An Roinn Airgeadais
Department of Finance

Audit Committee

Minutes of the Meeting of 14 October 2020[1]

Attendance & Declaration of Interests

Audit Committee:

Ms Patricia Byron (Chair), Ms Ilona McElroy, Mr Liam Irwin, Ms Anne Marie Walshe, Mr Gary Tobin.

Internal Audit Unit:

Mr Dermot Byrne (Head of Internal Audit), Ms Busola Laiyemo (Audit Manager & Secretary to the Committee)

The meeting was held virtually via teleconference.

Declaration of Interests:

There was no declaration of interest in any item on the agenda for the meeting. The Chair welcomed the new Executive member, Mr Gary Tobin and acknowledged the contributions he will be making to the work of the Committee.

Agenda item 1 – Minutes and action points arising from the meeting of 10 June 2020

(i)   Minutes

The minutes of the Audit Committee meeting of 10 June 2020 were approved by the Committee.

(ii)   Action points

The Committee noted the confirmation of the date of the amendment of legislation in regard to the Fuel Grant was 2019.

Agenda item 2 – Progress of audits against plan

(i)   Progress of 2020 IA Plan

The Secretary outlined the progress of audit assignments on the plan; 272 out of 450 audit days were completed as at end-September; 6 out of 10 audit assignments planned for the year were either completed or in progress and it is expected that the plan will be delivered by year end as per usual practice. It was noted that only final reporting and minor activities on one or two audit assignments may be left for completion in the first quarter of 2021.

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[1] A glossary of acronyms is included at Appendix B

The possibility of taking on an additional consultancy assignment in line with Internal Audit's capacity for contingencies and agile auditing was discussed. A decision will be made after meeting with the Compliance Section to discuss the potential scope of the assignment.

The Committee also noted that the four audits that were previously postponed at the request of Management have now been given the approval to progress and that initial audit planning has commenced for two out of these. The Committee acknowledged the effort of Internal Audit and Management in progressing work on audit assignments in a remote working environment. The Committee requested that a glossary of acronyms should be included in reports (**Action Point 1**).

(ii)   Draft Report: Audit of Physical Records Management

The Auditor assigned to this audit joined the meeting to outline the findings in the report. The Committee acknowledged that filing and physical records management processes within the Department have changed significantly over the years with more documents currently being stored in soft copies.

The Auditor outlined the shared service arrangement for file management between DFIN and DPER. It was confirmed that the scope and Terms of Reference for the audit did not include the management of physical records for some Sections because the File Registry Unit was not responsible for managing the physical files of those Sections. The Committee requested that the audit of HR file management should be included in the multi-annual IA strategy for consideration at a future date (**Action Point 2**).

The Committee also noted that some of the findings in the report will be resolved when a policy on file disposals is signed off and acknowledged that Internal Audit will track the implementation of the recommendations from the audit as per usual practice.

The Committee was satisfied with the draft report and approved it for final signatures.

(iii)   Draft Report: Audit of Data Protection.

The Auditor assigned to this audit briefly outlined the General Data Protection Regulation (GDPR) readiness review that was done in 2018 and then set out the main findings on the current audit. The Department's Record of Processing Activities was discussed. It was noted that the processing activities within the Department were mostly concentrated in only a few Sections, meaning that working knowledge of Data Protection compliance requirements is not evenly spread across the Department. The Committee was however satisfied that having a dedicated central Data Protection Officer role for ensuring compliance mitigates this risk.

The access to CCTV footage was discussed and it was clarified that in addition to maintaining a log, there is a specific list of individuals with authorised access to the CCTV room and that the room is also kept securely locked.

The Committee was satisfied with the draft report and approved it for final signatures.

(iv)   Draft Report: Audit of the Management of the New Government Banking Service (GBS)

The Audit Manager outlined the background to the audit and updated the Committee on the initial briefing provided at the last meeting when the Terms of Reference was discussed. The recommendations and Management comments in the report were discussed.

The Committee noted that the high levels of staff turnover in the Department means that the corporate knowledge of the role of the Internal Audit function is not as clear as it can be. It was suggested that Internal Audit could consider giving presentations to appropriate Departmental groups to refresh and update Management's understanding of the role of Internal Audit (**Action Point 3**).

