

28th February 2020

[Redacted]

Re: Response IE_FOI_346

Dear [Redacted],

I refer to your request dated 30th January 2020 made under the Freedom of Information Act 2014, which was received by my office on that date, for records held by Iarnród Éireann.

Request:

- All minutes of The Audit Review Group that mention 'Protected Disclosures' from 1/1/2012 to date
- All minutes of The Audit Rise and Review Group that mention 'Protected Disclosures' from 1/1/2012 to date

Response:

I Bidina McCabe, Decision Maker have now made a final decision to partially grant your request on 28th February 2019.

You have sought access to the records outlined above and I consider this an appropriate form of access in this case. Accordingly a copy of the records is now enclosed including a copy of the schedule to these records.

In the event that you are not happy with this decision you can make an appeal in relation to this matter, you can do so in writing to the FOI Unit, Corporate Communications, Iarnród Éireann – Irish Rail, Connolly Station, Amiens Street, Dublin 1 or by email to FOI@irishrail.ie. You should make this appeal within 4 weeks (20 working days) from the date of this notification, where a day is defined as a working day excluding, the weekend and public holidays, however, the making of a late appeal may be permitted in appropriate circumstances.

The appeal will involve a complete reconsideration of the matter by a more senior member of the staff of this body.

Should you have any questions or concerns regarding the above, please contact the FOI officer on 01 7034293.

Rights of appeal

In the event that you are not happy with this decision you can make an appeal in relation to this matter, you can do so by writing to the FOI Unit, Corporate Communications, Iarnród Éireann Irish Rail, Connolly Station, Amiens St, Dublin 1 or by e-mail to foi@irishrail.ie. You should make your appeal within 4 weeks (20 working days) from the date of this notification, where a day is defined as a working day excluding, the weekend and public holidays, however, the making of a late appeal may be permitted in appropriate circumstances.

The appeal will involve a complete reconsideration of the matter by a more senior member of the staff of this body.

Should you have any questions or concerns regarding the above, please contact the FOI Officer on 01, 7034293.

Yours sincerely,

P.P.

A handwritten signature in cursive script that reads "Hayley Durnin".

Hayley Durnin

Freedom of Information Office

Freedom of Information Request:
Schedule of Records for [IE_FOI_344](#) : Summary for Decision Making

Record No.	Date of Record	Brief Description	No. of Pages	Decision: Grant/Part Grant/Refuse	Section of Act if applicable	Record Edited/Identify Deletions
1	20.03.15	Minutes of the 56th Meeting of the Iarnród Éireann board audit review group	7	Part Grant	redaction list on sheet 2	
2	04.06.15	Minutes of the 57th Meeting of the Iarnród Éireann board audit review group	3	Part Grant	redaction list on sheet 2	
3	22.10.15	Minutes of the 58th Meeting of the Iarnród Éireann board audit review group	5	Part Grant	redaction list on sheet 2	
4	13.11.15	Minutes of the 59th Meeting of the Iarnród Éireann board audit review group	5	Part Grant	redaction list on sheet 2	
5	30.05.2017	Minutes of the 64th Meeting of the Iarnród Éireann board audit review group	4	Part Grant	redaction list on sheet 2	
6	22.05.2018	Minutes of the 68th Meeting of the Iarnród Éireann board audit review group	5	Part Grant	redaction list on sheet 2	

Signed: Hayley Durnin

IE Decision Maker

Redactions			
Document 1 - Minutes of the 56th Meeting of the Iarnród Éireann board audit review group			
Page #	Minute #	Section of Act Applicable	Reason
1	in attendance	Section 37 - Personal Information	Personal Information relating to attendees
1 to 3	605.2-20	Section 37 - Personal Information	Personal Information
		Section 36(1)(c) - Commercially	information which could prejudice the conduct of negotiations
2	605.4	Sensitive Information	
		Section 36(1)(c) - Commercially	information which could prejudice the conduct of negotiations
2*	605.8	Sensitive Information	
		Section 36(1)(c) - Commercially	information which could prejudice the conduct of negotiations
3	605.18	Sensitive Information	
3	606.1	Section 37 - Personal Information	Personal Information
3	607.1-2	Section 37 - Personal Information	Personal Information
4	609.2	Section 37 - Personal Information	Personal Information
4	610.1-3	Section 37 - Personal Information	Personal Information
		Section 36(1)(c) - Commercially	information which could prejudice the conduct of negotiations
4	611.1	Sensitive Information	
		Schedule 1 Part 1 (p) - Partially	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
5	612.2	Included agencies	
		Section 36(1)(c) - Commercially	information which could prejudice the conduct of negotiations
5	612.3	Sensitive Information	
5	612.5	Section 37 - Personal Information	Personal Information
5	613.1	Section 37 - Personal Information	Personal Information
5	613.3	Section 37 - Personal Information	Personal Information
		Section 36(1)(c) - Commercially	information which could prejudice the conduct of negotiations
5 & 6	613.3	Sensitive Information	
6	614.1	Section 37 - Personal Information	Personal Information
7	619.1	Section 37 - Personal Information	Personal Information
7	620.1	Section 37 - Personal Information	Personal Information
Document 2 - Minutes of the 57th Meeting of the Iarnród Éireann board audit review group			
Page #	Minute #	Section of Act Applicable	Reason
1	in attendance	Section 37 - Personal Information	Personal Information relating to attendees
1	622.2-5	Section 37 - Personal Information	Personal Information
2	624.2	Section 37 - Personal Information	Personal Information
2	624.4-6	Section 37 - Personal Information	Personal Information
		Schedule 1 Part 1 (p) - Partially	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
2	624.5	Included agencies	
2	625.2	Section 37 - Personal Information	Personal Information
2	625.4	Section 37 - Personal Information	Personal Information
2	626.1	Section 37 - Personal Information	Personal Information
3	627.2	Section 37 - Personal Information	Personal Information
		Section 36(1)(c) - Commercially	information which could prejudice the conduct of negotiations
3	631.1	Sensitive Information	
3	632.2	Section 37 - Personal Information	Personal Information
Document 3 - Minutes of the 58th Meeting of the Iarnród Éireann board audit review group			
Page #	Minute #	Section of Act Applicable	Reason
1	in attendance	Section 37 - Personal Information	Personal Information relating to attendees
1	635.3	Section 37 - Personal Information	Personal Information
2	636.2	Section 37 - Personal Information	Personal Information
		Section 36(1)(c) - Commercially	information which could prejudice the conduct of negotiations
2	636.2	Sensitive Information	
2	636.4	Section 37 - Personal Information	Personal Information
		Schedule 1 Part 1 (p) - Partially	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
2	637.1	Included agencies	
3	638.2	Section 37 - Personal Information	Personal Information
3	639.2	Section 37 - Personal Information	Personal Information
3	640.1	Section 37 - Personal Information	Personal Information
4	642.2-3	Section 37 - Personal Information	Personal Information
4	643.2-4	Section 37 - Personal Information	Personal Information
4	644.2	Section 37 - Personal Information	Personal Information
Document 4 - Minutes of the 59th Meeting of the Iarnród Éireann board audit review group			
Page #	Minute #	Section of Act Applicable	Reason
1	in attendance	Section 37 - Personal Information	Personal Information relating to attendees
2	652.2	Section 37 - Personal Information	Personal Information

