completed by Forvis Mazars during 2024 was agreed by the committee in February 2024. Two internal audit reports were completed in 2024:

- Procurement and contract management review
- High-level review of business continuity planning

In addition, a review of privacy and data protection/ GDPR commenced in 2024 and was completed in February 2025.

Assessing the implementation of agreed corrective actions

The audit committee requested a follow up report from the executive on outstanding internal audit recommendations at each meeting in 2024.

The number of open recommendations from 2023 and earlier audits reduced from eleven at the beginning of 2024 to three at the end of the year. Two of the remaining open recommendations from audits completed in 2023 or earlier relate to the area of records management and one to strategic monitoring and reporting.

Internal audits completed in 2024 made seven new recommendations and four remain open at the end of 2024 relating to business continuity planning.

There were no high-rated recommendations among the seven recommendations that remained open at year end.

Risk management review and monitoring

A risk management system operates in the Office which has embedded risk management actions within the business planning process, divisional risk assessments and annual staff workshops. The advisory role of the audit committee extends to all matters relating to risk management and in carrying out that role, the committee regularly

- examines updates to the risk register and the risk treatment plan
- reviews the operation of the risk management system within the Office, and
- considers the adequacy of the risk management policy.

The Office Risk Management Committee (RMC) comprises the three Directors who oversee the risk management process and meets quarterly to discuss and update the Office risk registers. Following each quarterly meeting, the top ten medium and high rated corporate risks are published externally on the Office's website. The list is also published internally on the Office intranet along with a reminder of the risk reporting email address available for all staff to report any risk. At each audit committee meeting, the Accounting Officer presents the risk register to the committee and provides a general update on any risk-related matters in the Office.

Throughout 2024, no residual risks were rated by the RMC as being at a high level. The risks ranked highest by the RMC during the year related to not having enough staff due to unfilled vacancies, cyber security and/or data breaches and not responding appropriately to disclosures made to/about the Office.

Review of annual financial and performance report

The Accounting Officer submits a Statement on Internal Financial Control as part of the Office's annual appropriation account. This statement sets out the system of financial control in operation together with enhancements being made and the mechanisms for monitoring the effectiveness of those controls.

In accordance with its charter, the audit committee commented on the 2023 appropriation account produced by the Office and reviewed the Statement on Internal Financial Control. The committee has no formal role in approving the Office's Statement on Internal Financial Control but does express a view based on its knowledge of the systems and controls referred to in it. The audit committee were satisfied with the representations made in the 2023 Statement on Internal Financial Control signed by the Accounting Officer.

A pre-publication draft of the 2023 Office performance report was circulated to the committee for information.

External audit

The 2023 appropriation account produced by the Office was externally audited under contract by Crowe Ireland, appointed by the Comptroller and Auditor General under law. An unqualified opinion was given.

The committee met the external auditor, who reported on the key points arising from the audit of the 2023 appropriation account and for a discussion on the external audit process, without management present at the May meeting.

Review of business development updates

At each meeting, the Accounting Officer provided the audit committee with an update on significant business developments. The matters covered in those updates during 2024 included

- organisational engagement
- budget variances and financial projections
- staffing levels, recruitment outcomes and recruitment license verification programme
- review of the primary legislation governing the Office and the modernisation of central government accounts
- business performance and outlook
- fraud, security incidents and risks
- cybersecurity updates including training campaigns, incidents of note, ISO 27001 certification and NIS2 directive
- Office project shortlisted for Civil Service Excellence and Innovation Awards
- recertification of the Office as a Great Place to Work, including recognition on best workplaces lists
- results of the Civil Service Employee Engagement Survey
- overview of the Office's estimates bid
- planning for the Office's statement of strategy for 2026-2030, and
- succession planning for the audit committee.

Conclusions and acknowledgements

Based on its work during the year, as outlined above, the committee is satisfied that it has discharged its duties as guided by its charter.

The committee is satisfied, based on the work of internal and external audit and assurances provided to the committee, that it provides the appropriate level of support to the Accounting Officer in the discharge of her accountability obligations.

The committee is also satisfied that the Office continues to make good progress in evaluating and refining its systems for financial control, risk management, financial reporting, audit quality assurance and ICT arrangements, taking account of appropriate benchmarks of best practice.

