



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

2024-05 Audit of Data Board Oversight and Responsibility

Data Board

Record 1

Report Ratings

Control Environment	Management Risk Awareness
Adequately Controlled	Established

Findings Raised

High	Medium	Low
0	1	1

TITLE	PAGE
1. Introduction	3
2. Objective and Scope	3
3. Executive Summary	4
4. Audit Results Overview	5
5. Summary of Findings	8
6. Detailed Findings	9
Appendices	11

1. Introduction

Effective data governance and the continuous improvement of data operations are critical for the Bank, given its role in maintaining financial stability, implementing monetary policy, and overseeing regulatory compliance. Data increasingly underpins the Bank's core functions including economic analysis, banking supervision and risk management. Therefore ensuring its accuracy, security and accessibility is essential for informed decision-making and fulfilling its statutory mandate. In 2024, the Bank established the concept of "OneData", which brings together its data capabilities, tools and knowledge together in one place to support the whole Bank. It is an adaptable and scalable way of working for data and analytics, and comprises of four core data competencies: Data Science and Analytics; Data-as-a-Service; Data Governance and Management and Data Platform Delivery and Alignment. The Data Board governs these competencies.

The Data Board came into effect on 15 April 2024 with a purpose to oversee the all data related work, referred to as data initiatives, across the organisation, with overall accountability for the prioritisation and alignment of data initiatives with the strategic priorities of the Bank. The Data Board ultimately aims to uplift the maturity of the Bank's data governance and operations. The Directors of Supervisory Risk, Analytics & Data and Economics & Statistics directorates co-chair the Data Board. The membership of the Board is determined on the basis of Data Board's strategic priorities in terms of member's ability to support the delivery of the priorities through their BAU activities and/or data specific work blocks. Over the period under consideration by the audit, Data Board members comprised of the Chief Information Officer (CIO), the Director of Finance and Business Performance, the Director of Securities and Markets Supervision, a representative from the People Directorate, FSP2 business leads and HoDs over the 'hub and spoke' divisions within the OneData operating model.

The Advisory Working Group (AWG) and the Data Office (DO) support the Data Board. The AWG is primarily responsible for the management and monitoring of the data use cases as well as performing advisory reviews of items for consideration by Data Board e.g. policy documents. It is comprised of leads of data related technical competencies and heads of function (HoFs) for selected divisions. The Data Office is responsible for the organisational/logistical aspects of the Data Board including performing the secretariat role and preparing Management Information (MI). The DO acts as a point of contact for the wider Bank audience.

2. Objective and Scope

The main objective of the audit is to provide reasonable assurance regarding the effectiveness and efficiency of the Terms of Reference and operations of the Bank's Data Board. The audit period under review was April 2024 to January 2025. The scope was as follows:

- **Terms of Reference (ToR) of the Data Board and its responsibilities:** review the terms of reference and evaluate the mandate, responsibilities, decision rights and composition of the Data Board;
- **Operations of the Data Board:** evaluate the Data Board's operations, outputs and actions against the roles and responsibilities outlined in its ToR.
- **Inputs to the Data Board:** assess the timeliness and quality of reporting to the Data Board;
- **Escalation to the Data Board:** determine whether there are mechanisms in place to escalate issues/concerns to the Data Board, including the tracking of actions to completion;
- **Management Information & External Reporting:** assess Data Board reporting to Commission and sub-Committees.

3. Executive Summary

We would like to take this opportunity to acknowledge the cooperation and effort provided by the members of the Data Board to ensure the smooth progress and completion of this audit. Throughout the course of this review, we conducted meetings with stakeholders, completed walkthroughs with process owners, reviewed detailed documentation to gain an understanding of the Bank's Data Strategy, the Data Board's remit, roles and responsibilities and processes in place to operationalise data related strategic objectives.

During the development of the Bank's data strategy in 2023, the Bank assessed that its data analytics capabilities were operating in silos with limited synergies across the Bank. The soloed way of operations challenged the Bank to set a data related strategic vision and direction. The Bank recognised the need for creating a central decision making body (the Data Board) with a purpose to provide a collaborative leadership and create an integrated data environment for the benefit of all its internal and external stakeholders.

To successfully implement the Data Strategy, the Data Board has designed strategic priority data initiatives, established unified core data competency areas and identified the enabling processes and technologies to support its delivery objectives. The Data Board expect that it will complete all planned initiatives between 2025 and 2026. The Data Board developed the Bank's Data Governance Policy, Records Management Policy and data retention schedules for personal data. Additionally, the data competency teams carried out 45 data initiatives to support business areas in their day to day needs.

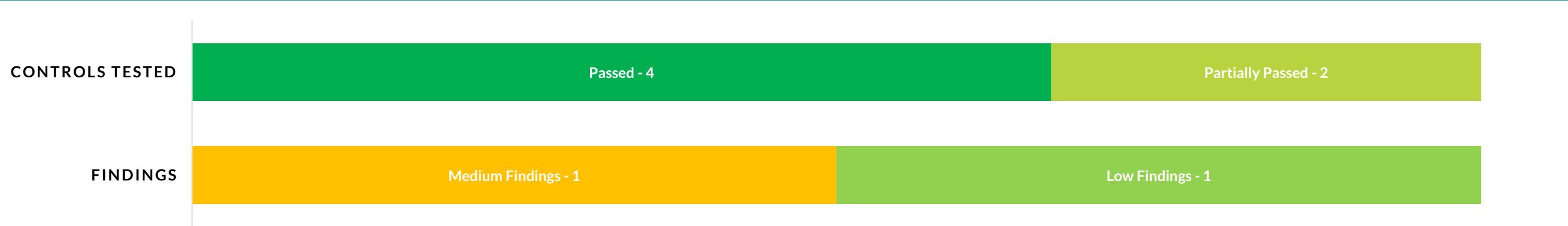
Upon completion of all current planned initiatives, the Bank is expected to see uplift in the usage of cloud based data analytic platforms to leverage scalability, security, Generative Artificial Intelligence (Gen AI) capabilities and other latest features offered by the market. Additionally, wherever feasible the Bank will look to automate aspects of its critical processes and adopt Gen AI solutions to enhance its effectiveness and efficiency to deliver on its mandate.

IAD assessed the Data Board's Terms of Reference (ToR), operations and stakeholder communications. IAD is of the view that the Data Board has put in place adequate structures and processes to fulfil its responsibilities, communicate with stakeholders and created avenues for divisions and all end users for consultations. We also observed that the Data Boards strategic data initiatives and deliverables will be implemented through strategic priority work streams, sponsored by Board members. Technical competency leads support the work streams, enabling processes and technologies. We acknowledge that these developments have positively impacted the Bank.

We did, however, identify one medium finding to further enhance the maturity of Data Board's operations. Whilst the Data Board has identified potential benefits and risks that may hinder the completion of the outcomes, we noted that they did not articulate outcome and benefits monitoring. Additionally, the Data Board did not clearly define the term "data initiatives", nor do they maintain a holistic view of data initiatives under its oversight, including the Data Board's role on the initiatives. Management advised that it will implement a mechanism to enhance governance to address the gaps noted. Furthermore, management will clearly describe the term "data initiatives" or data initiatives with a significant data element and leverage the Bank's annual business plan to maintain oversight of work on data across the Bank and define its role on these bodies of work.

Given the nature of the findings highlighted, we are assigning an "Adequately Controlled" opinion to the control environment. During the audit, IAD noted that the Data Board had conducted a self-assessment exercise over the effectiveness and efficiency of its operations, and addressed enhancements identified through the exercise. They identified actions and timelines to address the remaining area requiring enhancement. Additionally, we note the Data Board partially self-identified the medium finding in this report. Given the Data Board's awareness of the risks associated with the processes owned by the teams operating the processes in scope, we assign an "Established" management risk awareness rating to this report.