2	653.2	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
2	653.2	Section 37 - Personal Information	Personal Information
2	654.2	Section 37 - Personal Information	Personal Information
3	655.2	Section 37 - Personal Information	Personal Information
3	655.4	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
4	656.1-2	Schedule 1 Part 1 (p) - Partially Included agencies	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
4	657.2-3	Section 37 - Personal Information	Personal Information
5	662.1	Section 37 - Personal Information	Personal Information
Document 5- Minutes of the 64th Meeting of the Iarnród Éireann board audit review group			
Page #	Minute #	Section of Act Applicable	Reason
1	in attendance	Section 37 - Personal Information	Personal Information relating to attendees
1	719.1-3	Section 37 - Personal Information	Personal Information
2	721.2	Section 37 - Personal Information	Personal Information
2	723.1-2	Section 37 - Personal Information	Personal Information
3	724-...2	Section 37 - Personal Information	Personal Information
3	725.1	Section 37 - Personal Information	Personal Information
3	726	Section 37 - Personal Information	Personal Information
Document 6- Minutes of the 68th Meeting of the Iarnród Éireann board audit review group			
Page #	Minute #	Section of Act Applicable	Reason
1	in attendance	Section 37 - Personal Information	Personal Information relating to attendees
2	773.1	Section 37 - Personal Information	Personal Information
2	776.1	Section 37 - Personal Information	Personal Informations
2	777	Section 37 - Personal Information	Personal Information
2	778.1-4	Section 37 - Personal Information	Personal Information
2	778.2	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
3	778.6	Schedule 1 Part 2 - Exempt Agencies	Information relating to Coras Iompair Éireann (CIE) Holding Co
3	779.1-3	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
3	780.1-5	Section 37 - Personal Information	Personal Information
3	781.1	Section 37 - Personal Information	Personal Information
3	782.1	Section 37 - Personal Information	Personal Information
4	783.0-2	Section 37 - Personal Information	Personal Information

PRIVATE AND CONFIDENTIAL

**MINUTES OF THE 56th MEETING OF THE
IARNRÓD ÉIREANN BOARD AUDIT REVIEW GROUP
HELD ON 20th MARCH 2015
IN THE BOARDROOM, CONNOLLY STATION**

PRESENT

Ms Patricia Golden - Chairman
Mr Frank Allen - Director

IN ATTENDANCE

[REDACTED] - Chief Financial Officer, Iarnród Éireann (part)
[REDACTED] - Head of Internal Audit, CIE (part)
[REDACTED] - Chief Operating Officer, CIE (part)
[REDACTED] - Assistant Secretary, Iarnród Éireann (part)
[REDACTED] - PricewaterhouseCoopers (part)
[REDACTED] - PricewaterhouseCoopers (part)
[REDACTED] - PricewaterhouseCoopers (part)
[REDACTED] - PricewaterhouseCoopers (part)
[REDACTED] - PricewaterhouseCoopers (part)
[REDACTED] - PricewaterhouseCoopers (part)
[REDACTED] - PricewaterhouseCoopers (part)
[REDACTED] - Head of Group Finance, CIE (part)
[REDACTED] - IE safety team (part)
[REDACTED] - RMI (part)
[REDACTED] - Chief Procurement Officer, Iarnród Éireann (part)
[REDACTED] - General Manager Freight (part)

APOLOGIES

[REDACTED] - Chief Executive, Iarnród Éireann

MIN NO.

AUDIT PRESENTATION

605.1 The PwC report to the Audit Review Group on the year end audit 2014 was presented.

605.2 [REDACTED] introduced her team and summarised the areas covered in the report including:

- Audit is substantially complete and there are no new matters raised since the audit plan was reported
- There are no uncorrected audit misstatements

TAX MATTERS

605.3 [REDACTED] on tax matters:

- Revenue had queried if there were BIK implications for the CIE medical scheme. This was closed off with no issues outstanding
- Nothing substantial was found during the VAT audit and there are no outstanding VAT liabilities.
- Customs issues were closed out during year

605.4 [REDACTED] continued:

- A plan is in place for FRS 101/102 reporting standard and preparation of 2014 comparatives
- There is still some work to do on systems to support this reporting standard.

GOING CONCERN

- Iarnród Éireann requires continued support from CIE Group
- The bank covenants were met for 2014 and are budgeted to be met for 2015
- Iarnród Éireann made a small deficit in 2014, after receipt of [REDACTED] additional funding, most of which was applied to capital funding
- [REDACTED]
- [REDACTED]
- The Department of Transport, Tourism and Sport recognise the funding gap and the requirement for [REDACTED] for a number of years to catch up on maintenance
- Pressure for pay deal reversals will emanate from the bus companies in 2015
- Pensions schemes deficit has increased significantly, largely due to low bond yields internationally
- Cash flow is being monitored carefully
- Letter of support requested from Minister and must be in place before financial statements will be signed
- PwC in house actuary met with CIE and subsidiary company management, particularly regarding the pension schemes deficit

605.5 [REDACTED] outlined the actions being considered at CIE Board level to address the long term pension schemes deficit. There are deficits in both schemes with the majority in the executive scheme.

605.6 Both the Chairman and [REDACTED] suggested that the Going Concern note in the accounts should reflect more strongly the worsening pension deficit and proposed CIE actions.

605.7 It was agreed to adopt [REDACTED] suggestion of referencing note 24 in the Going Concern paragraph and to promote the last line of management actions in the going concern note, given how significant the quantum of the deficit is.

LEAP CARD

605.8 [REDACTED] advised that some new products were added in 2014 such as 'Travel 90' where the revenue foregone amounted to [REDACTED] overall Leap Card revenue

605.9 [REDACTED] suggested that the capping may actually increase patronage while [REDACTED] said that capping is having the effect of reducing overall revenue.

605.10 [REDACTED] noted that each capping generates the requirement for significant analysis. No issues were found around reconciliation process. PwC got NTA downloads and reverse engineered to check. It was suggested third party audit assurance was required from the NTA.

605.11 [REDACTED] added that the NTA agreed to get their own auditors to report on allocations but cautioned that this requires specialist testing and not all auditing firms may have the appropriate skills.

605.12 [REDACTED] advised that they tested "Child go free" tickets and detected where a child fare was not deducted outside of the promotion period. Neither Iarnród Éireann nor NTA had picked this up.

605.13 [REDACTED] advised that this issue was restricted to two machines and they did not pick up a software patch. Iarnród Éireann do random checks and need to continue this

605.14 Judgemental provisions were discussed as to amounts and detail.

605.15 [REDACTED] advised that PwC have nothing to report under the Fraud heading.

MIN NO.

IT

605.16 [REDACTED] advised on the IT systems audit. They looked at 4 key systems and the issues raised previously and currently being addressed. The Chair noted it was disappointing that of the 8 ICR points raised in 2013, 7 remain open and 1 is partially implemented.

605.17 [REDACTED] advised that an internal process was underway to review Iarnród Éireann's Service Level Agreement with Group IT & Telecomms.

LETTER OF REPRESENTATION

605.18 [REDACTED] highlighted some items which would be brought to the attention of the company in the Letter of Representation:

- Third party claims provision
- Rule 29b spouse and children, [REDACTED].