It was agreed that the Section that manages the GBS project should be asked to provide a briefing note for the Committee to further outline Management comments and implementation plans (**Action Point 4**).

Agenda item 3 – Audit Committee administration

(i)   Risk Committee Update

The Committee noted the Quarterly Report and the Risk Heat Map provided by the Risk Committee. The Committee welcomed the insight into the workings of the Risk Committee and discussed the potential for additional assurance to ensure that risks are being identified and dealt with in a systematic manner.

The HIA briefed the Committee on a recommendation arising from the last External Quality Assessment carried out on Internal Audit. The recommendation was that Internal Audit should increase coordination with the other assurance and risk management fora within the Department. The Committee noted that Internal Audit attends the Risk Committee meeting in an observer capacity and this provides a good perspective on how Risk Management is working in the Department.

The Committee noted that a significant aspect of the Department's work relates to high level policy rather than process management, hence the outward looking nature of the risks facing the Department. The risk relating to staffing issues was discussed and the Committee requested that this should be considered for inclusion in the 2021 Internal Audit Plan (**Action Point 5**).

The Committee requested that a crossover arrangement, whereby the Risk Committee would provide a high level presentation to the Audit Committee in order to provide assurance of a structural approach to identifying the Risk Universe, the Risk Register and other areas of the Framework (**Action Point 6**).

(ii)   Freedom of Information requests / Protected Disclosures update

The HIA confirmed that there was one FOI request received by the Unit for two Internal Audit reports.

There were no Protected Disclosures notified to the HIA since the last meeting.

(iii)   Internal Audit Recommendations tracker

The Secretary provided an outline of Internal Audit Recommendations that were implemented since the last presentation to the Audit Committee as well as the status update for the open recommendations being progressed by the respective Divisions.

The Committee noted that the rate of implementation of Internal Audit recommendations is commendable given the current remote working climate and demonstrates cooperation between Management and Internal Audit.

Agenda item 4 – AOB

(i) Covid 19 guidance note from the C&AG

The C&AG's guidance note was discussed and the Committee requested that Internal Audit should identify areas where additional internal controls may need to be addressed in line with the guidance provided.

The HIA also briefed the Committee on the upcoming External Quality Assessment and how this provides an independent quality assurance on the Internal Audit function.

(ii) Date of next meeting

Due to a prior engagement in Brussels on 10 December, it was agreed that members' availability should be coordinated and an alternative date agreed (**Action Point 7**).

(iii) Proposed dates of year 2021 meetings

It was agreed that dates for 2021 meetings should be proposed and availability coordinated (**Action Point 8**). The Chair thanked everyone for their contributions and brought the meeting to a close.

END

Appendix A

Action Points Identified at the Audit Committee Meeting of 14 October 2020

No.	Action Required	By Whom	When
1	A glossary of acronyms should be included in reports.	**Secretary**	**Going forward**
2	The audit of HR file management should be included in the multi-annual IA strategy for consideration at a future date.	**Secretary**	**Immediately**
3	Internal Audit might consider making presentations to Departmental groups to refresh and update Management's understanding of the role of Internal Audit.	**HIA**	**As soon as possible**
4	The Exchequer Section should provide a briefing note for the Audit Committee in relation to the Audit of the New Government Banking Service.	**Secretary**	**Next meeting**
5	The risk relating to staffing issues should be considered for inclusion in the 2021 Internal Audit Plan.	**Secretary**	**Immediately**
6	A crossover arrangement whereby the Risk Committee would provide a high level presentation to the Audit Committee on the approach to the Risk Committee's work should be arranged.	**HIA**	**Next meeting**
7	Members' availability in the week of 10 December should be coordinated and an alternative meeting date agreed.	**Secretary**	**Immediately**
8	It was agreed that dates for 2021 meetings should be proposed and availability coordinated.	**Secretary**	**Next meeting**

Appendix B

Glossary of terms and acronyms

DFIN   Department of Finance

DPER   Department of Public Expenditure and Reform

IA   Internal Audit

GDPR   General Data Protection Regulation

GBS   Government Banking Service

EQA   External Quality Assessment

HIA   Head of Internal Audit

FOI   Freedom of Information

C&AG   Comptroller and Auditor General