



FW: Internal Audit Report
Chief_Administration_Office
to:

'pac@oireachtas.ie'
07/03/2018 15:15

Cc:
"Patrick.Fannin@Oireachtas.ie", "Malone, Gail A.", "Nugent, Joseph"

Hide Details

From: Chief_Administration_Office <cao@garda.ie>

To: "pac@oireachtas.ie" <pac@oireachtas.ie>,

Cc: "Patrick.Fannin@Oireachtas.ie" <Patrick.Fannin@Oireachtas.ie>, "Malone, Gail A." <gail.a.malone@garda.ie>, "Nugent, Joseph" <joseph.p.nugent@garda.ie>

1 Attachment



Response to PAC - ICT Payment Process Audit.pdf

I am directed by the Chief Administrative Officer to refer to above and attached correspondence which is forwarded for your information.

I am also to advise that documentation requested in your correspondence dated 23 February will be forwarded to the Committee early next week.

Kind regards

Helena

From: Kelly, Niall

Sent: 22 February 2018 18:11

To: 'PAC' <PAC/Oireachtas@oireachtas.ie>

Cc: Nugent, Joseph <joseph.p.nugent@garda.ie>; Malone, Gail A. <gail.a.malone@garda.ie>;

Chief_Administration_Office <cao@garda.ie>

Subject: RE: Internal Audit Report

Ref No: PAC32-I-712

Pat,

In relation to your note it was decided that the best form of response to the PAC from AGS would be a corporate response from the Office of the Chief Administrative Officer rather than a response from Internal Audit as Internal Audit is not responsible for implementing the recommendations of audit reports. I am aware that this response is at an advanced stage of preparation and will be forwarded within days.

Niall

Niall Kelly | Head of Internal Audit | Garda Internal Audit Service / Seirbhís Iniúchóireachta Inmheánaí an Gharda Síochána | 89-94 Capel Street | Dublin 1 | D01 E3C6 | Phone 00 353 (0)1 6668589. 086 8281550 | Email niall.kelly@garda.ie | [GIAS Portal Page - Click here for 'How To'?](#)

From: Patrick Fannin [<mailto:Patrick.Fannin@Oireachtas.ie>] **On Behalf Of** PAC
Sent: 21 February 2018 17:04
To: Kelly, Niall <Niall.Kelly@garda.ie>
Cc: Commissioner <Commissioner@garda.ie>; Nugent, Joseph <joseph.p.nugent@garda.ie>; pac@oir.ie
Subject: Fw: Internal Audit Report

Niall, I'm following up on correspondence for which we do not appear to have received a response.

I would be grateful if you would let me know the position regarding the attached request from the Committee please.

Please revert if you require further information.

With regards,

Pat Fannin | Committee of Public Accounts
Houses of the Oireachtas | Kildare House | Dublin 2 | D02 XR20
T: +353 1 6184123

----- Forwarded by Patrick Fannin/Staff/Oireachtas on 21/02/2018 16:59 -----

From: PAC/Oireachtas
To: "Kelly, Niall" <Niall.Kelly@garda.ie>,
Cc: Commissioner <Commissioner@garda.ie>, "Nugent, Joseph" <joseph.p.nugent@garda.ie>
Date: 24/01/2018 12:03
Subject: Internal Audit Report
Sent by: Margaret Falsey

Dear Niall,

I attach a letter on behalf of the PAC.

If you have any questions please feel free to contact me.

Kind regards
Margaret Falsey
PAC Secretariat
016183074

(See attached file: [PAC32-I-712] GIAS - meeting 18.01.2018.pdf)

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**ICT Directorate Payment Process – Audit Report
2017**

“ICT Response”

