

Statement of Strategy

2021 - 2025

**Independent
Objective
Constructive
Committed to Excellence**



Oifig an Ard-Reachtaire Cuntas agus Ciste
Office of the Comptroller and Auditor General

Contents

Foreword from the C&AG	2
Overview of our work	3
Who we are and what we do	4
Taking stock	5
Strategic priorities 2021 – 2025	7
Priority 1:	
Delivering high quality, professional audit services	8
Priority 2:	
Making a difference to the bodies we audit, the Oireachtas and the public	10
Priority 3:	
Strengthening our organisation	12
Our governance and reporting	14

Foreword from the C&AG

This strategy is intended to provide a roadmap for the development of the Office over the coming years, for the benefit of Irish citizens, members of the Oireachtas, the bodies we audit and our staff.

Our new strategy has emerged in the midst of a period of significant change for the Office as a result of the challenges posed by the Covid-19 global pandemic. It is gratifying to note that strategic initiatives taken in previous periods meant that from the outset, the Office was well placed to take advantage of teleworking capabilities. Through the commitment and effort of all staff, we were able to continue to deliver our key audit and reporting outputs while working remotely.

The process of developing this statement included wide consultation with our stakeholders. I would like to thank everyone who responded to the consultation and contributed to the development of this statement. A separate engagement strategy report summarising the findings from our consultation is published on the Office's website at www.audit.gov.ie.

As signalled in the last strategy, I commissioned an independent external assessment of our performance against international standards and good practice that was carried out by a group of experts in 2020. The findings of the expert review group and the recommendations they made have been considered in the development of this new strategy. Work on implementing the recommendations is underway. This includes a timely review of the provisions of the Comptroller and Auditor General (Amendment) Act 1993, which has been in place largely unchanged for almost 30 years.

I am pleased to present this statement of strategy for the Office of the Comptroller and Auditor General for the period 2021 to 2025. During that period, we will mark the centenary of the formal establishment of the Office in 1923, as part of the building of core governance institutions for the new State. As we approach that milestone, I am confident that the Office continues to play a vital role in building strong public services for Irish citizens, and in enabling effective accountability within the public sector in Ireland.

Our strategy is designed to ensure that the Office remains well positioned to deliver a quality and effective audit service to public bodies on a sustained basis and to be an independent service that provides clear assurance to citizens about how their money is used and that facilitates parliamentary accountability. The values which underpin the work of this Office are independence, objectivity, a commitment to excellence and constructive engagement with the bodies we audit. These are at the core of our work and permeate this strategy. Based on those values, the priorities that shape this strategy and that will drive our development are

- **delivering high quality, professional audit services**
- **making a difference to the bodies we audit, the Oireachtas and public, and**
- **strengthening our organisation.**

We are committed to enhancing our engagement with client organisations and key stakeholders over the period of the strategy. We are also committed to reforms focused on improving our own efficiency and effectiveness so that we can continue to meet our obligations into the future, and to meet challenges as they arise.

Seamus McCarthy
Comptroller and Auditor General
December 2020

Overview of our work

Our mission is to add as much value as we can to public service in Ireland through the provision of high-quality audit services, focused on improving the use of public money and resources, and strengthening public accountability.

Every year, to discharge our mission, we audit

Total 285 audits of financial statements and accounts

	41	central government appropriation accounts
	26	departmental funds
	28	health sector bodies, including the HSE
	45	educational bodies
	145	other public sector agencies, ranging in size and scale



we produce a report each year on matters arising from the accounts of the public services



we publish a number of special reports dealing with aspects of public service delivery and the use of public resources



we identify opportunities for improved performance and communicate these to the relevant public bodies



we support the work of the Committee of Public Accounts in scrutinising public expenditure and holding public bodies to account



we spend in the region of €14m in delivering our services with approximately 190 staff.