INTERNAL CONTROL REPORT

605.19 [REDACTED] highlighted some new recommendations in the Internal Control report:

- 605.19.1** Inventory cycle counts,
- 605.19.2** Suspense account process needs to be enhanced as it builds up large debit and credit balances
- 605.19.3** Processing of grant claims – needs more review of timesheets
- 605.19.4** Payroll matters – eg at divisional level and signoff

605.20 She added that the management responses on these have been received.

[REDACTED] *left the meeting*}

AUDITORS MEETING WITH MEMBERS

{ [REDACTED], [REDACTED], [REDACTED] and [REDACTED] *left the room for this item*}

606.1 The ARG members met with the Auditors without any executives present.

{ [REDACTED], [REDACTED], [REDACTED] and [REDACTED] *rejoined the meeting*}

RISK MANAGEMENT SYSTEM PILOT REPORT

[REDACTED] and [REDACTED] *joined the meeting*}

607.1 [REDACTED] outlined the process and underlying system used to create and monitor corporate risk in Iarnród Éireann. Some points raised in the ensuing discussion were:

- Risk can be automatically calculated based on the knowledge base but this knowledge base is limited for railway applications
- Advantages include the systematic and transparent approach
- A disadvantage is that it can become cumbersome and onerous on users
- A decision would need to be made on the approach needed and the scale of the rollout
- Next steps are presentation to Iarnród Éireann board and CIE Audit and Risk committee.

[REDACTED] and [REDACTED] *left the meeting*}

MIN NO.

- 607.2 [REDACTED] stated that if risk assurance is required, there is a need to go to the market to procure both risk advisory services and supporting systems separately. It is important that the company retains ownership of the software and data.

MINUTES

- 608.1 The Minutes of the meeting held on 21st November 2014 were taken as read and were signed by the Chairman as a true record of the proceedings.

OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS

- 609.1 The list of outstanding actions from the previous meetings was taken as read and noted.

ACTION 4

- 609.2 [REDACTED] advised that the Statutory Instrument to remove Rule 29b was signed and the matter closed.

APPROVAL OF 2014 FINANCIAL STATEMENTS

- 610.1 The Chairman reported that she had suggested amendments to the financial statements concerning Health & Safety Act, new risk management system and pensions note. [REDACTED] confirmed that these changes had been made along with some wording changes.
- 610.2 [REDACTED] commented that the wording in the Chairman's and Chief Executive's statements gives too positive a story. For example, the graphs on safety reflect a mixed story. The text does not refer to the need for more funding for infrastructure. The bullet points contain nothing on Multi Annual Contract funding. The reports needs to not only acknowledge funding but emphasise the funding required to maintain levels of safety and service and say financial contribution needs to be at a higher level.
- 610.3 [REDACTED] also commented that the report contains too much railway jargon.
- 610.4 It was agreed to recommend the financial statements to the board of Iarnród Éireann subject to
- Strengthening of the wording regarding ongoing requirement for funding to maintain both safety and service levels
 - Revise pension wording and reference in Going Concern note
 - Receipt of Letter of Support from CIE
- 610.5 In addition the following recommendations were made regarding the financial statements:
- Include an acknowledgement of MAC funding in the 'chevron' points
 - Check the requirement for the word 'draft' in references to the 5 year plan

CEO REPORT TO THE CHAIRMAN

- 611.1 It was agreed to recommend the CEO's Report to the Chairman to the board of Iarnród Éireann subject to
- Incorporation of the changes noted for the financial statements
 - Check if 5 year plan was submitted to Department
 - App B – correct value of Electrical Rotation Equipment contract to [REDACTED].

INTERNAL AUDIT REPORT

- 612.1 The GIA Issued Internal Audit Reports 2014, GIA Progress Update on Internal Audit Programmes, Remaining Scheduled Audits 2015 Programme and Paper on GIA audit coverage of IE Payrolls, were taken as read and noted.

GIA ISSUED INTERNAL AUDIT REPORTS 2014

612.2

[REDACTED]

COMPLETED AUDIT REPORTS

612.3

The completed audit reports were taken as read and noted, with the following comments made:

612.3.1

[REDACTED]

612.3.2

Connolly Revenue – very good audit result

612.3.3

[REDACTED]

612.3.4

612.3.5

[REDACTED]

612.3.6

[REDACTED]

612.3.7

Review of procurement documentation - more detailed procedures have now been evidenced and significant progress had been made here.

612.3.8

Social media – best practice used – recommend formal review of access to social media sites

612.4

The Chairman commented that it is encouraging to note that contract documentation is improving.

MEMBERS MEETING WITH HEAD OF GROUP INTERNAL AUDIT

612.5

It was noted that the members had met with [REDACTED] during March and had commented on the high standard of reports issued and the extent of audit coverage for Iarnród Éireann.

[REDACTED] *left the meeting*

CHIEF PROCUREMENT OFFICER

[REDACTED] *joined the meeting at this time*

MEMBERS MEETING WITH CHIEF PROCUREMENT OFFICER

613.1

It was noted that the members had met with [REDACTED] during March and discussed progress on the David Orr Final Procurement Review, enhanced KPIs and SAP contracts modules.

CPO REPORT

613.2

The CPO's March 2015 Procurement Report to the ARG was taken as read and noted.

613.3

[REDACTED] highlighted the main features of the report:

PROCUREMENT KPIs

613.3.1

Four key KPIs will be reported to board, all are green at present.

TENDER ACTIVITY AND SPEND

613.3.2

Value of retendered contracts is [REDACTED] for 2015

613.3.3

25 tenders were assigned for non-recurring contracts

613.3.4

An additional 44 tender requests have also been made for non-recurring items

613.3.5

Mini-tenders are in use, for example 200 for plant hire in 2014

613.3.6

137 Requests for Quotations were processed.

MIN NO.

DEROGATION BASED SPEND

- 613.3.7 33 derogations were used amounting to [REDACTED] in spend. This includes OEM opportunities.

PROCUREMENT REVIEW

- 613.3.8 Delivery of actions and progress against development plan noted.

SAP CONTRACTS

- 613.3.9 Have implemented contracts database using SAP contracts module. Now every new contract is entered on the system and are working through existing list, of which 95 have been entered onto the system.

COMPLIANCE CHECKS

- 613.3.10 Maintenance of Electrical Rotation equipment - value should read [REDACTED].

INTERNAL AUDIT REPORTS

- 613.3.11 Progressing well on delivery of Management Action Plans.

PROCUREMENT REVIEW – FINAL VERSION

- 614.1 The final version of the Independent Review of Procurement Report by [REDACTED] was taken as read and noted. This report had been reviewed in detail by the ARG members with the CPO.

[REDACTED] *left the meeting*

IARNRÓD ÉIREANN CORPORATE KPIS REVIEW

- 615.1 The Iarnród Éireann Corporate KPIs were taken as read and noted. The Chairman noted that the KPIs gave good coverage of safety, financial and operational performance.
- 615.2 It was noted that the KPI regarding Group Internal Audit referred to Management Responses outstanding. The wording of the KPI needs to clarify this.

NOTIFICATION UNDER PROTECTED DISCLOSURES ACT

- 616.1 The Chairman advised that the members were apprised of the status of the investigation being undertaken by PwC into matters raised by an employee under the Protected Disclosures Act, during their private discussion.

COMPANIES ACT 2014

- 617.1 It was noted that a seminar to update Directors has been scheduled for 13th May.

PROTECTED DISCLOSURE POLICY

- 618.1 It was agreed to recommend to the board of Iarnród Éireann the revised Iarnród Éireann Protected Disclosure Policy.

MIN NO.

ISSUES FOR THE ATTENTION OF THE ARG

619.1 There were no matters raised.

NAVIGATOR AUDIT UPDATE

■■■■■ *joined the meeting for this item}*

620.1 ■■■■■ advised that all the recommendations of the Internal Audit report have been completed with the exception of one minor item regarding the change of status of a contractor to an employee. This is being progressed.