Draft Version 1.0

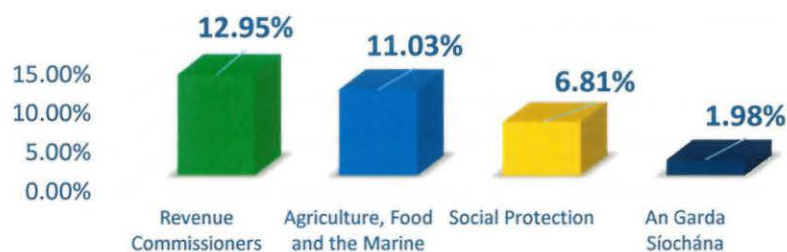
February 2018



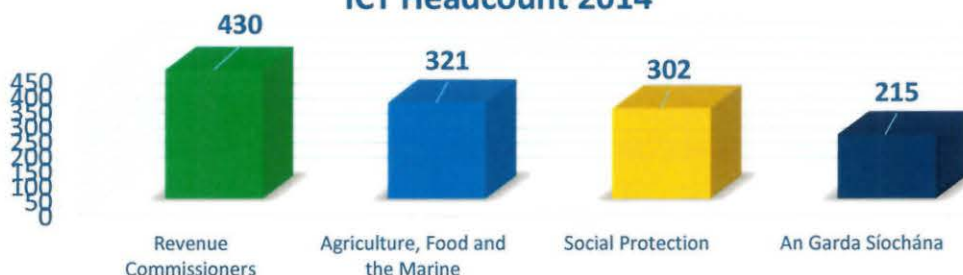
1 Introduction

Since 2008 An Garda Síochána has been constrained in providing the ICT capabilities needed to meet the challenges faced by a modern police service as a result of consistent downward management of both expenditure and headcount. Over this period capital expenditure reduced by up to 50% while operational expenditure reduced by up to 43%. The permanent public-sector cohort in ICT has also been depleted by over 37% since 2008. Our current headcount figures are also significantly lower than those of similarly sized public sector organisations, specifically 50% lower than that of the Revenue Commissioners, 33% lower than that of the Department of Agriculture and 29% lower than that of the Department of Social Protection. As a result, it was critical that ICT had external Skilled Resources, with the necessary technical skillsets to ensure that our policing and national security systems were supported and available 24*7 for our operational resources.

ICT Budgets 2014 – “As a percentage of overall Administration Budgets”



ICT Headcount 2014





An Garda Síochána

As a consequence of the above restrictions ICT have been required to deliver in a flexible, agile and cost-effective manner, as well as maintain our core systems which on average have had an uptime percentage of 99.8%. Notable releases during this period include the introduction of;

- TETRA - Secure Emergency Radio Communications Network
- eVetting – National Vetting Application
- Intelligence Management Application
- Automated Number Plate Recognition System
- Criminal Justice Integration Project

Key to the above releases and the successful day to day running of ICT has been our comprehensive approach to governance including, risk and issue management, assurance, and project management control processes, peer reviews and stewardship enabling us to support the organisations strategies, policing plans and the current and future programme of ICT initiative.



2 Main Findings and Recommendations

Finding: “Recording of hours”

Some contractors engaged through Accenture do not record their hours of attendance on an Electronic Time Recording System, unlike other contractors engaged in ICT. Recording of hours provides a valuable verification for ICT management and personnel responsible for authorising invoices from the various contractors. GIAS recommend this as a reasonable control. In addition, there is no clearly documented process in place and no evidence of countersigning of timesheets to verify hours worked for some Accenture personnel. GIAS consider handwritten timesheets to be a much weaker system of accountability than the electronic system that is in place for other contract staff employed with different vendors.

Response: As of the 1st of September 2017, all Accenture Staff under the Skilled Resource contract are subject to the Garda Electronic Time Recording System. Previous to this Accenture Staff under the Skilled Resources contract followed an agreed process where they entered their time into an internal Accenture Electronic Time Recording System, from which timesheets were printed and provided to ICT for monthly verification. The monthly review of timesheets was conducted by a sergeant within ICT whom liaised directly with the senior Accenture contract manager to provide sign off.

Accenture staff also work on specific projects and associated contracts which are based on fixed deliverables where payments are linked to deliverable milestones rather than time assigned. As a result, these specific project resources are not subject to the Electronic Time Recording System, for example the Schengen Information System and Major Investigations Management System projects.

Finding: “Contracts”

The contract with Accenture provided to the audit is dated August 2009. This contract was extended without recourse to tendering and remains the basis for the skilled resources provided by Accenture. As this contract has not been renewed since 2009 GIAS are not satisfied An Garda Síochána has complied with its procurement obligations.



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Response: The skilled resources contract with Accenture commenced in 2009. This was an initial 2 year contract which allowed for a further two year extension until end of 2013 which An Garda Síochána availed of. Over the duration of the contract the average cost per resource has decreased by 8%. The contract has been extended since 2013, in order to ensure the continued operation of ICT Services. The Accenture skilled resources contract is complex and provides resources that cover a number of ICT Services. The retendering of this contract was delayed by a number of years due to the complexity of this contract and the lack of a permanent resource to prepare a new tender and run a procurement competition.

