iob Independent Oversight Body

THIRD & FINAL REPORT

MAY 2024

iob Independent Oversight Body

THIRD & FINAL REPORT

MAY 2024

TABLE OF CONTENTS

APPENDICES 94

DISCLAIMER

This report has been prepared by the Independent Oversight Body (IOB). The IOB was established in line with a bilateral agreement between the Commission for Communications Regulation (ComReg) and Eircom Ltd (trading as eir) dated 10 December 2018 (the "Settlement Agreement" or "SA")[1]. The IOB's mandate, known as the IOB Charter, is set out in Annex 3 of the Settlement Agreement.

The opinions included in this report are entirely those of the IOB and are not necessarily those of its individual members. It is not a legal document, nor does it contain legal, commercial, financial, technical or other advice.

The IOB's procedures are outlined in Section 2 of this report. Its opinions are based on the IOB's assessment of the documents provided by and presentations made by eir.

In considering eir's compliance with its obligations, the IOB has only assessed those obligations contained within the Settlement Agreement, and specifically those contained within the Regulatory Governance Model (RGM) Undertakings and the IOB Charter. Other regulatory and legal obligations which eir may be subject to are not addressed. Other individuals considering the same information could form a different assessment of it. Similarly, the IOB might have formed a different assessment had it considered other information. Accordingly, the opinions set out in this report should not be treated as determinative of any fact, nor of the performance of, or compliance with, any legal or regulatory obligation.

For the avoidance of doubt, this report was prepared by the IOB pursuant to the terms of the Settlement Agreement between ComReg and eir and is therefore addressed only to ComReg and eir. The IOB and its individual members do not make any representation or warranty as to the accuracy or completeness of the statements or any information contained in or omitted from this report and any liability therefore, including in respect of direct, indirect or consequential loss or damage, is expressly disclaimed.

This report is published pursuant to Section 6 of the IOB Charter.

[1] "Wholesale Compliance litigation update, Outcome of Cases 481 and 568 and related litigation.", ComReg 18/110, 10 December 2018

CHAIR'S MESSAGE

Welcome to the third and final report of the Independent Oversight Body (IOB). This report primarily relates to material received by the IOB between October 2022 (being the date of the last IOB report) and March 2024, however it also provides the IOB's position on matters based on the accumulation of information and evidence since the IOB's term began. The operating model that was developed by the IOB did not allow for the annual reporting that was envisaged by the Settlement Agreement. This would not have been practical. The key objective was for the five IOB members to address the extensive and detailed requirements set out in Annex 1 of the Settlement Agreement, the RGM Undertakings and Annex 3, the IOB Charter. In doing this, and as set out in section 2 of this report on the IOB procedures, the IOB has continued to place reliance on assurances received from eir Internal Audit.

The IOB's term ends on 12 June 2024, in line with its five year term as outlined in the Settlement Agreement. Over the course of those five years as Chair, I have spoken frequently of the IOB being on a journey of continual improvement, something I was pleased to see validated by the independent effectiveness review conducted by DT Economics, which culminated in a report dated 31 July 2023 (Appendix 4 to this report).

The first months of the IOB's term were spent endeavouring to identify an effective operating model to deliver on the significant breadth and depth of the coverage areas set out in the Settlement Agreement. The IOB engaged executive support as allowed for under its Charter to help it navigate the requirements of the Settlement Agreement and it also engaged extensively with eir and ComReg on its work plans, while conscious of its independence.

It is my opinion, and that of my colleagues, that eir has delivered on its RGM commitments over the duration of the IOB's term. Throughout its term, the IOB has had extensive engagement with senior eir management to conduct deep dives into particular areas of regulatory concern, such as IT Transformation and processes relating to civil engineering infrastructure (CEI). eir's Director of Internal Audit occupied a fixed part of our monthly agenda, gaining IOB approval for the audit plan and then reviewing progress on the audit schedule, all while maintaining an appropriate degree of separation and independence. The IOB engaged with eir on an ongoing basis through the IOB Executive, clarifying the questions that arose from our engagements, which when combined with the IOB's internal analyses, documents and minutes has led to a comprehensive documented record of the years of the IOB's term.

The IOB's opinions, its reasons for these opinions and the information that it has relied upon in forming these opinions are set out in section 3 of this report. A summary of the IOB's final recommendations is included in section 1.

From a personal perspective my five years on the IOB has been a very rewarding period. To develop - along with my colleagues - the infrastructure of oversight, has been a challenging but positive experience. The mix of skills provided by IOB members – with backgrounds in competition, industry, regulation and commercial telecommunications – provided a breadth and depth of perspective that was rooted in experience, practicality and careful deliberation. I would like to thank each of them sincerely for their contribution over the past five years, along with the members of the IOB Executive whose systematic and diligent approach proved an invaluable support both to me and the IOB as a whole.

It is my opinion, and that of my colleagues, that eir has delivered on its Regulatory Governance Model (RGM) commitments over the duration of the IOB's term.

It is worth reflecting that the Settlement Agreement that framed the IOB's operations was agreed between eir and ComReg in 2018. The role of the IOB as set out in the Settlement Agreement was and remains unique as

a regulatory governance tool in the telecoms industry in Europe. Since then the Irish Telecoms market has changed markedly. Today there are new competing fibre networks being built in urban and rural Ireland, new commercial options at the Wholesale level and vigorous competition in the retail marketplace. The regulatory emphasis is to deregulate where market conditions allow, and to continue appropriate oversight where conditions do not. It must achieve this difficult balancing act while ensuring that a positive climate exists to sustain the significant capital investment demanded by the marketplace, and which is essential to national competitiveness.

In this endeavour I can only wish all parties, on my behalf and that of my colleagues on the IOB, the very best in their respective efforts to sustain a free and fair marketplace, and ensure the continued success of Ireland inc.

Bob Downes,
IOB Chair

WHO WE ARE

As per the terms of the Settlement Agreement the IOB consists of five members, three independent members appointed by ComReg and two members appointed by eir. These are:

Bob Downes - IOB Chair:

Bob is a non-executive Director of OFCOM - the UK communications, online safety and media regulator. He was formerly a Director with BT Group involved in the set-up of Openreach and held a number of leadership roles throughout BT. He also Chaired CENSIS, an innovation centre for sensor technology and he advises a number of communication technology businesses including Kubenet where he is a non-executive director. Bob has been Chair of the Scottish Environment Protection Agency. He has also held non-executive Director roles with a range of arts organisations. He was previously a non-executive Director with the Scottish Government where he Chaired the Digital Public Services Transformation Group. He has also held non-executive positions with Glasgow University Business School, Glasgow School of Art and Scotrail.

Paddy Browne - IOB Member:

Paddy is a non-executive Director of eir. He was formerly Head of the Crops, Environment and Land Use Programme in Teagasc, having held this position since 2012. Prior to this, Paddy held various positions within Teagasc, having commenced his career there in 1977. Paddy previously served as Chairman of the Governing Body of Institute of Technology Carlow. He is also a former Council member of the Further Education and Training Awards Council of Ireland (FETAC). Paddy is a graduate of University College Dublin with a Bachelor in Agricultural Science. He was also awarded an MBA from Waterford Institute of Technology.

Lakh Jemmett - IOB Member:

Lakh has built and led international Telecommunications Businesses for the past 30 years in Europe, Asia and the US. He has a track record of P&L leadership within incumbent and competitor providers. In addition to 10 years with Colt Telecom plc., latterly as CEO Major Enterprise Division, during which time he also had P&L responsibility for Ireland, Lakh spent three years with Alcatel Lucent before moving to BT, where he was CEO BT Managed Services Ltd. and Managing Director BT Wholesale (UK). Lakh is currently a non-executive Director at HM Courts & Tribunals and NHS Property Services .He previously served on the board of the Royal Surrey NHS Foundation Trust and Healthcare Partners Ltd. He is a Director of Wimoweh Ltd and the Chair of Portsmouth Water Ltd Customer Challenge Group.

Miriam Hughes - IOB Member:

Miriam is a non-executive Director of eir and is the Chair of the Board of Directors of the Advertising Standards Authority, a mentor on the Enterprise Ireland panel, a non-executive director at Pluto, a non-executive director of CareChoice and Chair of the Bus Eireann board. Miriam has over 30 years of experience in marketing, brand reputation and communications. She is the former CEO of DDFH&B Group, one of the largest communication groups in Ireland. Miriam has also held senior management roles in Nestlé, Bank of Ireland, Smith & Nephew, and AIB. Miriam is a Chartered Director from the IOD, a graduate of UCD, and holds a BComm and MBS in marketing.

Declan Purcell - IOB Member:

For over 20 years Declan successfully progressed through a range of positions within the Department of Enterprise, Trade and Employment. During 1998, he joined the Irish Competition Authority (ICA) as a Member/ Director; in 2010 he was appointed as (Executive) Chairperson of the ICA. Over the years Declan was heavily involved with the deregulation of the broader Irish economy and he has a deep understanding of market competition within the European Union. He has regularly spoken at international conferences on various aspects of competition law and policy. Declan holds a Masters degree in Economic Policy Studies (MSc TCD). In recent years Declan has maintained an active professional career and currently advises both within Ireland and internationally on competition policy plus related matters.

1

EXECUTIVE SUMMARY

The IOB is required to publish an annual report with respect to the operation and effectiveness of eir's RGM. This report must include the IOB's opinion on its own governance and resources and on the adequacy of eir's second and third lines of defence, Regulatory Code of Practice and governance structures in place to ensure regulatory compliance. The IOB is also required to provide an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings, consisting of 66 paragraphs set out in Annex 1 of the Settlement Agreement, many of which contain multiple overlapping requirements. In forming these opinions, Schedule 1 of the IOB Charter lists 19 tasks the IOB is required to undertake, in addition to review of an annual schedule of approximately 61 reports from eir management and Internal Audit set out in Schedule 2 of the IOB Charter. In practice the IOB has agreed a work plan with Internal Audit and has made some changes to the frequency of other reports required from eir management. The Settlement Agreement's expectation was for the above requirements to be completed annually. However, as noted in the Chair's message the IOB's reports have in practice not been annual, this being the third and final report during its five year term.

To aid its analysis of the obligations set out in the RGM Undertakings and the IOB Charter, the IOB categorised these under various areas of obligation and regulatory risk, as per the sub-paragraphs set out in section 3 of this report. Section 3 details the IOB's opinion on each of these areas, the reasons for that opinion, the information which the IOB has relied upon in agreeing the opinion and the requirements of the Settlement Agreement to which each opinion relates. While the IOB has paid utmost attention to the requirements of the Settlement Agreement, it is important to highlight that its opinions are not intended or required to be referenced to any formal auditing standard.

A summary of the IOB's opinions is contained in the following paragraphs. However, review of this report in its entirety is required to gain a proper understanding of the IOB's opinions as summarised below.

In summary the IOB believes that eir has adhered to the RGM Undertakings. eir has developed and maintained a largely robust RGM, which the IOB believes to be adequate from a regulatory governance perspective, and which it believes will continue to be adequate provided that there is ongoing oversight and the current level of staffing and skill-set is retained, in particular in relation to the second and third lines of defence. eir's Regulatory Code of Practice is embedded in its governance model, well communicated to staff and there are consistently high staff and contractor completion rates. Non-completion of training and non-adherence to the Regulatory Code of Practice is integrated into eir's disciplinary policy.

From a company culture perspective, the evidence during the period of the IOB's term by way of concluded compliance cases and open eir achievement of product development milestone regulatory requirements does not indicate a culture of non-compliance in open eir Wholesale. Having said that, the IOB believes that open eir customer engagement processes require improvements and, furthermore, that the governance arrangements for the first and second lines of defence with regard to civil engineering infrastructure (CEI) order processes during FY22 were inadequate. However, at the time of writing (March/April 2024) open eir are continuing to work on substantive improvements including by way of process automation and interim manual interventions.

eir has invested in a very substantial 'IT Transformation' plan, as a means of improving efficiency and overall processes. Segregation of data between open eir Wholesale and downstream businesses is a key outcome of 'IT Transformation' and hugely beneficial to eir governance regarding wholesale regulatory compliance. Given the scale and pace of the transformation required, and notwithstanding the considerable progress made on separation of retail and wholesale systems to date, there remains an inherent risk to regulatory compliance; the IOB has voiced its concern to eir on this matter and expects the management of this risk to remain a key priority for eir.

The IOB believes that recommendations it has made with regard to the eir Board and Internal Audit are important from the perspective of the maintenance of standards and to provide reassurance to stakeholders and customers. The table at the end of this section sets out the IOB's final recommendations, including on these points. While

the IOB believes the second and third lines of defence to be currently adequate with regard to requirements of the Settlement Agreement, it nonetheless believes these recommendations constitute important enhancements to eir's three lines of defence model.

The IOB's own governance has been satisfactory and it has had adequate financial and non-financial resources available to it; this position is supported by an external effectiveness review which was carried out in June 2023.

The contents of the sections of the report that follow are as follows:

Section 2 of this report provides an overview of the IOB's procedures, section 3 contains the IOB's opinions, section 4 contains eir's Management Representations provided to the IOB in December 2023 and section 5 sets out eir's comments on the IOB's final report, as allowed for under 6.3 of the IOB Charter. The appendices include information on material received from eir, a glossary, information in relation to the external effectiveness review of the IOB and the assessment tool in relation to Internal Audit which is referred to in this report.

#	Area	IOB Final Report Recommendations
1	**2nd Line of Defence & Regulatory Risk Mgmt**	While acknowledging that eir has communicated to the IOB its confidence that the RGM Committee captures and reviews all risks at a sufficiently detailed level, given the breadth of the area and volume of activity, the IOB is nevertheless recommending that eir considers enhancements, at least with regard to the evidence recorded by way of the RGM Committee minutes.
2	**2nd Line of Defence & Regulatory Risk Mgmt**	In the context of CEI related audit findings, the IOB recommends that eir undertake a review and introduce enhancements to ensure more timely identification of emerging risks by eir's first line of defence (open eir). As noted in the IOB's first report, while accepted that it was eir's prerogative to accept or reject a suggestion from the IOB, the IOB again agreed to note to eir that it considers that there is a benefit to be gained from a holistic all-risk review on a regular basis.
3	**3rd Line of Defence**	The IOB notes that Internal Audit is not assigned its own budget by the Board of eir. The IOB recommends that the eir Board reconsider this position.
4	**3rd Line of Defence**	While the Director of Internal Audit has, during the period of the IOB's final report, reaffirmed his independence and ability to operate as such, a position which is supported by the findings of the External Quality Assessment (EQA) of the IARG Function in August 2021, the IOB nevertheless recommends, as a mechanism to further establish this independence, the formation of a regulatory committee of the eir Board to which the Director of Internal Audit should report in relation to regulatory matters.
5	**3rd Line of Defence**	The IOB recommends that the next EQA of eir Internal Audit be carried out in 2024, by way of an option suggested by DT Economics in their report on the effectiveness of the IOB, that is a formal, independent and objective external third party validation of the internal self-assessment completed by Internal Audit. The terms of reference for this should include note of the enhanced regulatory role of Internal Audit in eir, include a review of the IA Charter alignment to the new IIA standards, be informed by questions raised by the Regulator and be informed by the IOB's term ending.
6	**3rd Line of Defence**	IIA guidance is that an EQA of Internal Audit should be carried out at least every 5 years. The IOB recommends that the eir Board should consider a three year cycle of external EQA, in the context of the enhanced regulatory role of eir Internal Audit.

#	Area	IOB Final Report Recommendations
7	**3rd Line of Defence**	The IOB recommends that IARG develop and maintain a detailed documented regulatory "audit universe", to include the dates of audits completed and to be informed by Regulator publications as well as internal eir assessments.
8	**3rd Line of Defence**	The IOB recommends that IARG undertake a formal annual review of their Process, this review to be documented within a review/approval log attached to the Process document itself.
9	**3rd Line of Defence**	The IOB recommends that an IARG audit universe documents all emerging compliance cases, notifications of findings of non-compliance and dispute determinations by ComReg. And secondly, that the risk based audit plan is reviewed as these potential emerging issues are documented within the audit universe on an ongoing basis by IARG.
10	**Culture, Strategy, Board Transparency**	The IOB recommends that the eir Board continue to develop its leadership role following the end of the IOB's term with regard to the independence of the Wholesale business as defined in the Settlement Agreement and to safeguard open eir compliance with its regulatory obligations; for example by way of active oversight of open eir governance structures and processes relating to eir's regulatory obligations.
11	**CEI Processes & SLAs**	The IOB recommends that the eir Board consider ensuring an extensive assurance review is undertaken by an internal or external party with both regulatory and telecommunications expertise, in relation to performance between CEI orders and "eir own use" orders and in so far as possible between NBI MIP and IFN. This would of course be in the context of the updated regulatory obligations as set out in the Physical Infrastructure Access Decision and KPI requirements (D03/24 & D04/24)
12	**CEI Processes & SLAs**	The IOB notes the Internal Audit finding that significant resourcing constraints within the contractor employed by open eir resulted in the late delivery of almost one quarter of CEI orders over a 12 month period to February 2023; however, it also found that this was exacerbated by poor communications between open eir and their customers, the Operators. While the IOB notes the issue regarding contractor resourcing constraints, the IOB nevertheless recommends that eir continues to place emphasis on improving the quality and timeliness of communications between open eir and the Operators. While the evidence of mitigation and the programme of enhancements supplied to the IOB by eir IT in this regard (March 2024) is encouraging, it is important that the remaining milestones of the relevant programmes be achieved as outlined.
13	**Bids**	The IOB recommends that Internal Audit include review of the open eir Bid process and controls within its 2024 work plan.