ANY OTHER BUSINESS

DATE OF NEXT MEETING

621.1 The next scheduled meeting is on 15th May 2015.

621.2 There being no other business the Chairman closed the meeting.

Chairman

Date

PRIVATE AND CONFIDENTIAL

**MINUTES OF THE 57th MEETING OF THE
IARNRÓD ÉIREANN BOARD AUDIT REVIEW GROUP
HELD ON 4th JUNE 2015
IN THE BOARDROOM, CONNOLLY STATION**

PRESENT

Ms Patricia Golden	- Chairman
Mr Frank Allen	- Director

IN ATTENDANCE

	- Chief Financial Officer, Iarnród Éireann
	- Head of Internal Audit, CIE
	- Chief Operating Officer, CIE
	- Chief Executive, Iarnród Éireann
	- Assistant Secretary, Iarnród Éireann
	- Head of Group Finance, CIE
	- Chief Procurement Officer, Iarnród Éireann (part)


MIN NO.


MINUTES


622.1 The Minutes of the meeting held on 20th March 2015 previously circulated were taken as read and were signed by the Chairman as a true record of the proceedings.



MATTERS ARISING

NTA LEAP CARD AUDIT

622.2  advised that a number of meetings have been held with PwC and the NTA.

622.3  added that the CIE Group was consulted regarding the scope of the audit. PwC have been included in the consultation process and the next step is for McClure Watters to issue a draft scope document.

622.4  stressed that PwC should be asked to agree in writing in advance that the audit process satisfies their requirements and to note any concerns they may have.

622.5  noted the importance of independence of whichever auditors are chosen and that  may be too close to the NTA to actually perform the audit themselves.

PROTECTED DISCLOSURES POLICY

622.6 The Chairman advised that the policy issued at the board meeting did not address the reporting structure for notifications relating to the Designated Officer. This is to be corrected prior to final issue to staff.

OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS

623.1 The list of outstanding actions from the previous meetings previously circulated was taken as read and noted. It was noted that all actions were completed.

INTERNAL AUDIT REPORT

624.1 The GIA Progress Update on Internal Audit Programmes and Remaining Scheduled Audits 2015 Programme previously circulated were taken as read and noted.

624.2 [REDACTED] advised that the programme of audits for 2015 was on target.

COMPLETED AUDIT REPORTS

624.3 The audit reports completed since the last meeting previously circulated were taken as read and noted.

624.4 [REDACTED] reported on issues raised and management responses.

624.5

624.6 The review of recurring contracts carried out at the request of the CPO raised significant issues regarding purchases made after contract expiry before new contracts in place. While the reasons for contract delays were set out in the report, management indicated that progress on implementing SAP contracts module would address this issue.

CHIEF PROCUREMENT OFFICER

[REDACTED] *joined the meeting at this time*

CPO REPORT

625.1 The CPO's June 2015 Procurement Report to the ARG previously circulated was taken as read and noted.

625.2 [REDACTED] highlighted the main features of the report.

625.3 The Chairman commented that the revised report format was to an excellent standard with only one KPI requiring modification. The Chairman requested that formal tenders reporting be split between those submitted to the board and those not. The KPIs should be included in IE board papers too

625.4 [REDACTED] added that the standard prompted the question if a similar report was needed for CIE.

[REDACTED] *left the meeting*

NOTIFICATION UNDER PROTECTED DISCLOSURES ACT

626.1 The response from the Chief Executive to [REDACTED] of the Department of Transport, Tourism and Sport previously circulated regarding the Notification under Protected Disclosures Act as received by the Department was taken as read and noted.

626.2 [REDACTED] commented that the response to the Department is comprehensive but he could see how someone without full knowledge of the circumstances might have concerns. He added that while the ARG members were aware of the issue from the onset, they had not received any detail until now. The ARG members had not seen the PWC report.

626.3 Regarding the write off of debts in 2014, these amounts had not been highlighted to the ARG during the 2014 audit or close-out meeting.

FINAL PWC ICR LETTER 2014

627.1 The final issue of the PwC management letter concerning the 2014 audit previously circulated was taken as read and noted

MIN NO.

- 627.2** Although [REDACTED] commented that these letters are not normally included in board papers across the CIE Group, the members agreed that it would be good practice to include an extract from this item.

DRAFT REVISED CODE OF PRACTICE FOR GOVERNANCE OF STATE BODIES

- 628.1** The Draft revised Code of Practice for Governance of State Bodies as issued by the Department of Public Enterprise and Reforms previously circulated was taken as read and noted. This draft takes account of developments concerning supervision and monitoring between Government Departments and State Bodies and new reporting requirements.
- 628.2** It was noted that this revision to the Code will incur significant additional reporting requirements.

CAG SPECIAL REPORT: EFFECTIVENESS OF AUDIT COMMITTEE IN STATE BODIES

- 629.1** The CAG Special Report: Effectiveness of Audit Committee in State Bodies previously circulated was taken as read and noted.
- 629.2** The Chairman suggested that the checklist provided should be completed for the next ARG.

COMPANIES ACT 2014

- 630.1** The memorandum on actions being taken within the Group for compliance with Companies Act 2014 previously circulated was taken as read and noted.
- 630.2** The Chairman commented that a review of the Terms of Reference for the ARG should be undertaken for the next meeting.

ASSET DISPOSALS 2014

- 631.1** The summary of asset disposals greater than [REDACTED] during 2014 previously circulated was taken as read and noted.

ISSUES FOR THE ATTENTION OF THE ARG

- 632.1** There were no matters raised.
- 632.2** [REDACTED] confirmed that no new RSM audit reports had been issued.

ANY OTHER BUSINESS

DATE OF NEXT MEETING

- 633.1** The next scheduled meeting is on 19th October 2015, but will be confirmed nearer the date.
- 633.2** There being no other business the Chairman closed the meeting.

Chairman

Date


PRIVATE AND CONFIDENTIAL

**MINUTES OF THE 58th MEETING OF THE
IARNRÓD ÉIREANN BOARD AUDIT REVIEW GROUP
HELD ON 22nd OCTOBER 2015
IN THE BOARDROOM, CONNOLLY STATION**

PRESENT

Ms Patricia Golden	- Chairman
Mr Frank Allen	- Director

IN ATTENDANCE

	- Chief Financial Officer, Iarnród Éireann
	- Head of Internal Audit, CIE
	- Assistant Secretary, Iarnród Éireann
	- Head of Group Finance, CIE
	- Chief Procurement Officer, Iarnród Éireann (part)
	- General Manager Rosslare Europort (part)

APOLOGIES

Mr Michael Flannery	- Chief Operating Officer, CIE
Mr David Franks	- Chief Executive, Iarnród Éireann

MIN NO.

MINUTES

634.1 The Minutes of the meeting held on 4th June 2015, previously circulated, were taken as read and were signed by the Chairman as a true record of the proceedings.

MATTERS ARISING

OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS


634.2 The list of outstanding actions from the previous meetings, previously circulated, was taken as read and noted. It was noted that all actions were completed or were agenda items.

INTERNAL AUDIT REPORT

635.1 The GIA Progress Update on Internal Audit Programmes and Remaining Scheduled Audits 2015 Programme previously circulated were taken as read and noted.

COMPLETED AUDIT REPORTS

635.2 The audit reports completed since the last meeting previously circulated were taken as read and noted.

635.3  reported on issues raised and management responses.

- A total 27 reports have been issued to date and 12 are in progress
- Normally it takes from four to six weeks to achieve a response. Some reports took longer to finalise as they raise discussion and generally they come back with a stronger response.