4. Audit Results Overview



SCOPE AREA	ASSESSMENT AND CONCLUSION
1. Terms of Reference (ToR) of the Data Board and its responsibilities	<p>The Executive Leadership Committee (ELC) approved the Data Board Terms of Reference (ToR) on 15 April 2024. The ToR sets out the framework and guidance for the Data Board’s operations. The document highlights the purpose, composition and responsibilities of the Data Board. IAD reviewed the ToR and also assessed the mechanisms established to carry out the stated responsibilities.</p> <p>The Data Board is responsible for a broad range of data related activities, including the delivery of the Bank’s Data Strategy. Additionally, the Data Board makes key decisions impacting the usage of data and acts as sponsors/partners for a set of Bank’s data related projects. Specifically, IAD assessed the mechanisms in place to carry out the following responsibilities that the ToR sets out:</p> <ul style="list-style-type: none">• Provide leadership and oversight for the Data elements of the Bank’s Strategy: The Data Board developed the Bank’s Data Strategy and has established seven strategic priority work streams to operationalise the strategy. The Data Board also plays governance, advisory and support roles on the Bank’s data related projects. Data Board reviews the Bank’s Annual Business Planning process and has visibility over the planned divisional data initiatives across the Bank. IAD observed that the ToR uses term “data initiatives” to refer to a body of work on the Bank’s data or underlying IT systems. The Data Board advised IAD that the term subsumes the Bank’s formal data related projects, data management policies and procedures, data analytics activities and Information System changes executed as part of business as usual tasks. IAD noted that the Data Board is yet to clearly articulate the term “data initiatives”, nor does it maintain a holistic view of data initiatives within the remit of the Data Board, including its role on the initiatives.• Ensure alignment of the data initiatives with wider Bank strategy including alignment with the Annual Business Plan: The Data Board participates in the Bank’s annual business planning. Divisions can request the Data Board’s assistance in fulfilling their divisional annual plans. This mechanism provides Data Board visibility over the data initiatives planned across the Bank and positions Data Board to make strategic recommendations.

	<ul style="list-style-type: none"> • Stakeholder Engagement & Prioritisation: The Data Board engages with stakeholders across the Bank and provides contextual insights into cross-functional projects, risk exposures, and potential synergies that impact the Bank’s data strategy. <p>Conclusion</p> <p>IAD is of the view that the Data Board has established adequate mechanisms to carry out its responsibilities. However, IAD identified gaps regarding articulation of the term “data initiatives” and maintaining a holistic view of data initiatives. We note this gap in Finding 1.</p>
2. Operations of the Data Board	<p>IAD assessed the mechanism established by the Data Board to manage its strategic priority work streams. For each work stream, the Data Board has defined objectives, deliverables, potential benefits, key risks and mitigants and enablers (people, process and technologies). The Bank has allocated [REDACTED] to the Data Board to implement 46 planned deliverables between the periods 2025 and 2026.</p> <p>Besides the strategic deliverables, the Data Board also supports the execution of other minor data initiatives requested by divisions or users of the Bank. These initiatives are termed as use cases, and include enhancing analytics capabilities for targeted data sets. IAD observed that documenting the process to manage use case lifecycle would further enhance the quality of the outcomes from the use cases.</p> <p>The Data Board has developed a Prioritisation and Value Framework to determine the potential benefits from planned data initiatives (both strategic priority deliverables and use cases). The framework has defined quantitative measures against benefit categories such as process effectiveness and efficiency, financial gains, organisational risk resilience, tangible & intangible capability gains (e.g. learning and culture), and gains from engagement with external stakeholders. IAD observed that whilst initiative owners develop the business cases for data initiatives using the above categories, a mechanism is not in place to monitor the value realised to the Bank following the implementation of data initiatives.</p> <p>Conclusion</p> <p>IAD is satisfied that Data Board has implemented processes to manage the strategic priority work streams. However, we observed inadequacies in monitoring the value realisation from Data Board’s execution of the data initiatives. We note this in Finding 1. We also observed that the Data Board has not designed a process to manage the lifecycle of use cases in a consistent manner. We note this in Finding 2.</p>
3. Inputs to the Data Board	<p>IAD acted as an observer in one Data Board’s monthly meeting and reviewed the information shared to the board during the audit period. IAD assessed Data Board’s role decision making and processes to support decision making. IAD noted that the Data Board is responsible to take decisions regarding the budget and resource allocation for the execution of the Bank’s Data Strategy. Additionally, the Data Board develops and approves data related policies and guidance. The AWG conducts preliminary assessment of data initiatives and use cases, to the Data Board for consideration and decision making. The DO maintains records of the decisions and delegated actions and prepares</p>

	<p>monthly MI. The monthly reports includes information regarding budgeting, resource allocation and progress against strategic initiatives and Use Cases, key policy developments and updates on other relevant internal and external factors.</p> <p>The Data Board is also represented on the Bank's Project and Programme Management Working Group (PPMWG) and the Project Leadership Team (PLT) for a set of the Bank's projects. The formal MI combined with insights gathered on broader data-related developments across the Bank feed into monthly Data Board meetings.</p> <p>Conclusion</p> <p>IAD is satisfied that the Data Board receives relevant information with adequate details for key decision making and to carry out their operations.</p>
4. Escalation to the Data Board	<p>IAD assessed whether there was a process in place to engage with the Data Board. IAD noted that the Data Board has established several avenues for divisions, teams and individuals to escalate requests. A clear process is in place for staff within in the Bank to raise a request for information or assistance through the Data Concierge. Staff can raise a request via email or via the "Log a Request" portal on the Data Concierge page on Plaza. New requests are discussed at the Competency Areas weekly connect meetings and at the monthly Advisory Working Group meetings. The AWG acts as an escalation point for the Competency Areas and The Advisory Working Group escalates items to the Data Board for discussion, decision or approval.</p> <p>Conclusion</p> <p>IAD is satisfied that mechanisms are in place to escalate issues or concerns to the Data Board, including the tracking of actions.</p>
5. Management Information & External Reporting	<p>IAD assessed the reporting requirements for the Data Board and reviewed the Management Information it circulated to reporting bodies, as well as communications to Bank staff. As per its ToR, the Data Board circulated an MI report to Deputy Governor for Monetary and Financial Stability in Q3 of 2024. The report included details regarding Data Board's budget requirements for each of the strategic priority work streams and progress against the data initiatives it operated. In December 2024, the Data Board published an annual newsletter on its SharePoint site highlighting all its achievements to date. The SharePoint site is accessible by all Bank staff. The Data Board and Data Office follow the guidance of oversight functions and the reporting cycles and requirements of Bank reporting, such as Annual Business Plan, PRC and PPMWG</p> <p>Conclusion</p> <p>IAD is satisfied with the reporting structure established for the oversight of the Data Board.</p>

5. Summary of Findings

DETAILS	ROOT CAUSE	IMPACT	RATING	OWNER	DUE DATE	PAGE
<p>1. Inadequate outcome and benefit monitoring, as well as a lack of a holistic view of data initiatives in the Bank.</p> <p>The Data Board does not yet have holistic view on work on data across the Bank. This limits its ability to oversee the work on data and manage the risk associated with data initiatives across the organisation.</p>	<p>The Data Board’s operations are still in its infancy, and the supporting structures are not fully embedded.</p>	<p>Failure to prioritise and align data initiatives with the strategic priorities of the Bank.</p>	<p>2C Medium</p>	<p>[Redacted] Data Board</p>	<p>Q4 2025</p>	<p>9</p>