An Garda Síochána had commenced preparations for a new procurement process in consultation with the Department of Justice & Equality. An Garda Síochána was made aware in 2015 that the Office of Government Procurement intended to establish a government wide framework for the provision of ICT skilled resources of which An Garda Síochána could avail and to which public service bodies would be obliged to use. This new Office of Government Procurement (OGP) framework for skilled resources has become available from August 2017. In December 2017 An Garda Síochána received approval from the Department of Public Expenditure & Reform (OGCIO) to proceed to procurement utilising the OGP framework and An Garda Síochána is now preparing as a priority to go to market accordingly in Quarter 1 2018.

Finding: “Skilled Resources”

The audit was informed that for example, ICT Skilled Resources are being drawn from the Accenture contract 2009 whilst an Garda Síochána wait for the OGP National Framework to be completed. Even at that, concerns were expressed to the auditor that the National Framework may not meet all the requirements for ICT.

Response: An Garda Síochána has since consulted with the Office of Government Procurement (OGP) with regard to the framework and we are satisfied that it meets our requirements for skilled ICT resources.



An Garda Síochána

Finding: “Prepayments”

GIAS have raised the question of pre-payments to contractors as this practice is unusual in An Garda Síochána.

Response: An Garda Síochána’s decision to apply prepayments is made in line with the overall Garda budgeting process. Accenture as part of all prepayments discussions provide a range of discount options dependent on the level of prepayment, for example a 12-month prepayment would result in a 5.5% discount which is a significant saving to Garda ICT. If Garda ICT then wished to terminate the contract at any point a standard 30-day termination clause is included. Upon termination Accenture would be required to repay any prepayment they had not already worked.

In relation to a number of the fixed price delivery contracts with Accenture, such as PEMS, Garda ICT are contractually obligated to prepay 30% - this is in line with industry standards and is not unique to An Garda Síochána.

The payment to Computer Associates plc is not a prepayment. It is a standard ICT industry requirement to pay for software support and maintenance services for the year ahead rather than in arrears.

Finding: “Recording of contractor hours”

Individual projects are managed by Team Leaders (Garda employees at HEO level) who assign individual contractor personnel to the various projects. The contractors each have their own in-house system for recording hours worked by the personnel engaged by them. The Team Leaders allocate the time to be spent, and the contractor staff to be allocated, on each project. GIAS were advised that no written work plan was provided to the Team Leaders for some assignments.

GIAS note that, with the exception of those engaged by Accenture, contractor personnel also record their hours of attendance on the electronic clocking system. This provides a valuable verification for management and for those Garda ICT staff responsible for authorising the invoices from the various contractors. GIAS commend this useful control.



An Garda Síochána

Response: As previously stated, from the 1st of September 2017 all Accenture Staff under the Skilled Resource contract are subject to the Garda Electronic Time Recording System. Previous to this Accenture Staff under the Skilled Resources contract followed an agreed process where they entered their time into an internal Accenture Electronic Time Recording System, from which timesheets were printed and provided to ICT for monthly verification. If requested ICT could also access the systems directly rather than rely on printed versions. The monthly review of timesheets was conducted by a sergeant within ICT whom liaised directly with the senior Accenture contract manager to provide sign off.

With regard to 'no written work plan' there is a comprehensive ICT Business Plan and a release schedule which sets out what tasks and projects all staff are working on, which is reviewed on a fortnightly basis at the ICT Senior Management meeting, and is circulated to all staff via PAF meetings and to external stakeholders as required. There are also specific project plans in place for individual projects. In addition, a lot of ICT work is reactive in nature in terms of supporting live issues as they occur and providing real time user support. For this type of ICT work there are no written work plans as such due to the reactive nature of the tasks but rather each support call is logged through the ICT Service Desk and progress in resolving the issue to completion is tracked and recorded on the Service Desk software. Management reporting on all ICT Service Desk calls, status etc. are available and in use.

Finding: "Controls over payments"

GIAS are satisfied, with the exception of Accenture, that the controls over payments are effective and make the following observations:

For large infrastructural projects, where the contractor would need priming funding, prepayments are an accepted practice. While commending ICT for securing and availing of discounts, GIAS is not convinced that this practice is appropriate for continuing multiannual service contracts. It is acknowledged however that benefits accrue in the value for money discounts allowed for payments made in advance.

Response: An Garda Síochána's decision to apply prepayments is made in line with the overall Garda budgeting process. A standard 30 day termination clause is included in each contract should services need to be terminated.