2

IOB PROCEDURES

The Settlement Agreement does not specify an operating model to enable the five appointed non-Executive members fulfil the requirements set out in the RGM Undertakings and the IOB Charter.

However during the period of the IOB's first report it formalised a role for its executive function and developed and has since updated and maintained governance procedures outlining how it operates on a day-to-day basis. These procedures cover:

- The frequency and notice period of IOB meetings;
- Meeting agendas and papers;
- Meeting protocol, decision making and quorum;
- Meeting minutes;
- IOB recommendations;
- IOB documentation;
- Communication with eir and ComReg;
- External engagement; and
- Confidentiality.

The IOB also has developed and maintained operating procedures which document the means by which the IOB achieves its objectives; these have been updated for each IOB work programme leading to the publication of an IOB report. The operating procedures for the IOB's final report work programme cover:

- The basis and form of the IOB's opinions;
- The regulatory risk areas of focus;
- The means by which the IOB's final report will be developed; and
- Decision-making on the opinions expressed in the IOB's final report.

In developing its opinions for this final report, the IOB has continued to place reliance on assurances received from eir Internal Audit. The IOB received an EQA report, dated 26 August 2021, of eir's Internal Audit Regulatory Governance Function (IARG), the terms of reference for which were specified by eir. This report set out the function's general conformance against the CIIA standards, benchmarked .against the Chartered Institute of Internal Auditors (CIIA) standards and provided some minor recommendations for improvement of the function, which were accepted.

3

IOB OPINIONS

As outlined in the Executive Summary above, the IOB has categorised obligations set out in the RGM Undertakings and the IOB Charter into various areas of obligation and regulatory risk, as per the sub-paragraphs set out in this section of the report.

The section that follows details the IOB's opinion on each of these areas, the reasons for that opinion, the information which the IOB has relied upon in providing its opinion and the requirements of the Settlement Agreement to which each opinion relates.

The IOB considers that its own governance has been satisfactory and that it has had adequate financial and non-financial resources available to it.

3.1. The IOB's effectiveness, own governance and resourcing

3.1.1 IOB opinion

The IOB considers that its own governance has been satisfactory and that it has had adequate financial and non-financial resources available to it.

The adequacy of resources available to the IOB should be understood within the context of its work plans and approach which itself should be understood within the context of the terms and structure of the IOB as set out in the Settlement Agreement, agreed by ComReg and eir prior to the establishment of the IOB.

The IOB acknowledges the feedback it has received from eir and ComReg. Where this feedback has been specific enough to enable the IOB to respond, it has done so formally and in detail, setting out its position with regards to the terms of the Settlement Agreement. As set out in the IOB Charter:

> *"The IOB is not a corporate entity and therefore has no role in terms of engagement with external stakeholders other than as allowed by the IOB Charter."*

The only stakeholder engagement allowed by the IOB Charter, other than that with the principals to the Settlement Agreement, is an annual meeting with relevant industry stakeholders.

The IOB commissioned an independent organisation with both regulatory and telecommunications expertise, DT Economics, to carry out a review of the effectiveness of the IOB's activity under the periods of its first and second reports (DT Economics Review). The terms of reference for the review by DT Economics are contained in Appendix 3 to this report, a link to the report of this review is contained in Appendix 4 and details of the information made available to DT Economics by the IOB are contained in Appendix 5. It is important to note that this review was undertaken within the context of the terms of the IOB's structure and responsibilities as set out by the IOB Charter, Annex 3 to the Settlement Agreement.

3.1.2 Reasons for the opinion

The IOB has had approved governance and operating procedures. It has undertaken a self-assessment governance review by way of a questionnaire derived principally from the Irish State Body Board Self-Assessment Evaluation Questionnaire, under the Code of Practice for the Governance of State Bodies.

As outlined above, the DT Economics Review was commissioned to carry out a qualitative review of the effectiveness of the IOB's activity. The DT Economics Review set out the following recommendations:

1. DT Economics recommended that the IOB continue and further develop and strengthen its high-level engagement with eir and ComReg, specifically by means of:

    a. Attending at least one meeting with the eir Board;
    b. The ComReg nominees holding regular/monthly meetings with ComReg; and
    c. IOB taking the lead in arranging a trilateral meeting between itself, the eir Board and ComReg.

    - The IOB agreed that it would continue to engage with eir and ComReg by way of its approach to date, which has been that the ComReg nominees have held regular meetings with ComReg and the eir nominees have engaged with the eir Board in relation to IOB matters. The IOB agreed that its role may

facilitate improved relations between eir and ComReg but it was not responsible for this.

2. DT Economics recommended that the IOB further strengthen the IOB Executive function by means of identification of potential candidates within eir who could step in to support the Executive at short notice if either current secondee became unavailable.

   - The IOB Chair wrote to the CEO of eir asking that an IOBE succession process be put in place, which was agreed to by eir.

3. DT Economics recommended that the IOB take steps to "safeguard" the independence of eir Internal Audit, in the context of the IOB being an oversight body consisting of five part-time, non-executive members supported by a small executive function where assurance commentary has been based on information and assurance opinions provided by eir Internal Audit. Specifically, DT recommended the IOB consider several tasks:

   a. The IOB to provide input to a future revision of the Internal Audit Charter under the revised IPPF Standards due to come in effect in Q4 2024 and in line with the enhanced regulatory role of Internal Audit in eir;
   b. The IOB to agree a forward-looking programme of external assurance reviews with eir to provide complementary support to the work of Internal Audit;
   c. The IOB to agree in principle, in discussions with eir and ComReg, the frequency of EQAs of eir Internal Audit, in line with the Institute of Internal Auditors' (IIA) guidance and eir Internal Audit's enhanced regulatory role.
   d. The IOB to focus the assurance work plan of Internal Audit for the remainder of the IOB's term on key, high risk areas, to include CEI and eir's IT transformation project; and
   e. In preparing for the end of the IOB's term, the IOB to provide eir and ComReg with its views on how Internal Audit's work plan could be focused on the medium to long-term, in terms or number and quality.

      - Under Section 3.3 of this report, the IOB has recommended an independent and objective external third party validation of Internal Audit's self-assessment, to include review of Internal Audit's Charter alignment to the new IIA and to be informed by questions raised by the regulator as well as the end of the IOB's term.
      - The IOB Chair has written to eir's Director of Internal Audit with regard to a self-assessment with external validation.
      - Under Section 3.6 of this report, the IOB has recommended that the eir Board should consider a three year cycle of external EQA of IARG, in the context of the enhanced regulatory role of eir Internal Audit.
      - In February 2023, the IOB communicated its intention to focus its analyses under the period of the IOB's third report work programme on a number of areas of regulatory risk, including structured and unstructured data and CEI regulated product processes.
      - In terms of longer term work planning, priorities of IARG and risk based audit planning, the IOB has recommended in Section 3.3 of this report that IARG develop and maintain a detailed documented regulatory "audit universe", to include and be informed by:

        - The dates of audits completed;
        - Regulator publications;
        - Internal eir risk assessments (known as Business Unit Process Compliance Reviews or "BUPCRs);
        - Details of emerging compliance cases; and
        - Notifications of findings of non-compliance and dispute determinations by ComReg.

4. DT Economics recommended that the IOB agree with ComReg and eir the focus areas for the rest of the IOB's mandate, noting the potential conflict in terms of discretion available to the IOB based on the terms of the Settlement Agreement. In this context, the recommendation was for agreement to be reached on the "precise list of activities" to be undertaken.

   - The IOB agreed to note that it had communicated its proposed areas of focus for its third report to eir and ComReg in February 2023 and invited their comments, but that it was for the IOB to determine its own list of activities.

5. DT Economics recommended that the IOB prepare a knowledge bank to capture learnings from its experience, to be shared both formally and informally with the eir Board and ComReg.

> **Consistent with the opinion the IOB previously expressed in its second report, the IOB considers that eir's second line of defence with responsibilities in respect of regulatory governance have appropriate mandates and are adequately resourced to meet their work plans.**

- The IOB believes that commentary and material included in its published reports are sufficient in this regard.

3.1.3 Information relied upon

1. IOB Governance Procedures – how the IOB operates on a day-to-day basis
2. IOB Operating Procedures – the means by which the IOB will achieve its objectives as stated in the IOB Charter
3. IOB self-assessment governance review
4. External review of the IOB's effectiveness, reference https://www.openeir.ie/regulatory-governance-model/

3.1.4 Reference to which RGM Undertakings and IOB Charter requirements

Paragraph 5.1 of the IOB Charter requires that:

"After an initial period of two years, the IOB will for each year of the IOB's existence commission a suitably qualified independent person or organisation to express an opinion as to the effectiveness of the IOB's activity. A report prepared by the person or organisation will be published on a suitable open eir website as soon as possible after sharing the report with ComReg and eir in advance of publication. This will be based on a review of the material and information already provided to the IOB. No eir resources will be needed to support or contribute to this review other than access to the eir IOB Members, members of eir's SMT and the Head of Internal Audit. A review will be repeated annually unless otherwise agreed by ComReg. ComReg will bear the cost for any such review(s). Procurement arrangements will be agreed between the IOB and ComReg."

Secondly, the following requirement is noted in Paragraph 1.1 of Schedule 1 of the IOB Charter:

"On an annual basis prepare and publish on open eir's and ComReg's websites a report with respect to the operation and effectiveness of eir's regulatory governance model, to include the IOB's opinion as to:

a) whether the IOB's own governance was satisfactory;

b) whether adequate resources - financial and non-financial - had been made available to it."

3.2 eir's Second Line of Defence & Regulatory Risk Management

3.2.1 IOB opinion

Consistent with the opinion the IOB previously expressed in its second report, the IOB considers that eir's second line of defence with responsibilities in respect of regulatory governance have appropriate mandates and are adequately resourced to meet their work plans.

In its last report, the IOB commented that it expected to see improvements in eir's management of control handover when Control Executors leave the business. This issue has not arisen again in audit reports during the period of the IOB's final report and Wholesale Regulatory Operations have confirmed to the IOB that process enhancements have been introduced.

With regard to regulatory control testing and management of the self-certification[2] process by the second line of defence, eir has maintained improvements as previously commented on by the IOB's second report. However, in the context of the IOB's term ending it has questioned the depth and consistency of oversight and challenge provided by the RGM Committee within eir to reports it receives, including those in relation to testing of regulatory controls and regulatory self-certification. **While acknowledging that eir has communicated to the IOB its confidence that the RGM Committee captures and reviews all risks at a sufficiently detailed level, given the breadth of the area and volume of activity, the IOB is nevertheless recommending that eir considers enhancements, at least with regard to the evidence recorded by way of the RGM Committee minutes.**

[2] A quarterly exercise undertaken by regulatory control owners and executors to review and self-certify the operation and management of regulatory controls.

The IOB also commented in its second report that it expected to see ongoing improvements in eir's articulation of its management of regulatory risk, with regard to emerging risks, control failures and their potential impact to the business and stakeholders. During the period of the IOB's final report it has received further assurance from eir Internal Audit with regard to the ongoing implementation of eir's regulatory risk review and management process, known as the BUPCR. Findings from the audit of CEI processes, however, have caused the IOB to **recommend nevertheless that eir undertake a review and introduce enhancements to ensure more timely identification of emerging risks by eir's first line of defence (open eir). As noted in the IOB's first report, while accepted that it was eir's prerogative to accept or reject a suggestion from the IOB, the IOB again agreed to note to eir that it considers that there is a benefit to be gained from a holistic all-risk review on a regular basis.**

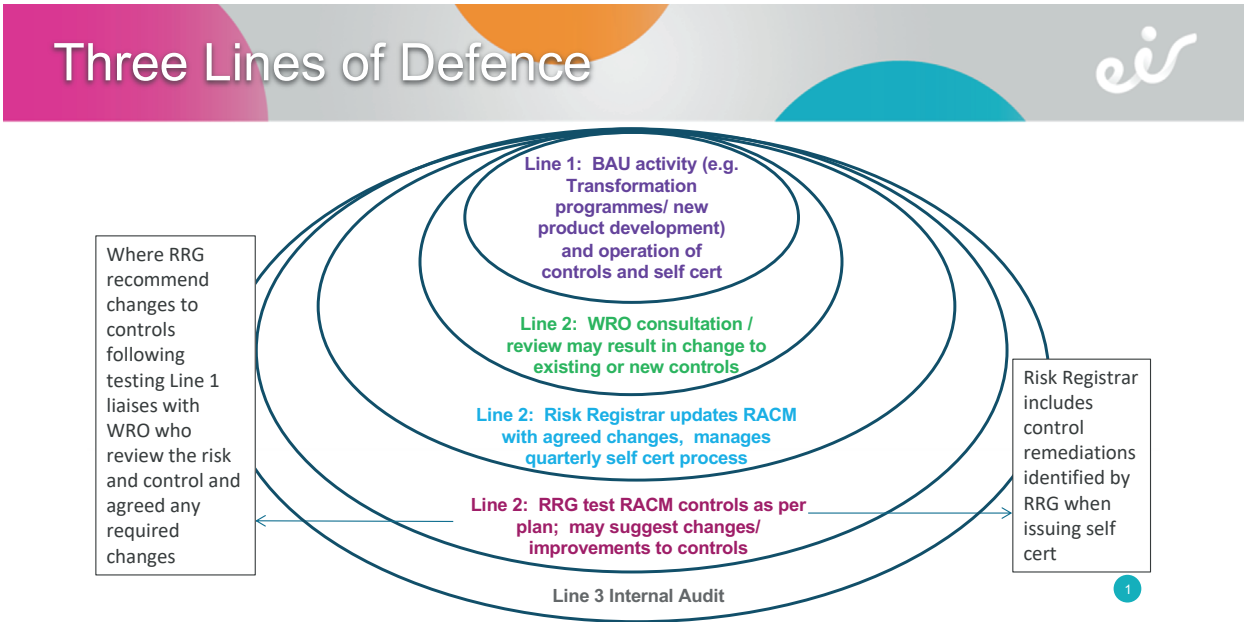
> **While acknowledging that eir has communicated to the IOB its confidence that the RGM Committee captures and reviews all risks at a sufficiently detailed level, given the breadth of the area and volume of activity, the IOB is nevertheless recommending that eir considers enhancements, at least with regard to the evidence recorded by way of the RGM Committee minutes.**

The IOB's second report noted that a number of controls over the contents of Windows file shares and some Google drives remained non-operational since 2019 (Sailpoint FAM). While eir is continuing to work on the technology solution to automate these controls and they are considered by eir to be manually effective since Q1 of 2023, this and other issues have raised questions for the IOB regarding the adequacy of IT or data related resourcing to ensure adequate regulatory related governance. This issue is commented on further under Section 3.7 with regard to governance arrangements over structured and unstructured data management.

Finally, the IOB's second report noted its intention to review more closely eir's process for the implementation of regulatory obligations; this is primarily managed and overseen by eir's second line of defence, Regulatory Strategy specifically. During the period of its final report the IOB has reviewed and held an agenda item with eir management on its regulatory consultation and Regulated Access Product (RAP) determination processes, both of which are documented. The IOB has previously received assurance on this matter from Internal Audit and has no specific comment other than that the governance arrangements appear adequate.

3.2.2 Reasons for the opinion

For reference, the following diagram from eir illustrates roles within the second line of defence with regard to regulatory controls.



