Collection of information prior to the twelfth meeting of the Working Group on the Prevention of Corruption

Response from IRELAND

Article 9, paragraph 2:

“Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to promote transparency and accountability in the management of public finances. Such measures shall encompass, inter alia:...

(c) A system of accounting and auditing standards and related oversight;
(d) Effective and efficient systems of risk management and internal control; and
(e) Where appropriate, corrective action in the case of failure to comply with the requirements established in this paragraph”.

Describe (cite and summarize) the measures/steps that your country has taken, if any, (or is planning to take, together with the related time frame) to implement the relevant provision of the Convention and to promote the implementation of resolution 8/13.

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<th>Reference</th>
<th>Measures</th>
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<td>(i) Measures taken to promote, in accordance with the fundamental principles of the legal systems, the independence of the supreme audit institution;</td>
<td>The Comptroller and Auditor General (C&amp;AG) of Ireland is an independent, constitutional officer, appointed by the Irish President, on the nomination of Parliament. The C&amp;AG is responsible for controlling the release of funds for public services as approved by Parliament, auditing public accounts, undertaking independent examinations on the management and use of public resources and reporting the results of this work to the Parliament. In this way, the C&amp;AG supports the parliamentary control and accountability process while being independent of it. The C&amp;AG is supported in his statutory function by the Office of the Comptroller and Auditor General (OCAG) which is staffed by civil servants. The OCAG is headed by an Accounting Officer, who is also a Director of Audit. The Parliament approves funding every year for Government departments and offices to spend on the provision of public services, which are called ‘voted’ funds because Parliament votes on it. After the end of the year, these departments and offices in receipt of the voted funds, prepare an account of their expenditure and receipts, called the appropriation account. This Account must be signed by the Accounting Officer, usually the Secretary General or Head of the department or office in question, who is responsible for having the Account prepared and presented for audit to the Comptroller and Auditor General. The Accounting Officer may then be called to appear before the Committee of Public Accounts (PAC) of Parliament to give evidence about the account, and in relation to any other account that the department or office is required to prepare. The C&amp;AG attends</td>
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PAC meetings as a permanent witness but it should be noted that the PAC and C&AG are independent in law and in practice.

The OCAG Accounting Officer is responsible for preparing the appropriation account of the OCAG, and submitting it for audit to the C&AG, in the same way as all Accounting Officers of Government departments and offices in receipt of voted funds. The C&AG issues an audit certificate on the appropriation account of the OCAG. In addition to this, the C&AG arranges for an independent financial audit of his Office each year, which is conducted by a contract firm of accountants. Their audit certificate is also included in the appropriation account, which is presented to Parliament. The C&AG presents all appropriation accounts for each year, including the OCAG appropriation account, to Parliament. These are also published on the OCAG website.

The C&AG is independent of all other institutions of State, and his relationship with Parliament is solely a reporting one.

The C&AG has complete discretion as to the nature and extent of the work carried out, but must report annually to Parliament on the appropriation accounts.

| (ii) Measures taken to implement policies for the effective operation of the supreme audit institutions in accordance with the principles and standards formulated by the International Organization of Supreme Audit Institutions, | Audits of the C&AG are conducted in accordance with the International Standards on Auditing as promulgated by the International Organisation of Supreme Audit Institutions. |
| - with regard to ensuring the proper management of public finances and public property, and | |
| - in areas such as public procurement; | |

| (iii) Measures taken to promote transparency and accountability in the management of public finances, including through a system of accounting and auditing standards and related oversight; | The C&AG supports effective democratic scrutiny through published reports and in the provision of assistance to the Committee of Public Accounts (PAC) in its examination of the public finances. |
| | The C&AG expresses an individual audit opinion to the Parliament on all accounts subject to his remit. He presents an annual report to the Parliament on the results of his financial audit of the appropriation accounts and on value for money and special reports on subject chosen by him. |
| | Audit reports on annual accounts are publicly available on Parliament’s website and are also available of our Office’s website. |
| | All reports are considered by the PAC. The PAC is a select committee of the Parliament. Its main objective is to make recommendations, |
The PAC is entitled under Standing Orders to send for persons, papers and records. It reports its findings to Parliament but follow-up is a matter for the Government, and the Minister for Public Expenditure and Reform notifies the PAC of action taken in response to its reports. Meetings are held in public and the C&AG is a permanent witness at all meetings.

(iv) Measures taken to promote examining, periodically or as necessary, the applicable financial and accounting frameworks and procedures, in order to determine their effectiveness in the fight against corruption;

- Consideration is given to the potential for the risk of fraud in the design of audit procedures.

(v) Measures taken to ensure that the audited entities respond to the findings of the audit reports, implement the recommendations of the supreme audit institutions and take appropriate corrective action, including criminal prosecution, to ensure the proper management of public affairs and public property;

- In relation to annual reports and special reports, the C&AG ensure the audited body is provided with the opportunity to respond to recommendations (including whether the recommendation is accepted) which are then included in the published report.

- The C&AG analyse the recommendations and responses and publish this analysis as part of their annual performance report.

- 2019 Performance Report included the following “....following examinations, made 38 recommendations aimed at ensuring good practice and improved performance, of which 100% were accepted in full or in part by the audited body.”

- The C&AG also make recommendations as part of post audit correspondence. In 2019, they raised nearly 1,300 matters requiring attention with the management of audited bodies.

- The implementation status of these recommendations are follow-up by audit staff as part of the following year audits.