6. Finding Details

1. Inadequate risk management measures, as well as a lack of a comprehensive data initiative inventory	2C - Medium
<p>The Data Board is the leadership group for the Bank’s Data Operating Model, with the purpose of developing the data maturity of the Bank. It has overall accountability for the prioritisation and alignment of data initiatives with the data related strategic priorities of the Bank.</p> <p>During our review, we assessed the processes and structures in place to ensure the Data Board can fulfil its responsibilities. Based on the work performed, we identified the following gaps:</p> <p>1. Inadequacies in the outcome and benefit monitoring applied to Strategic Priorities</p> <p>IAD reviewed the processes in place to deliver the Data Boards seven strategic priorities and observed inadequacies in the outcome and benefit monitoring applied to the priorities. There are no due dates or owners assigned to these measures, and the Data Board has not yet established a mechanism to track them to conclusion.</p> <p>2. Lack of a holistic view of Bank data initiatives</p> <p>The Data Board does not maintain a comprehensive view of data initiatives across the Bank, nor does it maintain a record of the role it fulfils with regards sponsoring and supporting data related initiatives and projects. IAD noted that there is reliance on individual members of the Data Board to gather information regarding ongoing data initiatives in the Bank and socialise the information for the attention of the Board.</p> <p>Furthermore, the Data Board employs the term “data initiative” to refer to a body of work on the Bank’s data or underlying IT systems. However, IAD note that the Data Board has not clearly defined the term data initiatives. Without a clear definition of the term, stakeholders may interpret it differently, leading to misaligned objectives and priorities.</p> <p>Inadequacies in the outcome and benefit monitoring applied to the Strategic Priorities process may lead to delays or non-completion of outcomes. Additionally, the lack of clarity regarding the term data initiatives and an absence of inventory of all such initiatives and Data Board’s role on them will lead to insufficient prioritisation of resources and engagement with Bank stakeholders resulting in Bank failing to meet its strategic objectives.</p> <p>Finding Owner: [REDACTED] Data Board</p> <p>Finding Due Date: 30 November 2025</p>	<p>Action Plan 1.1</p> <p>Regarding inadequacies in the outcome and benefit monitoring of the Strategic Priority objectives, the Data Board will document additional details including outcome and benefits owners and due dates for completion. Additionally, the Data Board will establish a mechanism to track and assess the outcomes and benefits.</p> <p>Evidence required to close action plan:</p> <p>For providing assurance over actions completed, IAD will observe the following evidence:</p> <p>a) IAD will review updated documents related to strategic priorities and assess whether details regarding outcomes and benefits ownership and due dates for completion have been identified.</p> <p>b) IAD will assess the process established to ensure the outcomes and benefits are continuously tracked and assessed during the course of work completion.</p> <p>Action Owner: [REDACTED]</p> <p>Action Due Date: 30 November 2025</p> <hr/> <p>Action Plan 1.2</p> <p>In order to address the gap identified, Data Board will carry out the below actions:</p> <p>1) Update their ToR with definitions for the terms ‘Data Initiatives’.</p> <p>2) Update the ToR to remove the reference to ‘all data initiatives’</p> <p>3) For the purposes of oversight and Data Board’s operations, the Data Board will develop a holistic view of in scope information</p>

	<p>systems and data initiatives across the Bank including Data Board’s role in the data initiatives.</p> <p>Evidence required to close action plan</p> <p>For providing assurance over actions completed, IAD will observe the following evidence:</p> <ul style="list-style-type: none">a) IAD will review the updated ToR and assess whether the definition for term ‘Data Initiative’ gives a clear understanding to the Bank’s internal stakeholders.b) IAD will assess whether Data Board has put together a mechanism to gain and maintain a holistic view of in-scope information system and data initiatives across including Data Board’s role in the initiatives. <p>Action Owner: ██████████</p> <p>Action Due Date: 30 November 2025</p>
--	--

Appendices

APPENDIX	TITLE	PAGE
1	Low Findings	13
2	Distribution List	14
3	CBI Risk, Incident and Audit Grading Materiality Matrix	15
4	Control environment and management risk awareness ratings	16
5	Management Response	17



Appendix 1: Low Finding Details

2. Lack of a Use Case lifecycle process		2B - Low
<p>The Data Board delivered data related guidance, processes, and analytical solutions across the Bank to support the fulfilment of its data related strategic priorities. They refer to these as “Use Cases”. At the time of fieldwork for this audit, the Data Board completed 45 Use Cases.</p> <p>The Data Board implemented a mechanism to evaluate business value, allocate competency leads and supporting resources for the delivery of the Use Cases. Furthermore, it has oversight of the progress of Use Cases and provides necessary inputs during the lifespan of them.</p> <p>However, whilst the Data Board has documented procedures for requesting and approving Use Cases, they have not defined or documented an overarching process to manage the lifecycle of Use Cases. Additionally, the Data Board does not conduct a post implementation review to assess the realised value from completed Use Cases.</p> <p>The absence of a process to manage the lifecycle of Data Board Use Cases may result in inconsistent execution, unclear accountability, inefficiencies caused by fragmented approaches to managing them. Furthermore, the lack of a post implementation review may mean that the Data Board does not have the ability to measure outcomes or capture lessons learned for continuous improvement.</p> <p>Finding Owner: [Redacted] Data Board</p> <p>Finding Due Date: 30 November 2025</p>		<p>Action Plan 2.1</p> <p>In order to address the gap identified, Data Board should carry out the below actions:</p> <ol style="list-style-type: none">1) Develop and maintain a process that will guide its members in managing the life-cycle of Use Cases.2) Conduct a post implementation value assessment for completed Use Cases and document rationale wherever the realised value does not align with the value envisaged in the business cases. <p>Action Owner: [Redacted]</p> <p>Action Due Date: 30 November 2025</p>



Appendix 2: Distribution List

To:	<div></div>	
CC:		

--	--	--

Appendix 3: CBI Risk, Incident and Audit Grading Materiality Matrix

		Low		Medium		High			
Impact		Reputational		Business		Gross Financial			
Very Severe		Long-term impact on credibility (>3years). Series of verified and very negative employee, public, market, international media, and stakeholder attention.		Complete failure to deliver divisional business objectives , statutory tasks or processes.		> €10 million		4	
High		Medium term impact on credibility (1-3 years). Series of verified and negative employee, public, market, national media, and stakeholder attention.		Prolonged delays or partial failure to deliver statutory tasks , processes, advisory function or strategic objective.		€1 - 10 million		3	
Medium		Short term impact on credibility (3 months-1year). Verified and negative employee, public, market, national media, and stakeholder attention.		Disruption/quality deterioration /delay to internal tasks of business processed.		€10,000 - €1 million		2	
Low		Minor impact on credibility, internally or with stakeholders (up to 3 months). Limited coverage in media.		Minor disruption/quality deterioration/delay to internal tasks or business processes.		< €10,000		1	

Rare		Unlikely		Possible		Very Likely		Almost Certain	
5%		25%		50%		75%		95%	
A		B		C		D		E	



Appendix 4: Control environment and management risk awareness ratings

Control Environment		Management Risk Awareness	
Effective	Internal Controls of the audited scope are effective. Limited or no remedial action is required.	Leading	Management exhibits a forward-thinking approach to risk management, continuously innovating and setting standards in risk awareness and mitigation strategies in the Bank. Predictive risk analysis and continuous control monitoring is in place. There is a culture of risk awareness and sharing of best practices within the Division.
Adequately Controlled	Internal Controls of the audited scope are functioning to an adequate level. Weakness identified during the review expose the Bank to an overall low to medium level of residual risk. Remedial action to address these issues is required.	Advanced	Management demonstrates a proactive and strategic approach to risk management. The risk register is dynamic and updated frequently. Management conduct horizon scanning to identify threats to the processes in scope for this review. Controls are tested regularly and updated based on test outcomes and evolving risk landscapes.
Improvement Required	Internal Controls of the audited scope require improvement. The deficiencies identified during the review expose the Bank to medium to high level of residual risk. Timely remedial action to address these issues is required.	Established	Management maintain a comprehensive risk register, detailing risks and controls. Risks are systematically scored using a consistent methodology, enabling prioritisation. Control reviews are conducted regularly, ensuring that mitigation strategies are effective and current. Some control testing is in place. Risks and expected controls identified during audit planning align to risks recorded in the risk register.
Ineffective	Internal Controls of the audited scope are inadequate and ineffective. The level of deficiencies identified exposes the Bank to a high level of residual risk. Significant and urgent remedial action to address these issues is required.	Developing	Management recognise the importance of risk management and is in the process of establishing foundational elements. A basic risk register exists but may not be comprehensive or fully up-to-date. Risks are identified and scored, albeit with inconsistent criteria. Control reviews are infrequent, and mitigation strategies may not cover all identified risks.
		Basic	Management demonstrates a minimal awareness of risks, with an inadequate risk register in place. Controls, if any, are ad-hoc and not systematically reviewed. Risks are not formally scored or prioritised, leading to potential oversight and unaddressed vulnerabilities.

Appendix 5: Management Response

The Data Board is a relatively new structure in the bank and we appreciate the comprehensive review by IAD. The overall report provides assurance on many facets of governance in relation to the responsibilities of the Data Board and highlights some areas we can focus on. We accept the overall findings and will implement actions to address same.

The Data Board has a unique structure in the Bank with a cross functional composition and a cross-bank operating model that we understand can be challenging to audit. We appreciate the time and engagement that IAD took to understand our unique structure and ways of working and how they align to deliver the strategic objective of improving our data maturity and capability.





Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

2025-18 Audit of the Supervision of Reinsurers

Insurance Supervision Directorate (ISD) – International & Advisory Supervision (IAS)

Record 2

Report Ratings

Control Environment	Management Risk Awareness
Adequately Controlled	Established

Findings Raised

High	Medium	Low
0	1	2

26 March 2025

TITLE	PAGE
1. Introduction	3
2. Objective and Scope	3
3. Executive Summary	4
4. Audit Results Overview	5
5. Summary of Findings	7
6. Detailed Findings	8
Appendices	11

1. Introduction

Reinsurance firms or reinsurers are firms that provide insurance to insurance companies. Reinsurance transfers risk to another company to reduce the likelihood of large payouts for a claim, ultimately providing financial protection to insurance companies, handling risks too large for them to handle alone.

The Central Bank of Ireland (The Bank) is responsible for leading integrated sectoral supervision in accordance with the Bank's Supervisory Framework and relevant legislation (e.g. Solvency II) for insurance firms that they regulate. The Reinsurance Team that sits within the Reinsurers and Captives Function (RCF) of the Insurance International & Advisory Supervision (IAS) Division is the team responsible for supervising reinsurers.

In January 2025, the Bank operationalised a new Supervisory Framework that supervisory divisions are required to comply with. The framework differentiates between firms that are supervised on a close and continuous basis and that the remaining firms are supervised on a sectoral basis. For firms being supervised on a sectoral basis, the application of a minimum engagement model for the supervision of these firms is no longer applicable. The Reinsurance Team currently supervise 13 firms (12 firms in 2024) [REDACTED]

[REDACTED] The portfolio of reinsurers is made up of firms with the following impact ratings: [REDACTED]

[REDACTED] As at Q4 2024, the total value of the balance sheets for the 12 firms supervised by the Reinsurance Team was circa. €64bn.

The Audit of the Supervision of Reinsurers formed part of the Internal Audit Plan for 2025 as agreed by the Audit Committee. IAS was the auditee division for this review and they currently sit within the Insurance Supervision Directorate.

2. Objective and Scope

The main objective of the audit was to provide reasonable assurance that the supervision of reinsurance firms is comprehensive, consistent and underpinned by an appropriate supervision framework. The audit period under review was 1 January 2024 to 31 January 2025. The scope was as follows:

- A review the Supervisory Framework and the Supervisory Plan in place for the supervision of reinsurance firms and ascertain whether the Bank are supervising reinsurers appropriately, in light of the recent organisational restructure;
- An assessment and substantive testing of the supervisory activities performed by supervisors of reinsurance firms including consideration of the supervisory plan;
- Establish whether supervisors are sufficiently skilled and/or trained to carry out supervision of reinsurers; and
- Ascertain whether MI in relation to supervision of reinsurers is produced and provided to appropriate stakeholders.

The audit also included consideration of any potential efficiencies that could be implemented to the areas in scope.

The following was specifically excluded from the scope:

- [REDACTED]

3. Executive Summary

We would like to take this opportunity to acknowledge the positive engagement and collaboration provided by the Reinsurance Team and other key stakeholders within the Insurance Supervision Directorate to ensure the smooth progress and completion of this audit.

Throughout the course of this review, we conducted meetings with stakeholders, completed walkthroughs with process owners, utilised data analytics exercises and reviewed detailed documentation to gain an understanding of the processes in scope.

We noted the following from our review:

- The Reinsurance Team are actively utilising the PRISM Strategic Activity Service to monitor and track their supervisory activities in line with the supervisory plan, which enables a holistic view of the current position of a firm.
- There is a streamlined process within the Directorate for coordinating and reporting Management Information (MI) up to Director level. This ensures that there is consistent messaging being provided from functions, including the RCF, to the Director.
- Outside of the enhancements needed to Reinsurance supervisor's financial analysis (as outlined in Finding 1 below) the Reinsurance Team is appropriately skilled to enable sufficient supervision of the reinsurance firms. We note that under the new supervisory structure, the headcount for the Reinsurance Team was reduced by one Bank Executive (BE) in 2025. [REDACTED]

There are no concerns regarding key person dependencies on the team. While noting that the Division of Responsibilities between Actuarial and Supervision Functions requires updating, there is a clear split of responsibilities for each of the teams involved in the supervision of insurance firms, including reinsurance firms. On-going support from the Actuarial Function to the Reinsurance Team under the new supervisory model is key in ensuring sufficient supervision of reinsurance firms.

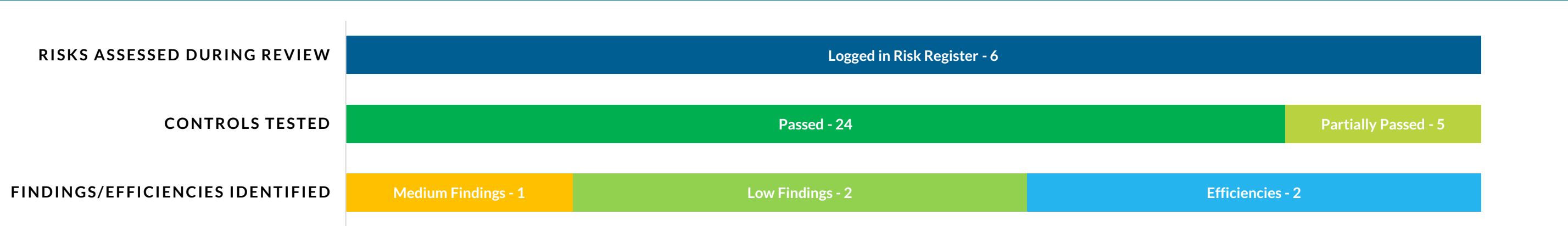
- The Reinsurance Team have considered the new Supervisory Framework and the 2025 plan is sufficiently aligned to the requirements for sectoral supervision as outlined in the framework.

Notwithstanding the above, we identified one medium finding as follows:

- The Reinsurance Team/Management do not currently conduct a Quality Assurance (QA) exercise of Key Risk Indicator (KRI) alerts that are closed on OMNI to ensure that supervisors are reaching satisfactory conclusions on their assessment of KRIs. Additionally, no QA exercise is conducted of the Regulatory Returns Review document, which is completed by supervisors as their assessment of regulatory returns that do not have associated KRIs on OMNI. We noted delays in the closure of KRI alerts triggered on OMNI as well as non-compliance with the OMNI user manual.

Given the nature of the findings highlighted, we are assigning an 'Adequately Controlled' opinion to the control environment. Management maintain a comprehensive risk register for the Insurance Directorate and given the risks and expected controls identified during the audit planning phase broadly align to the risks recorded in the Directorate's risk register, we assign an 'Established' management risk awareness rating to this report.

4. Audit Results Overview



SCOPE AREA	ASSESSMENT AND CONCLUSION
1. A review of the Supervisory Framework and the Supervisory Plan in place for the supervision of reinsurance firms and ascertain whether the Bank are supervising reinsurers appropriately, in light of the recent organisational structure.	<p>We assessed a sample of documented procedures and templates in place to support supervisors in conducting their supervisory activities. We also considered their alignment to the newly established Supervisory Framework to assess if any gaps were evident. In addition, we reviewed the Annual Supervisory Plan (the Plan) for the supervision of reinsurance firms including preparation and approval of the Plan for both 2024 and 2025 and to assess alignment of the 2025 Plan to the Supervisory Framework. Finally, we determined whether and how management are appraised of progress against the Plan.</p> <p>We positively note that established procedures are appropriately aligned to the new Framework. Additionally, the Annual Plan for 2024 and 2025 included detail of the activities for reinsurance firms and was subject to review and approval at a Director level. Further, it is evident that the Directorate-wide horizontal risk scanning exercise was considered and incorporated where appropriate into the Plan and that the 2025 Plan is aligned to new Supervisory Framework. We are satisfied that the Reinsurance Team contribute updates to quarterly Directorate Management Information (MI) reporting packs, ensuring management have a line of sight of progress against the Plan.</p>
2. An assessment and substantive testing of the supervisory activities performed by supervisors of reinsurance firms including consideration of the supervisory plan.	<p>We reviewed a sample of 20 proactive supervisory activities planned in 2024 to determine whether there was evidence that they were carried out in line with the Plan and whether they were accurately recorded on PRISM. We also conducted testing regarding regulatory returns for a sample three firms. We conducted a Data Analytics exercise of OMNI alerts closed during the audit period to determine whether they were closed by an appropriate supervisor, with rationales documented and in a timely manner. Additionally, we tested a sample of 20 reactive supervisory activities to evaluate whether they had been addressed in a timely manner following the identification of the trigger event. Finally, we assessed firms operating outside of risk appetite to ascertain whether there was enhanced supervision in place.</p> <p>Proactive supervisory activities were carried out in line with the Plan for 2024 and the tasks were recorded on PRISM. Additionally, regulatory returns were submitted to the Bank as required by sampled firms and there is evidence of review of the regulatory returns. Reactive supervision was carried out in a timely manner. Additionally, we identified that OMNI alerts generated were addressed by an appropriate supervisor and that there were sufficient rationales included for a sample of 20 OMNI alerts reviewed. Finally, we are satisfied that there is enhanced supervision for the █████ reinsurance firms █████</p> <p>█████ However, we noted deficiencies in terms of QA exercises of OMNI alerts and regulatory returns reviews as well as an insufficient audit trail on PRISM and COMPASS. <i>See Findings 1 & 3.</i></p>