- As demonstrated by the IOB's meeting minutes, it has held detailed meetings with eir's Chief Regulatory Officer and Director of Enterprise Risk in relation to their regulatory related work plans, mandates and resourcing. The IOB has received confirmation from senior management within the second line of defence that their resourcing is adequate and they have the requisite skills needed; Internal Audit have also provided assurance on this. Regulatory Operations have demonstrated the achievement of their work plan and have explained any slippages. The Regulatory Risk Group (RRG) continue the achievement of operating at a schedule of 100% of regulatory control testing on an annual basis (as noted in the IOB's Second Report) and the Risk Registrar has continued to coordinate, facilitate and oversee the self-certification of regulatory controls by the first line of defence on time and in full.
- While Internal Audit has not commented specifically to the IOB on the work plans of the second line of defence being risk based, the IOB is content they are adequate in this regard. Regulatory Operations' work plan mirrors ComReg's activity forecast and includes engagement in Wholesale market consultations, decisions and directions, ComReg compliance investigations, RAP notifications, Statement of Compliance updates and ComReg Information Requests. In addition, it includes coordination and attendance at various internal eir governance forums, leading or involvement in BUPCR reviews, designing and leading regulatory related training, the management of documents underpinning RGM governance, the management of Wholesale complaints and both Chair and Secretarial support to the RGM Committee. As already noted, the RRG undertakes testing of 100% of regulatory controls on an annual basis and the Risk Registrar consistently coordinates, facilitates and oversees the self-certification of regulatory controls on time and in full.
- eir's second line of defence have provided detailed presentations to the IOB setting out reporting lines of Regulatory Operations, the RRG and the Risk Registrar which demonstrate that none report to the same member of senior management as either Internal Audit or open eir, in line with requirements of the RGM Undertakings.
- Also with regard to the independence of the second line of defence, the IOB during its term has received reports relating to regulatory controls and the RGM Undertakings from eir's second line of defence; these are provided following review by the RGM Committee within eir who, based on their Terms of Reference, have a right to comment on these reports but no right to change a report before it is presented to the IOB.
- The IOB has queried and engaged directly with both the Chief Regulatory Officer and the Director of Enterprise Risk in relation to the second line's access to and engagement with the eir Board. The Chief Regulatory Officer confirmed to the IOB his role as one on the SMT and that he provides updates directly to the eir Board. The Director of Enterprise Risk noted quarterly risk updates provided to the eir Board and, following discussion with the IOB, that this had been enhanced to include quarterly reporting on regulatory control testing and self-certification.
- Following some discussion between the IOB and Regulatory Operations regarding potential for conflicts of interest, eir noted that in practice a separation of duties was implemented to avoid self-review. Following this Regulatory Operations amended the regulatory risk review process document (the *"BUPCR") to note that "when WRO is required to run a BUPCR, the BUPCR Manager is selected from the WRO team based on ensuring a separation of duties between the BUPCR Manager and the activity under review."*
- While the audit of IT capital budgeting and allocation processes (Apr'23) notes inaccurate self-certification under the capex process, the IOB has been informed by the RGM Committee that this was an oversight and error on the part of the Control Executor with regard to the specific requirements of the control operation. In any case and as noted in Section 3.8, this does not impact the IOB's finding that eir's RGM meets the requirements of the RGM Undertakings.
- During the period of the IOB's final report, eir Internal Audit has provided assurance reporting on eir's second line of defence and regulatory risk management, which has included the following statements and opinions:

1. *"eir's processes for the design, implementation and monitoring of controls are overseen by the RACM and Regulatory Governance Framework and are operationally effective in managing regulatory compliance. We identified one minor observation relating to process documentation. This did not impact how risks and associated controls are managed."* RGMU 20, Dec'22

2. *"At the time of audit the RRG had recruited a third RRG Test Analyst. While three test analysts is the*

correct resourcing model we acknowledge the new analyst will require adequate time for induction and training to the new role. We observed the subsequent actions taken to manage the identified risks and controls between WRO, Risk Management and control owners. We observed evidence of sufficient resources and expertise in place to ensure the proper operation of the RRMA processes including robust risk identification processes and associated control management in conjunction with the RACM and associated reporting metrics on same. We note there is some duplication in the Undertakings and further details relevant to this paragraph 25 are detailed in Paragraph 27 below." RGMU 25, Dec'22

3. *"As per paragraph 25 above we address the measures in place supporting output and reporting to the IOB. Internal Audit provides bi-annual reviews on the effectiveness of the Second Line Self Cert Process. We observed the quarterly reports from RRG to the IOB in line with their annual test schedule. Internal Audit meets with the RRG periodically to observe and compare notes on audit or control test findings and the quarterly self cert reporting to determine this. The combined IA/ RRG tracker has been submitted to the IOB to provide further evidence of eir's compliance to the requirements of Paragraph 26."* RGMU 26, Dec'22

4. *"In addition to Paragraph 25 above, IA conducted the 'Review 02-22 Eclipse, KPIs (1-4) and Asset Application Register'. The review of system risks through the IT Asset Application Change Control Forum, demonstrated adequate controls were in place to manage the identified access and process risks."* RGMU 27, Dec'22

5. *"For Q1 and Q2 FY22 we reviewed the RRG control test reports and quarterly reports which demonstrated an adequate review and retention of evidence for the performance of controls. Records were maintained where remediation was required and subsequent followed-ups were also recorded."* RGMU 28, Dec'22

6. *"As per Paragraphs' 20, 25 and 28 above, eir continues to maintain the BUPCR process and the RACM processes."* RGMU 29, Dec'22

7. *"eir continues to maintain three lines of defence model. See commentary under Paragraph 38 and 45 below referencing the Second Line of Defence."* RGMU 37, Dec'22

8. *"eir's Risk Management function is part of the RGM Second Line of Defence. The RRG as part of the risk management function tests the operation of controls and advises of appropriate remediation where applicable independent of the first line of defence."* RGMU 38, Dec'22

9. *"Internal Audit reports to the CFO. All Second Line functions report to other SMT members."* RGMU 42, Dec'22

10. *"Authority and access to records and reporting lines are outlined in associated Second Line mandates and roles signed off by the RGM Committee."* RGMU 43, Dec'22

11. *"eir continues to be compliant with Sections a), b), c) and f) of Paragraph 44 as outlined above in Paragraphs' 20, 25 and 28. There were no escalations requiring risk assessment, control operation or effectiveness issues for Q1 or Q2 which is in to compliance with section (d) and the BUPCR version 7 describes the escalation process to follow if required. Also the RRG report on any control performance issues in their quarterly reports which is sufficient to meet the requirements of Paragraph 44. Section 27 above provides our opinion on compliance to section (e) Paragraph 44. In relation to section (g), WRO monitor, assess and consult on the WAR (BAR) process. Internal Audit report R01-22 address's this compliance requirement and identified six findings relating to the access review aligned to the WAR process with all findings now resolved. WRO continuously consult with control owners and business functions for training content and workshops related to compliance measures concerning access control and system design which is sufficient to meet the requirements of Paragraph 44."* RGMU 44, Dec'22

12. *"Under section a), b), c) and d) there are separate business units within the Second Line of Defence comprising of WRO (advisory), RRG (testing) and Group Risk (risk management) within the Second Line of Defence. There is currently adequate resourcing and competence within each of these business units in order to maintain operations and manage the established mandates and annual plans of these units (as presented to the IOB).*

In my opinion the Second Line of Defence is adequately resourced, competent and mandated to execute essential compliance monitoring and consulting services that oversees and manages risk identification of associated development and management of controls by the First Line of Defence. In summary this is demonstrated by;

i. The RACM quarterly self-certification process is scheduled coordinated and administered effectively by the Risk Registrar.

ii. All RACM controls are tested by the RRG on an annual basis; they provide adequate oversight on the compliance to control testing and this is reported to the RGM Committee, Internal Audit and the IOB.

iii. The RRG and WRO provide regulatory compliance advice on the development of controls, and consultancy on regulatory compliance matters to control owners." RGMU 45, Dec'22

13. *"We did not find any regulatory non-compliance matters in eir's performance of any of the Undertakings in scope [points 1-12 above]. In my opinion there are effective governance arrangements overseeing the completion of the self cert process."* Dec'22

14. *"I note that the quality of all returns has improved and were submitted accurately and without errors in Q1 and Q2, however there were nine individual control owners across these two quarters that were late with their returns. To give context the late returns were only by a small number of days. This can cause additional workloads for the second line of defence having to contact these control owners to follow-up. This may delay quarterly reporting as all returns data is not immediately available at the deadline for submissions. Late returns have now occurred consistently across the last three quarters and the RGM Committee should consider the root causes of these late returns and subsequent plans to remediate this issue. The single finding in this audit is being addressed by the Risk Registrar through H2 FY22 and Internal Audit plans to review this in the H2 Self Cert review in the FY23 audit plan and again in a specific review in July 2023."* Dec'22

15. *"The basis for forming my opinion on the RGM risk management and internal control environment is as follows:"* [including]:

i. *"A decrease in identified risks during individual risk based audits (detailed below), reviewing governance, risk management, internal controls, reporting and reviewing operational elements also. In FY22 there were 75% less findings during fieldwork compared to the first year of the Settlement Agreement (FY20) demonstrating continuous improvement in the RGM framework. 509 (95%) of all issues raised by IA to date were resolved at the time of reporting. There are currently no tracked items that are overdue."* Mar'23

16. *"There is no evidence of any additional material regulatory risks not currently captured in eir's group risk profile."* Mar'23

17. *"In relation to the regulatory risk management and associated internal controls frameworks across the eir Group, in my opinion, the EHIL Board and the IOB can place reliance on the below related governance fora, that adequately manage various RGM controls, risks and associated processes. IA observes compliance and management of risks by attending, observing activities and consulting within the relevant committees below.*

i. Group Risk Profile reviewed with the Corporate Risk Committee.

ii. IT risk register, IT asset application Management Register

iii. Business Continuity Plans (BCP) processes (40) in place and associated Self Cert where all associated network infrastructure and IT risks are reviewed annually by management and all plans to manage these risks are tested and updated as required. All IT BCP's were returned promptly through a self-certification process.

iv. Regulatory Governance Committee

v. Data Information Governance Committee

vi. Portfolio Board (review of RAP/Non-Rap products).

vii. Product Development Council

viii. Wholesale SMT

ix. Fraud Governance Committee (Speak-up reporting)." Mar'23

18. *"The Regulatory Governance Committee continued to operate through FY22 with sufficient mandate and adequate attendance and authority to manage*

existing and emerging regulatory risks as they arise." Mar'23

19. *"We are satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of RGM governance, risk management and control. We agreed the audit work plan with the IOB. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit function can provide is reasonable assurance that there are no major weaknesses in the system of internal control."* Mar'23

20. *"The opinion is based solely on the work undertaken as part of the agreed RGM internal audit plan in line with the SA. There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work in FY22 or were not brought to our attention. As a consequence the Board and the IOB should be aware that our opinion may have differed if other relevant matters were brought to our attention or if inaction by management was evident."* Mar'23

21. *"Eir's processes for the design, implementation, embedding and monitoring controls overseen by the First and Second Line of Defense are effective in managing eir's regulatory compliance. We identified minor gaps in the detail of agreed remediation for one control only. This did not impact how the risk and control was managed. This has since been resolved."* RGMU 20, Mar'23

22. *"For the purposes of this paragraph we focussed on the eir Asset Management Register. We observed one system which was no longer accessible and the associated assessment conducted by WRO with the Risk Management Analyst. The associated control was retired following a review of the register and the assessment of the risk."* RGMU 25, Mar'23

23. *"There were no issues detected; the existing BUPCR process is well documented and effective. The RACM is effective in managing all identified risks. Control owners certify the accuracy and operationally effectiveness of their controls on a quarterly basis."* RGMU 27, Mar'23

24. *"We observed a sample of findings and reported performance from Q3 and Q4 demonstrating the performance of controls and there was a satisfactory review completed. There was one minor finding in relation to remediation-no risk occurred as a result. RRG continue to test 100% of the controls annually to confirm compliance with and the effective management of controls."* RGMU 28, Mar'23

25. *"eir continues to maintain the BUPCR and RACM process."* RGMU 29, Mar'23

26. *"eir continues to maintain a robust Regulatory Governance Model and the framework document is currently being reviewed."* RGMU 37, Mar'23

27. *"There are separate business units comprising of WRO (advisory), RRG (testing) and Group Risk (risk management) within the Second Line of Defence. There is currently adequate resourcing available in each of these business units in order to maintain operations and manage the established mandates and annual plans of these units (as presented to the IOB)."* RGMU 38 & 45, Mar'23

28. *"The Director of Internal Audit reports to the CFO on operational matters only. Second Line of Defence departments report into General Counsel and Director of Public Director of Regulatory & Public Affairs."* RGMU 42, Mar'23

29. *"Second Line of Defence mandates signify authority and access to records. These mandates are signed off by the RGM Steerco. At the time of audit, the updated Mandate for RRG is being finalised."* RGMU 43, Mar'23

30. *"Eir's compliance with section a, b, c and f of Paragraph 44 is outlined above in Paragraph 20, 25 and 28. For section d, no escalations were required. If escalations do occur, the BUPCR outlines the process to follow. For Q3 and Q4 the RRG report showed there were no control performance issues. Please refer to Section 27 above for e)process for the review of the completeness and accuracy of risk assessments; For section g) process for IT reviews such as BAR and TSDS reviews, Audit R01-22 Review of RGM IT System Controls was carried out, all audit items have been resolved. IA conducted the following review of a new Wholesale billing system Audit R07-22 IT BARSoD and TSDS Review of Opencell. Only two items remain open and are being tracked."* RGMU 44, Mar'23

31. *"There are separate business units comprising of WRO (advisory), RRG (testing) and Group Risk (risk management) within the Second Line of Defence. There is currently adequate resourcing available in each of these business units in order to maintain operations and manage the established mandates*

and annual plans of these units (as presented to the IOB)." Mar'23

32. *"IA through its Audit Plan reviews the First and Second Lines of Defence processes and is satisfied that Line one is sufficiently independent from Line two operationally, by mandate and by reporting lines."* Memo, Jul'23

Internal Audit's 2023 annual report and opinion on eir's RGM, provided to the IOB in March 2024 added the following:

- *"In FY23 there were 75% less findings during fieldwork compared to the first year of the Settlement Agreement (FY20) demonstrating continuous improvement in the RGM framework. 546 (95%) of all issues raised by IA to date were resolved at the time of reporting."*
- *"We observed continued improvements across the first and second lines of defence particularly with self cert and training completion."*

3.2.3 Information relied upon

In addition to discussions between the IOB and eir senior management at the IOB meetings (as documented in the IOB meeting minutes which are shared with eir and ComReg), the IOB has considered and engaged with eir on the contents of the following inputs from eir in agreeing this opinion:

1.	IOB 37.3 IOB request action 224 121022
2.	IOB 38.2 eir response to IOB action #224
3.	IOB 38.3 RGM Committee Meeting Minutes 18 Aug'22 Revised
4.	IOB 38.4 RGM Committee Meeting Minutes 15 Sept'22
5.	IOB 38.6 R14 Regulatory Annual Plans Quarterly review Jul-Sept'22
6.	IOB 39.8a R01 Quarterly Self-Cert Report Jul-Sept'22
7.	IOB 39.8b R01 Consolidated Return Jul-Sept'22
8.	IOB 39.9 R02 - RGM Risk Group Quarterly Report Jul-Sept'22
9.	IOB 39.13 R14 Regulatory Annual Plans Quarterly review Oct – Dec'22
10.	IOB 39.14 RGM Committee Meeting Minutes 09 Nov'22
11.	IOB 39.15 RGM Committee Meeting Minutes 08 Dec'22
12.	IOB 39.25 Scope- RGM Audit R02-23 Self-Certification
13.	IOB 39.26 Audit R08-22 Self Cert H1FY22_Final Report
14.	IOB 40.3 RGM Committee Meeting Minutes 12 Jan'23
15.	IOB 40.5 R11 ComReg Decisions Jul-Dec'22
16.	IOB 40.6 R12 ComReg Compliance Jul-Dec'22
17.	IOB 40.15 Audit R02-23-Revised Scope-Review of RGM 2LoD incl Self-Cert H2 FY22
18.	IOB 41.2 RGM Committee Minutes 07 Feb'23
19.	IOB 41.3a R01 Self Cert Report Oct-Dec'22
20.	IOB 41.3b Self Cert Consolidated Return Oct-Dec'23
21.	IOB 41.4 R02 RGM Risk Group Report Oct-Dec'22
22.	IOB 41.8 R12 ComReg Compliance Jan-Mar'23
23.	IOB 41.9 R14 Annual Plan of the RGM Risk Group (RRG) 2023
24.	IOB 41.10 R14 Mandate of the RGM Risk Group Jan'23
25.	IOB 41.11 R14 Group Risk RGM Mandate and Annual Plan 2023
26.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
27.	IOB 41.19 Audit R02-23 Review of the RGM 2LOD and Self Cert H2 FY22_Final Report
28.	IOB 42.2 RGM Committee Meeting Minutes 14 Mar'23
29.	IOB 42.5 R14 Regulatory Annual Plans Quarterly review Jan-Mar'23
30.	IOB 42.6 R14 WRO Annual Work Plan Jul'22-Jun'23 Updated
31.	IOB 42.7 R14 Regulatory Strategy Annual Plan Jul'22-Jun'23 Updated
32.	IOB 42.9 Action#258 ref. IOB 41.3b Self Cert Consolidated Return Oct-Dec'23