(vi) Measures taken to involve the supreme audit institutions and the internal audit units in the country reviews under the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption, in particular in relation to the review of the implementation of chapter II, on preventive measures, including in the country visits, where applicable;

- The C&AG were not involved in the second cycle review of Ireland. However, details of their function was provided in Ireland’s response to the self-assessment checklist for chapter II.
| (vii) Measures taken to promote integrity and honesty through the application of codes of conduct in the supreme audit institutions and in particular measures for aligning these codes of conduct with the Code of Ethics promulgated by the International Organization of Supreme Audit Institutions; | The Office has a quality and ethics assurance system which is based on the requirements of international auditing standards. This includes ISSAI 130 *Code of Ethics*. In addition, there are specific legislative requirements (Ethics in Public Office Acts 1995 and 2001) ([link](#)) for more info. For employees, the civil service conduct applies - *The Civil Service Code of Standards and Behaviour* ([link](#)). |
| (viii) Measures to increase trust in supreme audit institutions, anti-corruption bodies and governmental and public institutions as a whole; | OCAG set a strategic objective to commission an independent external assessment of their performance against international standards and good practice, to be carried out by a panel of experts from international peer organisations. This peer review was completed in 2020 and all the recommendations made were accepted. The Office’s Statement of Strategy for the period 2021 to 2025 was recently published ([link](#)). This is intended to provide a roadmap for the development of the Office, for the benefit of citizens, members of Parliament, the bodies audited and staff. The process of developing this statement included wide consultation with stakeholders. A separate engagement strategy report summarising the findings from the consultation was also published ([link](#)). |
| (ix) Measures taken to build and strengthen relations between national legislatures and supreme audit institutions, and to encourage national legislatures to be aware of the findings of supreme audit institutions so that they may be taken into account when exercising parliamentary functions; | See response above in regards to relationship with parliament and PAC. |
| (x) Measures taken to strengthen the national, regional and international coordination and cooperation among the bodies involved in the prevention of and fight against corruption; | The OCAG have active engagement with international bodies such EUROSAI, INTOSAI and the European Anti-Fraud Office (OLAF) when applicable. In the recent past, a Director of Audit was a member of OLAF’s supervisory committee. |
| (xi) Measures taken to improve the exchange of information between anti-corruption bodies, supreme audit institutions and other governmental bodies operating in the field of combating corruption, | Detail in regard to some of the OCAG reporting mechanisms are as follows: **Tax evasion** |
Where serious tax evasion arises, the matter may be reported to the Revenue Commissioners (Tax Authorities).

Under section 1079 of the Taxes Consolidation Act 1997, there are specific duties placed on the auditors of companies in relation to certain revenue offences.

**Reporting Fraud under Criminal Justice legislation**

Section 59 of the Criminal Justice (Theft and Fraud Offences) Act 2001 imposes obligations on auditors to report to a member of the Garda Síochána (Police Service) the fact that the accounts of a firm (or any information or document used for the of keeping or auditing the accounts of a firm) indicate that the specified offences under the Act may have been committed by the firm concerned or by certain person(s) involved in the firm. The C&AG is considered to come within the definition of an auditor under the Act and likewise the word ‘firm’ is considered to encompasses the bodies (including Government Departments) whose accounts are audited by the C&AG.

**Money laundering**

Any specific cases of fraud that the auditor considers as part of the financial audit will also require him or her to make a money laundering report. Once the Office’s Money Laundering Reporting Officer has received a report, s/he has to make a decision as to whether to submit a report to the Gardaí (Police Service) and Revenue (Tax Authorities).

**Corruption**

In the first instance, the matter of corruption is normally brought to the attention of those charged with governance. It is then the responsibility of those charged with governance to report the matter to the proper authorities. In the exceptional circumstances where there are doubts about the integrity or honesty of management or those charged with governance, she or he may consider it appropriate to obtain legal advice to assist in determining the appropriate course of action. Where those charged with governance are appointed by the Government or a Minister of the Government, the C&AG may consider reporting such matters to a Minister or sponsoring department with responsibility for the entity.

**General obligation to report offences**

Section 19 of the Criminal Justice Act 2011 provides for an offence where a person has information which she/he knows or believes might be of material assistance in preventing the commission of an offence or securing the apprehension, prosecution or conviction for a relevant offence. A relevant offence includes offences under...
company law, theft and fraud offences and bribery and corruption. Given their nature and mandate, it is expected that any information coming into the possession of public bodies, including the Office, which meet the above criteria will be forwarded to the Garda Síochána (Police Service) or relevant appropriate authority.

(xii) Measures taken to promote transparency including by publishing findings of both the anti-corruption bodies and the supreme audit institutions;

| (xii) Measures taken to promote transparency including by publishing findings of both the anti-corruption bodies and the supreme audit institutions; | The C&AG presents an annual report to the Parliament on the results of his financial audit of the appropriation accounts and on value for money and special reports on subject chosen by him. Audit reports on annual accounts are publicly available on Parliament’s website and are also available on the Office’s website [https://www.audit.gov.ie/en/](https://www.audit.gov.ie/en/). |

Provide examples of the implementation of those measures, including related court or other cases and available statistics.

| Reports prepared by the supreme audit institutions, national legislatures of body or bodies that prevent corruption; | Recent reports in this regard

- *Controls over humanitarian assistance funding*, available [here](https://www.audit.gov.ie/en/)

- *Revenue’s progress in tackling tobacco smuggling*, available [here](https://www.audit.gov.ie/en/)

- *Control of Ireland’s Bilateral Assistance Programme*, available [here](https://www.audit.gov.ie/en/)


| External reports on the operation of the supreme audit institutions; | The Office recently commissioned an independent peer review. The full report and the C&AG’s statement on the review were published on our website [here](https://www.audit.gov.ie/en/). |