



## Minutes of Meeting of 31 January 2017

### Attendance

#### **Audit Committee:**

*Chairman:* Mr Ambrose Loughlin

*Members:* Ms Josephine Feehily, Prof Ciarán Ó hÓgartaigh, Mr John McCarthy, Ms Emma Cunningham

*Head of Internal Audit Unit:* Mr Dermot Byrne

*Secretary to the Committee:* Ms Fiona McAuliffe

The initial part of the meeting was held in private session and attended by members of the Committee. The Head of Internal Audit (HIA) and the Secretary to the Committee subsequently joined the meeting.

### Declarations of Interests

There were no declaration of interests in relation to any of the agenda items.

### Agenda Item 1 - Minutes and Action Points

#### **1(i) Minutes of the meeting of 12 December 2016**

The minutes of the meeting of 12 December 2016 were discussed and approved by the Audit Committee.

#### **1(ii) Action points arising from meeting of 12 December 2016**

The action points of the meeting of 12 December 2016 were discussed, with salient points noted as follows:

Action Point 1 The paper on 'IT Fixed Assets' provided by the Finance and Corporate Affairs Units was noted and discussed.

Chair to discuss controls over IT Fixed Assets and relationship between the OGCIO and the Department of Finance with the Chair of the Department of Public Expenditure & Reform Audit Committee (**AP1**).

Secretary to confirm with management who has responsibility for decisions in relation to the timing of the disposal of IT Fixed Assets and how disposal is undertaken (**AP2**).

Action Point 2 The inclusion of all audit assignments as reported within the Internal Audit 2016 Annual Report, for discussion under Agenda Item 3(iv), was noted.

Action Point 3 The Audit Committee noted the final revised *Audit of Health & Safety Arrangements* report and approved the report.

Action Point 4 The Audit Committee noted the final revised *Audit of Recoupable Expenses Management* report and approved the report.

Action Point 5 The Audit Committee noted the Recommendations Tracking information as at 31 December 2016 for discussion under Agenda Item 3(i).

Action Point 6 The Audit Committee noted the Service Level Agreement for 2017 for discussion under Agenda Item 2(ii).

Action Point 7 The Audit Committee noted that the schedule for 2017 Audit Committee meetings was included in the papers for the Audit Committee for discussion under Agenda Item 4(i).

Action Point 8 The Audit Committee noted that the DFIN Audit Committee Charter was included in the papers for the Audit Committee for discussion under Agenda Item 3(vi).

## **Agenda Item 2 – Internal Audit Assignments**

### **2(i) Completed Terms of Reference for Audits**

The HIA noted that the Audit Committee had previously been provided with agreed Terms of Reference for all audit assignments on the 2016 Internal Audit Plan. Agreed Terms of Reference to continue to be provided at quarterly Audit Committee meetings for all audit assignments on the 2017 Internal Audit Plan.

### **2(ii) Service Level Agreement & Internal Audit Plan for 2017**

The agreed Service Level Agreement & Internal Audit Plan for 2017 was noted by the Audit Committee and there was a discussion on the approach to internal audit assignments to be undertaken in 2017.

### **2(iii) Audit of Human Resources – Retained Activities**

Ms Fiona McAuliffe (Audit Manager) spoke to the final report and provided an overview of the audit work and findings in the report. The audit has been scored a “Category 1”, which means that “Minor” control weaknesses exist and the report provides “Substantial Assurance” in this regard.

There was a discussion on the scope of the audit and the findings within the report. Secretary confirmed that the final report was updated to reflect feedback from the Executive Board.

## **Agenda Item 3 – Audit Committee Administration**

### **3(i) Recommendations Tracking**

The Audit Committee noted the Recommendations Tracking information as at 31 December 2016 provided and the Secretary confirmed this information would continue to be monitored on a quarterly basis in advance of Audit Committee meetings.

There was a detailed discussion on the circulation of the quarterly Recommendations Tracking information and the Audit Committee proposed that this information should be provided to the Executive Board after presentation to the Audit Committee on a quarterly basis from Quarter 1 2017 (**AP3**).