3. Establish whether supervisors are sufficiently skilled and/or trained to carry out supervision of reinsurers.	<p>We discussed the approach to training with management and considered this in the context of supervisory skills. [REDACTED]. We discussed key person dependencies and resourcing of the Reinsurance Team, neither of which are areas of concern. Finally, we established what expertise was required from outside of the Reinsurance Team e.g. actuarial, and reviewed the agreement in place to ensure completeness.</p> <p>Outside of the enhancements needed to Reinsurance supervisor’s financial analysis (as outlined in Finding 1 below), we found that staff are sufficiently skilled and experienced to supervise reinsurance firms. [REDACTED]</p> <p>[REDACTED]</p>
4. Ascertain whether MI in relation to supervision of reinsurers is produced and provided to appropriate stakeholders.	<p>We discussed with management the availability of Management Information (MI) related to the Reinsurance Team, how and where this is collated, and who it is reported to. We reviewed a sample of records related to MI produced for Q2 and Q4 2024, including the MI packs, correspondence and circulation relating to same. Finally we looked at how MI is reported to the Supervisory Risk Committee (SRC).</p> <p>We found that MI reporting is effectively coordinated at Directorate level, with reinsurance data forming a small part of the overall reporting.</p>

5. Summary of Findings

DETAILS	ROOT CAUSE	IMPACT	RATING	OWNER	DUE DATE	PAGE
<p>1. Improvement required to the Management and Review of Regulatory Returns</p> <p>There is no process for conducting a QA exercise on the closure of alerts on OMNI and for Regulatory Returns Review Documents. Additionally, we identified untimely closure of a sample of alerts on OMNI as well as insufficient use of the required hashtags.</p>	<p>Management did not prioritise a QA process for regulatory returns/OMNI alerts to date due to competing priorities within the division.</p>	<p>A lack of sufficient QA exercise to support closure of alerts on OMNI and to support regulatory returns analyses may result in incorrect assessment of regulatory returns/ closure of alerts on OMNI. Additionally, untimely review and closure of alerts may result in risks in reinsurance firms not being addressed in a timely manner. Ultimately, these gaps may result in a partial failure to deliver on statutory tasks.</p>	<p>3B Medium</p>	<p>[REDACTED], IAS</p>	<p>31 October 2025</p>	<p>8</p>

6. Detailed Findings

1. Improvement required to the Management and Review of Regulatory Returns

3B – Medium

The submission of regulatory returns by regulated entities to the Bank for review are a key tool in the supervision of reinsurance firms. Reinsurance firms submit quantitative reporting templates (QRTs) on a quarterly and an annual basis to the Bank. The OMNI Application houses a suite of Key Risk Indicators (KRIs) that are designed to identify and monitor key risks in the insurance sector, including for reinsurance firms. KRIs are applied to the QRTs submitted by reinsurance firms. OMNI generates an alert for supervisory review where a KRI threshold was breached and supervisors are required to review and close KRI alerts triggered on OMNI. Per OMNI guidelines, supervisors are required to input a comment accompanied with one of four hashtags (bau, monitor, followup, riskaccepted) where a threshold has been breached. Additionally, firms submit regulatory returns¹ where KRIs have not been developed on OMNI. Supervisors review these returns and complete a Regulatory Returns Review Document recording this assessment.

We reviewed returns for a sample of three reinsurance firms out of a population of 12 to determine whether returns were submitted to the Bank, and whether there was evidence of assessment of these returns. Additionally, we conducted a Data Analytics exercise on KRI alerts generated and closed during the period to ascertain whether all KRI alerts are closed in a timely manner, by an appropriate supervisor and whether they included commentary and associated hashtags when closing the alerts. We noted the following:

- 1. Quality Assurance (QA) Exercise:** Alerts generated on OMNI are reviewed and closed by one supervisor only while the Regulatory Returns Document is also completed by one individual with no secondary review. A formalised QA process is not in place whereby a second individual reviews a sample of closed alerts on OMNI for appropriateness. From a high level review of a sample of 20 OMNI alerts, we deemed that supervisory commentary to conclude on the alert was sufficient.

Additionally, there is no formalised QA process for the review of the completed Regulatory Returns Document to ascertain whether supervisors have concluded appropriately on their assessment. Given that management self-identified that the Reinsurance Team could enhance their financial analysis of supervised firms (for which they intend to attend training on this year), a QA look back exercise to ensure appropriateness of conclusions is important. A lack of sufficient QA exercise may result in incorrect assessments/ closure of alerts on OMNI, resulting in insufficient supervision of reinsurance firms.

- 2. Timelines for Closure of Alerts:** A documented timeframe for addressing KRI alerts generated on OMNI is not currently in place for reinsurance firms. [REDACTED]

- 3. Insufficient Use of Hashtags:** From the [REDACTED] outlined above, we note that [REDACTED] of the comments included for closure did not include a hashtag as required by OMNI guidelines. Not utilising the required hashtags when

Action Plan 1

Management will conduct the following:

- Consider and bring a proposal to management within the Directorate in relation to the implementation of a formalised QA process for the review of a sample of closed alerts on OMNI on a periodic basis. Once agreed, management will implement this QA process for the Reinsurance Team.
- Implement a formalised QA process for the review of a sample of completed Regulatory Returns Documents.
- Establish and document a formalised timeframe for addressing KRI alerts generated on OMNI for reinsurance firms and communicate the timeframes to the Reinsurance Team.
- The Team Lead will be provided with a report of alerts that remain open following the quarterly submission periods. The Team Lead will follow up with supervisors where appropriate with a view to addressing and closing the alerts on OMNI.
- A reminder will be issued to all supervisors to ensure that hashtags are utilised within the commentary for the closure of KRI alerts generated on OMNI.

Evidence required to close action plan

- Evidence of the proposal for the implementation of a QA process within the Directorate of OMNI alerts, covering reinsurance, e.g. proposal document to management and evidence of management agreement to the process, e.g. extract from decisions log.
- A copy of the documented procedure outlining the process for the QA review of both OMNI alerts and the Regulatory Returns Document. Additionally, we will require evidence that this QA process has been carried out, e.g. output of document recording the exercise, what was reviewed and who the second reviewer was.
- A copy of the documented timeframe for addressing KRI alerts on OMNI. Evidence of communication of this documented timeframe to the Reinsurance Team, e.g. updated OMNI user manual with timeframes.

¹ Returns reviewed on template document: Own Risk Solvency Assessment; Financial Statements; External Auditors Reports; Solvency and Financial Condition Report; and Regular Supervisory Report

closing alerts on OMNI may hamper the ability for management to run MI reports in relation to OMNI alerts. We were satisfied that OMNI alerts generated were addressed by an appropriate supervisor and that there were sufficient rationales included for a sample of 20 OMNI alerts reviewed and closed on the system. We also note that there is an automated pop-up message on OMNI asking supervisors if they want to continue closing their comment where it does not contain a valid hashtag.

Finding Owner: [REDACTED] IAS

Finding Due Date: 31 October 2025

- For a sample of a quarterly periods, evidence that the Team Lead has received a copy of the report of alerts remaining open and evidence of the Team Lead following up with the relevant supervisor to close open alerts, if required.
- A copy of the e-mail issued to reinsurance staff members reminding them of the requirement to utilise the required hashtags within commentary for closing alerts on OMNI.