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- Agreement was reached on ballast audit recommendations, however ARG are concerned about the size of adjustments being made and will ask PWC to look at this area in their audit.
- Labour appropriations – a lot of management action taken with systemising the review process
- Rail operatives audit found general payroll issues. HR have undertaken to review all local arrangements by end 2015.
- Portlaoise stock report shows very good progress with processing of documentation, and there is now better stock control
- Contract management for on track maintenance was of good quality
- EU grant claim – a transaction audit was undertaken and found to be in order
- In relation to questions raised on revenue audits, management confirmed that the practice of staff conveying cash had been discontinued.

CHIEF PROCUREMENT OFFICER

_____ joined the meeting at this time}

CPO REPORT

- 636.1** The CPO's October 2015 Procurement Report to the ARG previously circulated was taken as read and noted.
- 636.2** [REDACTED] highlighted the main features of the report.
- Overdue recurring contracts – the OHLE contract award is an agenda item for the October board meeting
 - Procurement activity, volume and value noted
 - There was no increase in the cost of recurring contracts in 2015 but that position is expected to change in 2016
 - Quality checks show an improving response
 - Iarnród Éireann bears the cost of CIE procurement activity but resources are a risk item. Many CIE IT projects are in delay. There is also a delay in getting Policy and Procedures finalised.
 - Development – have now coded all procurement processes
 - Can now monitor spend through the SAP contracts module. Contract expiry dates are monitored on the Sharenet site, including tender milestones by week
 - A new planning process has been introduced in procurement
 - Procurement have developed with Group IT a Contracts Burn Report which facilitates measurement of contracts Spend Rate & Time Rate. In addition a Monitoring Competition Levels report which monitor tenders with two or less responses and report these to the Executive Group meeting for information. If any exceed [REDACTED], they will appear in KPIs
 - Go live procurement reorganisation still set for 4th November. The RSC are been responded to regarding their queries. Procurement do not produce technical specifications.
- 636.3** It was agreed that 2016 reporting to board should consist of four to five KPIs, plus the procurement activity overview, plus a report on OEM opportunities if feasible.
- 636.4** The Chairman congratulated [REDACTED] on quality of his report which was highly informative and demonstrates good progress in compliance reporting.
- [REDACTED] *left the meeting*

ROSSLARE AUDIT RESPONSE

{Mr Lynch joined the meeting}

- 637.1** [REDACTED]

MIN NO.

637.2

[REDACTED]

637.3

[REDACTED]

637.4

[REDACTED]

637.5

[REDACTED]

637.6

[REDACTED]

BUDGET

638.1

The memorandum previously distributed was taken as read and noted.

638.2

[REDACTED] outlined the main features of the presentation which he advised were based on the unsustainable funding option in the 5 year plan. The presentation covered review of the assumptions underlying the budget and the waterfalls supporting year on year movements.

SURRENDERING OF TAX LOSSES

639.1

The memorandum previously distributed was taken as read and noted.

639.2

[REDACTED] outlined the salient points of the paper presented.

FRS102

640.1

[REDACTED] outlined the consultations being undertaken by Iarnród Éireann in advance of the implementation of FRS102 accounting standard. The largest piece of work will be the policy on accounting for lines and works.

640.2

PWC have already been involved in the preparation of comparative numbers for the 2015 CIE financial statements.

RSM CAPITAL AUDIT

641.1

The memorandum previously distributed was taken as read and noted.

641.2

While the audit gave a satisfactory assurance rating, it did raise issues of unsigned documentation and missing documentation. The Chair noted this was a concern as it related to recent expenditure rather than older items. Management is satisfied that these issues are being addressed and are once-off.

ISAE 3402 – NTA LEAPCARD AUDIT

642.1

The memorandum previously distributed was taken as read and noted.

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- 642.2 [REDACTED] advised that PricewaterhouseCoopers were consulted regarding the scope of the audit. An interim report has been received but a lot of testing has yet to be completed.
- 642.3 [REDACTED] confirmed that PWC recommendations have been taken into account in the scoping exercise. The ARG felt this was important given the increasing amount of revenue generated from the Leap card.
- 642.4 Final report to be issued to NTA in Feb 2016.

NATIONAL OIL RESERVES AGENCY (NORA)

- 643.1 The memorandum previously distributed was taken as read and noted.
- 643.2 [REDACTED] updated the meeting on the current position regarding correspondence received from NORA on fuel stock levels.
- 643.3 The levy assessed to [REDACTED]
- [REDACTED] to NORA and DCNER as provided for under the NORA Act 2007.

NOTIFICATION UNDER PROTECTED DISCLOSURES ACT

- 644.1 The Chairman advised that three matters raised were under investigation and that a report will go the ARG members, the Chief Executive and Chairman of Iarnród Éireann, when completed by GIA.
- 644.2 Regarding the timing of this report, [REDACTED] advised that the matters were still under review, further interviews to be held followed by a deliberative process.

CIE PROTECTED DISCLOSURE POLICY AND PROCEDURES

- 645.1 The memorandum previously distributed was taken as read and noted that the document had been re-formatted into Policy and Procedures and the document had been amended to cover off situations where the Designated Officer was the subject of a complaint.

ARG TERMS OF REFERENCE

- 646.1 The memorandum previously distributed was taken as read and noted.
- 646.2 It was agreed to recommend the revised term of reference to the board of Iarnród Éireann subject to the following alterations:

AUTHORITY (C)

- 646.3 Insert "at the Company's expense"

ROLES AND RESPONSIBILITIES (J)

- 646.4 Insert "except where the concern relates to the Chairman".

PROFORMA LETTER TO NEW MEMBERS OF THE ARG

- 647.1 The memorandum previously distributed was taken as read and noted.

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CIE RESPONSES TO REVISED DRAFT CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES

648.1 The three memoranda previously distributed were taken as read and noted.

ISSUES FOR THE ATTENTION OF THE ARG

649.1 There were no matters raised.

ANY OTHER BUSINESS

650.1 The Chairman advised that she had met with new Chair of the CIE Audit and Risk Committee and they agreed to keep the current reporting and attendance format.

DATE OF NEXT MEETING

650.2 The next meeting is on 13th November 2015.

650.3 There being no other business the Chairman closed the meeting.

Chairman

Date


PRIVATE AND CONFIDENTIAL

**MINUTES OF THE 59th MEETING OF THE
IARNRÓD ÉIREANN BOARD AUDIT REVIEW GROUP
HELD ON 13th NOVEMBER 2015
IN THE CHIEF EXECUTIVE'S OFFICE, CONNOLLY STATION**

PRESENT


- | | |
|--------------------|---------------------------|
| Ms Patricia Golden | - Chairman |
| Mr Frank Allen | - Director (by telephone) |

IN ATTENDANCE

- | | |
|--|---|
|  | - Chief Financial Officer, Iarnród Éireann |
| | - Head of Internal Audit, CIE |
| | - Chief Executive, Iarnród Éireann |
| | - Acting Chief Financial Officer, CIE |
| | - Assistant Secretary, Iarnród Éireann |
| | - Chief Procurement Officer, Iarnród Éireann (part) |
| | - Safety, Technical and Approvals Manager (part) |
| | - PricewaterhouseCoopers (part) |
| - PricewaterhouseCoopers (part) | |
| - Chief Information Officer (part) | |

MIN NO.