Finding: “Shortage of in-house specialist resources”

As these projects are critical to the delivery of the Modernisation and Renewal Programme the shortage of in-house specialist resources should be included on the ICT Directorate Risk Register and on the Corporate Risk Register.

GIAS are also conscious that the ICT Strategic Plan 2015 has not been implemented. This is seriously effecting the delivery so services and the effectiveness of the available resources across the organisation. It is therefore recommended that the non-implementation of this Strategic Plan is included on the Corporate Risk Register.

Response: The HR Strategy for ICT sets out the resources required to support the current ICT estate and the structure for expanding and contracting as required to support new projects under the Modernisation and Renewal Programme. The shortfall in permanent resources has been recorded on the ICT Risk Register and is the key risk which has been forwarded by ICT for inclusion on the Garda Corporate Risk Register. Business cases for the additional staff required have been developed and forwarded to the Human Resources Directorate. There is ongoing consultation between the Executive Director ICT and the Human Resources Directorate in relation to same.

Finding: “Procurement”

The audit found that the 2016 extension to the original Accenture contract does not outline the contractor rates for specialist staff provided to An Garda Síochána. The revised 2016 rates were provided on a spreadsheet. There is no documentary evidence to show how the revised 2016 rates were agreed between Accenture and ICT management. GIAS were informed that the rates were verbally agreed between the Executive Director of ICT and Accenture. Best practice would have ensured documented records of these discussions and agreements.

Response: There are no verbally agreed rates. All rates are contained within the Master Services Agreement and the annual project documents. In addition, it is important to note that the rates have not changed since the 2009 skilled resources agreement and include the mandatory 8% reduction required by the Department of Finance Circular 02/09.



Finding: “Accenture Payments”

Payments of €26.6m to Accenture were noted across 9 projects. The principal contract with Accenture is dated August 2009. This 5 year contract was extended for an additional 2 years, without recourse to tendering, and remains the basis for the skilled resources provided by Accenture. As the contract is in place since 2009, GIAS are not fully satisfied An Garda Síochána has complied with its procurement obligations.

Response: See breakdown of €26.6m expenditure below. In summary

- €10.1m of this expenditure refers to ICT skilled resources costs under the Skilled Resources Services 2009 contract.
- €3.5m refers to skilled resources costs for the Strategic Transformation Office (STO) under Skilled Resources Services 2009 contract
- The remainder of this expenditure is not related to the Skilled Resources Services 2009 contract rather it is related to separate support and maintenance contracts and payments per contract schedules under fully sanctioned projects.

| Project Desc | Comments | Balance |
|--|--|----------------------|
| GIS Maintenance - AFIS System | AFIS Services Agreement 2006 Garda/DOJ | 307,181.21 |
| GIS Maintenance - GNIB System | Security Derogation -GNIB Services Agreement 2009 Garda/DOJ | 826,985.26 |
| GIS Maintenance - Live Operations | Skilled Resources Services 2009 contract T.295/2006 refers | 9,402,272.53 |
| GIS Maintenance - STO Resources | Skilled Resources Services 2009 contract T.295/2006 | 3,543,922.48 |
| Major Investigations System (MIS) - Phase 2 | Restricted Tender T121/2007 | 42,537.21 |
| Major Investigations System (MIS) - Phase 5 | Restricted Tender T121/2007 | 1,311,494.88 |
| Major Investigations System (MIS) - Phase 3a | Restricted Tender T121/2007 | 1,601,405.88 |
| Major Investigations System (MIS) - Phase 3b | Restricted Tender T121/2007 | 2,118,742.65 |
| MIMS Annual Support | Restricted Tender T121/2007 | 1,026,807.61 |
| MIMS Licences | Restricted Tender T121/2007 | 58,117.50 |
| UK eVISA CTA Project (Eurodac) | Security Derogation -Drawdown of support resources as part of the AFIS Services Agreement 2006 Garda/DOJ | 146,851.86 |
| UK eVISA CTA Annual Support and Maintenance | Security Derogation -Drawdown of support resources as part of the AFIS Services Agreement 2006 Garda/DOJ | 16,516.75 |
| Schengen Information System | Restricted Tender T141/2006 | 3,999,999.36 |
| Rosters and Duty Management System | Open Tender T014/2015 | 1,491,112.80 |
| GoAML | Skilled Resources Services 2009 contract T.295/2006 | 365,297.45 |
| Mobile Computing | Skilled Resources Services 2009 contract T.295/2006 | 335,409.63 |
| 2016 TOTAL EXPENDITURE | | 26,594,655.06 |



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Finding: “Micromail”

Micromail is the supplier for Microsoft software to An Garda Síochána. GIAS are informed that a tender process was conducted in 2014 and there is a licensing agreement in place up to 2017 with an option to extend for 2 years. Therefore, there is some assurance that An Garda Síochána has complied with its procurement obligations in this instance.