Action Owner: [REDACTED] IAS

Action Due Date: 31 October 2025

Appendices

APPENDIX	TITLE	PAGE
1	Efficiencies Identified	12
2	Low Findings	13
3	Distribution List	15
4	CBI Risk, Incident and Audit Grading Materiality Matrix	16
5	Control environment and management risk awareness ratings	17
6	Management Response	18

Appendix 1: Efficiencies Identified

During fieldwork, IAD noted the following process efficiencies. IAD recommended that management consider implementing these.

PROCESS	EFFICIENCY	IMPACT
Use of Hashtags for OMNI Alert Closure Comments	As outlined in Finding 1, the use of hashtags is a requirement when providing commentary on how alerts have been addressed on OMNI. The utilisation of hashtags when closing all alerts generated on OMNI to allow for efficient analysis and review of trends in OMNI alerts generated.	Management will be able to identify more easily the trends in OMNI alerts generated and whether the alerts related to business as usual activities, they require follow-up or monitoring or whether there are alerts that are risk accepted.
Periodic QRT Overview	Management should consider the preparation of an overview of quarterly QRTs to cover trends identified in the Insurance sector, including for reinsurance firms. This would assist management in having a macro level view of trends on-going in the Insurance sector, based on key financial data.	Management will be provided with a readily available analysis of information on trends in the Insurance sector, including reinsurance firms which may save them time in conducting their own review/analysis.

Appendix 2: Low Finding Details

2. Skills Analysis and Training Records

2B - Low

[REDACTED]
 [REDACTED]
 [REDACTED]

Evidence required to close action plan

[REDACTED]

Action Owner: [REDACTED] IAS

Action Due Date: 30 June 2025

Action Plan 2.2

Evidence required to close action plan

Action Owner: [REDACTED] IAS

Action Due Date: 30 June 2025

Finding Owner: [REDACTED] IAS

Finding Due Date: 30 June 2025

3. Insufficient Audit Trail

2B - Low

The Annual Supervisory Plan (the Plan) prepared by Supervisory Divisions outlines activities/engagements for the year ensuring that there is sufficient supervision of regulated entities. The PRISM Strategic Activity Service (the Service) is a tool that allows supervisors to link documented activities to their Plan ensuring that targeted supervisory outcomes are appropriately tracked. The Service therefore provides a holistic view to supervisors of activities planned across firms that they are responsible for supervising, and helps to appropriately reflect the depth of work undertaken throughout the activity lifecycle. In accordance with the Service user manual, supervisors are expected to maintain the Service with up to date information on supervisory activities planned. Additionally, the Reinsurance Team centrally maintain the output of supervisory activities on COMPASS.

During the course of the audit, we held discussions with management to understand how they use the Service to record their planned supervisory activities. We also selected a sample of twenty proactive activities and reviewed their records on PRISM, to check alignment with the agreed supervisory plan and ensure that the outputs of the activities were recorded on PRISM. Finally, for a sample of three firms, we requested evidence of the central storage of the Regulatory Returns Review Document (as referred to in Finding 1) on COMPASS. IAD noted the following:

- In five of 20 samples reviewed, while we were provided with evidence that the supervisory activity had been performed, this evidence failed to be either uploaded to PRISM or linked within PRISM to the reinsurance COMPASS file plan.
- The Regulatory Returns Review Documents was completed for two of the three firms during the audit period – noting that this activity for the other sampled firm was deprioritised during the year. The two completed regulatory returns documents were uploaded to COMPASS during fieldwork, following IAD's request for evidence that the document had been centrally stored on COMPASS.

An insufficient audit trail/ lack of centralised storage of outputs of supervisory activities may result in management not being able to easily obtain all information on the profile of a firm's supervisory engagement.

IAD note that in all 20 samples examined, each one was recorded on the Service, demonstrating that the Reinsurance Team use the Service as intended and in line with documented user requirements. This also shows that the Plan is well documented on PRISM which assists with reporting and progress monitoring requirements given this is a specialised area.

Finding Owner: [REDACTED] IAS

Finding Due Date: 30 June 2025

Action Plan 3.1:

Management will issue a reminder to staff members to outline the following:

- Ensure that when recording the completion of an activity on PRISM, either the document or a link to the supporting document is uploaded within the relevant activity on PRISM.
- Ensure that where a supervisory activity has been completed, e.g. the completion of the Regulatory Returns Review Document, that the output of the exercise is stored in a centralised location, e.g. COMPASS.

Evidence required to close action plan

A copy of the e-mail issued to staff members outlining the above requirements as outlined in the action plan.

Action Owner: [REDACTED] IAS

Action Owner: 30 June 2025

Appendix 3: Distribution List

To:	<div></div>	
CC:		

--	--	--

Appendix 4: CBI Risk, Incident and Audit Grading Materiality Matrix

Appendix 5: Control environment and management risk awareness ratings

Control Environment

Effective	Internal Controls of the audited scope are effective. Limited or no remedial action is required.
Adequately Controlled	Internal Controls of the audited scope are functioning to an adequate level. Weakness identified during the review expose the Bank to an overall low to medium level of residual risk. Remedial action to address these issues is required.
Improvement Required	Internal Controls of the audited scope require improvement. The deficiencies identified during the review expose the Bank to medium to high level of residual risk. Timely remedial action to address these issues is required.
Ineffective	Internal Controls of the audited scope are inadequate and ineffective. The level of deficiencies identified exposes the Bank to a high level of residual risk. Significant and urgent remedial action to address these issues is required.

Management Risk Awareness

Leading	Management exhibits a forward-thinking approach to risk management, continuously innovating and setting standards in risk awareness and mitigation strategies in the Bank. Predictive risk analysis and continuous control monitoring is in place. There is a culture of risk awareness and sharing of best practices within the Division.
Advanced	Management demonstrates a proactive and strategic approach to risk management. The risk register is dynamic and updated frequently. Management conduct horizon scanning to identify threats to the processes in scope for this review. Controls are tested regularly and updated based on test outcomes and evolving risk landscapes.
Established	Management maintain a comprehensive risk register, detailing risks and controls. Risks are systematically scored using a consistent methodology, enabling prioritisation. Control reviews are conducted regularly, ensuring that mitigation strategies are effective and current. Some control testing is in place. Risks and expected controls identified during audit planning align to risks recorded in the risk register.
Developing	Management recognise the importance of risk management and is in the process of establishing foundational elements. A basic risk register exists but may not be comprehensive or fully up-to-date. Risks are identified and scored, albeit with inconsistent criteria. Control reviews are infrequent, and mitigation strategies may not cover all identified risks.
Basic	Management demonstrates a minimal awareness of risks, with an inadequate risk register in place. Controls, if any, are ad-hoc and not systematically reviewed. Risks are not formally scored or prioritised, leading to potential oversight and unaddressed vulnerabilities.

Appendix 6: Management Response

International Insurance Supervision and Advisory (IAS) welcome the internal audit of the supervision of reinsurers. The reinsurance firms take significant risk from insurance firms and play an important role in distributing risk through the insurance system. The supervision of reinsurers aims to use our available resources to take a risk based approach to ensure the firms are compliant with Solvency II and the overall regulatory framework.

We accept the finding in relation to QA of OMNI alerts and will address this matter. We will also address the two low findings and the efficiencies.

We would like to acknowledge the professionalism of the internal audit team throughout the audit.

IAS Management



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

2025-25 Audit of the National Claims Information Database (NCID) Levy

Monetary & Financial Stability Pillar – Statistics Division (STATS)

Operations Pillar – Finance Division (FD)

Record 3

Report Ratings

Control Environment	Management Risk Awareness
Effective	Established

Findings Raised

High	Medium	Low
0	0	3

26 March 2025

TITLE	PAGE
1. Introduction	3
2. Objective and Scope	3
3. Executive Summary	4
4. Audit Results Overview	5
5. Summary of Findings	7
6. Detailed Findings	8
Appendices	11

1. Introduction

STATS and FD are jointly responsible for the management of the NCID Levy. The establishment of the NCID was one of the recommendations made by the Cost of Insurance Working Group (CIWG), set up by the Minister for Finance in 2016. The NCID is a repository that stores information on the cost of non-life insurance claims for the purpose of increasing transparency around the cost of claims. The Central Bank of Ireland (the ‘Bank’) is responsible for collecting the information and managing the NCID under the Central Bank (National Claims Information Database) Act 2018. The Bank commenced statutory reporting of the NCID in 2019. Per the legislation, the Bank publishes annual and mid-year reports on Private Motor Insurance (MOT) and Employers’ Liability, Public Liability and Commercial Property Insurance (ELPL).