33.	IOB 42.28 IOB Update DD Apr'23
34.	IOB 43.2a R01 Self-Cert Report Jan-Mar'23
35.	IOB 43.2b R01 Self-Cert Consolidated Return Jan-Mar'23
36.	IOB 43.3 R02 RGM Risk Group Quarterly Report Jan-Mar'23
37.	IOB 43.4 RGM Committee Meeting Minutes 13 Apr'23
38.	IOB 44.3 R12 ComReg Compliance Report Apr-May'23
39.	IOB 44.4 RGM Committee Meeting Minutes 15 May'23
40.	IOB 44.15 FAM memo V1 IOB Jun'23
41.	IOB 44.17 Second Line Presentation Deck 28 Jun'23
42.	IOB 45.2 RGM Committee Meeting Minutes 12 Jun'23
43.	IOB 45.19 Internal Memo Independance 1 and 2 LOD_220623
44.	IOB 45.23 Regulatory Meeting Presentation Slides Jul'23
45.	IOB 45.24a Regulatory Consult Process v1.4 Jun'23
46.	IOB 45.25a Regulatory Guideline RAP determination V1_4 Jun'23
47.	IOB 46.2 Minutes of July RGM Meeting
48.	IOB 46.4a R01 Self cert report Apr – Jun 23
49.	IOB 46.4b R01 self cert excel spreadsheet
50.	IOB 46.5 R02 RRG quarterly report Apr – Jun 23
51.	IOB 46.11 R14 Regulatory Annual Plans Quarterly Review Apr- Jun 23
52.	IOB 46.12 R14 WRO annual work plan July 23 – Jun 24
53.	IOB 46.13 R14 Regulatory Strategy work plan July 23- Jun
54.	IOB 47.3 eir comments on IOB notes from 21 Aug'23
55.	IOB 47.4 eir responses to IOB Actions 310 & 311
56.	IOB 47.5 RGM Committee Meeting Minutes 14 Aug'23
57.	IOB 48.2 Confidential RGM Committee Meeting Minutes 14 Sept'23
58.	IOB 48.3 R14 Regulatory Annual Plans Quarterly review Jul-Sept'23
59.	IOB 48.7 R07-23-IA Memo Timeliness of RGM H1 Self-Certificate returns Oct'23
60.	IOB 48.20 Confidential WRO and open eir presentation Oct'23
61.	IOB 49.2a R01 Quarterly Self-Cert Report Jul-Sept'23
62.	IOB 49.3 R02 RGM Risk Group Quarterly Report Jul-Sept'23
63.	IOB 49.4 Confidential RGM Committee Meeting Minutes 12 Oct'23
64.	IOB 49.5 R12 IOB Report ComReg Compliance Sept'23 - 14 Nov'23
65.	IOB 50.2b R01 Quarterly Self-Cert Report Jul-Sept'23 – consolidated return
66.	IOB 50.2c - eir response to IOB action 326
67.	IOB 50.3 RGM Committee Meeting Minutes 14 Nov'23
68.	IOB 51.2 RGM Committee Meeting Minutes 07 Dec'23
69.	IOB 51.5 R14 Regulatory Annual Plans Quarterly review Oct-Dec'23
70.	IOB 52.2 RGM Committee Meeting Minutes 19 Jan'24
71.	IOB 52.3a R01 Quarterly Self-Cert Report Oct-Dec'23
72.	IOB 52.3b Consolidated Return RGM Self-Cert Oct-Dec'23
73.	IOB 52.4 R02 RGM Risk Group Quarterly Report Oct-Dec'23
74.	IOB 52.15 WRO Overview of new decisions Feb'24
75.	IOB 53.7 Conf_Reg_Group Internal Audit and Opinion_RGM_FY23

3.2.4 Reference to which RGM Undertakings and IOB Charter requirements

Paragraph 1.1(c) of Schedule 1 of the IOB Charter requires the IOB to prepare and publish an opinion on whether eir's second line of defence with responsibilities in respect of regulatory governance had appropriate mandates and were adequately resourced. The IOB is required, at a minimum, to explain the reasons for the opinion and the information relied upon **(Paragraph 6.1 of the IOB Charter)**.

No specific opinion is required of the IOB on regulatory risk management, however **Paragraph 1.2 of Schedule 1 of the IOB Charter** requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. The following RGM Undertakings are relevant to both the second line of defence and regulatory risk management, which is overseen and facilitated by the second line of defence:

- eir will design, implement, embed and monitor controls to mitigate any risks of noncompliance with eir's regulatory obligations within the governance fora or decision making processes outlined above. **RGMU 20**
- All Regulatory Risk Management and Assurance ("RRMA") processes will be robust and effective to ensure the correct identification and mitigation of risks of non-compliance. Sufficient resources and expertise will be made available to ensure the proper operation of the RRMA processes. Appropriate metrics in relation to the operation of RRMA processes will be maintained. **RGMU 25**
- The effectiveness of the RRMA framework will be reported to the IOB. **RGMU 26**
- There will be a process to ensure that all relevant regulatory risks are identified. The scope of the risks to be addressed will include operations and non-operational risks including those relating to management decision making. There will be an effective risk management control for each identified regulatory risk. The correct operation of controls should be recorded with sufficient clarity and detail such that the control can be operated, by assurance process owners, at all levels of the eir organisation, e.g. within business units, governance fora etc. in a consistent manner. In particular eir shall identify risks of non-compliance and apply appropriate controls in relation to, but not limited to, the following: o g) eir governance fora and decision making processes with regard to the operational and non-operational decision making and approval processes. **RGMU 27**
- Sufficient evidence will be maintained to demonstrate:
  - That the controls mitigate the risks;
  - that the controls have been operated and the outcome of the operation;
  - the steps taken, including remediation, when a control operation identifies a potential non-compliance; and
  - the steps taken, including remediation, when a control is identified as not effectively managing the associated risk. **RGMU 28**
- eir will continue to develop, implement and maintain the risk control framework and environment (including the continuing development and application of the Business Unit Process Compliance Review ("BUPCR")) and the RACM. **RGMU 29**
- eir will operate a Regulatory Governance Model ("RGM") comprising Three Lines of Defence as set out below. **RGMU 37**
- There will be separation of governance, operational and assurance roles. They will be comprised of:
  - A first line of defence: comprised of eir's business units (including relevant management fora) which own and manage regulatory risks, including the identification, assessment and mitigation of risk (the "First Line of Defence");
  - A second line of defence: comprised of a risk management function, a risk testing function and an advisory function independent from the First Line of Defence (the "Second Line of Defence"); and
  - A third line of defence: comprised of an independent assurance function (Internal Audit) which is independent from the first and second lines of defence and which has a functional reporting line to the IOB in respect of regulatory matters (the "Third Line of Defence"). **RGMU 38**
- There will be mandates for all regulatory functions. Eir will ensure, to the satisfaction of the IOB, that all regulatory compliance and assurance functions are independent of business units. **RGMU 39**
- The heads of the second line functions will not report to the same member of senior management as Internal Audit. **RGMU 42**
- All RGM functions will have adequate authority and access to records including access to the Board and

committees, to operate effectively. Where necessary, funding should be made available for external support to assist in regulatory assurance activities. **RGMU 43**

- eir will formally document methodologies for all RGM related activities which will set out the scope, approach, information requirements and the end to end processes for the following.
  - the identification of risks including the assessment of emerging risks;
  - the development of controls;
  - process for documenting and approving changes to controls;
  - escalation processes when issues relating to risk assessment or control operation or effectiveness are noted;
  - process for the review of the completeness and accuracy of risk assessments;
  - process for monitoring and assessing the design and effectiveness of controls; and
  - process for IT reviews such as BAR and TSDS reviews. **RGMU 44**
- Each of the Second line of Defence functions must have:
  - appropriate resources (number, skills level and competencies) to achieve their mandate in a comprehensive, effective and timely manner;
  - a formal mandate outlining the scope, methodology and activities;
  - a risk based annual work plan which is regularly reviewed by the IOB; and
  - an annual work plan for second line functions as appropriate out all RGM related tasks to be performed during the period. **RGMU 45**
- Appropriate records will be maintained to provide a basis for oversight to ensure regulatory compliance through ensuring all control procedures outline the process for retention of evidence. **RGMU 49**
- In order to form the above opinions, **Paragraph 1.3 of Schedule 1 of the IOB Charter** also specifies that the IOB is required to:
  - Review reports from Internal Audit which shall be supplied to the IOB directly by the Director of Internal Audit without the intervention of line management, and operational reports which shall be sent to the IOB from eir management. **(Sch.1 1.3(d))**
  - Review the mandates of the Second Line of Defence (where applicable) and Internal Audit (in relation to matters relevant to the RGM). **(Sch.1 1.3(g))**
  - Evaluate whether the Second Line of Defence and Internal Audit (in relation to matters relevant to the RGM) are adequately resourced with sufficient numbers of adequately experienced staff of the requisite expertise and seniority. **(Sch.1 1.3(h))**
  - Satisfy itself as to the effectiveness of the Second Line of Defence (including but not limited to) by:
    - Reviewing annually their work plans, including Internal Audit plans, and charters/mandates;
    - Reviewing the level of human and financial resource available to them and making recommendations to eir in that regard; and
    - Periodically reviewing their effectiveness. **(Sch.1 1.3(q))**

3.3 eir's Third Line of Defence

3.3.1 IOB opinion

In line with the IOB's opinion in its second report, the IOB considers that eir's third line of defence with responsibilities in respect of regulatory governance is adequately resourced to meet its work plan and has an appropriate mandate, in so far as relevant to eir's compliance with the RGM Undertakings.

Furthermore, the IOB believes that the IARG Function has demonstrated its independence as far as reasonably practicable and, for the most part, in line with the requirements of the RGM Undertakings. The IOB notes that Internal Audit is not assigned its own budget by the Board of eir. The IOB recommends that the eir Board reconsider this position. Furthermore, while the Director of Internal Audit has, during the period of the IOB's final report, reaffirmed his independence and ability to operate as such, a position which is supported by the findings of the EQA of the IARG Function in August 2021, the IOB nevertheless recommends, as a mechanism to further establish this independence, the formation of a regulatory committee of the eir Board to which the Director of Internal Audit should report in relation to regulatory matters.

With regard to the extent to which the IARG Function meets the requirements of the RGM Undertakings,

broadly speaking the IOB believes that it does. Section 3.3.2 below contains a number of recommendations for improvement. These recommendations have been agreed by the IOB partly as a result of the IOB's consideration of a gap in oversight and challenge when its term ends.

Further information explaining the reasons for the opinions above and information relied upon are set out in Sections 3.3.2 and 3.3.3 below.

3.3.2 Reasons for the opinion

3.3.2.1 External Quality Assessment

As noted in the IOB's second report, the IOB received an EQA report concerning eir's IARG Function at its meeting of 06 October 2021. This EQA set out the Function's general conformance against the CIIA standards and benchmarked against similar industry peers. The EQA also provided some minor recommendations for improvement, which have since been implemented. As noted in the IOB's second report, the IOB engaged with Internal Audit on its regulatory governance work plan and audit scoping, the result of which has been the receipt from Internal Audit of explicit opinions on various RGM Undertakings and requirements of the IOB Charter.

ComReg contracted a third party to undertake a review of the EQA of eir's IARG, the report of which was shared with the IOB meeting of 31 August 2022. The IOB had no input to the scope or oversight of the EQA, however the third party review noted that the EQA *"included in scope many of the aspects we would expect to be covered in a review of this nature."* The third party review perceived the following potential gaps in the EQA, as a result of which the IOB directly addressed these points in its published second report:

- Whether the administrative reporting line of the Internal Audit Director is appropriate;
- Whether the reporting lines of the second line of defence are independent of the third line of defence;
- Whether an annual declaration of IARG independence is made to the IOB by the Director of the IARG;
- Whether IARG reports are being sent directly to the IOB;
- The funding of the IARG; and,
- Whether IARG remuneration is linked to the performance of the business.

Furthermore, the IOB's second report explicitly addressed the appropriateness of IARG resources and risk based audit planning. With regard to the IARG rating methodology, the IOB reviewed and gave direct input to this in some detail with the Director of Internal Audit during the period of the IOB's first report, to the extent that the IOB did not consider this to warrant any concern that would need noting in the IOB's published reports.

Since the period of time covered by the EQA, the IOB has been kept updated by Internal Audit on an ongoing basis of its resourcing and the IOB explicitly queried this on an ongoing basis, as is reflected in the IOB meeting minutes shared with eir and ComReg. Vacancies that have arisen have been discussed by the IOB with eir's Director of Internal Audit specifically with regard to fulfilment of the IARG work plan.

The IOB notes that Internal Audit has undertaken a review of their Charter in line with updated IIA guidelines, and presented this to the eir Board in March 2024. **The IOB recommends that the next EQA of eir Internal Audit be carried out in 2024, by way of an option suggested by DT Economics in their report on the effectiveness of the IOB, that is a formal, independent and objective external third party validation of the internal self-assessment completed by Internal Audit. The terms of reference for this should include note of the enhanced regulatory role of Internal Audit in eir, include a review of the IA Charter alignment to the new IIA standards, be informed by questions raised by the Regulator and be informed by the IOB's term ending.**

IIA guidance is that an EQA of Internal Audit should be carried out at least every 5 years. **The IOB recommends that the eir Board should consider a three year cycle of external EQA, in the context of the enhanced regulatory role of eir Internal Audit.**

3.3.2.2 IARG Self-Assessment

On 20 February 2023, the IOB communicated to ComReg and eir that it intended to structure its assessment of Internal Audit under its third report work programme through implementation of an assessment tool, which is extracted at Appendix 6 of this report, which was developed by the IOB from guidance contained in a 2021 document from the IIA, found here.

Internal Audit completed a detailed self-assessment against this questionnaire and provided this to the IOB meeting of 23 May 2023. Having acknowledged and reviewed this self-assessment, the IOB concluded that

while it appeared to be comprehensive and was well articulated, the IOB itself was not an audit committee and it would therefore be more appropriate for the self-assessment to be externally validated by an independent and objective third party, as recommended in section 3.3.2.1 above.

3.3.2.3 IARG Charter / Mandate

Internal Audit last supplied its Charter/Mandate to the IOB in March 2024; the previous version was dated August 2022. The August 2022 Charter was supplied by Internal Audit to the external party undertaking the EQA of IARG in 2021. As noted above, Internal Audit has undertaken a review of their Charter in line with updated IIA guidelines and presented this to the eir Board in March 2024. In relation to the Internal Audit Charter prior to this update, the IOB has considered it to be appropriate to Internal Audit's role under the Settlement Agreement and the IOB had no recommendations for any specific changes. However, as already noted above, the IOB recommends that an objective external third party validation of the internal self-assessment completed by Internal Audit should include review of the Internal Audit Charter alignment to the new IIA standards, in the context of the enhanced regulatory role of Internal Audit in eir. The IOB notes that the March 2024 Internal Audit Charter sets out that it *"will be reviewed and approved annually by the Board and senior management. It is subject to changes and amendments as deemed necessary".*

3.3.2.4 Internal Audit Independence

As noted at the outset of section 3.3.1, the IOB believes that the IARG Function has demonstrated its independence as far as reasonably practicable and, for the most part, in line with requirements of the RGM Undertakings. As also noted in section 3.3.1, the IOB recommends that Internal Audit be assigned its own budget by the eir Board and the establishment of a regulatory committee of the eir Board to which the Director of Internal Audit should report.

Between July and October 2023, the Director of Internal Audit reported to the same member of senior management who, on an interim basis, led the open eir Wholesale Function. This was discussed by the IOB with eir and functional reporting from the Director of Internal Audit on regulatory matters continued to the IOB. Aside from this situation between July and October 2023, the first line of defence, second line functions and internal audit (third line) all have separate reporting lines to separate members of senior management within eir.

The IOB recommends that the eir Board should consider a three year cycle of external EQA, in the context of the enhanced regulatory role of eir Internal Audit.

During the period of the IOB's final report, the Director of Internal Audit has continued to formally confirm annually to the IOB the organisational independence of the internal audit activity. Furthermore, the Director of Internal Audit has confirmed to the IOB his adequate authority and access to records as well as access to the Board of eir. The Director of Internal Audit has attended all IOB meetings outside of the IOB-only agenda time and has directly furnished final RGM audit reports to the IOB at the same time as these were shared with eir management and eir's RGM Committee.

It should be noted that the independence of Internal Audit does not mean that Internal Audit's perception on the relative risk of issues has always been aligned with individual IOB members; no more than the perception of the individual members has always been aligned to one another. This situation arose, for example, in July 2023 and in August 2023. The minutes of those meetings reflect the IOB questioning the decision making of the Director of Internal Audit with regard to particular conclusions reached and particular audit risk ratings assigned to findings.

3.3.2.5 IARG Audit Plan & Risk Based Planning

The IOB has engaged in detail with Internal Audit on the IARG work plan for the period of the IOB's final report, including in relation to scoping of specific audit engagements. Following agreement on audit areas, the Director of Internal Audit continued to update the IOB on implementation of the audit plan on a monthly basis.

Components of the IARG risk based planning process include:

- Planning with regard to,

- The group risk profile;
- The external audit's management letter points;
- The RGM control framework;
- Relative risk scores within the Regulatory Risk and Control Matrix (RACM) which is managed by the second line of defence;
- IT system risk categorisation;
- Requirements of the Settlement Agreement; and
- Requests from the IOB including in relation to emerging focus areas such as Physical Infrastructure Access.

- Attendance at or oversight of:
  - Regulatory related forums by the Director of Internal Audit;
  - Management of the RACM by the second line of defence; and
  - Regulatory related Business Unit Process Compliance Reviews (BUPCRs) which are overseen or led by the second line of defence.