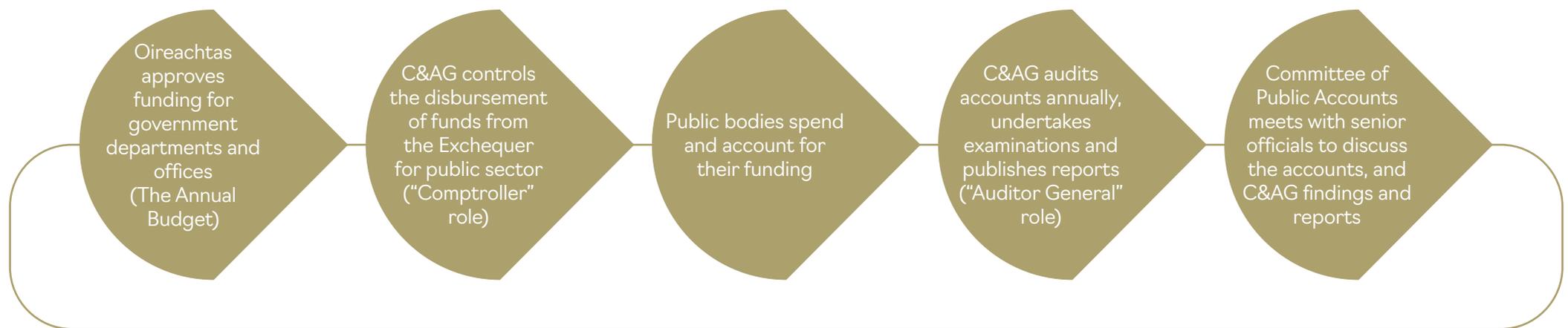
Who we are and what we do

The Comptroller and Auditor General (C&AG) is an independent, constitutional officer, appointed by the President on the nomination of Dáil Éireann. The current office holder is Seamus McCarthy. He holds office under Article 33 of the Constitution of Ireland. The C&AG is responsible for controlling the release of funds for public services as approved by Dáil Éireann, auditing public accounts, undertaking independent examinations on the management and use of public resources, and reporting the results of the work to Dáil Éireann. In this way, the C&AG supports the parliamentary control and accountability process. The reports of the C&AG are the basis upon which public bodies are called to account before the Committee of Public Accounts. The Office of the C&AG assists the C&AG in his statutory functions and is staffed by civil servants.

Our public audit role covers 285 sets of financial statements and accounts produced by public bodies. Together, those bodies have financial transactions that total over €243 billion of public money each year.

Our core focus is to support the process whereby public bodies and decision-makers are held to account in respect of the use of public resources by providing independent assurance in relation to financial management, financial performance, governance and propriety in the conduct of public business, and value for money within public services. We also seek to add value to the organisations we audit through the provision of recommendations backed by clear evidence, not just in respect of their individual performance but also with regard to identifying cross-cutting themes and good practice in the use of resources across the public service.

The role of the C&AG and Parliamentary Accountability



Taking stock

There are three key inputs for our statement of strategy.



In 2020, an External Peer Review of the Office was completed by a group of independent experts with extensive experience at a senior management level in public sector audit bodies in the UK, the European Union and Canada. The reviewers concluded positively regarding the independence, objectivity and quality of the Office's work. They also identified a number of key opportunities and challenges, which have significantly influenced this strategic plan.

The External Peer Review is available at www.audit.gov.ie



We commissioned Amárach Research to carry out an independent survey of stakeholder opinion. They undertook independent engagement with

- the Chairman and members of the Committee of Public Accounts and
- the Accounting Officers of a representative sample of 29 bodies which we audit.

The results of the consultation, which informed this plan, are available at www.audit.gov.ie



In 2020, we consulted with our staff and fed back the results into the development of strategic actions. We also commissioned Crowe Ireland to carry out a landscape review, including comparator research of public sector audit bodies in Australia, Canada, Finland, New Zealand, Scotland, Sweden and the UK.

Key messages emerging

Keep

- Being independent
- Being objective
- The focus on quality

We will...

- Continually reinforce our values through our work, our training and our communication.
- Continue to evolve our audit and examination approaches to reflect the outcome of independent reviews and changing best practice.

Increase

- The number of examinations
- The level of engagement with stakeholders
- The visibility of the Office

We will...

- Continue to build capacity through resourcing and training and development.
- Have high-level sectoral engagement strategies and more audit insights activities.
- Communicate more externally, using a mix of channels and events.

Reduce

- Timelines for financial audits and examinations

We will...

- Seek legislative change to enable reduced timelines.
- Engage with the financial reporting modernisation programme, being led by Department of Public Expenditure and Reform.
- Set more granular performance targets.
- Support international standard setting bodies in developing a more efficient audit approach for smaller entities.
- Further increase the level of delegation.

Refine

- Audit approach to harness efficiencies

We will...

- Embed a scaled approach to propriety issues, including procurement.
- Actively seek opportunities to increase the use of data analytics.
- Enhance level and nature of interactions with senior management of clients and audit committees.
- Introduce a programme for review of audit approach on specific audits.