MINUTES

- 651.1** The Minutes of the meeting held on 22nd October 2015, previously circulated, were taken as read and the corrected minutes were signed by the Chairman as a true record of the proceedings, the corrections being:
- 651.1.1** Minute 636.2, 9th bullet, change "for further action" to "for information"
- 651.1.2** Minute 636.2, 10th bullet, change "The RSC has been responded to" to "The RSC are being responded to" and also change "Procurement do not design the specifications" to "Procurement do not produce technical specifications"
- 651.1.3** Minute 639.3, remove this sentence as it is not accurate
- 651.1.4** 
- 651.1.5** Minute 643.4, change "Management are seeking a meeting with DCENR to tackle this issue " to "Management have responded to NORA and DCNER as provided for under the NORA Act 2007"

MATTERS ARISING

- 651.2** The following clarifications were made:
- 651.2.1** PwC are to be asked to review Ballast as part of their audit
- 651.2.2** There is no update on the review of local payroll arrangements
- 651.2.3** The Procurement reorganisation did not go live on 4th November as planned having been delayed following correspondence received from the RSC.

OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS

- 651.3** The list of outstanding actions from the previous meetings, previously circulated, was taken as read and noted. It was noted items 4 and 5 would remain on the list until the reports referred to in them were complete.

INTERNAL AUDIT REPORT

- 652.1 The GIA Progress Update on Internal Audit Programmes, Scheduled Audits 2016 Programme and Audit Reports Completed Since The Last Meeting previously circulated were taken as read and noted.

COMPLETED AUDIT REPORTS

- 652.2 [REDACTED] reported on issues raised and management responses.
- A high volume of audits was completed during the year
 - TVMs are being looked at on a companywide basis
 - Improved contract management is now evident, with just some issues around delay in implementing new contracts and gaining benefit from revised rates

PROGRESS

- Pearse revenue audit report should issue soon

DRAFT 2016 PROGRAMME

- Programme has been drafted based on risk assurance assessment, but will ultimately use the Iarnród Éireann risk model
- ITS – preparatory work done but no audit issued until NTA audit is complete
- Plan 45 audits over 18 months

CHIEF PROCUREMENT OFFICER

[REDACTED] *joined the meeting at this time*

CPO REPORT

- 653.1 The CPO's October 2015 Procurement Report to the ARG previously circulated was taken as read and noted.
- 653.2 Mr Reynolds highlighted the main features of the report and the following comments were made:
- Recurring contract costs are up – waste contract cost up to [REDACTED] from [REDACTED], the prior contract may have been a loss making contract
 - Graphs of recurring contracts have been included
 - Contracts time elapsed – every formal process > [REDACTED] results in an executed contract now and contracts must be executed prior to service. 7 contracts are currently not executed but procurement are working through the details
 - Clean contract with ISS has been executed
 - Some work to be done on derogations to OEMs, with transition to our own Terms & Conditions

[REDACTED] *left the meeting*

RISK MANAGEMENT

[REDACTED] *joined the meeting for this item*

- 654.1 The memorandum previously distributed was taken as read and noted.
- 654.2 [REDACTED] summarised the status of the revised risk management process and the following comments were made:
- 654.2.1 Data is now being managed on a spreadsheet as the specialist system formerly employed to assist is out of contract and is no longer supported

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- 654.2.2 A new system being procured and expected to be in place by Quarter 1, 2016
- 654.2.3 Since the last report, there are changed risks regarding loss of key individuals
- 654.2.4 Regarding collisions and SPADs, the introduction of the Driver Reminder Appliance as mitigation permits re-evaluation of that risk
- 654.2.5 The Risk Register is maintained by the senior executives and is re-evaluated each month
- 654.2.6 The delay to completion of the Enterprise refurbishment is new but not considered a principle risk.
- 654.2.7 Principle risks are those which have a score above 9, and any others judged to be high risk
- 654.2.8 The next quarterly report will include heat maps.

██████████ *left the meeting}*

AUDIT PLAN

██ *joined the meeting}*

██████████ *joined the meeting by telephone at this time}*

655.1 The Audit Plan, previously circulated, was taken as read and noted.

655.2 ██████████ outlined the plan covering

- Team
- Stakeholders
- Objectives -
- Summary of audit process
- Audit approach
- Communication matters

655.3 Items highlighted during the presentation included:

655.3.1 PwC have taken note of the complexity of FRS 102, and are working on opening balances now

655.3.2 Draft assessment of risk includes the CIE Group risks relating to pensions and derivatives

655.3.3 Going concern – the base requirement is an assessment of 12 months forward from date of financial statements

655.3.4 There is no significant change regarding revenue recognition. PwC are attempting to get the appropriate report from NTA. NTA are meeting with PwC to develop process.

655.3.5 PwC need clarity on elements of the NTA auditor's report, NTA are cooperating

655.3.6 There is more visibility on Claims reporting now

655.3.7 Financial reporting due to move to FRS102. Are working through areas that changed eg employee benefits, revenue recognition, fixed assets, tangible assets – getting opening balances right

655.3.8 Derivatives are now on balance sheet, CIE elected to take fuel hedging through reserves

655.3.9 Continue to focus on payroll due to age of systems

655.4 Comments in response included:

655.4.1 Materiality will be set at ██████████ as per 2014 audit

655.4.2 PwC requested to add in Directors Compliance and more detail on tax

655.4.3 Any write off of provisions should be advised to ARRГ

655.4.4 Ballast stock should be covered

655.4.5 Pensions disclosure note and size of deficit to be included

655.4.6 Gaps in documentation / document control, where there is a financial statement impact, to be included

655.4.7 Directors' Compliance Statement – Iarnród Éireann should prepare to demonstrate procedures are in place. CIE leading development of this for the Group. PwC suggested that a checklist be drawn up to allow them to sign off.

██ *left the meeting}*

MIN NO.

656.1

656.2

ICR REPORTS

657.1 The final versions of appendices 4 and 5 of the PwC Internal Control Report were taken as read and noted.

APPENDIX 4

657.2 It was noted that

- All items are being actioned
- All matters raised are small in value
- GR-IR (goods receipt) items are held open for 12 months only now

APPENDIX 5 – IT RELATED CONTROL ITEMS

joined the meeting}

657.3

advised that:

- Roles & responsibilities are undergoing organisation review
- IT policies will be reviewed after the data strategy is developed
- Software changes
 - New Payroll system to be rolled out from next year
 - Crouzet replacement is part of Customer First Programme
- all items are being actioned, some to be delivered this year,

RSM PSO AUDIT

658.1 The memorandum previously distributed was taken as read and noted.

658.2 It was noted that the report gave an overall "satisfactory assurance".

EFFECTIVENESS OF AUDIT COMMITTEE QUESTIONNAIRE

659.1 The memorandum previously distributed was taken as read and noted.

659.2 The Chairman noted that the ARG complies in general with the principles set out in the draft revised Code of Practice for the Governance of State Bodies distributed by the Department of Public Expenditure and Reform in May 2015. Any exceptions are either in hand or not relevant.

COMPLIANCE WITH ARG TERMS OF REFERENCE

660.1 The memorandum previously distributed was taken as read and noted.

660.2 It was noted that the revised Protected Disclosure policy and procedures was made available to staff and that the annual report by the Chief Executive on protected disclosures is to be scheduled during 2016.

ISSUES FOR THE ATTENTION OF THE ARG

661.1 The Chief Executive had no issue to report but highlighted the work load imposed by the Freedom of Information Act.

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NOTIFICATION UNDER PROTECTED DISCLOSURES ACT

- 662.1** The Chairman advised that there was nothing further to report at this stage. [REDACTED] added that it would take 2-3 weeks to finish his investigation and then some time to consider the findings.