While acknowledging that the maintenance of an "audit universe" (a collection of regulatory related auditable entities, processes, systems and activities) was not a mandatory requirement, in seeking to understand the risk based approach within IARG to audit planning, the IOB has questioned whether there existed a documented regulatory audit universe. Secondly, the IOB has also questioned whether an annual regulatory risk assessment was documented within internal audit in order to directly inform the IARG audit plan. The IOB received the following explanatory comments from the Director of Internal Audit:

"17/04/2023: The eircom Regulatory Audit Universe is distinctly formed around the SA. Within the SA the risks are defined and managed within the RGM Framework environment. Topics outside of this sometimes overlap with the general risk environment for example generic system risks. For example to take an analogy of a cake the RGM audit plan takes up 50% of my audit universe cake in assigned audit plan time. However the total RGM risk entry is captured in the Group Risk Profile as just one of many group risk entries that form the greater audit universe. Within my regulatory team they are ringfenced as required by ComReg to the SA only. Therefore my audit universe is restricted within my own team. Under the IPPF the internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process. However, this documented risk assessment does not need to originate from an internal audit universe but can originate from an enterprise-wide risk identification and assessment process, in this case from the RGM Framework environment and associated BUPCR's and RACM processes."

"21/06/2023: There is an ongoing risk assessment process through the Corporate Risk Committee (CRC) on which the DIA sits and provides oversight. The high level regulatory risks are seeseed in this committee. The lower level sub risks are managed through the regulatory RACM from which there are quarterly reviews by IA and RRG on the performance of this control environment. Risk testing is prioritised based on the risk score."

The IOB concluded that it considered the IARG audit universe to be broader than what is prescribed by the Settlement Agreement

While acknowledging the reply above, **the IOB nevertheless recommends that Internal Audit develop and maintain a detailed documented regulatory "audit universe", to include the dates of audits completed and to be informed by Regulator publications as well as internal eir assessments.** This level of detail is currently only developed at audit scoping stage and the IOB has on a number of occasions asked for clarifications on audit scopes, for them to be expanded upon and for them to be changed. An "audit universe" would provide a stronger context and rationale for IARG to present its work plans and detailed scopes within. For example, there were two structured data audits planned during the period of the IOB's final report. Due to a delay in implementation of system remediation, Internal Audit reduced the number of planned structured data audits for the period to one. Given the IOB's awareness of IT and structured data as an area of risk, the rationale for Internal Audit instead not undertaking a different structured data audit within the period would have been made far clearer had this been set within the context of an audit universe. Secondly, the IOB provided detailed feedback and challenge to Internal Audit on the IARG audit plan, and it is expected that the requirement for this would be less if the work plan were set within the context of an audit universe. Finally, during the period of the IOB's final report, it has questioned the consistency of IARG findings relating to specific components of risk

review areas. The maintenance of a regulatory audit universe should support IARG's review of previous findings, which should then be specifically addressed in a subsequent audit if a contradiction is suggested.

The Director of Internal Audit supplied the work plan of the IARG to the IOB by way of a memo with a supporting Excel document. These documents included the names of IARG audits and reviews to be undertaken within the period and the subject areas which would not be covered (aligned to the IOB categorisation of areas of risk set out in the Settlement Agreement). The excel document set out the proposed timelines of the audits to be undertaken.

The following comments were also noted within the IARG work plan submissions:

> *"We have estimated the number of weeks required for each audit with the available resources. These are subject to change with annual leave dates yet to be confirmed. See 'Appendix 1 FY23 RGM Audit Plan v2.0' attached for audit project planned timelines."*

> *"Additional Assurance Sources for the IOB:*

- *Opinion on Culture in open eir: - independence, decision making, communication, strategy, openness will be included in the IA annual opinion statement in March 2022.*
- *Assurance on the Bids Process: Through follow-up on audit issue tracker items*
- *IA memo - Review of incentives – STIP bonus calculations*
- *2LOD control testing reports*
- *Management Representation / attendance at IOB meetings.*
- *Regulatory Complaints & Whistleblowing via Regulatory reports from Management*
- *IA memo - Wholesale Division implementation of ComReg Decisions / Directions."*

> *"I confirm that this plan is in accordance with the internal audit activity's terms of reference as outlined in the audit charter."*

Internal Audit's approach to audit planning is set out in a separate document which was last provided to the IOB in September 2023, dated April 2021. The IOB acknowledges that aspects of this process have been dealt with between the IOB and IARG on an ongoing basis and, furthermore, the Process document was supplied by Internal Audit to the external party undertaking an EQA of IARG in 2021. Nevertheless, **the IOB recommends that IARG undertake a formal annual review of their Process, this review to be documented within a review/approval log attached to the Process document itself**.

Internal Audit has provided the IOB with ongoing updates on the status of IARG audits and issue tracker items, including verbally at each IOB meeting and by submission of the full IARG Issues Tracker on a quarterly basis. The Issues Tracker includes a record of all IARG recommendations made to the business under IARG audits, their status and commentary from both the business and IARG. It also includes a statistical overview of items from 2020 onwards which have been resolved, are open, are overdue, are superseded or where the risk has been accepted.

The IOB notes that IARG completed one less audit than it set out to in its original plan agreed with the IOB; however this is within the context of the area of risk concerned also receiving external review during the period.

A final aspect of the IOB's engagement with IARG in relation to risk based audit planning concerns root cause analysis. In January 2023, the IOB received a letter from ComReg which included a question on whether the IOB had considered the impact of any opening of compliance cases or notifications of findings of non-compliance or dispute determinations by ComReg from a control environment perspective. The IOB's response was that it was kept informed of these matters, that from its perspective investigations do not equate to evidence of non-compliance and that the IOB's mandate was to assess the adequacy of governance structures as outlined in the Settlement Agreement, not investigate individual cases of regulatory non-compliance. Having said this, the IOB also noted that it took note of these issues as they arose and planned to request that Internal Audit undertake root cause analysis in such cases going forward. There was some engagement on this matter between the IOB and eir's second and third lines, including submission by Internal Audit of a memo outlining examples of how IARG stay informed of ComReg publications and already undertake root cause analyses in forming audit opinions. Acknowledging this, **the IOB recommends, at a minimum, that an IARG audit universe documents all emerging compliance cases, notifications of findings**

of non-compliance and dispute determinations by ComReg. And secondly, that the risk based audit plan is reviewed as these potential emerging issues are documented within the audit universe on an ongoing basis by IARG.

3.3.2.6 IARG Resources

As already noted, the IOB considers IARG to be adequately resourced to meet its work plan, however the IOB recommends that Internal Audit be allocated its own budget and report directly to a regulatory committee of the eir Board. IOB meeting minutes which are shared with eir and ComReg reflect the IOB's consistent engagement with the Director of Internal Audit on the adequacy of his staffing to meet requirements of the IARG work plan. In September 2023, the IOB received the latest updated resourcing, skills and competencies document from the Director of Internal Audit relating to his team of relevance to fulfilment of the IARG workplan, which included note of the following:

> *"Internal Audit is an independent function in eir that reviews the control environment across the eir Group including the Regulatory Governance Framework. Two independent regulatory auditors are ring-fenced to RGM audit activities to deliver the agreed RGM audit plan. As we approach the end of the five years of the RGM audit plan objectivity of these auditors becomes compromised due to them being over familiar with the RGM processes. To address this we adopted an auditor rotation process with other team members also contributing and analysing RGM audit activity. Our internal audit process offers sufficient rigour to ensure that any objectivity is continuously assessed."*

> *"…following feedback from an external quality assessment has introduced auditor rotation and onboarded a new computer aided software program. We have commenced use of this software during FY23."*

> *"Each auditor meets CPD requirements as required by the IIA and the Chartered Accountants of Ireland."*

Vacancies that have arisen have been discussed by the IOB with eir's Director of Internal Audit specifically with regard to fulfilment of the IARG work plan.

3.3.3 Information relied upon

In addition to discussions between the IOB and eir's Director of Internal Audit as documented in the IOB meeting minutes which are shared with eir and ComReg, the IOB has considered and engaged with Internal Audit on the contents of the following inputs in agreeing this opinion:

1.	IOB 36.5 Internal Audit Presentation Deck 28 Sept'22
2.	IOB 38.2 eir response to IOB action #224
3.	IOB 38.7 IA Update October 2022 - for recording
4.	IOB 38.16a IA Memo FY23 RGM Draft Audit Plan v1.0
5.	IOB 38.16b Appendix 1 FY23 RGM Audit Plan
6.	IOB 39.19 Email from IOBE to IA 06 Dec'22 - RGM audit plan
7.	IOB 39.22a IA Memo FY23 RGM Draft Audit Plan v2.0
8.	IOB 39.22b Appendix 1 FY23 RGM Audit Plan v2
9.	IOB 39.23 Scope Audit R01-23 Review of CEI process and SLAs
10.	IOB 39.26 Audit R08-22 Self Cert H1FY22_Final Report
11.	IOB 39.27 Audit R09-22_Review of Code of Practice Training_Final_Dec 2022
12.	IOB 39.29 Draft Scope Audit R03-23 Review of Unstructured Data
13.	IOB 40.10 IOBE email to IA 31 Jan'23
14.	IOB 40.14 IA RGM Update February 2023
15.	IOB 40.15 Audit R02-23-Revised Scope-Review of RGM 2LoD incl Self-Cert H2 FY22
16.	IOB 40.16 Draft Scope Audit R04-23 Review of Service Level Agreements
17.	IOB 40.17 QA_IP_checklist
18.	IOB 41.16 Email IOBE to IA 21 Feb'23
19.	IOB 41.17 IA RGM Update March 2023
20.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323

21.	IOB 41.19 Audit R02-23 Review of the RGM 2LOD and Self Cert H2 FY22_Final Report
22.	IOB 41.20 Scope Audit R03-23 Review of Unstructured Data v1.1
23.	IOB 41.21 IA Memo - ComReg Publications - Root Cause Analysis
24.	IOB 41.22 IA RGM Update February 2023 v2
25.	IOB 42.22 Communication to eir 07 Apr'23 - IOB work programme overview - incl. IA & eir inputs
26.	IOB 42.23 IA RGM Update April 2023
27.	IOB 42.24 Appendix 1 FY23 RGM Audit Plan v3
28.	IOB 42.26 Draft Audit R05-23 Equivalence KPIs Scope
29.	IOB 42.27 Audit R10-22 Review of open eir IT capital budgeting and allocation processes
30.	IOB 43.11 Email & Response Bob D & Keith M post-IOB meeting 24 Apr'23
31.	IOB 43.14 IA RGM Update May'23
32.	IOB 43.15 Appendix 1 FY23 RGM Audit Plan v4
33.	IOB 43.16 IA self-assessment
34.	IOB 44.12 IA RGM Update June 2023
35.	IOB 44.13 Appendix 1 FY23 RGM Audit Plan v5
36.	IOB 44.14 Scope Audit R07-23 IT BAR-SoD & TSDS Review of Remedy 9
37.	IOB 44.15 FAM memo V1 IOB Jun'23
38.	IOB 44.16 Internal Audit Skills and Competencies June 2023
39.	IOB 45.15 IA RGM Update July 2023
40.	IOB 45.16a Audit R01-23 Review of CEI process and SLAs_Final
41.	IOB 45.19 Internal Memo Independance 1 and 2 LOD_220623
42.	IOB 45.20 Draft Audit R08-23-Scope-Review Completeness of Code of Practice Training
43.	IOB 45.21 IAIssueTrackerJuly23
44.	IOB 45.22 RGM Audit workplan revisions
45.	IOB 46.20 IA Update
46.	IOB 46.21 Wholesale SLA audit report
47.	IOB 46.22 International Whistleblowing Guidance
48.	IOB 47.4 eir responses to IOB Actions 310 & 311
49.	IOB 47.15 IA RGM Update Sept'23
50.	IOB 47.16 IA Resourcing Sept'23
51.	IOB 47.17 IA Process_April 2021_final
52.	IOB 48.5 IA RGM Update October 2023
53.	IOB 48.6 R09-23-Evolution of RGM Oct'23
54.	IOB 48.7 R07-23-IA Memo Timeliness of RGM H1 Self-Certificate returns Oct'23
55.	IOB 48.8 IA Issue Tracker Oct'23
56.	IOB 49.17 IA RGM Update November 2023
57.	IOB 49.18 Proposal to Eir for IT Governance Review
58.	IOB 49.20 Conf_Reg_Audit R03-23 Review of Unstructured Data Oct'23
59.	IOB 49.21 Scope Audit R09-23 Capex and Group IT Process Risks and Controls Review
60.	IOB 49.22a Audit R05-23 Review of Equivalence KPIs_Final Nov'23
61.	IOB 49.23 Audit R08-23 Review of CoP Training Nov'23
62.	IOB 49.24 IA Memo 2HSQ Regulatory Physical Security Considerations 13 Nov'23
63.	IOB 49.25 IA Memo_Draft RGM Audit Plan FY24
64.	IOB 50.18 IA RGM Update Dec'23
65.	IOB 51.8 Audit R07-23 IT BARSoD and TSDS Remedy9_Final Report
66.	IOB 51.9 Draft Report_Audit 06-23_Review of open eir Culture
67.	IOB 51.18 IA RGM Update January 2024
68.	IOB 51.19 Audit 06-23_Review of open eir Culture_Final Report_Jan 24
69.	IOB 51.20 High level assessment on governance & IT 22 Jan'24
70.	IOB 51.21 IA Issue Tracker Jan'24
71.	IOB 52.12 IA RGM Update February 2024
72.	IOB 52.13 IA Memo_Cultural and Operational Separation of the open eir Wholesale Function_120224
73.	IOB 53.6 IA RGM Update March 2024
74.	IOB 53.7 Conf_Reg_Group Internal Audit and Opinion_RGM_FY23
75.	IOB 53.8 Group Internal Audit Charter-2024

3.3.4 Reference to which RGM Undertakings and IOB Charter requirements

Paragraph 1.1(c) of Schedule 1 of the IOB Charter requires the IOB to prepare and publish an opinion on whether eir's third line of defence with responsibilities in respect of regulatory governance had an appropriate mandate and was adequately resourced and whether the third line of defence was sufficiently independent of line management. The IOB is required, at a minimum, to explain the reasons for the opinion and the information relied upon (**Paragraph 6.1 of the IOB Charter**).

Paragraph 1.2 of Schedule 1 of the IOB Charter requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings.

The following RGM Undertakings are relevant to this review:

- eir will operate a Regulatory Governance Model ("RGM") comprising Three Lines of Defence as set out below. **RGMU 37**
- There will be separation of governance, operational and assurance roles. They will be comprised of:
  - A first line of defence: comprised of eir's business units (including relevant management fora) which own and manage regulatory risks, including the identification, assessment and mitigation of risk (the "First Line of Defence");
  - A second line of defence: comprised of a risk management function, a risk testing function and an advisory function independent from the First Line of Defence (the "Second Line of Defence"); and
  - A third line of defence: comprised of an independent assurance function (Internal Audit) which is independent from the first and second lines of defence and which has a functional reporting line to the IOB in respect of regulatory matters (the "Third Line of Defence"). **RGMU 38**
- There will be mandates for all regulatory functions. Eir will ensure, to the satisfaction of the IOB, that all regulatory compliance and assurance functions are independent of business units. **RGMU 39**
- The heads of the third line function will report functionally in respect of regulatory matters to the IOB and administratively at a level within the organisation that allows the assurance activity to fulfil its responsibilities. **RGMU 40**
- The head of Internal Audit must confirm to the IOB, at least annually, the organisational independence of the Internal Audit activity. **RGMU 41**
- The heads of the second line functions will not report to the same member of senior management as Internal Audit. **RGMU 42**
- All RGM functions will have adequate authority and access to records including access to the Board and committees, to operate effectively. Where necessary, funding should be made available for external support to assist in regulatory assurance activities. **RGMU 43**
- The Third Line of Defence must have:
  - appropriate resources (number, skills level and competencies) to achieve their mandate in a comprehensive, effective and timely manner;
  - a formal mandate outlining the scope, methodology and activities;
  - a risk based annual work plan which is regularly reviewed by the IOB. **RGMU 45**
- The Third Line of Defence will have:
  - An appropriate independent functional reporting line to the IOB for RGM related audit activity;
  - Appropriate resources (number, skills level and competencies) to achieve its RGM related mandate in a comprehensive, effective and timely manner, ;
  - An Internal Audit risk based work plan that sets out all RGM related tasks to be performed during the period to include:
- the approach to audit planning;
- details of the Internal Audit tasks including reviews to be performed during the period that relate to the RGM;
- details of RGM related process which will not be covered in the period of review;
- the number of days required for each RGM related Internal Audit task, including Audits, in order to generate a projected resource requirement; and
- an identification of any resource gap to achieve

the work plan based on the projected resource requirement. **RGMU 46**

- The Internal Audit annual work plan for RGM related tasks and any subsequent changes to this Internal Audit work plan will be notified to the IOB for comment. The Internal Audit work plan and any amendments to it will be approved by the IOB, in consultation with the Board and ComReg. The IOB may amend the Internal Audit work plan. The IOB may request additional resources for Internal Audit from the Board. The Board will consider such a request and approval to provide such resource will not be withheld unreasonably. Any such extra resource will be put in place as quickly as possible. Internal Audit will inter alia:
    - Perform end-to-end compliance review of controls which includes a review of the design and operating effectiveness of controls identified in the RACM;
    - Perform end-to-end reviews of Wholesale Function activities with specific focus on regulatory and compliance matters including:
- the processes listed in paragraph 19;
- systems access management reviews performed by both IT and business units;
- management of CRI including Structured Data access management, Unstructured Data Access management, data classification and data handling; and
- reviewing of the effectiveness of the Second Line of Defence functions. **RGMU 47**
- Internal Audit will follow-up recommendations raised during the audit reviews to ensure that appropriate and timely action has been taken. **RGMU 48**
- The effectiveness of Internal Audit will be formally assessed at least annually by the IOB. **RGMU 50**
- In order to form the above opinions, **Paragraph 1.3 of Schedule 1 of the IOB Charter** also specifies that the IOB is required to:
    - Review reports from Internal Audit which shall be supplied to the IOB directly by the Director of Internal Audit without the intervention of line management, and operational reports which shall be sent to the IOB from eir management. **(Sch.1 1.3(d))**.

