

Appropriation Account 2021

Vote 41

Policing Authority

Introduction

As Chief Executive of the Policing Authority, I am the Accounting Officer for Vote 41. I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2021 for the salaries and expenses of the Policing Authority and for the payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €840,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Authority

The Policing Authority was established on 1 January 2016 by the enactment of the Garda Síochána (Policing Authority and Miscellaneous Provisions) Act 2015. It comprises the Chairperson and eight members.

The primary role of the Authority is to oversee the performance by An Garda Síochána of its functions relating to policing services.

The Authority is additionally responsible for

- leading and directing the Authority's activities
- compliance and all applicable statutory obligations
- holding the CEO and senior management to account for the effective performance of their responsibilities
- matters relating to audit, governance and risk management
- ensuring that there are effective systems of internal control in place and implemented
- the preparation and adoption of a strategic plan, and
- the preparation of the annual report of the Authority.

The Authority has adopted the *Code of Practice for the Governance of State Bodies*, and in accordance with provision 2.6 of the code, the Chairperson of the Authority will submit a comprehensive report to the Minister for Justice by 31 March 2022. The annual report of the Authority for 2021 will also be submitted to the Minister for Justice by 31 March 2022.

It was disclosed in the 2020 Appropriation Account that on foot of the report of the Commission on the Future of Policing, the establishment of a new statutory body is proposed, merging the Garda Inspectorate and the Policing Authority. While the drafting of the new legislation was significantly progressed in 2021, its passage through the Oireachtas remains pending and, therefore, the Authority's existing statutory functions and oversight role remains.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Authority.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

Financial services are provided to the Authority under a service level agreement by Financial Shared Services in the Department of Justice. Payroll and HR services are provided to the Authority by the National Shared Services Office under a memorandum of understanding. I have fulfilled my responsibilities in relation to the requirements of these agreements.

The Accounting Officers of the Department of Justice and of the National Shared Services Office are responsible for the operation of the internal control systems in relation to financial shared services, and payroll and HR services, respectively. I rely on letters of assurance from both of the Accounting Officers that appropriate systems of governance and internal control are exercised over the services that they provide to the Authority.

Financial control environment

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability, and in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular monthly reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems.

Internal audit and Audit Committee

I confirm that the Authority has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Due to the size of the Authority, this function is outsourced to a professional service firm, whose services are subject to normal re-tendering in accordance with procurement procedures. Its work is informed by analysis of the financial risks to which the Authority is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Authority's Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

I confirm that the Authority ensures that there is an appropriate focus on good practice in procurement, that procedures are in place to ensure compliance with all relevant guidelines, and that the Authority has complied with those guidelines.

Risk and control framework

The Authority has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Authority and these have been identified, evaluated and graded according to their significance. The register is a living document and is reviewed and updated by Authority and the Senior Management Team on a monthly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to the Senior Management Team, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Authority's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2021 that require disclosure in the appropriation account.

Covid-19 control issues

During 2021, the work and oversight of the Authority continued unabated, with the majority of work being carried out remotely. The Authority held a total of 18 meetings in 2021, all of which were held online. In accordance with the Authority's statutory obligations, five of these meetings were accessible to the public. The subcommittees of the Authority held a total of 20 meetings 2021, all of which were held online.

Close attention continued to be paid to the impact of Covid-19 on the Authority's operations in general, and on the control environment in which the Authority operates. by the Senior Management Team, the Audit and Risk Committee, internal auditors and the Authority.

In late 2021 the Authority's internal auditors conducted a review of the impact of Covid-19 on business operations. The auditors concluded that significant assurance could be placed on the adequacy and operating effectiveness of mitigation controls and risk management in respect of the impact of Covid-19.

Close attention continues to be paid to control issues as the emergency phase of the Covid-19 pandemic gives way to a more normalised environment.

Helen Hall
Accounting Officer
Policing Authority

9 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 41 Policing Authority

Opinion on the appropriation account

I have audited the appropriation account for Vote 41 Policing Authority for the year ended 31 December 2021 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure Vote 41 Policing Authority for the year ended 31 December 2021, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Policing Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

28 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 41 Policing Authority

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of independent oversight of the policing functions of An Garda Síochána	3,797	2,975	2,817
	Gross expenditure	3,797	2,975	2,817
<i>Deduct</i>				
B	Appropriations-in-aid	47	65	66
	Net expenditure	3,750	2,910	2,751

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2021	2020
	€	€
Surplus to be surrendered	840,341	615,165

Helen Hall
Accounting Officer
Policing Authority

9 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

	2021	2020
	€000	€000
Administration pay	2,236	2,087
Administration non-pay	739	730
Gross expenditure	2,975	2,817
<i>Deduct</i>		
Appropriations-in-aid	65	66
Net expenditure	2,910	2,751
Changes in capital assets		
Purchases cash	—	
Depreciation	10	(19)
Changes in net current assets		
Decrease in closing accruals	(24)	
Decrease in stock	4	(15)
Direct expenditure	2,900	2,717
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	332	315
Net programme cost	3,232	3,032

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 41 borne elsewhere.