DATES OF 2016 MEETINGS

- 663.1** The memorandum previously distributed was taken as read and noted.

ANY OTHER BUSINESS

DATE OF NEXT MEETING

- 664.1** The next meeting is on 10th March 2016.
- 664.2** There being no other business the Chairman closed the meeting.

Chairman

Date


PRIVATE AND CONFIDENTIAL

**MINUTES OF THE 64th MEETING OF THE
IARNRÓD ÉIREANN BOARD AUDIT AND RISK REVIEW GROUP
HELD ON 30th MAY 2017
IN THE BOARDROOM, HEUSTON STATION**



PRESENT

Mr Frank Allen	- Chairman
Ms Carolyn Griffiths	- Director
Mr Mal McGreevy	- Director

IN ATTENDANCE


	- Chief Financial Officer, Iarnród Éireann
	- Head of Internal Audit, CIE
	- Chief Executive, Iarnród Éireann
	- Acting Chief Financial Officer, CIE
	- Assistant Secretary, Iarnród Éireann
	- Chief Procurement Officer, Iarnród Éireann (part)
	- Safety, Technical and Approvals Manager (part)
	- Head of Revenue Protection (part)
- Director, TO (part)	


MIN NO.


 and  joined the meeting at this time}


**719 UPDATE ON ADMINISTRATION OF FIXED PAYMENT NOTICES AUDIT
MANAGEMENT ACTION PLAN**

The memorandum previously distributed was taken as read and noted.

719.1  briefed the meeting on progress with the management action plan as set out in the audit report:

- He  has been in the role as Head of Revenue Protection since 2014.
- Funding has been secured for automation of fines recording and processing
- Although a suite of management reports is available, the need for an additional high level report has been identified and this will be developed
- The formal financial procedures manual has yet to be completed and has been delayed by deployment of relevant staff to Customer First testing. In the interim the Revenue Protection Unit (RPU) is working off draft procedures.

719.2  confirmed that the only outstanding item from his recommendations is the production of formal financial procedures manual. He understands that the relevant processes are already in place. He strongly supports automation of the process.

719.3  outlined plans for automation of recording and processing fines which will be in the next phase of Customer First. RPU staff will be issued with hand held devices, and the customer will be able to pay the fine immediately. Currently there is a delay in registering the fine before the customer can pay online. Cash payments form only 7% of all fines, with credit cards accounting for 85% of fine payments.

719.4 Mr Meade took responsibility for completion of the procedures manual. He will confirm a realistic date for this work.

719.5 The Chairman asked for confirmation by mid-July that all the actions have been dealt with.

MIN NO.

- 719.6** The meeting recommended that a written submission be prepared for the September CIE Board Audit & Risk Committee, confirming completion of outstanding actions.

720 DECLARATIONS OF INTEREST

No conflicts of interest were declared

721 MINUTES

The Minutes of the meeting held on 21st March 2017, previously circulated, were taken as read and were signed by the Chairman as a true record of the proceedings.

721.1 MATTERS ARISING

721.2 Minute 713.1 – Chief Executive's Letter to the Chairman

██████████ confirmed that the section on Legal Disputes involving other State Companies had been finalised.

722 OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS

The list of outstanding actions from the previous meetings, previously circulated, was taken as read and noted.

723 INTERNAL AUDIT REPORT

The (a) Progress Update on Internal Audit 2017/2018 Programmes, (b) Remaining Scheduled Audits January 2017 – June 2018 Programme and (c) Audit Reports Completed since the Last Meeting, previously circulated, were taken as read and noted.

723.1 AUDIT PROGRAMME

██████████ advised that:

- Eight audit reports had been issued to date in 2017.
- Eleven audits are in progress.
- A memorandum has been issued concerning the Maynooth booking office revenue reconciliation.
- Work is on schedule and there are no outstanding management responses.
- There are thirty-five audits remaining on the schedule.

723.2 COMPLETED AUDIT REPORTS

██████████ reported on issues raised and management responses and the following was discussed:

- The ticket vending machine (TVM) audit showed that revenue collected via the TVMs is reconciled correctly and is managed well by the revenue control office. A recommendation was made to use clearly marked test tickets. A second recommendation was to implement a different distribution of individual ticket machine audits, which are done on each machine annually, in order to balance the workload.
- A thorough audit was performed on integrated ticketing for 2016 and controls were found to be satisfactory. The risks associated with supplier support while migrating to the new system have been recognised, although there are no indications that the support will not be continued.
- Account based ticketing would be covered in a later phase of Customer First.
- Following on from the audit of Maynooth booking office, a reconciliation to Pearse cash office has been undertaken and the correct cash balance has been advised. Recommendations have been made regarding retention of paper records and in shortening the time between cash collection and delivery to Pearse.
- A review of six month's records is being undertaken by Iarnród Éireann Finance.

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- Other locations have been examined.
- Iarnród Éireann is putting in tier escalation procedures
- A summary report will be given to the June board.
- The previous audit in Maynooth took place in 2011.
- Generally short notice is provided in advance of revenue audits.

724 CHIEF PROCUREMENT OFFICER

██████████ *joined the meeting at this time}*

724.1 CPO REPORT

The CPO's Procurement Report to the ARG previously circulated was taken as read and noted.

724.2 ██████████ summarised current procurement activity:

██████████ *left the meeting}*

725 FULLY DEPRECIATED ASSETS

The memorandum previously distributed was taken as read and noted.

725.1 ██████████ advised that work is underway to identify assets that need to be taken off books and to see which end of life dates need to be revised. This work is scheduled to be complete by end September 2017.

726 RISK MANAGEMENT

██████████ *joined the meeting for this item}*

The memorandum previously distributed was taken as read and noted.

726.1 ██████████ highlighted the list of principal risks identified by management. During the discussion suggestions were made on wording for some of the mitigations and the following comments were made:

- Work on ensuring moderate safety risks are as low as reasonably practicable (ALARP) is almost complete and will be included in future reports
- The third party review of the risk management framework has commenced by Mazars and a report will be made to the June board meeting.
- An audit on cyber security was completed last year which produced nine recommendations. Actions on these recommendations will be completed by September. A fresh study of cyber security will be undertaken in late 2017.

██████████ *left the meeting}*

727 IT AUDIT RECOMMENDATIONS

The memorandum previously distributed was taken as read and noted.

727.1 It was noted that all recommendations except those pertaining to the payroll system will be implement before the end of 2017.

727.2 The ARRG asked for an exercise to be undertaken to provide assurance that leavers from Iarnród Éireann employment have their access to systems removed promptly. Internal Audit will perform this exercise.

MIN NO.

728 PROTECTED DISCLOSURES

The memorandum previously distributed was taken as read and noted.