Response: Full procurement processes have been followed and do not agree with the ‘some assurance’ statement. Tender reference number T007\2014 refers.

Finding: “Premier Recruitment”

The services purchased from Premier Recruitment were under the terms of a Department of Jobs and Enterprise framework agreement (T.035/2015), from which An Garda Síochána are at liberty to drawdown resources. As this is a recent framework, GIAS are reasonably satisfied that An Garda Síochána has complied with its procurement obligations.

Response: The Department of Jobs and Enterprise framework agreement is available to other public bodies including An Garda Síochána. Tender reference number T.035/2015 refers

Finding: “Vantage Resources Ltd and Sogeti”

The services from Vantage Resources and Sogeti were engaged under the terms of a Framework for the supply of skilled resources dating from 2006 and in place until 2012. GIAS understands that further framework agreements with the Departments of Education / Justice were availed of from 2012 to October 2015 and from 2015 to January 2017. The enterprise architecture team are currently using this agreement. Again the principal contract has not been advertised for tender in recent years.

While the contract with Sogeti was renewed in December 2016, the underlying Framework contract has not been renewed since 2006. Therefore, GIAS are not satisfied that An Garda Síochána has complied with its procurement obligations.



An Garda Síochána

Response: Departments of Education / Justice framework agreements were available to other public bodies including An Garda Síochána. Full procurement processes were followed.

In relation to Sogeti who have provided one contract resource, An Garda Síochána is now preparing as a priority to go to market in Quarter 1 2018 for this position.

Finding: “Computer Associates”

The services are provided under a current awarded contract providing GIAS with some assurance that An Garda Síochána has complied with its procurement obligations.

Response: The CA software is an integral component of the Garda Information Systems Architecture and is used extensively for security, batch processing, service delivery and ICT helpdesk. It is a proprietary product to CA and there is a support and maintenance contract in place with that company.

Finding: “Oracle EMEA LTD”

This is a proprietary service. The Audit was informed that the services provided by Oracle Emea are by way of a current enterprise agreement provided under a long-standing contract. GIAS cannot be fully satisfied that An Garda Síochána has complied with its procurement obligations.

Response: Oracle is a proprietary product to Oracle and as such it necessary to engage Oracle for support and maintenance on their products. Again, Oracle is an integral component of the Garda Information Systems Architecture.

However, it would be important to note that AGS did liaise with the Department of Public Expenditure and Reform (OGCIO) in relation to a public sector wide Oracle licensing agreement which OGCIO was ultimately unable to conclude with Oracle. It therefore falls to each Government body / agency, including AGS, to agree individual licensing arrangements with Oracle.



Finding: “Procurement”

GIAS were informed of initiatives in the area of procurement including the Executive Director of IT engaging the services of external consultants “ICT Executive Focus” in the last 6 months to assist with the drafting of new tenders and reviewing the detail of the upcoming OGP national framework. It is the view of GIAS that this exercise should be undertaken in conjunction with the Procurement Officer for An Garda Síochána who is based in the Finance Directorate.

The audit was also informed that it is intended that the Executive Director of IT will review each area within ICT and the skilled resources required to operate each function. A roll out is planned for ICT to operate on a managed services (outsourced) basis but housed within an Garda Síochána. The first section for roll out will be the Shared Service desk. Tenders are expected to be invited before the end of April 2017 and the Department of Education and Skills 2006 Framework will be used.

Response: Were advised that at this stage to utilise the new OGP framework for skilled resources. It is planned to go to tender accordingly in Q1 2018.

Finding: “Recommendation Procurement”

ICT management must ensure that public procurement obligations are complied with.

Response: Agreed

Finding: “Recommendation Staff Substitution”

ICT management must continue to manage the risk of expensive highly skilled contractor staff being substituted by less qualified or less capable staff, while being charged at the same contract rates. Future agreements on contractor rates must be properly documented.

Response: All substitute contractors are reviewed for suitability and the rates must comply with the contract agreements. If the contracting company for reasons of promotion or lack of alternative resources is required to put a more senior resource into a junior role the additional cost of doing so resides with the contracting company



An Garda Síochána

and not An Garda Síochána. As previously stated, all contractor rates are properly documented and have decreased by 8% since 2009.