### **3(ii) Risk Committee Update**

As an Executive Member of both the Audit Committee and the Risk Committee, Mr John McCarthy provided an update in relation to the work of the Risk Committee and matters discussed at recent meeting.

### **3(iii) Freedom of Information Act Requests Update**

The Secretary confirmed that there was one Freedom of Information Act Request received by the Internal & EU Audit Unit since the date of the previous meeting and that 2 internal audit reports were released following this request.

### **3(iv) Internal Audit 2016 Annual Report**

The Audit Committee noted the Internal Audit 2016 Annual Report and there were some minor amendments discussed. Secretary will update the report and liaise with the Chair for circulation of the Internal Audit 2016 Annual Report to the Secretary General **(AP4)**.

### **3(v) Audit Committee 2016 Annual Report**

The Audit Committee noted the Audit Committee 2016 Annual Report drafted by the Chair and approved for circulation to the Secretary General with some minor amendments. The Secretary is to liaise with the Chair for circulation of the Audit Committee 2015 Annual Report **(AP5)**.

### **3(vi) Audit Committee Charter**

The Audit Committee noted the agreed Audit Committee Charter for 2017.

The HIA provided an update in relation to the revised draft Protected Disclosure Policy for the Department which references the Audit Committee. On finalisation of the Policy, the Secretary is to update Charter to include the following text **(AP6)**:

*The oversight role of the Audit Committee in relation to Protected Disclosures is outlined in the Protected Disclosure Policy of the Department.*

The HIA undertook to provide Audit Committee members with copies of the Protected Disclosure Policies for both the Department of Finance and the Department of Public Expenditure & Reform **(AP7)**.

## **Agenda Item 4 – AOB**

### **4(i) Dates for Audit Committee meeting**

The Audit Committee noted and agreed the scheduled dates for DFIN Audit Committee meetings in 2017 and agreed the date for the September Audit Committee meeting as 26<sup>th</sup> September 2017 at 1:30pm.

### **4(ii) C&AG Letter of Understanding**

The Audit Committee noted the C&AG Letter of Understanding in relation to the Audit of the 2016 Appropriation Account for Vote 7.

### **4(iii) Terms of Appointment for Non-Executive Audit Committee Members**

The Secretary confirmed that on expiry of initial terms of appointment for Ms Josephine Feehily and Professor Ciarán Ó hÓgartaigh, as non-executive Audit Committee members, both were re-appointed in 2016 for a period of 2 years.

The Secretary confirmed that the initial term of appointment for Mr Ambrose Loughlin as Audit Committee Chair was for a period of 3 years and is due to conclude in 2017. Secretary to liaise with Corporate Affairs Unit in relation to Terms of Appointment **(AP8)**.

**END**

## APPENDIX 1

### ACTION POINTS IDENTIFIED AT AUDIT COMMITTEE MEETING OF 31 JANUARY 2017

No.	Action Required	By Whom	When
1	Chair to discuss controls over IT Fixed Assets and relationship between the OGCIO and the Department with the Chair of the Department of Public Expenditure & Reform Audit Committee	Chair	March Audit Committee
2	Finance Unit / Corporate Affairs Unit to confirm responsibility for decisions relating to timing of disposal and method of disposal of IT Fixed Assets	Secretary	March Audit Committee
3	Recommendations Tracking information to be provided to the Executive Board on a quarterly basis after presentation to the Audit Committee from Quarter 1 2017	Secretary	March Audit Committee
4	Internal Audit 2016 Annual Report to be updated and circulated to the Secretary General	Secretary / Chair	March Audit Committee
5	Audit Committee 2016 Annual Report to be updated and circulated to the Secretary General	Secretary / Chair	March Audit Committee
6	On finalisation of the revised Protected Disclosure Policy, Audit Committee Charter to be updated accordingly	Secretary	March Audit Committee
7	Copies of the Protected Disclosure Policies for both DPER and DFIN to be circulated to the Audit Committee	HIA	When available
8	Terms of Appointment of Non-Executive Audit Committee Members to be discussed and confirmed with Corporate Affairs Unit	Secretary	March Audit Committee