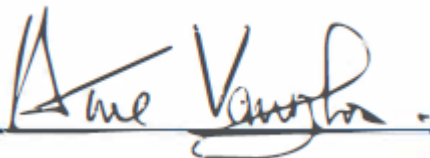
The progress made during the year on the implementation of internal audit recommendations was noted by the committee with a reduction from eleven prior years' open recommendations at the beginning of 2024, to three by year-end. The committee noted the progress made by the executive during the year in the area of records management and looks forward to the closure of the long-standing recommendations in that area.

The committee would also like to record its appreciation for the very strong support shown by the senior management team and to acknowledge the very open and constructive approach by management in addressing issues that were raised during the year. The committee would also like to thank its secretary for supporting the work of the committee.

The committee looks forward to continuing to support, within its remit, the ongoing process of improvement and development taking place in the Office.

John McCarthy: 
Chairperson

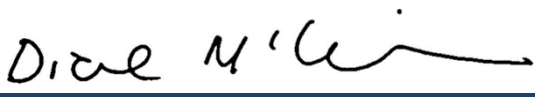
Date: 17 February 2025

Anne Vaughan: 

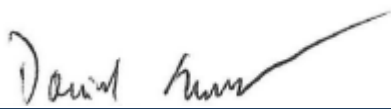
Date: 17 February 2025

Geraldine Smith: 

Date: 17 February 2025

Diane McGiffen: 

Date: 17 February 2025

Daniel Lambauer: 

Date: 17 February 2025

Audit committee charter

Introduction

This document sets out the charter of the Audit Committee as established by the Office of the Comptroller and Auditor General and as agreed between the Office and the Audit Committee.

Role of the Committee

The role of the Audit Committee, as part of the ongoing systematic review of the control environment and governance procedures within the Office of the Comptroller and Auditor General, is to

- oversee the internal audit function and advise the Accounting Officer in relation to the operation and development of that function.
- review and advise on the Office's risk management procedures.
- comment on the annual financial and performance reports of the Office.
- provide an independent and objective view for the Accounting Officer by examining and advising on the process by which s/he obtains assurance on the financial control system.

The Committee has no role in relation to the executive management of the Office which remains the responsibility of the Accounting Officer and other directors of audit.

Independence

The Audit Committee is independent of the organisation and objective in its consideration of the reports made to it. In order to maintain its independence from management, the Committee reports directly to the Accounting Officer.

Membership

The Committee will be appointed by the Accounting Officer of the Office and will consist of such persons not exceeding five in number as may be decided by him/her in consultation with the Comptroller and Auditor General.

The chairperson of the Committee will be similarly appointed by the Accounting Officer. Appointments to the Committee will, unless otherwise decided by the Accounting Officer, be for a period of three years. Members may be reappointed after three years subject to a maximum term of six years.

The Committee may, with the agreement of the Accounting Officer and for such term as may be agreed with the Accounting Officer, co-opt one extra member with specialist expertise, where it believes that such expertise is needed to enable the Committee to perform its duties.

Subject to approval of the required budget by the Accounting Officer, the Committee may seek external professional advice on specific matters from time to time.

Conduct

Members of the Committee should maintain an awareness of the financial, reputational and strategic focus of the Office when conducting its business.

Conflicts of interest

A statement of interests will be prepared by each member and submitted to the Accounting Officer on an annual basis.

Where a conflict of interest arises in the course of the work of the Committee, the member will bring this to the attention of the Chair and, where necessary, leave the room for the duration of the discussion and not take part in any decisions relating to the discussion. A note to this effect will be included in the minutes of the meeting. In such cases, members are prohibited from discussing with or canvassing other members of the Committee about the matter giving rise to the conflict and must not in any way seek to influence any Committee decision relating to that matter.

Duties

The duties of the Committee shall be

- to approve and keep under review the charter for internal audit services so as to ensure that it clearly defines the purpose, authority, roles and responsibilities and reporting relationships of any person involved in an internal audit assignment.
- to comment on the annual financial and performance reports of the Office.