	2021	2020
	€000	€000
Vote 9 Office of the Revenue Commissioners	8	8
Vote 13 Office of Public Works	263	253
Vote 18 National Shared Services Office	5	5
Vote 24 Justice	56	49
	332	315

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	25	35
Current assets			
Bank and cash		69	130
Stocks	2.2	9	13
Prepayments		22	14
Other debit balances		29	42
Total current assets		129	199
Less current liabilities			
Accrued expenses		5	21
Other credit balances	2.3	98	129
Net Exchequer funding	2.4	—	43
Total current liabilities		103	193
Net current assets		26	6
Net assets		51	41
Represented by:			
State funding account	2.5	51	41

2.1 Capital assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2021	47	36	83
Additions	—	—	—
Cost or valuation at 31 December 2021	47	36	83
Accumulated depreciation			
Opening balance at 1 January 2021	17	31	48
Depreciation for the year	9	1	10
Cumulative depreciation at 31 December 2021	26	32	58
Net assets at 31 December 2021	21	4	25
Net assets at 31 December 2020	30	5	35

2.2 Stocks

at 31 December	2021 €000	2020 €000
Stationery	7	11
Catering	1	—
Cleaning	1	2
	9	13

2.3 Other credit balances

at 31 December	2021 €000	2020 €000
Amounts due to the State		
Income tax	50	63
Pay related social insurance	25	24
Professional services withholding tax	10	19
Value added tax on foreign invoices	8	6
	93	112
Other credit suspense items	5	17
	98	129

2.4 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus	840	615
Exchequer grant undrawn	(840)	(572)
Net Exchequer funding	—	43
Represented by:		
Debtors		
Bank and cash	69	130
Debit balances: suspense	29	42
	98	172
Creditors		
Due to the State	(93)	(112)
Credit balances: suspense	(5)	(17)
	(98)	(129)
	—	43

2.5 State funding account

	Note	2021	2020
		€000	€000
Balance at 1 January		41	7
Disbursements from the Vote			
Estimate provision	Account	3,750	
Surplus to be surrendered	Account	(840)	
Net vote		2,910	2,751
Expenditure (cash) borne elsewhere	1.1	332	315
Net programme cost	1	(3,232)	(3,032)
Balance at 31 December		51	41

2.6 Commitments

Global commitments	2021	2020
at 31 December	€000	€000
Grants	10	—
Procurement of goods and services	109	37
	119	37

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 41 Policing Authority is classified as administration expenditure applied towards a single programme: Provision of independent oversight of the policing functions of An Garda Síochána.

		2021	2020
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i	Salaries, wages and allowances	2,247	2,087
ii	Travel and subsistence	50	7
iii	Training and development and incidental expenses	1,095	525
iv	Postal and telecommunications services	50	12
v	Office equipment and external IT services	125	139
vi	Office premises expenses	130	45
vii	Consultancy services and value for money and policy reviews	100	2
	3,797	2,975	2,817

Significant variations

The following note presents an analysis of the expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

iii Training and development and incidental expenses

Estimate provision €1.095 million; outturn €549,000

The estimate provision for 2021 was increased by €350,000 for the purpose of additional work on updating Garda recruitment processes. Unanticipated procurement delays resulted in a 2021 outturn of €44,000 in respect of this work. This factor, together with ongoing disruption to certain areas of work caused by the Covid-19 emergency has resulted in an underspend of €546,000 (2020: €220,000).

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	47	63	57
2	Miscellaneous	—	2	9
Total		47	65	66

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	<u>38</u>	<u>36</u>

5.2 Pay

	2021	2020
	€000	€000
Pay	2,029	1,903
Higher, special or additional duties allowances	—	—
Employer's PRSI	<u>207</u>	<u>184</u>
Total pay	<u>2,236</u>	<u>2,087</u>

5.3 Authority members' fees and expenses

In 2021, there were nine members of the Authority, including the Chairperson (2020: eight). The Authority met in plenary a total of 18 times (five in public) (2020: 21 (five in public)) and a total of 20 subcommittee meetings were held (2020: 27).

Fees totalling €140,799 were paid to the Authority members during 2021 (2020: €150,907). Expenses paid to members in 2021 were €247 (2020: €3,269). The fees and expenses were charged to subhead A (iii) Training and development and incidental expenses.

5.4 Other remuneration arrangements

Nine retired civil servants in receipt of civil service pensions were re-engaged on various duties in 2021 (2020: five) at a total cost of €45,472 (2020: €27,903). Appropriate procedures are in place with regard to payments to retired personnel in accordance with Section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.5 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary was on the Assistant Secretary (PPC) scale i.e. total annual gross salary of €164,549 (€162,920 at 31 December 2020).