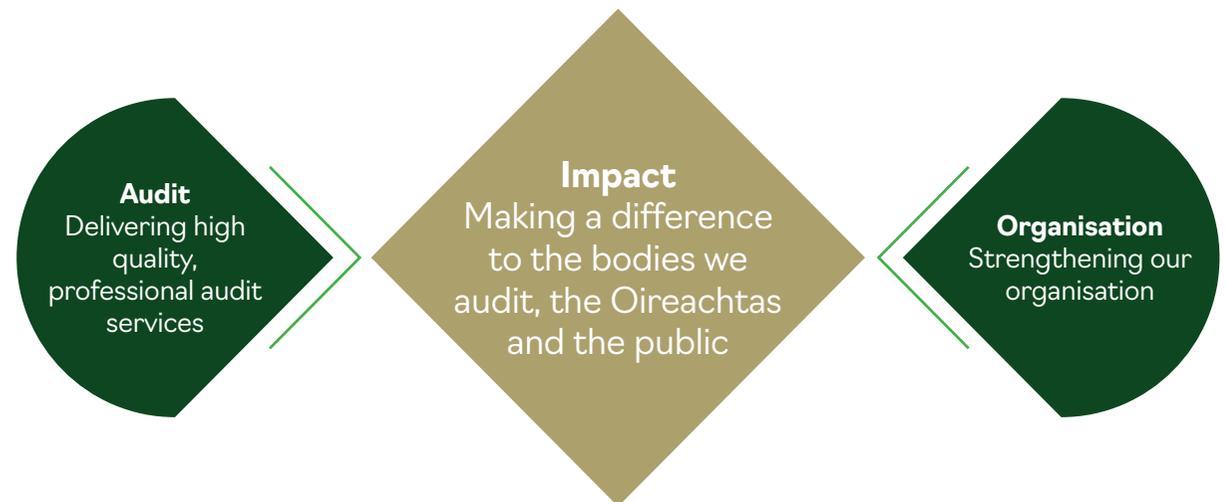
Strategic priorities 2021 - 2025

These inputs have underscored the continuing importance of our three main priorities, which carry forward from our previous strategy

- delivering high quality, professional audit services
- making a difference to the bodies we audit, the Oireachtas and the public
- strengthening our organisation.

These strategic priorities form the basis of our statement of strategy. They also inform the development of our detailed annual operational plans, and we will be reporting on our progress against these priorities annually. At the mid-point of the strategic cycle, we will also critically re-assess our targets and objectives, to ensure that they remain relevant.

Strategic priorities 2021 - 2025



Priority 1

Delivering high quality professional audit services

Our objective is to deliver high-quality professional audit services for public bodies, and to do so efficiently, in a timely manner, and in accordance with the International Standards on Auditing as promulgated by INTOSAI.

The delivery of effective and timely audit of public bodies' financial statements is central to what we do. This entails a significant amount of engagement with the bodies in question, including senior management and audit committees. The outputs of this work are public reports on the financial statements we audit, and individual management letters and reports to audit committees about matters relating to any concerns we have around financial control, financial management and corporate governance.

Our audit work is guided by a number of important principles

- **Independence and objectivity:** we understand and appreciate the environment and policy framework within which public bodies operate, but remain firmly independent and objective in our work.
- **Open and engaging:** we are clear about the basis for our audit, our approach and requirements. We seek to engage with management and audit committees prior to, during and post-audit, while seeking to improve the clarity of the content of our outputs.
- **Constructive:** we approach our audit on the basis that findings should be constructive, focused on important matters and add real value to the public bodies we audit.
- **Timeliness:** we work to complete our audits in a timely manner, bearing in mind the obligations on public bodies to present their annual reports and accounts, while also allowing public bodies sufficient time to provide observations on our draft outputs.
- **Quality:** we work to professional and ethical standards, seeking to ensure the delivery of high quality audit work, and assisting public bodies to present high quality accounts.

Key Outputs of the Office

Reports on the financial statements of public bodies

- Opinion on whether the accounts present a true and fair picture of the bodies' financial position.
- Report if public money has not been applied for the intended purposes.
- Report any significant matters about how public money has been spent.
- Report any significant failures of the public bodies' systems of internal financial control.

Management letter/report to audit committee

- Findings from the audit which require remedial action by the public body
- Examples
 - Financial control issue
 - Corporate governance issue.