- to advise the Accounting Officer on the appointment of internal auditors, including to review assessments of the Internal Auditor.
- to review and advise on the draft internal audit plan, prior to its agreement by the Accounting Officer.
- to monitor implementation of the internal audit plan so as to ensure that the audit objectives are achieved.
- to request the inclusion of topics in the annual Internal Audit plan as considered appropriate.
- to assess the outcome of the internal and external audit processes having regard to findings, recommendations and management responses.
- to assess the implementation of agreed corrective actions by management having regard to follow up audits.
- to raise with the Accounting Officer any concerns regarding the independence of the Internal Auditor.
- to review the Internal Auditor relationship and liaison with the External Auditor to ensure co-operation, avoidance of duplication and potential gaps in audit coverage.
- generally to foster the development of best practice in the conduct of internal audit, risk management and external reporting.
- to advise the Accounting Officer on matters relating to risk management, internal control, governance and external reporting.
- to receive feedback from the Internal Auditor and the Office's management on the effectiveness of the risk management process, and to take such feedback into account for input into the priorities of the Internal Audit plan.
- to provide advice to the Accounting Officer relating to the corporate governance requirements for the Office.
- to review the Office's anti-fraud policy, fraud response plan, fraud register and arrangements for special investigations.
- to review the Committee's own effectiveness, and report the results of the review to the Accounting Officer. The Committee will conduct a self-assessment annually and an external assessment every three years.
- to perform other activities related to the charter as requested by the Accounting Officer.

Annual Review of Internal Audit Work

Due to the nature and size of the Office, internal audit is provided by a professional audit firm on a contract basis. The Committee will review at least once a year a report of internal audit activities prepared by the Internal Auditor.

Annual Report of the Comptroller and Auditor General

The Committee will consider any report including findings and comments in relation to the Appropriation Account of the Office published in the annual report of the Comptroller and Auditor General on the Appropriation Accounts or any management letter or report by the auditor appointed by him under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993.

Meetings

Committee meetings will be held not less than four times each calendar year. A quorum of three will be required for each meeting and in the absence of the chairperson for a particular meeting, the Committee will agree which member will chair that meeting.

The Accounting Officer and Directors will be invited to each Committee meeting. The Committee may request the Internal Auditor to attend Committee meetings. The Committee will also have the authority to request Deputy Directors to attend Committee meetings, as it considers necessary.

At least once a year, the Committee will invite the auditor appointed by the Comptroller and Auditor General under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993 to meet them to discuss matters of mutual interest including his audit approach.

The Committee will meet the External Auditors and Internal Auditors at least once a year without management present.

Secretariat

The Deputy Director for Central Services will act as secretary to the Committee.

The secretary to the Committee will

- issue meeting agendas confirming the venue, time and date, to the members, along with appropriate briefing materials, no later than five working days before the date of the meeting.
- commission papers as necessary and support the Committee in preparing reports.
- prepare the minutes of meetings and circulate promptly to all members of the Committee for their comment before finalisation. The minutes of the meeting will be tabled for approval by the Committee at its subsequent meeting.
- circulate the approved Committee minutes to the Accounting Officer and post them on the Office intranet within ten working days of approval.
- for any agreed actions, document the owner, deadline and any advice given by stakeholders and monitor the actions between meetings.
- maintain appropriate records of the work of the Committee.

Operation of Committee

The Committee will adopt its own working procedures.

The Committee will develop an annual work plan, detailing actions to be taken in order to perform the Committee's functions and the provision of advice to the Accounting Officer.

Protected Disclosures

The Committee does not have a role in relation to protected disclosures received by the Office. The Committee will refer any protected disclosure it receives to the Office.

In the event the Internal Auditor receives a protected disclosure, the Internal Auditor will refer it to the Accounting Officer to determine the most appropriate manner of review/investigation.

The Committee will receive reports on protected disclosures at least annually.

Access

The chairperson of the Committee or any other person acting with the authority of the chairperson will have right of access to the Accounting Officer of the Office and other Directors of the Office.

The Internal and External Auditors will have free and confidential access to the Chair of the Committee.

The Committee will have right of access to all relevant documentation necessary to fulfil its remit.

Reporting

The Committee will formally report to the Accounting Officer within three months following the end of each calendar year on its activities during the year, including confirmation that all functions outlined in the charter have been carried out, and will proffer such advice and recommendations as it may deem appropriate.

Review/Amendment of charter

This charter will be reviewed periodically, as required, but at a minimum once every year.