729 ISSUES FOR THE ATTENTION OF THE ARG

729.1 The Chief Executive advised that he had no other issues to raise at this time.

730 AUDIT COMMITTEE TRAINING

730.1 Opportunities for specialist training for members of the ARRГ were discussed.

730.2 It was agreed to address this issue later in 2017, when there is more certainty on new board appointments and probable changes in membership

731 PROPOSAL FOR INTERNAL REVIEW OF ARRГ.

731.1 It was agreed that the Chairman and secretary should review the use of the standard audit committee check list for self-appraisal

732 ANY OTHER BUSINESS

732.1 DATE OF NEXT MEETING

732.2 The next meeting is on 19th October 2017

732.3 There being no other business the Chairman closed the meeting.

Chairman

Date

PRIVATE AND CONFIDENTIAL

**MINUTES OF THE 68th MEETING OF THE
IARNRÓD ÉIREANN BOARD AUDIT AND RISK COMMITTEE
HELD ON 22nd MAY 2018
IN THE CHIEF EXECUTIVE'S OFFICE, CONNOLLY STATION**


PRESENT

Ms Valerie Little	- Chairman
Mr Mal McGreevy	- Director

IN ATTENDANCE

	- Chief Financial Officer, Iarnród Éireann
	- Head of Internal Audit, CIE
	- Chief Executive, Iarnród Éireann
	- Acting Chief Financial Officer, CIE
	- Assistant Secretary, Iarnród Éireann
	- Chief Procurement Officer, Iarnród Éireann (part)
	- Chief Risk Officer (part)

APOLOGIES

Apologies were received from  .

MIN NO.

773 INTRODUCTION AND DECLARATION OF INTERESTS

773.1 The Chairman congratulated  on his recent appointment as Chief Executive.

773.2 No conflicts of interest were declared.

774 MINUTES


The Minutes of the meeting held on 20th March 2018, previously circulated, were taken as read and were signed by the Chairman as a true record of the proceedings.

775 OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS

The list of outstanding actions from the previous meetings, previously circulated, was taken as read and noted.

776 INTERNAL AUDIT REPORT

The GIA Progress Update on Internal Audit Programmes, Scheduled Audits 2018/9 Programme and Audit Reports Completed since the Last Meeting previously circulated were taken as read and noted.

776.1  reported on issues raised and management responses.

776.2 GIA PROGRESS UPDATE

Twelve audits are in progress at present and these will be reported on completion.

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- There are twenty seven audits outstanding in the plan and all will be progressed or carried over to next plan.
- 776.3** **COMPLETED AUDIT REPORTS**
- 776.4** The four completed audit reports issued since the last meeting were noted:
- Per Way Payroll Follow-Up
 - Nationwide Stock Count Review
 - Per Way Payroll Pearse
 - Accounts Payable
- 776.5** The Per Way Payroll recommendations were discussed in more detail with some recommendations from a previous audit, [REDACTED], still requiring management attention. [REDACTED]
- 776.6** The ARC requested that a follow up by Internal Audit on completion of actions be reported to next ARC meeting. [REDACTED]
- 776.7** It was acknowledged that some process issues need to be resolved in advance of the implementation of the new payroll system and the Chief Executive undertook to communicate to line management the need for strict adherence to timely timesheet certification. He will check if supervision of certification of payments is part of line management's performance regime. [REDACTED]
- 776.8** The Chief Executive also stated that Iarnród Éireann have put controls in place for a quarterly update on the recommendations.
- 776.9** The Accounts Payable audit reported particularly good adherence to procedure.
- 776.10** **FREEDOM OF INFORMATION (FOI) REQUEST**
- [REDACTED] advised the meeting that a FOI request has been made for all Internal Audit reports issued for Iarnród Éireann in the past year. This will be responded to by Iarnród Éireann with the standard redactions.
- 777** [REDACTED]
- [REDACTED]
- 777.1** [REDACTED]
- [REDACTED]
- 778** **DRAFT FIVE YEAR PLAN**
- The memorandum previously distributed was taken as read and noted.
- 778.1** [REDACTED] outlined the key features of the Plan which proposes to have Infrastructure Manager in steady state, as per the 2016 Rail Review, by 2030 and which shows a small profit to the company each year.
- 778.2** [REDACTED] pointed out that the Balance Sheet remains weak and cannot support unfunded capital investment or maintenance. The net result is a small profit each year from the commercial businesses. The funding gap is c. [REDACTED].
- 778.3** The assumption relating to funding, revenue and expenditure were noted.
- 778.4** [REDACTED] suggested that in the future fares may need to be adjusted to cope with capacity constraints. He also suggested that the completion date of the Train Protection project should be recognised in the plan.
- 778.5** The enhancement expenditure profile was discussed and it was noted that initial focus will be on the Maynooth Line.

MIN NO.

778.6 [REDACTED]

778.7 The ARC recommended the Plan to the board, with minor wording clarifications noted

779 THE VAULTS

779.1 [REDACTED]

779.2 [REDACTED]

779.3 [REDACTED]

779.4 It was agreed that the summary report should be included in the board pack for noting.

780 CHIEF PROCUREMENT OFFICER

[REDACTED] *joined the meeting at this time*

780.1 CPO REPORT

The CPO's May Procurement Report to the ARC previously circulated was taken as read and noted.

780.2 [REDACTED] updated the meeting on procurement matters and all KPIs were within set limits and there were no reportable non-compliances.

780.3 His report included a summary of purchases of materials as stock items, which are not under the remit of the CPO. There was a small number of non-compliant transactions (c. 1%).

780.4 The Chief Executive [REDACTED]

780.5 [REDACTED]

781 TERMS OF REFERENCE

The memorandum previously distributed was taken as read and noted.

781.1 It was agreed to recommend the revised Terms of Reference to the Iarnród Éireann board.
[REDACTED] *left the meeting*

782 DISCLOSURE OF RESERVE FOR THIRD PARTY & EMPLOYERS' LIABILITY

The memorandum previously distributed was taken as read and noted.

782.1 [REDACTED] outlined the management's position on CIE's request that operating companies accept full liability arising from third party and employers' liability claims.

782.2 He stated that he would continue to accrue for these claims as directed by the CIE Investigations Department.

782.3 The ARC concurred with this stance.

783 RISK MANAGEMENT

■■■■■ *joined the meeting for this item}*

The five memoranda previously distributed was taken as read and noted.

783.1 ■■■■■ summarised his report including the review of the CIE Risk Principles document and associated update to Iarnród Éireann Risk Policy and Framework. Changes to the risk profile include:

- A new process is in place for monitoring moderate safety risks. The relevant member of the Executive Team must now confirm monthly that the risk is as low as reasonably practical (ALARP).
- One new principle risk – GDPR – has been added. There are a number of actions associated with it and the risk ranking is expected to reduce as actions complete.
- Risk ranking of Industrial Action has reduced
- All Principal Risks are now monitored by relevant advisory groups but the ITSG is not set up yet

783.2 The two detailed reports for the Principal Risks assigned to the ARC were noted.

■■■■■ *left the meeting}*

784 REPORTS FOR NOTING

The following reports previously distributed were taken as read and noted.

- a) ISAE 3000 (Deloitte Final report on ticketing controls)
 - Two findings – SAM register and audit log for super users – are in place now
- b) ISAE 3402 (KPMG audit of Leapcard for NTA)
 - This report was not completed in time for Iarnród Éireann audit.
- c) INEA Audit of the City Centre Re-Signalling Project
 - A once off error in the claim has since been rectified
- d) Asset disposals 2017
- e) Protected Disclosures 2017
- f) Legal Report

784.1 It was noted that processes for the management of all cases with the potential to involve legal action are being enhanced for earlier oversight and executive intervention if required. From these processes a summary of any cases with high potential impact will be included in the subsequent CEO report to board. The ARC supported this approach.

785 ISSUES FOR THE ATTENTION OF THE ARG

785.1 The Chief Executive advised that he had nothing further to report at this time.

MIN NO.

786 ANY OTHER BUSINESS

786.1 FORWARD AGENDA

The members will meet with the Chief Executive in late summer to review the half year accounts.

786.2 DATE OF NEXT MEETING

The next meeting is on 24th October 2018.

786.3 There being no other business the Chairman closed the meeting.

Chairman

Date