Compliance with eir's Regulatory Code of Practice continues; both the Code itself and training are considered by the IOB to be adequate.

    - Review the mandate of Internal Audit (in relation to matters relevant to the RGM). **(Sch.1 1.3(g))**
    - Evaluate whether Internal Audit (in relation to matters relevant to the RGM) are adequately resourced with sufficient numbers of adequately experienced staff of the requisite expertise and seniority. **(Sch.1 1.3(h))**
    - Satisfy itself as to the effectiveness of the Third Line of Defence (including but not limited to) by:
- Reviewing annually Internal Audit plans, and charters/mandates;
- Reviewing the level of human and financial resource available to them and making recommendations to eir in that regard; and
- Periodically reviewing their effectiveness. **(Sch.1 1.3(q))**

3.4 Regulatory Code of Practice

3.4.1 IOB opinion

Compliance with eir's Regulatory Code of Practice continues; both the Code itself and training are considered by the IOB to be adequate. The IOB has an agreement with eir to be notified of breaches of the Regulatory Code of Practice and during the period of this final report has not been notified of any breach. The IOB also notes eir's maintenance of a suite of relevant documents underpinning the RGM Control Framework; these are listed in Section 3.4.2 below and are considered adequate by the IOB, subject to their ongoing review by Internal Audit.

The IOB noted in its second report that improvements were required to eir's internal process with regard to version control across all relevant policy and training material locations and in order to fully finalise and maintain the list of in scope Managed Service Partners

(MSPs) or contractors. Assurance received from Internal Audit since then is positive in this regard; this is further outlined in Section 3.4.2 below.

3.4.2 Reasons for the opinion

While assurance received regarding Code of Practice training in 2022 indicated a number of governance issues, relating to version control management and the adequate communication of training timeframes, these issues have been addressed and were not at a level of such significance that would appear likely to impact on eir's regulatory compliance. As an example, 13% of new hires did not complete Code of Practice training within 6 weeks of employment as the expectation to complete training was not adequately communicated. eir corrected the standard communication sent to new hires and the overall metrics for Code of Practice training for 2022 show that 98.7% of staff and 100% of contractors completed training by the annual cut-off point.

While 35 staff members in total were referred to human resources (HR) on disciplinary grounds for non-completion of Code of Practice training during the 2022 period, Internal Audit assurance reporting noted that:

> *"open eir, Networks rollout and completion of training by Field Technicians was managed very well with generation of completion reports being issued from an early stage."*

The audit of Code of Practice training during the 2023 period, received in November 2023, noted:

> *"We have seen continuous improvement across the COP training completion rates, processes and also to governance arrangements including a demonstrated tone from the top of compliance with the COP and associated policy documents. … The COP processes, associated obligations, controls and policies are well managed."*

The following are some summary assurance comments received from eir Internal Audit regarding its review of the 2022 Code of Practice training and content.

- *"All documented policies, charters, terms of references and controls are managed well with some improvements noted."*
- *"In line with Paragraph 30 of the SA, concerning the Regulatory Code of Practice, we are satisfied that eir adequately maintains the Regulatory Code of Practice policies and processes and we saw evidence supporting this and communicated to all staff and relevant contractors on a regular basis, including highlighting to all staff the disciplinary consequences of non-compliance with the COP and associated training."*

With regard to the annual online Code of Practice training module, Internal Audit noted that:

- *"This course was comprised of six components. They were:*

  1. *Key principles of the Code of Practice (Plan 2022),*
  2. *Understanding and applying the Code of Practice (Plan 2022)*
  3. *Regulatory Code of Practice (Plan 2022),*
  4. *CRI and CWCI Policy (Plan 2022),*
  5. *Declaration (Plan 2022) and*
  6. *eir COP Assessment (Plan 2022)."*

- *"Internal Audit carried out a survey of the training experiences of three contractors and three Field Technicians as part of the audit."*

The Director of Internal Audit noted the following in his annual opinion to the IOB covering the period January to December 2022:

> *"During this period we identified a level of non-compliance with the Code of Practice training by a number of eircom employees. We are satisfied how this was formally addressed by the Regulatory Governance Committee, escalated to HR for disciplinary procedures and fully remediated by management. We will review compliance with this again in FY23."*

The following are some summary assurance comments received from eir Internal Audit regarding its review of the 2023 Code of Practice training and content:

- RGMU 23: *"Internal Audit has presented a separate memo to the IOB outlining a review on incentives in line with the SA. SMT members receive regular updates on COP training completion statistics and have full visibility of all completions within Odoo of all direct and indirect reports. This is also reported to the RGM Committee. All relevant eir staff members have*

completed the training and all exceptions have been accounted for including some being referred for HR consideration. This is in line with the requirements of Paragraph 23."

- RGMU 30: *"Eir has aligned with all requirements of Paragraph 30 and has aligned its human resources policies with the Regulatory Code of Practice processes."*
- *"We can confirm that no report has been received through the Speak Up channels or directly to the key stakeholders over the past twelve months relating to a reported breach of the Code of Practice. This was reported separately to the IOB in the R09 Speak up complaints report. The fact that there are no breach cases notified demonstrates good awareness and compliance to the COP in place."*
- *"Based on the information provided to IA regarding the MSP mandatory training we are satisfied that the appropriate MSPs have been identified and completion rates have been recorded accurately."*
- *"There was adequate thorough follow-up on training completion rates including the exceptions list. Against previous years, in FY23 there were no cases referred for disciplinary sanctions."*

As of December 2023, eir was continuing to maintain the following suite of documentation of relevance to regulatory compliance, all of which are subject to review by Internal Audit.

	Document Title	Latest Version Number	Date Published
1	Group Risk mandate and annual plan	v1.0	March 2023
2	IA Charter	v1.0	May 2019
3	Internal Product Development Process	v15	July 2023
4	External Product Change Request Process	v6.0	January 2022
5	WSMT Terms of Reference	v6.0	September 2022
6	Networks Porfolio Board Terms of Reference	v3.0	August 2021
7	open eir BID process	v2.7	November 2022
8	CRI Risk Rating Criteria	v1.0	May 2021
9	Decision making Framework	v1.1	August 2019
10	Clause 18 -Wholesale Pricing Function mandate	v4.0	July 2022
11	RGM Framework	v2.0	May 2023
12	Business Unit Process Compliance Review (BUPCR)	v9	May 2023
13	RRG Mandate	v5.1	March 2023
14	RRG Annual plan	v5.1	March 2023
15	Annual Plan Regulatory Strategy	FY23-24 v1	August 2023
16	WRO Annual Work Plan	FY23-24 v1	August 2023
17	Regulatory Code of Practice	v5.4	June 2023
18	Handling Confidential Regulated Information and Confidential Wholesale Customer Information Policy	v4.4	June 2023

	Document Title	Latest Version Number	Date Published
19	Overarching Policy on the Management of Confidential Regulated and Confidential Wholesale Information	v4.0	November 2021
20	Data Ownership Policy	v5.0	December 2021
21	Data Handling and Management Policy	v4.0	November 2021
22	Data Governance Policy	v6.0	December 2021
23	Data Classification Policy	v8.0	December 2021
24	Group SMT Terms of Reference	v.6.0	October 2023
25	RGM Committee Terms of Reference	v.8.0	June 2023
26	Application Asset Change Control Forum Terms of Reference	v.2.0	June 2021
27	Speak up policy	v1.0	January 2023
28	Acceptable Use Policy	v5.6	January 2023
29	Non-Rap List	v1.0	December 2020
30	IT Porfolio Board Terms of Reference	v11.0	November 2021
31	Joiner, Mover, Leaver Process	v1.5	March 2022
32	Guidelines for RAP Determination	v1.4	June 2023
33	Process for granting and revoking access to IT systems containing CRI CWCI	V2.0	May 2022
34	open eir Capex Process	v2.3	October 2022
35	Application and Data Security Policy	v5.4	August 2022
36	Information Security Management Policy	v5.5	August 2022
37	3rd Party Information Security Policy	v5.5	January 2023
38	Clean Desk Policy	v1.5	August 2022
39	Wholesale customer complaint process	v1.1	October 2020
40	Regulatory consultation process	v1.4	June 2023
41	eir's Disciplinary procedure	N/A	June 2019
42	Access Control Policy	v5.5	August 2022
43	Protocol for Future New IT Systems	v0.7	July 2021
44	Statement of Compliance WLA WCA FACO Director Statement	As per website	
45	Regulatory Mandate	v7.0	June 2023
46	Risk and Control Matrix ('RACM')	As per website	

	Document Title	Latest Version Number	Date Published
47	Systems Statement of Compliance	As per website	
48	eir Services and Internal Arrangements	As per website	
49	Statement of Compliance Zone B MI WHQA Director Statement	As per website	
50	Governance Measures and Methodology for Provision of Statement of Compliance	As per website	
51	FACO WLA WCA product processes	As per website	
52	Zone B MI WHQA product processes	As per website	
53	Change Control	As per website	
54	Process for managing alleged breaches of the Regulatory Code of Practice	v2.0	April 2023
55	Reporting forum Terms of Reference	v1	November 2023

In November 2023 eir developed terms of reference for an operational level reporting forum chaired by the Chief Regulatory Officer, the purpose of which is to review and sign off any proposed changes to systems or processes that will impact regulatory or operational reporting. The IOB views this as evidence of eir's ongoing development of governance arrangements to ensure regulatory compliance as the need arises; the prompt in this case was the pace of IT Transformation.

At the IOB's request, in August 2023 eir submitted a summary paper on its investment in the RGM. This includes the following statements regarding mandatory Code of Practice training:

- *"eir established the Regulatory Code of Practice training in 2013 but this training became mandatory and was then linked to objectives for the financial year 2018/2019. There have been a number of enhancements since including ensure that the disciplinary policy was updated to ensure it reflected that failure to comply with policies or complete mandatory training would be considered a breach of this policy.*

  Since 2018 over 4000 people a year completed this training. The below table sets out the number of employees and managed service partners that have completed the training over the last four years."

Training Year	Employees	% completion	Contractors	% completion
2019/20	*3450*	*96.5%*	*1191*	*100%*
2020/21	*3230*	*97%*	*1305*	*96%*
2022	*3254*	*98.7%*	*1461*	*100%*

3.4.3 Information relied upon

In addition to discussions between the IOB and eir senior management at the IOB meetings, as documented in the IOB meeting minutes, which are shared with eir and ComReg, the IOB has considered and engaged with eir on the contents of the following inputs from eir in agreeing this opinion:

1.	IOB 39.14 RGM Committee Meeting Minutes 09 Nov'22
2.	IOB 39.27 Audit R09-22_Review of Code of Practice Training_Final_Dec 2022
3.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
4.	IOB 42.4 R07 Regulatory Code of Practice Mandatory Training Jan-Dec'22
5.	IOB 43.5 Regulatory Code of Practice v5.3 July 2022
6.	IOB 43.19 eir investment in RGM May'23
7.	IOB 43.20 RGM reference document list May'23
8.	IOB 45.4b Regulatory Code of Practice v5.4 Jun'23 tracked changes
9.	IOB 45.5b CRI and CWCI Policy v4.4 Jun'23 tracked changes
10.	IOB 46.3 eir investment in RGM 260623 v1.1
11.	IOB 48.6 R09-23-Evolution of RGM Oct'23
12.	IOB 49.23 Audit R08-23 Review of CoP Training Nov'23
13.	IOB 50.10 RGM reference document list Dec'23 – for record
14.	IOB 50.11 Reporting forum Terms of Reference Nov'23

3.4.4 Reference to which RGM Undertakings and IOB Charter requirements

Paragraph 1.1 (d) of Schedule 1 of the IOB Charter requires the IOB to publish its opinion on the adequacy of the Regulatory Code of Practice and other relevant documentation to foster regulatory compliance.

Secondly, as per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance.

Paragraph 1.3 of Schedule 1 of the IOB Charter sets out tasks the IOB is required to undertake in forming its opinions, including the requirements to:

- Review and assess how effective governance arrangements were in addressing breaches of the Regulatory Code of Practice **(Schedule 1, 1.3 (e))**, and
- Review all RGM related policies that support the operation, standardisation and embedding of the Regulatory Code of Practice **(Schedule 1, 1.3 (n))**.

Paragraph 1.2 of Schedule 1 of the IOB Charter requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. The relevant undertakings are as follows:

- **Paragraph 23** requires that "the remuneration policies for all eir staff will include completion of Regulatory Code of Practice training as a perquisite for inclusion in any incentive plan. eir's disciplinary policy will also address breaches of the Regulatory Code of Practice by any member of eir staff".
- **Paragraph 30** requires that "eir will establish and maintain the Regulatory Code of Practice which will be communicated to all staff and relevant contractors on a periodic basis. eir shall formalise the Regulatory Code of Practice processes, including reporting requirements, to ensure that the Regulatory Code of Practice considers all relevant regulatory obligations and requirements at the right level of detail. This will include formalising communication and training on the Regulatory Code of Practice which includes communication on the disciplinary consequences of non-compliance with the Regulatory Code of Practice. eir has aligned and will continue to align its human resources policies with the Regulatory Code of Practice".

3.5 Culture & Strategy of open eir, Transparency of Decision Making at the eir Board

3.5.1 IOB opinion:

In its second report dated October 2022, the IOB noted that it recognised the importance of company culture and intended to address this more directly in its next report, including in relation to decision making at the eir Board as this is set out in the RGM Undertakings.

RGM Undertaking 1(d) of of Annex 1 of the Settlement Agreement states that:

"eir will put in place and document measures to manage, or where appropriate mitigate, potential regulatory related conflicts of interest, including:

…

d) ensuring that there is appropriate transparency over decision making in relation to eir's regulatory obligations at the Board and within the Wholesale Function." RGMU 1

RGM Undertaking 10 of Annex 1 of the Settlement Agreement states that:

"eir will ensure as far as reasonably practicable the independence of the Wholesale Function. Independence in this context means that Wholesale Function operates separately from eir's retail arm, treating all its Wholesale customers both internal and external in a non-discriminatory manner. In this regard, its culture, strategy and operational approach will be geared towards meeting all customers' needs, in an efficient and non-discriminatory manner." RGMU 10

During its term the IOB has been presented with, and interrogated, substantial evidence of eir's Wholesale Function operating independently of the Retail Function by way of governance structures and processes. The IOB has also requested and received Internal Audit assurance in this regard. **From a company culture perspective, the IOB is of the opinion that there currently exist adequate governance arrangements with regard to RGM Undertaking 10; the IOB believes that ongoing robust oversight is required for this to be maintained.** At the IOB's meeting in May 2023, the Managing Directors of open eir noted during a presentation to the IOB that while the open eir strategy was an excerpt from the Group Strategy, the means of execution of this was distinct, by way of focus on open eir's Wholesale business and customers.

Physical separation between open eir Wholesale and downstream arms of the business is an important component of eir's strategy in managing the independence of the Wholesale Function. **The IOB has received assurance from eir's Director of Internal Audit and senior management regarding the ongoing implementation of physical separation controls and believes these to be adequate in the context of ongoing active oversight. With regard to the management of confidential regulated information within open eir Wholesale from the perspective of open eir Commercial, a summary of the relevant structural and process controls is set out in Section 3.5.2 below, which the IOB considers to be adequate from the perspective of the Settlement Agreement requirements.**

The IOB agrees that eir's compliance with its policies and structures associated with its RGM are demonstrative of its culture. In this regard, the evidence presented to the IOB by eir, including by Internal Audit, and interrogated by the IOB is broadly positive.