Priority 1

	In 2021-22, we will:	Over the period to 2025, we will:
Engagement	<ul style="list-style-type: none"> Review our interactions with audit committees, to identify specific improvements that can be made to the overall process. Develop and implement sectoral engagement plans, to be led at Director level. 	<ul style="list-style-type: none"> Undertake periodic satisfaction surveys to assess the extent to which the bodies we audit are satisfied with engagement levels and the clarity of our outputs.
Timeliness	<ul style="list-style-type: none"> Seek legislative changes to enable greater timeliness in the audit process. Input into the international standards setting process regarding audit approach to smaller entities. Set sectoral certification targets. For our most strategic audits, commission independent reviews of audit approach. 	<ul style="list-style-type: none"> Publish an annual report on timeliness of financial reporting by public bodies. Engage with the Department of Public Expenditure and Reform on modernisation of central government accounting framework. Work with clients in setting more challenging certification targets year-on-year and reflect these in our resourcing requirements.
Focus	<ul style="list-style-type: none"> Provide sectoral reporting on propriety issues. Embed the revised audit approach, with greater use of data analytics, for shared services. 	<ul style="list-style-type: none"> Increase the use of data analytics to provide greater insight and drive efficiencies. Examine options for investing in new technologies to enhance the efficiency of our work.
Quality	<ul style="list-style-type: none"> Continue to commission independent reviews of the quality of our audits and examinations. 	<ul style="list-style-type: none"> Embed lessons learned from reviews.
Outsourced audit	<ul style="list-style-type: none"> Implement three-year contracts for outsourcing of audits. Formalise a process for sharing of good practice with these audit firms. 	<ul style="list-style-type: none"> Engage with the audited bodies regarding their satisfaction with outsourced audits.

Priority 2

Making a difference to the bodies we audit, the Oireachtas and the public

Our objective is for our work to make a real and tangible difference, through providing assurance to the public on the proper use of public money, through facilitating the accountability of public bodies to the Oireachtas, and through improving public administration.

Our reporting work is important

- to the public in reporting where we find that public bodies have not spent public money well or with the highest levels of probity
- to the Oireachtas and the Committee of Public Accounts in facilitating parliamentary accountability
- to audited public bodies, and respective accounting officers, in providing independent assurance on their accounts and constructive findings for further improvements.

To succeed in this, our reports must be independent and authoritative, and must be sufficient in number to cover all key areas over time.

In seeking to make a difference, we are guided by the following important principles

- **Clarity, impact and improvement:** will seek to maximise the impact and value of our work by making practical and clear recommendations, and following-up on implementation.
- **Sharing good practice:** we identify and share good practices.

Key Outputs of the Office

Report on the Accounts of the Public Services

- Annual appropriation accounts for each government department and office.
- Reporting on selected areas of expenditure and issues arising from audits.

Special Reports

- Reports on value for money examinations, or areas chosen by the C&AG.
- 'General matter' reports involving in-depth scrutiny of specific issues or matters arising from audits or inspections carried out by the C&AG.

Appearances before the Committee of Public Accounts

- C&AG attends all meetings of the Committee of Public Accounts where reports from his Office are being discussed, and provides an overview on his work and findings.

Audit Insights

- The sharing of learning opportunities with audited bodies at a group level.

Priority 2

	In 2021-22, we will:	Over the period to 2025, we will:
Public reports	<ul style="list-style-type: none"> Continue to build capacity to increase the number of examinations and reports. Strengthen sectoral engagement with subject matter experts, academia, voluntary organisations and similar bodies. 	<ul style="list-style-type: none"> Aim for 25% of staff to be allocated to reporting work, and ensure that the reporting division has access to a diversity of skills. Aim to publish 10 special reports each year Gather feedback and insights from subject matter experts, academia, voluntary organisations and similar bodies.
System-wide or cross-departmental reports	<ul style="list-style-type: none"> Continue to prioritise reports with a system-wide or cross-departmental impact. 	<ul style="list-style-type: none"> Focus at least 30% of our reports on system-wide and/or cross-departmental issues.
Clarity and quality	<ul style="list-style-type: none"> Continue to improve the 'readability' of our reports, through increased use of graphics, and simpler, shorter text. Enhance use of new technologies and platforms to increase overall accessibility. 	<ul style="list-style-type: none"> Undertake periodic satisfaction surveys to assess the extent to which the bodies we audit and stakeholders are satisfied with the clarity and accessibility of our outputs.
Sharing good practice	<ul style="list-style-type: none"> Continuous improvement of audit insights programme, following feedback and international exchange of good practice. 	<ul style="list-style-type: none"> Undertake periodic satisfaction surveys to assess the extent to which the bodies we audit are satisfied with the audit insights programme.
Committee of Public Accounts	<ul style="list-style-type: none"> Engage with Committee of Public Accounts members through briefings. 	<ul style="list-style-type: none"> Continue to support the work of the Committee of Public Accounts, in line with our statutory requirements.
Implementation review	<ul style="list-style-type: none"> Formally follow up on the implementation, by public bodies, of published recommendations. 	<ul style="list-style-type: none"> Report each year on the level of implementation of recommendations, by selected public bodies. Set a target acceptance rate and monitor the reaction rate.