The Bank administers the NCID levy charging process which was the focus of this review. This levy is applicable to the relevant insurance undertakings offering the insurance products within the scope of the NCID (i.e. MOT and ELPL). The sum of the levy payable by each relevant insurance undertaking for a specified category of relevant non-life insurance business comprises the sum of a minimum amount of €500 and a variable amount calculated based on a standardised formula. The NCID Team, whose members span both STATS and Domestic & Actuarial Supervision (DAS), is primarily responsible for this process. FD provides costing rates for staff assigned to aspects of NCID statutory reporting and levying, and the Billing and Collections (B&C) Team issues levy notices to the relevant insurance undertakings.

Year	Key details
2023	The first levy notices issued in November 2023 included levy contributions relating to: <ul style="list-style-type: none">• The setup of MOT on the NCID and the publication of the initial report on Private Motor Insurance in 2019;• MOT NCID work undertaken in 2020;• MOT NCID work undertaken in 2021;• The setup of ELPL on the NCID and the publication of the initial report on ELPL in 2021; and• Total of levies issued ~€805k.
2025	The 2024 levy notices issued in January 2025 included levy contributions relating to: <ul style="list-style-type: none">• MOT NCID work undertaken in 2022 and 2023;• ELPL work undertaken in 2022 and 2023; and• Total of levies issued ~€425k.

2. Objective and Scope

The main objective of the audit was to provide reasonable assurance that the Bank has adequate controls in place to manage the NCID levy. This includes controls relating to the overall governance, assessment, calculation and collection of levies. The audit period under review was 1 January 2022 to 31 January 2025. The areas in scope were as follows:

- The day to day management of the NCID levy, including roles and responsibilities;
- The controls in place to ensure the accuracy of the inputs into the calculation of levy;
- The controls governing the calculation of the levy, and an assessment of the 2022-2023 calculations; and
- The controls governing the communication of the billing requirements to FD and the appeals and waivers process.

The following was specifically excluded from the scope:

- Analysis of the financial statements for the NCID fund – this is assessed by the C&AG and our external auditors.

3. Executive Summary

We would like to take this opportunity to acknowledge the positive engagement and collaboration provided by STATS (the NCID Team) and FD in ensuring the smooth progress and completion of this audit. Throughout the course of this audit, we conducted meetings with stakeholders, completed walkthroughs with process owners, examined key documentation to gain an understanding of the processes in scope and performed substantive testing.

This audit focussed on assessing the management of the NCID levy. Key components of the audit were ensuring that there are adequate controls in place for the collection and validation of levy data, and an assessment of the inputs utilised to calculate the levy. We acknowledge that the NCID levy was first charged in November 2023 and is therefore still within its relative infancy. Throughout our period of testing, we positively noted that:

- The members of the NCID Team, which span both STATS and DAS, proactively engage with each other to ensure that levy amounts calculated and applied to individual institutions undergo a four-eye review to ensure their accuracy.
- The NCID Team proactively engages with FD to ensure that the NCID total chargeable costs undergo an independent review, after undergoing review within STATS.
- The NCID Team have put in place a robust appeals and waivers process, including the requirement for an independent decision maker in cases where an insurance undertaking is not satisfied with the result of an initial appeal.
- The NCID Team has introduced efficiencies into the process for forthcoming levy cycles by leveraging the Statistical Information Analysis (SIA) Workbench to assist with the data validation process, therefore removing manual processes which may be subject to human error.
- There is a Service Level Agreement in place between FD and STATS which sets out the governance process for the issuing of the NCID invoices, providing a clear articulation of the roles and responsibilities for both divisions and the agreed timelines for the completion of certain processes.

Notwithstanding the above, we identified three low rated findings. Given the nature of the findings highlighted, we are assigning an ‘Effective’ opinion to the control environment. The risks and expected controls identified during audit planning broadly align to the risks recorded in the divisional risk registers. However, given the finding identified in relation to deficiencies in the audit trail of the validation exercise, we are assigning an ‘Established’ management risk awareness rating to this report.

4. Audit Results Overview

RISKS ASSESSED DURING REVIEW	Logged in Risk Register - 3	
CONTROLS TESTED	Passed - 17	Partially Passed - 5
FINDINGS/EFFICIENCIES IDENTIFIED	Low Findings - 3	

SCOPE AREA	ASSESSMENT AND CONCLUSION
1. A review of the day to day management of the NCID levy, including roles and responsibilities.	<p>We verified that there were formal policies and procedures in place to govern the management of the end-to-end process for the NCID levy. We assessed these policies and procedures to ensure that they facilitate a clear understanding of all roles and responsibilities. We assessed the guidance available to external stakeholders on the NCID levy. We also assessed key person dependencies and succession arrangements in place within the NCID team to ensure adequate cover is available in the event of planned leave or unplanned absence.</p> <p>We are satisfied that there is a clear understanding of roles and responsibilities for the management of the NCID levy across STATS, FD and DAS, which are supported by relevant procedures, however we note in Finding 3 that some minor updates are required. There is clear guidance available to external stakeholders on the Bank's website related to the NCID levy. Additionally, we are satisfied that there are appropriate succession arrangements in place within the NCID team to ensure the process is not overly reliant on any one individual.</p>
2. An assessment of the inputs into the calculation of levy and the controls to ensure accuracy of those inputs.	<p>We assessed the process for sourcing the population of in-scope institutions for inclusion in the validation and calculation processes. We reviewed the communication process with in-scope institutions in advance of data submission deadlines, through to the tracking and follow up process completed for delayed submissions. We assessed the process for the validation of both total chargeable costs, including the tracking of time spent by NCID Team members on relevant tasks, and the ultimate levy calculations. In addition, we assessed the process for ensuring validation queries are responding to in a timely and accurate manner.</p> <p>We are satisfied that the internal processes in place provide a sufficient control environment to ensure accuracy of inputs into the levy calculations. However, we identified certain deficiencies in the audit trail of the validation exercise conducted to ascertain the final population of in-scope institutions for the levy calculation as noted in Finding 2, in addition to some required updates to procedures, as noted in Finding 3.</p>

<p>3. An assessment of the controls governing the calculation of the levy, and an assessment of the 2022-2023 calculations.</p>	<p>We assessed the controls governing the calculation of the NCID levy, and the underlying inputs, and the effectiveness of the governance approval approach. This included a review of the governance of the levy calculation review and approval process. We also assessed the controls in the levy calculation excel tools and the use of supporting controls including four-eye reviews.</p> <p>We are satisfied that there is appropriate governance of the calculation of the NCID levy. However, we identified some control strengthening required with regard to certain excel spreadsheets used by the NCID Team, as noted in Finding 1.</p>
<p>4. An assessment of the controls governing the communication of the billing requirements to FD and the appeals and waivers process.</p>	<p>We reviewed the billing process for the NCID levy, including: the initial sharing of billing details with FD; validation of billing population; and issuing of levy notices. We assessed the process in place within FD to monitor receipt of levy payments and the follow-up process where levies are unpaid. We verified the segregation of roles for receipting, allocation and transfer of payment. We assessed the appeals and waivers process in place.</p> <p>We are satisfied that FD issued invoices to all applicable firms, and we did not identify any issues in relation to the receipt or processing of payments. We are also satisfied that there are clear procedures in place.</p> <p>Additionally we are satisfied that the NCID Team have designed a robust appeals and waivers process in place, but this process has not been utilised to date by a levied insurance firm.</p>

5. Summary of Findings

DETAILS	ROOT CAUSE	IMPACT	RATING	OWNER	DUE DATE	PAGE
1. Controls required for the levy calculation excel workbooks There are deficiencies in end-user controls over Excel workbooks used to assess and calculate the NCID levy that could result in manual errors occurring in the calculation process.	The NCID Team did not identify the deficiencies noted as there were no manual errors made to date as a result of the lack of implementation of these end-user controls.	Increased risk of manual calculation errors in levy calculations where spreadsheet controls are not in place.	2B - Low	██████████ ██████████ STATS	30 September 2025	8
2. Enhancements require to the audit trail of the NCID population validation process There are deficiencies in the audit trail of the validation exercise conducted to ascertain the final population of in-scope institutions for the levy calculation.	The NCID Team did not identify the deficiencies noted as there have been as there have been no queries or challenges in relation to the firms levied as a result of the validation exercise conducted.	Increased risk of reputational damage if a levy appeal is submitted where all information in relation to the final population of in-scope institutions is not available.	2B - Low	██████████ ██████████ STATS	31 December 2025	9
3. Updates required to procedures There are some minor deficiencies in the procedures put in place by the NCID Team to guide the levy process.	The NCID Team did not identify the deficiencies noted as no process errors have occurred to date as a result of the gaps in procedures highlighted.	Increased risk of failing to complete important tasks and activities where actual practices are misaligned with procedure requirements.	2A - Low	██████████ ██████████ STATS	30 September 2025	10