The IOB has engaged directly with the eir Board, as has eir's Director of Internal Audit, regarding transparency over decision making in relation to eir's regulatory obligations at the Board. **The IOB believes that there are adequate operational arrangements for eir Board meetings which ensure segregation between Wholesale and downstream Board agenda items. The IOB has not been informed of any additional documented measures in place regarding the management or mitigation of potential regulatory related conflicts of interest with regard to meetings of the eir Board and cannot therefore comment in this regard. The IOB recommends that the eir Board continue to develop its leadership role following the end of the IOB's term with regard to the independence of the Wholesale business as defined in the Settlement Agreement and to safeguard open eir compliance with its regulatory obligations; for example by way of active oversight of open eir governance structures and processes relating to eir's regulatory obligations.**

The IOB agrees that eir's compliance with its policies and structures associated with its RGM are demonstrative of its culture. In this regard, the evidence presented to the IOB by eir, including by Internal Audit, and interrogated by the IOB is broadly positive. Where the IOB considers that improvements are required or

would be helpful it has made recommendations in this report, such as that relating to the RGM Committee included in Section 3.2. The IOB is also aware of the number, subject and status of Wholesale regulatory compliance cases opened by ComReg during the IOB's term. The IOB is informed of these cases by reports provided from eir as required by the Settlement Agreement. Understandably given the legal position, ComReg has not provided any information to the IOB on these matters. To date, the evidence in terms of opinions of non-compliance against open eir Wholesale during the period does not indicate a culture of non-compliance.

In March 2024 the open eir Managing Directors presented an overview of an open eir Transformation Plan that was developed following a review undertaken in 2023 which identified the need for customer driven change. A summary overview of this plan is set out in section 3.5.2; open eir has noted to the IOB that the next NPS survey is to be undertaken in December 2024. The IOB is encouraged by the renewed focus on improving the service experience of all wholesale customers by the leadership team of open eir, and believes that achievement of key milestones within the programme will help to sustain the relevant programmes progress and credibility.

3.5.2 Reasons for the opinion:

3.5.2.1 Wholesale operating independently of Retail – governance structures and processes

- The IOB has received information on the following forums, processes and activities within eir of relevance to the independence of the Wholesale Function with regard to its Wholesale regulatory requirements. The IOB has reviewed and interrogated this information; it has met with senior management within eir as part of this review. The narrative summary of each forum, process and activity set out below is that provided by eir to the IOB in August 2023. These summaries align with how the processes, forums and activities have been presented to the IOB during its term by both eir senior management and Internal Audit. Furthermore, the IOB has been informed and has received assurance that these forums, processes and activities are managed in line with the CRI and CWCI policies as referenced in eir's Regulatory Code of Practice on which all staff receive annual mandatory training.
  - **Group SMT:** *This forum is divided into 3 parts, general eir, downstream and open eir. The objective is to deliver at an operational level the strategy of the Company as approved by the Board. The open eir section of this forum considers the commercial, operation and strategy matters relevant to open eir. It also ratifies decisions approved at the Wholesale SMT in relation to Regulated Products. The Group SMT was in place for some years prior to the Settlement agreement. Since 2018 the Terms of Reference for the Group SMT have been reviewed annually.*
  - **Wholesale SMT:** *This forum is divided into 2 parts, "WSMT General" and "WSMT RAP" to ensure that only matters directly relating to Fibre Networks Ireland ('FNI') are discussed when a representative of FNI is present (at the WSMT General) and matters which are outside of and/ or unrelated to FNI are only discussed when members of FNI are not present (i.e. in the WSMT RAP). The primary function of the WSMT RAP is to formulate and implement the commercial and network strategy for open eir. Any significant matters arising from WSMT RAP are brought to the RGM Committee, the eir Group CEO/ CFO and the Board as appropriate. The attendees of the WSMT include the MD open eir Wholesale, MD open eir Networks, Director of Regulatory and Public Affairs, CIO, General Counsel and nominated representatives from open eir Wholesale, Networks and WRO. The WSMT meetings are held monthly. The WSMT's Terms of Reference are reviewed annually with the latest change being the update for FNI which divided the WSMT into two parts.*
  - **RGM Committee:** *the primary function of the RGM Committee is to ensure implementation of all aspects of the RGM in order to meet our regulatory obligations, including compliance with the Regulatory Code of Practice (the Code), the governance model and the operation of the Regulatory Control Framework (three lines of defence model). The attendees of the RGM include Director of Regulatory and Public Affairs, CEO, CFO, General Counsel, MD open eir Wholesale, MD open eir Networks, CIO and nominated representatives from Line 2 and open eir Wholesale. The RGM committee was established in August 2018 as part of the enhancements to the Regulatory Governance Model. Initially, during the implementation of the RGM undertakings, the meetings were held fortnightly but as the RGM matured the meetings moved to monthly.*

- **Product Change Request Process (PCRP) forum:** *the objective of this forum is to review all product change requests and gain sign off from the various business units to ensure the change request when launched has all elements in place to function correctly. These meetings are held weekly and the attendees of this forum include nominated representatives from open eir Wholesale, open eir Networks, Regulatory Strategy, WRO and IT. The PCRP was established in 2013 and in 2018 there was a review and significant change to align the process to the latest ComReg Decision D10/18. There have been some subsequent improvements and controls identified in relation to annual review of the Terms of Reference and the Internal and External Product development process. The latest improvement is the merger of the Product Development Council (PDC) into the PCRP making the process more efficient.*
- **Portfolio boards (IT and Networks):** *the objective of this forum is to review all development requests and to approve the allocation of resources to projects for solution assessment and then delivery. These are divided into RAP and non-RAP where the non-RAP projects are presented first and member of eir Downstream are requested to leave before continuing with the RAP section. WRO and Internal Audit attend these meetings along with representatives from the relevant business units. These meetings are held monthly. The Portfolio Board's Terms of Reference are reviewed annually.*
- **Asset Application Change Control forum:** *This forum was established in 2019 as part of the RGM enhancements post the Settlement Agreement. It meets monthly and it is responsible for the review and sign-off of proposed changes to the Asset Application Register pertaining to systems which process or contain CRI. The basis for calculating the risk rating is set out in the Risk Rating Criteria document as described in paragraph 53 and 54 of the RGM undertakings. The attendees of this forum include the Director of Engagement and BSS Development, Head of WRO, Head of IT Security, Director Internal Audit, Head of IP Design and Support and the Director of Data Protection and Enterprise Risk.*
- **Data Information Governance Group:** *This group was established in 2018 as part of the RGM enhancements to oversee Data information Governance across the eir group. This forum meets quarterly and is chaired by the Director of Internal Audit and its primary role is to oversee and agree data governance standards in eir. This includes review and approval of a number of key policies set out in the RGM Undertakings such as the Data Ownership Policy, Data Handling and Management Policy and Acceptable Use policy.*
- **RAP Change request process:** *This process is governed by the PCRP where all requests for changes to RAP or new RAP are submitted by Operators or members of eir or open eir. In addition to the internal weekly PCRP meeting open eir Wholesale host a monthly Product Development Workshop (PDW) for all Operators which are also attended by ComReg. The purpose of the PDW is to share updates on change requests and includes deep dives into projects which Operators can request. In addition to this and the publication of a Product Change request log open eir Wholesale provide an email update on the progress of projects ratified at the weekly PCRP meeting. Since July 2019, 313 product change requests have been received.*
- **RAP development process:** *This process was governed by the Product Development Council (PDC) and the purpose was to ensure the development was fit for purpose and all elements in place to provide the service prior to launch. This also included the regulatory notification requirements. This is a subset of the PCRP process and PDC approval at certain stages was required to allow the development to move to the next PCRP stage. The PDC has now been merged with the PCRP which streamlines the process and allows all decision relating to a development project to be dealt with at one meeting.*
- **RAP prioritisation process:** *This process is one aspect in the PCRP where all projects are assigned a prioritisation score prior to Day 85 following receipt of the change request. Day 85 is the timeline set out in D10/18 by which open eir must publish the project scope and the assigned prioritisation score. The score is calculated from an established matrix that is published. The matrix has four criteria that the score is based on. The criteria are financial impact, end user experience, resource requirements (person and knowledge/ skill SME effort form across the business) and execution risk (risk on the business getting to launch based on complexity and number of teams required to deliver the project). Each criteria is given a score between 1 and 4 and the customer experience and solutions complexity have a higher weighting than the financial payback. Once the*

prioritisation score is calculated it is peer reviewed at the PCRP but then submitted to the WSMT for approval.

- **Capex Process:** *This is an established process whereby open eir is allocated Capex that is ring fenced from other business units. Capex is allocated as projects progress through the development process. In addition to this Capex is allocated to open eir Network for the network rollout and maintenance.*
- **Wholesale Bid process including bespoke bid process:** *The Wholesale Bid process is managed by open eir Wholesale and meetings are attended by a representative from WRO. The Bid meetings are held as required for either bid sign on when a bid is accepted or bid sign off when the final proposal is approved before responding to the requestor. The Wholesale Bid process has been in existence for a number of years. There have been a number of enhancements since 2018 to this process including ensuring that Regulatory attended all meetings and sign off on all bid proposals. Other changes include additional controls in the RACM such as a quarterly review of all technical solutions provided to the Wholesale Bid team by the technical design authority.*
- **KPI generation and publication process:** *open eir Wholesale have a regulatory obligation to publish Equivalence KPIs that demonstrate non-discrimination in the provision and repair of RAP services as set out in the Decision. There are monthly meetings held with representatives from open eir Wholesale, open eir Networks and WRO to review the metrics and agree any review actions prior to the generation of the quarterly report and publication. There were a number of changes to this process since 2018, to improve the generation process with a view to further automating the generation. This initial project was paused, when ComReg announced a plan to consult on the KPIs, pending the publication of the new Decision. ComReg's Decision was published in June 2022 (D04/22) and work within eir has been ongoing to develop the required reporting capability. The first report was due at the end May 2023.*
- **Aggregated SLA report:** *There is a regulatory obligation to publish an aggregated SLA performance report on a quarterly basis which arose from the Decision D10/18. This report looks at SLA performance aggregated across all Operators for the WLA, WCA and WHQA markets. Prior to the publication of this there is a meeting held with representatives from open eir Wholesale, open eir Networks and WRO to review the report and agree any review actions prior to sign off and publication of the quarterly report.*
- **Wholesale Regulatory Complaints Process:** *This process, as per paragraph 32 of the RGM Undertakings, manages complaints from Operators where there is an allegation of a breach of one of the regulatory pillars of access, non-discrimination or transparency. It was established as part of the RGM enhancements in 2018. All emails that are sent to this process are reviewed and an initial response provided within 24 hours of receipt. This mailbox and any subsequent reviews are carried out by WRO with support of the relevant business unit.*
- **Movers process:** *This process, managed by HR, WRO and IT Security, reviews all movers (identified by completion of a mover form provided by HR once a candidate has been offered and accepted a new role) with a view of ensuring any access to CRI or CWCI is removed when an employee moves to a Downstream business unit from a unit that has access to or generates CRI or CWCI. There have been significant enhancements to the process. The first change in early 2019, introduced an oversight requirement by WRO in reviewing movers from open eir Wholesale to eir Downstream. In mid-2019 the process was enhanced with the support of IT security which introduced the requirement to complete a "mover form" by all movers as part of their acceptance of the role. The Movers process involves reviewing user system access, shared Google drive, any distribution lists they may be in receipt of, what system access they may be a delegated approver to and if they are a control owner /control executor for any RACM controls. If the employee is moving from a business unit that either generates or has access to CRI / CWCI a new email address is assigned to the user, all system access revoked and the laptop reimaged to ensure they will not have access to information associated with their previous role. 80 employee moves in eir have been reviewed since early 2019. 30 of these employees required the mover process and the remainder were only changing role within their existing business unit. On average there is approximately 8 hours to complete the full process and this has been done for 15 employees who moved to eir Downstream. When an employee is moving*

between CRI/CWCI generating business units their email address may be changed but they will retain access to previous emails and the system access reviewed.

- **Process for reviewing and granting access to systems:** *This is the process an approver or reviewer must follow when either granting or reviewing access to systems containing CRI or CWCI. This process was established in 2020 following the completion of Milestone 4, All Risk Review. This process also includes an additional check when the person requiring access is from open eir Wholesale where the reviewer must contact WRO to confirm they are not a member of Non-RAP and access can be granted. WRO maintain the list of non-RAP users as per the control on the RACM.*
- **Identification of regulatory risk and the Regulatory Risk and Control Matrix (RACM):** *The purpose of the BUPCR [Business Unit Process Compliance Review] is to give assurance that the planned change or new development is compliant with regulatory obligations and any potential risks of non –compliance are identified and appropriate controls put in place. Since 2019 approximately 100 BUPCR reviews have been carried out. The output of a BUPCR may result in changes to the published Statement of Compliance and new risks and controls being added to the RACM or changes to existing risks and controls. eir has maintained a Regulatory Risk and Control Matrix since the publication of the Statement of Compliance for Next Generation Access products in 2013. Since the establishment of the 3 Lines and the implementation of the RGM undertakings the number of controls in the RACM increased to a high of 263 controls in September 2019 from 127 in December 2018 to the current level of 187 active controls. The number of controls increase due to additional regulatory risk reviews carried out in particular the identification of IT systems containing CRI / CWCI as the criteria for system identification were broadened. A number of the identified controls were once off remediation action once completed the risk was mitigated and the controls could be retired. As the IT transformation programme progresses a number of systems and their associated controls will be retired.*
- **Annual Regulatory Mandatory Training:** *eir established the Regulatory Code of Practice training in 2013 but this training became mandatory and was then linked to objectives for the financial year 2018/2019. There have been a number of enhancements since including to ensure that the disciplinary policy was updated to ensure it reflected that failure to comply with policies or complete mandatory training would be considered a breach of this policy. Since 2018 over 4000 people a year completed this training.*
- **IT System Access Reviews:** *eir has invested in and continues to implement a significant IT transformation programme. This programme not only looks to update our legacy estate but has moved to have separate IT systems for Wholesale. Paragraph 60 of the RGM Undertakings refers to the Protocol for future system development which sets out where possible there will be separate systems for open eir to ensure CRI / CWCI information is protected. The IT transformation programme, while replacing a legacy IT estate, ensures that all development decisions are based on the principle of separate systems for open eir to Downstream businesses. The intent is that following completion of the programme eir Downstream will no longer have access to systems beyond the Unified Gateway (UG). The regulatory obligation for data products is Equivalence of Outputs, as such, this IT decision exceeds our regulatory obligations. This approach ensures CRI / CWCI data access is managed and there will be no segregation issues. The IT transformation programme to date includes provision of a new open eir billing system, development of a data warehouse (Eclipse) that has two distinct parts, wholesale and retail plus a project to technically refresh the legacy systems involved in the provision of access products (PSTN and broadband). The transformation programme is scheduled to run to 2025. In addition to this since 2018 eir has done a number of IT changes to comply with new Decisions. One such project is the implementation of the Equivalence KPI Decision (D04/22) with 110 development days spent to date on the report.*

- In addition to above, eir has introduced and continues to maintain a three lines of defence model with regard to regulatory compliance and operates an internal 'Speak Up' process relating to regulatory and other matters. While the IOB has questioned the lack of regulatory related whistleblowing, it is aware that the process is formally and regularly communicated to staff.

- In his annual opinion report to the IOB regarding 2022, the Director of Internal Audit noted:
  - *The basis for forming my opinion on the RGM risk management and internal control environment is as follows:*
    - *Delivery of the RGM Internal Audit Plan as per the Settlement Agreement Annex 3 - Schedule 2 to the IOB charter: Reporting - IA Reporting (A01-A12)*
    - *A decrease in identified risks during individual risk based audits (detailed below), reviewing governance, risk management, internal controls, reporting and reviewing operational elements also. In FY22 there were 75% less findings during fieldwork compared to the first year of the Settlement Agreement (FY20) demonstrating continuous improvement in the RGM framework. 509 (95%) of all issues raised by IA to date were resolved at the time of reporting. There are currently no tracked items that are overdue.*
    - *Information on risks and controls gathered through audit fieldwork and by consulting engagements with management.*
    - *We observed continued improvements across the first and second lines of defence.*
    - *Reviewing both internal and external regulatory reporting from the first and second lines of defence.*
    - *We have continued to have unrestricted access to management and all requested data required to conduct audit activities was supplied in a timely manner. Engagement from management including delivery of remediation plans remains prompt and thorough, demonstrating a culture of continuous improvement.*
    - *Continued deployment of an integrated approach to control testing in conjunction with the 2nd Line Regulatory Risk Group, resulting in all RGM controls on the RACM being reviewed during the period.*
    - *The organisation issuing sanctions when non-compliance was detected demonstrates the commitment to a culture of compliance.*
  - *There is no evidence of any additional material regulatory risks not currently captured in eir's group risk profile.*
  - *In relation to the regulatory risk management and associated internal controls frameworks across the eir Group, in my opinion, the EHIL Board and the IOB can place reliance on the below related governance fora, that adequately manage various RGM controls, risks and associated processes.*
  - *IA observes compliance and management of risks by attending, observing activities and consulting within the relevant committees below.*
    - *Group Risk Profile reviewed with the Corporate Risk Committee.*
    - *IT risk register, IT asset application Management Register*
    - *Business Continuity Plans (BCP) processes (40) in place and associated Self Cert where all associated network infrastructure and IT risks are reviewed annually by management and all plans to manage these risks are tested and updated as required. All IT BCP's were returned promptly through a self certification process.*
    - *Regulatory Governance Committee*
    - *Data Information Governance Committee*
    - *Portfolio Board (review of RAP/Non-Rap products).*
    - *Product Development Council*
    - *Wholesale SMT*
    - *Fraud Governance Committee (Speak-up reporting)*

eir has introduced and continues to maintain a three lines of defence model with regard to regulatory compliance and operates an internal 'Speak Up' process relating to regulatory and other matters. While the IOB has questioned the lack of regulatory related whistleblowing, it is aware that the process is formally and regularly communicated to staff.