Priority 3

Strengthening our Organisation

Our objective is for the Office to be an exemplar public sector organisation, well equipped to deliver on its objectives effectively, economically and efficiently, and with motivated staff. Our people are our most valuable resource as we rely on our highly qualified and professional skills and experience to carry out public audit. We want to be an employer of choice for those who wish to pursue a career in audit and to make a difference to the delivery of public services.

- The successful realisation of our mission and the achievement of our objectives are entirely dependent upon our capacity to recruit and retain a highly motivated, experienced and skilled team of staff. We want to encourage innovation, flexibility and collaboration across our teams. We recognise the need to support and invest in the development of our people as individuals and we want work experience with the Office to be personally fulfilling and career enhancing. And we recognise that a strong organisation is well designed and focused on performance.

We will be guided by the following key principles

- **Valuing our people:** we will support our people to be engaged, highly skilled and strong performers. We will do this through effective recruitment procedures and investing in their professional development and supporting work/life balance. We want our workplace to continue to be inclusive and diverse and to respect the human rights and equality of our people.
- **Value for money:** we will lead by example, and ensure that we maximise the efficiency and effectiveness of all of our resources. We will do this through closely monitoring our performance and costs, and ensuring that our work processes are streamlined.

Priority 3

	In 2021-22, we will:	Over the period to 2025, we will:
Recruitment and retention	<ul style="list-style-type: none"> • Make our recruitment activities more targeted and visible to increase the number of successful candidates for vacant positions. • Review the performance incentives and recognition framework. • Through use of technology, embrace the changing face of work and of the workplace, so our people have greater choice of models of working. • Formally assess compliance, as an employer, with human rights legislation. • Underscore the importance of our values-based culture, with renewed focus on engagement with external stakeholders. 	<ul style="list-style-type: none"> • Continue to support balanced, inclusive recruitment, retention and promotion measures. • Maintain a focus on staff well-being initiatives. • Continue to enhance the channels for engagement within the workplace. • Explore the benefits of external accreditation of our workplace culture.
Professional development	<ul style="list-style-type: none"> • Continue to support staff in attaining professional accounting qualifications. • Introduce individual personal development dashboards across the Office. • Focus on enhancing leadership and management skills, evaluation and data analytics skills. • Continue the mentoring programme. 	<ul style="list-style-type: none"> • Support a more programmatic approach to learning and development. • Offer an accredited course in evaluation to all reporting staff. • Invest further in professional learning to enhance our specialist skills.
Efficiency and effectiveness	<ul style="list-style-type: none"> • Explore opportunities for greater delegation in examinations. • Review how best to deliver appropriate HR support to our people. • Redesign the suite of performance indicators. 	<ul style="list-style-type: none"> • Continue to increase the delegation levels for audit sign-off. • Continue the restructuring of IT and finance support functions. • Review our overall key performance indicators for continuing relevance.
Governance	<ul style="list-style-type: none"> • Increase internal audit capacity. • Continue to invest in professional learning in respect of our corporate obligations. 	<ul style="list-style-type: none"> • Undertake reviews of our governance arrangements, with external assistance, at least every three years.

Our Governance and Reporting

The Secretary and Director of Audit is the Accounting Officer for the Office, and is responsible for the administration of funds and the system of internal financial control. The Accounting Officer is accountable to Dáil Éireann for the proper expenditure of funds by the Office, and must appear, when called upon, before the Committee of Public Accounts to answer questions arising from his/her responsibilities.

The Office is organised into directorates headed by the three Directors of Audit broadly based on audit and reporting work programmes. Within each directorate, a number of divisions are assigned portfolios of work based broadly on sectors operating within the public service.

We are committed to operating to the highest professional standards. Just as we expect this of the public bodies we audit, we must demand it of ourselves. This includes having high-quality governance arrangements in place to effectively manage the organisation and its performance.