John McCarthy

Mr John McCarthy
Chairperson
Audit Committee

Date: 9-12-2024

Colette Drinan

Ms Colette Drinan
Accounting Officer

Date: 9-12-2024

Internal audit charter

Introduction

This charter sets out the purpose, authority and responsibilities of the Internal Audit function within the Office of the Comptroller and Auditor General.

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

Objective of Internal Audit Assignment

All internal audit assignments will be conducted by a professional audit firm under contract, on foot of an internal audit plan drawn up by the Accounting Officer after consultation with the Audit Committee.

Each assignment shall provide an independent, objective assurance and recommendations designed to add value and improve the operations of the Office. The general aim shall be to help the Office accomplish the objectives specified in its Strategy Statement and Business Plans by conducting a systematic and disciplined review of the effectiveness of risk management, internal control, governance processes and performance within the scope specified in the terms of reference for each engagement.

Role and Responsibilities

The work of Internal Audit is primarily designed to give assurance to the Accounting Officer as to the adequacy and effectiveness of the Office's internal control and management system and enable him/her to discharge her/his duties on behalf of the Office under Section 19 of the Comptroller and Auditor General (Amendment) Act 1993.

The primary responsibility for internal control rests with line managers who, without regard to audit activity, must ensure that appropriate and adequate control arrangements exist in their areas of responsibility. The role of Internal Audit is to appraise the adequacy and effectiveness of those arrangements and to make recommendations for improvements as appropriate. Responsibility for implementation of audit recommendations also rests fully with the line management concerned.

In carrying out its role, Internal Audit will act professionally and ethically and will adhere to *Internal Audit Standards for Government Departments and Offices* published in December 2018 by the Department of Public Expenditure, NDP Delivery and Reform. These standards determine that the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* apply across all vote holders.

The Internal Auditor shall also have access to and cooperate with the external auditor appointed by the Comptroller and Auditor General under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993.

Authority and Scope

Internal Audit derives their authority from the Accounting Officer and conducts their work under the general supervision and guidance of the Audit Committee. The Internal Auditor is authorised to have full access to Office records (manual and electronic), physical properties and personnel relevant to the carrying out of the review. The Internal Auditor will be responsible for safeguarding records and other materials entrusted to their care. The Internal Auditor will ensure adherence to the Office's data

protection policies and will ensure all data and information it receives is treated as confidential. The Internal Auditor will have recourse to the Accounting Officer as required.

Independence and objectivity

It is essential that the independence of the Internal Auditor is preserved.

Internal Audit has no operational responsibility or authority over any of the activities audited. Accordingly, they will not implement controls, develop procedures, install systems, prepare records or engage in any activity that will impair the Internal Auditor's judgement. However, Internal Audit may, if deemed appropriate by the Accounting Officer, extend its review to systems under development and advice on appropriate controls without prejudicing its right to subsequently audit such systems.

In the event that the Internal Auditor becomes aware of circumstances e.g. personal conflicts of interest, scope limitations or restrictions on access to records which impair their independence and objectivity, the Internal Auditor will notify the Accounting Officer and the chair of the Audit Committee.

Audit approach

Internal Audit will conduct its work using a risk based approach.

Managers of areas to be audited will be notified, where possible, in advance. During the course of an audit, management and staff will be required to co-operate fully with the auditor's requirements.

Access

The Internal Auditor will have free and confidential access to the chair of the Audit Committee.

Reporting and follow-up

Each Internal Audit report will focus on procedures and controls and results. On completion of an audit, findings will be relayed to the management and staff of the audited area for their views. These views will be considered and recorded in the final report. Copies of the final report will go to the Accounting Officer, Audit Committee and to the relevant line managers.

Follow-up" procedures, the purpose of which is to ascertain that appropriate action is taken by management on foot of reported findings and recommendations, may be carried out, within a timescale to be determined by the Audit Committee.

Amendment of charter

This charter will be kept under review by the Audit Committee and may be amended or updated in joint consultation between the Accounting Officer and the Audit Committee. The document will be reviewed at a minimum once every year.

John McCarthy

Mr John McCarthy
Chairperson
Audit committee

Date: 9-12-2024

Colette Drinan

Ms Colette Drinan
Accounting Officer

Date: 9-12-2024