6. Finding Details		
1. Controls required for the levy calculation excel workbooks		2B - Low
<p>During our review, we noted deficiencies in the Excel workbooks used to assess and calculate the NCID levies. While neither of these Excel workbooks contain complex formulae, we noted that they do not any have controls in place to mitigate the risk of manual calculation errors occurring (e.g. password protection, cell locking). The workbooks noted are as follows:</p> <ul style="list-style-type: none">• “Levy Time and Costs” – the NCID Team use this workbook to calculate the total levy cost per report type, based on the approved hours charged to NCID work, and the daily staff rates provided by FD.• “Levy Gross Earned Premium (GEP) and Cost Calculation” – the NCID Team use this workbook to calculate the levy, on an individual firm basis, based on the fixed cost (€500 per in-scope firm) and the variable cost (total levy cost, less fixed cost then allocated by market share). <p>We did not identify any errors in the calculation of the NCID levies during the course of the audit.</p> <p>Finding Owner: [REDACTED] STATS</p> <p>Finding Due Date: 30 September 2025</p>		<p>Action Plan 1.1</p> <p>STATS will include cell locking controls and password protection on their Levy Time and Costs and Levy GEP and Cost Calculations workbooks.</p> <p>Evidence required to close action plan</p> <p>STATS will provide evidence of cell locking controls and password protection on their Levy Time and Costs and Levy GEP and Cost Calculations workbooks.</p> <p>Action Owner: [REDACTED] STATS</p> <p>Action Due Date: 30 September 2025</p>

2. Enhancements required to the audit trail of the NCID population validation process

2B - Low

On an annual basis the NCID Team identify the insurance firms in scope and required to submit MOT and ELPL data. The levy calculation process utilises these listings of in-scope MOT and ELPL firms and their respective GEP data. It is not always the case that a firm listed as in-scope for submission of data ends up being levied (e.g. firm may have incorrectly confirmed that they were writing insurance during the relevant reporting period, and then not submitted any data). There are also instances where a firm may not have initially been identified as in-scope but is actually levied (e.g. where data is submitted from a firm that had confirmed they were not writing insurance during the reporting period, or had not written any insurance in the previous reporting period).

During our review we noted that there was not always a fully documented rationale in place as to why firms were included or excluded in the levy calculation.

The NCID Team were able to provide us with this information upon request, however it has not been included in the workings or approved levy calculation workbooks.

Finding Owner: [REDACTED] **STATS**

Finding Due Date: **31 December 2025**

Action Plan 2.1

STATS will fully document the rationale for the inclusion or exclusion of all relevant insurance firms going forward.

Evidence required to close action plan

STATS will provide the output of the 2025 levy calculation process which will include the fully documented rationale for the inclusion or exclusion of all relevant insurance firms.

Action Owner: [REDACTED] **STATS**

Action Due Date: **31 December 2025**

3. Updates required to NCID procedures		2A - Low
<p>The NCID Team have developed procedures governing the management of the NCID and the levy. These procedures set out the steps that they should follow in relation to the validation of the NCID data submissions and the calculation of the levy. We noted the following deficiencies from our review of these procedures:</p> <ul style="list-style-type: none">• The “Identification of Private Motor Firms in Scope” and “Identification of ELPL Firms in Scope” procedures don't do not reference that confirmation of whether a firm is in scope or not can be obtained from the relevant insurance supervisor.• The “Time Tracking” procedure does not reference the involvement of DAS and FD in reviewing time logged and daily staff rates, respectively, for NCID Team members. Additionally this procedure incorrectly notes that the NCID mailbox is to be used to record evidence of time tracking sign-off.• The “Calculating NCID Report Levy Costs” procedure does not reference the involvement of DAS and FD in reviewing time logged and daily staff rates, respectively, for NCID Team members.• The “Validation Procedure Motor Premium” and the “Validation Procedure Motor Ultimates” do not outline the roles and responsibilities of the individuals involved in the processes, nor do they outline the required approval process.		<p>Action Plan 3.1</p> <p>STATS will update the relevant procedures to take account of the required updates noted.</p> <p>Evidence required to close action plan</p> <p>STATS will provide evidence of the relevant procedures, revised to include the required updates as noted.</p> <p>Action Owner: [REDACTED] STATS</p> <p>Action Due Date: 30 September 2025</p>
<p>Finding Owner: [REDACTED] STATS</p> <p>Finding Due Date: 30 September 2025</p>		

Appendices

APPENDIX	TITLE	PAGE
1	Distribution List	13
2	CBI Risk, Incident and Audit Grading Materiality Matrix	14
3	Control environment and management risk awareness ratings	15

Appendix 1: Distribution List

To:	<div></div>	
CC:		

--

Appendix 2: CBI Risk, Incident and Audit Grading Materiality Matrix

		Low	Medium	High					
Impact	Reputational	Business	Gross Financial						
Very Severe	Long-term impact on credibility (>3years). Series of verified and very negative employee, public, market, international media, and stakeholder attention.	Complete failure to deliver divisional business objectives, statutory tasks or processes.	> €10 million	4					
High	Medium term impact on credibility (1-3 years). Series of verified and negative employee, public, market, national media, and stakeholder attention.	Prolonged delays or partial failure to deliver statutory tasks, processes, advisory function or strategic objective.	€1 - 10 million						
Medium	Short term impact on credibility (3 months-1year). Verified and negative employee, public, market, national media, and stakeholder attention.	Disruption/quality deterioration /delay to internal tasks of business processed.	€10,000 - €1 million						
Low	Minor impact on credibility, internally or with stakeholders (up to 3 months). Limited coverage in media.	Minor disruption/quality deterioration/delay to internal tasks or business processes.	< €10,000						

Rare	Unlikely	Possible	Very Likely	Almost Certain
5%	25%	50%	75%	95%
A	B	C	D	E

Appendix 3: Control environment and management risk awareness ratings

Control Environment		Management Risk Awareness	
Effective	Internal Controls of the audited scope are effective. Limited or no remedial action is required.	Leading	Management exhibits a forward-thinking approach to risk management, continuously innovating and setting standards in risk awareness and mitigation strategies in the Bank. Predictive risk analysis and continuous control monitoring is in place. There is a culture of risk awareness and sharing of best practices within the Division.
Adequately Controlled	Internal Controls of the audited scope are functioning to an adequate level. Weakness identified during the review expose the Bank to an overall low to medium level of residual risk. Remedial action to address these issues is required.	Advanced	Management demonstrates a proactive and strategic approach to risk management. The risk register is dynamic and updated frequently. Management conduct horizon scanning to identify threats to the processes in scope for this review. Controls are tested regularly and updated based on test outcomes and evolving risk landscapes.
Improvement Required	Internal Controls of the audited scope require improvement. The deficiencies identified during the review expose the Bank to medium to high level of residual risk. Timely remedial action to address these issues is required.	Established	Management maintain a comprehensive risk register, detailing risks and controls. Risks are systematically scored using a consistent methodology, enabling prioritisation. Control reviews are conducted regularly, ensuring that mitigation strategies are effective and current. Some control testing is in place. Risks and expected controls identified during audit planning align to risks recorded in the risk register.
Ineffective	Internal Controls of the audited scope are inadequate and ineffective. The level of deficiencies identified exposes the Bank to a high level of residual risk. Significant and urgent remedial action to address these issues is required.	Developing	Management recognise the importance of risk management and is in the process of establishing foundational elements. A basic risk register exists but may not be comprehensive or fully up-to-date. Risks are identified and scored, albeit with inconsistent criteria. Control reviews are infrequent, and mitigation strategies may not cover all identified risks.
		Basic	Management demonstrates a minimal awareness of risks, with an inadequate risk register in place. Controls, if any, are ad-hoc and not systematically reviewed. Risks are not formally scored or prioritised, leading to potential oversight and unaddressed vulnerabilities.