The business of the Office is managed by

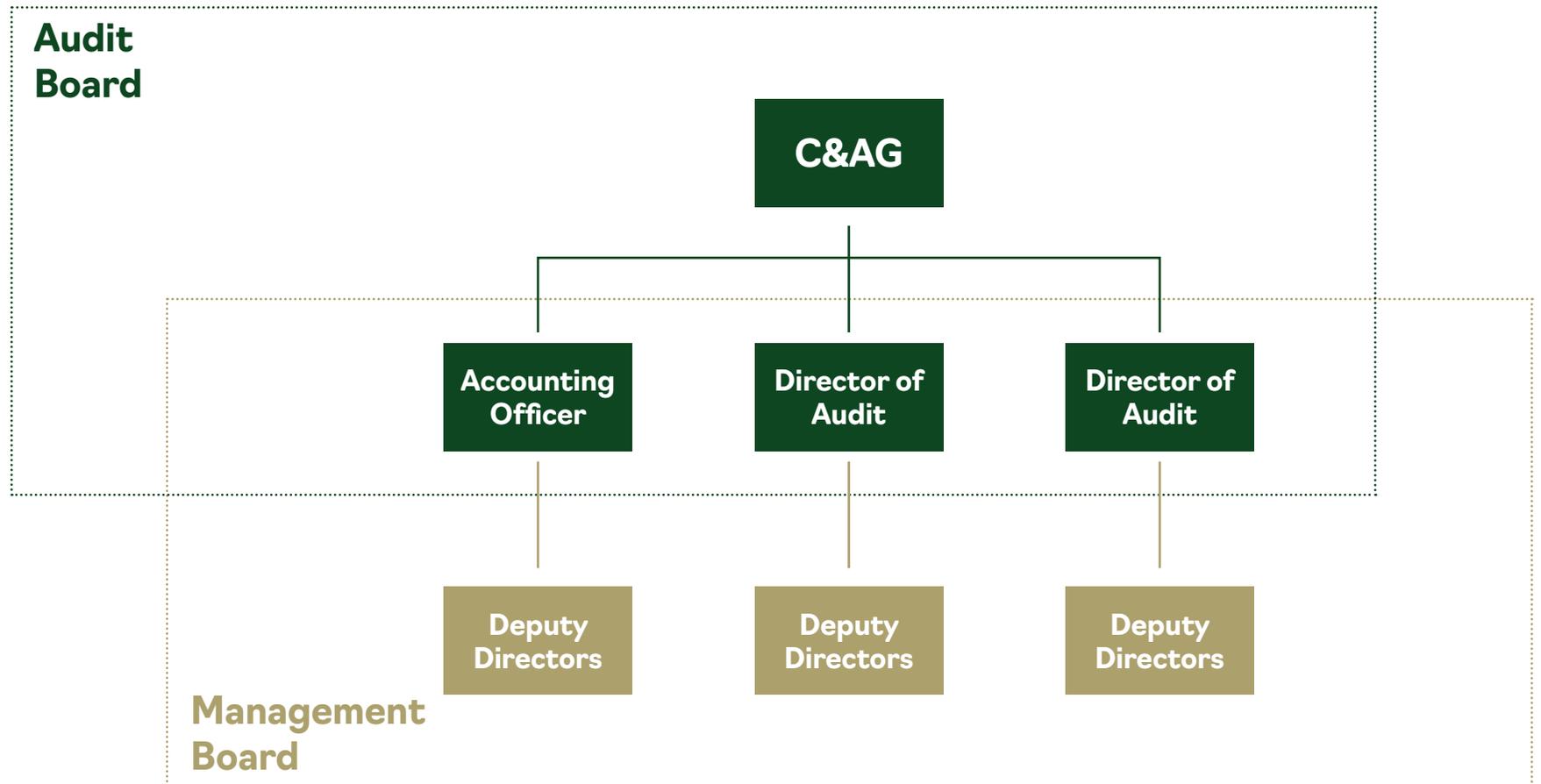
- an **Audit Board** – comprising the Comptroller and Auditor General, the Secretary and the Directors of Audit. The Audit Board oversees the development and implementation of audit policy and strategy for the Office, and reviews operational performance.
- a **Management Board** – comprising the Directors and Deputy Directors of Audit which co-ordinates the management and operation of the Office.

As Accounting Officer, the Secretary and Director of Audit is supported and advised by an Audit Committee, comprised of four external members, and a Risk Management Committee, comprised of the three Directors of Audit.

The annual accounts of the Office are audited by an external firm of auditors appointed under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993, and are published on the Office's website (www.audit.gov.ie).

Performance information is published annually.

Governance Structure





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