- *In compliance with Paragraph 19 of the RGM Undertakings set out in Annex 1 to the Settlement Agreement, eir has developed, implemented, embedded and during FY22 continues to manage a decision making framework. This framework controls the various terms of reference for all relevant decision making fora including the overarching RGM Committee. By establishing and maintaining this decision-making framework as required by paragraph 19, eircom continues to comply with its obligations under paragraphs 20 and 21 of the RGM Undertakings. There are adequate management controls in place for each of these fora, documented and managed through the Regulatory RACM (Risk and Control Matrix). Both the second and third lines of defense review compliance with the RACM with all controls tested each year.*
- *As required by paragraph 11 of the RGM Undertakings, the establishment and continued operation of the WSMT (Wholesale Senior Management Team) increases the governance and operational independence of the Wholesale Function in relation to operational decision-making, and it is responsible for wholesale regulatory governance arrangements. In FY23 we will review new governance arrangements for Fibre Networks Ireland (Infravia).*
- *We have reviewed the following terms of reference, processes and associated controls: Terms of reference*
  - *Group SMT Terms of Reference*
  - *RGM Committee Terms of Reference*
  - *WSMT Terms of Reference*
  - *RAP PDC Terms of Reference*
  - *Portfolio Board Terms of Reference*
- *Processes*
  - *open eir Capex Process*
  - *Internal product change request process*
  - *KPI generation and publication process*
  - *Wholesale bespoke bid process (FY22)*
- *We note that in H1 a major review and implementation is underway for a revised set of Equivalence KPI's and associated processes.*
- *We have no concerns with eir's compliance with the non-operational decision making requirements under the framework.*
- *Under the ComReg Milestone 5, IA has delivered on schedule a full set of reports as prescribed in the SA, referenced to the SA Annex's A01 through A12 and in line with the agreed RGM Audit Plan as approved by the IOB. Again this plan was mapped specifically to the SA, with the IOB now being given oversight of audit scopes. At the time of reporting we are approaching the end of four years of RGM audit activity under the SA, maintaining our objective and mandate under the settlement agreement to review all aspects of the Regulatory Governance Model within this period.*
- *There are adequate governance arrangements in place to maintain an adequate and effective Regulatory Governance Framework through and beyond the remaining period of the SA.*
- *The Regulatory Governance Committee continued to operate through FY22 with sufficient mandate and adequate attendance and authority to manage existing and emerging regulatory risks as they arise.*
- *We are satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of RGM governance, risk management and control. We agreed the audit work plan with the IOB. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit function can provide is reasonable assurance that there are no major weaknesses in the system of internal control.*
- *The opinion is based solely on the work undertaken as part of the agreed RGM internal audit plan in line with the SA. There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work in FY22 or were not brought to our attention. As a consequence the Board and the IOB should be aware that our opinion may have differed if other relevant matters were brought to our attention or if inaction by management was evident.*
- *In my opinion the IOB can take reasonable assurance that arrangements to secure governance, risk management and internal control, underpinned by the overarching Regulatory Governance Framework, are suitably designed, applied effectively throughout eir and are in compliance with the SA.*

- Internal Audit's 2023 annual report and opinion on eir's RGM, provided to the IOB in March 2024 added the following:

- *"We previously noted the major review and implementation of a revised set of Equivalence KPI's and associated processes. This has now been implemented and we reviewed this as part of Audit R05-23."*
- *"I confirm that comprehensive internal audit activities have been conducted, enabling us to provide an informed opinion on the adequacy and effectiveness of the RGM governance, risk management, and control systems. This audit work plan was developed in agreement with the IOB. It is important to acknowledge, however, that assurance can never be absolute. The highest level of confidence the internal audit function can offer is reasonable assurance, indicating that there are no significant deficiencies within the system of internal control.*

  This opinion is derived exclusively from the activities executed under the agreed RGM internal audit plan, which aligns with the Settlement Agreement (SA). It's important to note that there may exist weaknesses within the system of internal control that remain unidentified either because they were outside the scope of our 2023 audit plan or were not reported to us.

  Therefore, both the Board and the IOB should consider that our assessment might have varied if additional relevant information had been presented to us or if instances of management inaction had been apparent.

  In my opinion the EHIL Board, SMT and the IOB can take reasonable assurance that arrangements to secure governance, risk management and internal control, underpinned by the overarching Regulatory Governance Framework, are suitably designed, applied effectively throughout eir and are in compliance with the SA."

3.5.2.2 Physical separation

In November 2023 the IOB received the following assurance from Internal Audit regarding physical separation of open eir and downstream businesses within the new eir office.

> *"The 3rd floor has been delegated for open eir Networks, open eir Wholesale, Regulatory and Legal. Access to this area is controlled by additional physical barriers with logical controls in place, managed by the central access control system.*
>
> *Each floor has a generic layout with hot-desking in place within dedicated zones. There are no general printers accessible to staff in HS2. This helps manage the risk of unstructured (hard-copy) regulatory materials being left around. The clean desk policy also adds a second level of control.*
>
> *The third floor has additional physical and logical controls in place to manage access to the Regulatory, Legal and open eir functions. This is similar to what was in place in the old Bianconi office. Doors from the fire escape / stairwells have further access restrictions to the Regulatory area only. Each floor is serviced by a series of three shared lifts. Anyone exiting the landing on the 3rd floor cannot access the Regulatory / open eir areas unless they have been authorised to do so.*
>
> *…*
>
> *Authorised staff must scan in and scan out of these areas with a full log of access being recorded including attempted access. Internal audit reviews access control to restricted areas periodically which includes attempted access.*
>
> *Meeting rooms are available to book across the building, however with restricted access to the 3rd floor it is not possible for downstream staff to utilise these rooms on the 3rd floor.*
>
> *IA was present with the installers when the barriers were commissioned and further tested all barriers and fire escape areas on 13 November and they are functioning as intended. This included testing with non-authorised cards which failed the tests and appeared on the access log as such." Director of Internal Audit Nov'23*

3.5.2.3 open eir Commercial – CRI management

In May 2023, the following points were presented to the IOB by the MDs of open eir Wholesale and Networks and discussed with the IOB with regard to the management of access to CRI within Wholesale, specifically with regard to Commercial elements within Wholesale.

- The open eir Wholesale organisational structure is such that open eir commercial do not have any involvement in RAP processes or decision making;

- open eir commercial can request product clarifications from the product team on the published material but must submit a product change request if they deem that a change may be required to the underlying RAP service;
- If the change request is assessed to be a RAP the development will be led by a RAP product manager;
- Members of Regulatory attend all Bid meetings as per the bids process; and
- Wholesale Regulatory Operations manage controls that identify members who are identified as non-RAP and are not allowed to access systems containing CRI.

The IOB sought and received confirmation from Regulatory Operations with regard to how non-RAP members of open eir Wholesale are identified under these controls. Regulatory Operations confirmed to the IOB that all system review controls relevant to systems containing CRI include a step whereby Wholesale Regulatory Operations must confirm that the member to be granted access is not a non-RAP member. Wholesale Regulatory Operations define non-RAP as the following:

- The teams or individuals in open eir Wholesale identified by Wholesale Regulatory Operations (WRO) who are not allowed access to CRI or access to CWCI which is not their own.
- open eir Non-Rap is deemed to be a downstream business.
- The above refers to those individuals which support, for the offer or sale, the add on of commercial elements to regulated services to open eir customers and are considered by WRO to be an individual or team that is not allowed access to CRI in order to comply with eir's regulatory obligations.
- This type of activity includes white label services.
- Unregulated services or services that have become unregulated are excluded from this type of activity. This is because they are not an add-on of a commercial element to regulated services and are not subject to regulation.

In addition, the IOB has received information from eir on the 'joiner, mover, leaver' process managed by HR, Wholesale Regulatory Operations and IT Security. This process includes the requirement for Wholesale Regulatory Operations sign-off in every case of staff transfer from Wholesale in order to manage the risk of staff movement between RAP and non-RAP roles.

3.5.2.4 Behaviours against policies and structures; compliance

- In his annual opinion report to the IOB regarding 2022, the Director of Internal Audit noted:
  - *"We have continued to have unrestricted access to management and all requested data required to conduct audit activities was supplied in a timely manner. Engagement from management including delivery of remediation plans remains prompt and thorough, demonstrating a culture of continuous improvement." Director Internal Audit Mar'23*
  - *As outlined in the SA, 'open eir's culture, strategy and operational approach will be geared towards meeting all customers' needs, in an efficient and non-discriminatory manner.' Through our audit programme in FY22 we have seen evidence of open eir's commitment to this. This is demonstrated by;*
    - *The CEO stated, "The Regulatory Code of Practice sets out how we do business in regulated markets. It is an important part of our Regulatory Governance Model and is based on commitments we have made to ComReg, our regulator. It is also part of our corporate culture. The Regulatory Code applies to all staff, contractors and agents working in open eir and eir. It therefore affects all of us. Your understanding of and adherence to the principles set out in the Regulatory Code are key pillars in eir's Regulatory Governance Model. For this reason we expect all our people to complete the online training on the Regulatory Code, and completion of this training is taken into account in annual performance reviews. If anything is unclear, speak to your line manager or a member of the Regulatory team."*
    - *eir's disciplinary policy address breaches of the Regulatory Code of Practice by any member of eir staff. We note that following a report to the November 2022 RGM steering committee meeting it was agreed to pursue action under eir's disciplinary policy for those employees who had not completed the COP training. This demonstrates eir's compliance with paragraph 23 and associated governance arrangements effectively managing this to foster a culture of regulatory compliance.*
    - *We tested eircom's processes and approach*

to non-discriminatory pillar elements. These included a review of the Bid processes and found no compliance issues. We analysed open eir Wholesale SLAs controls, associated processes and published reports. No non-discriminatory issues were identified however we did find some minor process document related gaps that were fully addressed by management.

- *The RGM framework sets out a three lines of defence model incorporating an RACM with over 180 controls that support and manage open eir's regulatory compliance that monitors the efficiency and effectiveness of control delivery. We have seen evidence of 100% of these controls being tested across the second and third lines of defence across FY22. Control testing during Q3 and Q4 concluded that no controls required strengthening or remediation. This clearly shows improvements in the culture of compliance and operational approach by management. We did note that some self certs were returned late by control owners. We discussed this with the RGM committee and IA will conduct a specific review in Q3 to assess the timely self-cert returns.*
- *There are adequate Terms of Reference in place governing various regulatory fora that supports open eir's culture, strategy and operations. Director Internal Audit Mar'23*

- The quarterly reports from eir's second line of defence regulatory control testing function to the IOB during the period of this report have consistently presented a positive picture of regulatory control management. Taken together with previous IOB reports the IOB has seen continuous incremental improvements both in second line control testing and in first line control management during its term. Testing undertaken by the second line of defence has been reviewed on a sample basis by Internal Audit.
- As per Schedule 2 of the IOB Charter, the IOB receives regular reports from eir regarding compliance investigations and their status. In November 2022, eir Regulatory Operations agreed to a request from the IOB that it be provided with real time updates of open compliance cases or investigations at the same time as this information is sent to the eir Board, where this happens before the scheduled report is to be provided to the IOB.

The quarterly reports from eir's second line of defence regulatory control testing function to the IOB during the period of this report have consistently presented a positive picture of regulatory control management. Taken together with previous IOB reports the IOB has seen continuous incremental improvements both in second line control testing and in first line control management during its term. Testing undertaken by the second line of defence has been reviewed on a sample basis by Internal Audit.

- **The IOB has been provided with a summary of ComReg compliance cases since the IOB's term began. As stated previously in the IOB's second report, ComReg's Strategy Statement 2021-2023 noted that ComReg intended to consider whether it would be appropriate to publish further information and guidance on certain aspects of its compliance investigation practices and methodologies, after the European Electronic Communications Code had been transposed into Irish law. The IOB considers that this would be of assistance to eir's internal governance processes.**

- The following summary overview of the open eir Transformation Plan was presented by the Managing Directors of open eir to the IOB in March 2024 setting out the key milestones which if implemented effectively should ensure good progress.

Transformation Timeline

H1 2023	H2 2023	H1 2024	H2 2024	2025
✓ Market Competition increasing and open eir share declining ✓ NJJ and SMT **Customer meetings** to ascertain operator feedback and input ✓ **PMP** engaged to Analyse FTTH Delivery and identify opportunities for improvement ✓ **Transformation Programme in place** with cross functional team across open eir wholesale, networks and broader IT and networks team	Quick wins identified ✓ New model to **predict install type** and new Approach to containment to deliver more connections on first visit (faster) ✓ **NOC to NOC** engagement to improve communications during outages or faults Strategic projects kicked off ✓ **New Appointment and workforce management system** – RFP issued ✓ New Data Ordering system Insight programme established ✓ End **customer installation Surveys** enabling tracking experience by technician ✓ **Deep Insights** engaged to measure operator satisfaction. NPS benchmark established -43 Better communications ✓ Drop Type & Improved Refer codes, videos Team ✓ MD Wholesale ✓ New Homes Manager	Photo Evidence to better manage expectations when install not complete on first visit New appointment system-vendor selection complete and implementation planning underway New CEI data ordering system requirements developed and prioritised in line with new regulatory decisions Reappointing non standard orders on behalf on operations Communications – new website, new agency to simplify communications Team – Culture programme kick off Key new appointments Director of Transformation & Director of CEX	Operator Mid year check in with NJJ Robotics to automate processes and increase efficiency Trial AI for build quality checks CEX improvements – missed appointments, install experience, non standard orders Communications direct to customer after first appointment	New Appointment and Work force management Systems New Data Ordering System

3.5.3 Information relied upon

In addition to discussions between the IOB and eir senior management, at the IOB meetings, as documented in the IOB meeting minutes which are shared with eir and ComReg, the IOB has considered and engaged with eir on the contents of the following inputs from eir in agreeing this opinion:

1.	IOB 37.3 IOB request action 224 121022
2.	IOB 38.2 eir response to IOB action #224
3.	IOB 38.3 RGM Committee Meeting Minutes 18 Aug'22 Revised
4.	IOB 38.4 RGM Committee Meeting Minutes 15 Sept'22
5.	IOB 39.8a R01 Quarterly Self-Cert Report Jul-Sept'22
6.	IOB 39.9 R02 - RGM Risk Group Quarterly Report Jul-Sept'22
7.	IOB 39.14 RGM Committee Meeting Minutes 09 Nov'22
8.	IOB 39.15 RGM Committee Meeting Minutes 08 Dec'22
9.	IOB 40.3 RGM Committee Meeting Minutes 12 Jan'23
10.	IOB 40.5 R11 ComReg Decisions Jul-Dec'22
11.	IOB 40.6 R12 ComReg Compliance Jul-Dec'22
12.	IOB 41.2 RGM Committee Minutes 07 Feb'23
13.	IOB 41.8 R12 ComReg Compliance Jan-Mar'23
14.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
15.	IOB 41.21 IA Memo - ComReg Publications - Root Cause Analysis
16.	IOB 41.22 IA RGM Update February 2023 v2
17.	IOB 42.2 RGM Committee Meeting Minutes 14 Mar'23
18.	IOB 42.23 IA RGM Update April 2023
19.	IOB 43.4 RGM Committee Meeting Minutes 13 Apr'23
20.	IOB 43.17 Confidential open eir presentation CEI May'23
21.	IOB 43.18 Confidential open eir Culture and Strategy May'23
22.	IOB 43.19 eir investment in RGM May'23
23.	IOB 43.20 RGM reference document list May'23
24.	IOB 44.3 R12 ComReg Compliance Report Apr-May'23
25.	IOB 44.4 RGM Commitee Meeting Minutes 15 May'23
26.	IOB 44.12 IA RGM Update June 2023
27.	IOB 45.2 RGM Committee Meeting Minutes 12 Jun'23
28.	IOB 45.3 Action 298 NPS detail
29.	IOB 45.4b Regulatory Code of Practice v5.4 Jun'23 tracked changes
30.	IOB 45.5b CRI and CWCI Policy v4.4 Jun'23 tracked changes
31.	IOB 45.11 Response to IOB letter 23 May'23 from Chairman
32.	IOB 45.15 IA RGM Update July 2023
33.	IOB 45.21 IAIssueTrackerJuly23
34.	IOB 46.2 Minutes of July RGM Meeting
35.	IOB 46.3 eir investment in RGM 260623 v1.1
36.	IOB 46.17 (b) Response to IOB letter 17 Aug'23
37.	IOB 46.20 IA RGM Update August 2023
38.	IOB 47.3 eir comments on IOB notes from 21 Aug'23
39.	IOB 47.5 RGM Committee Meeting Minutes 14 Aug'23
40.	IOB 47.7 R12 ComReg Compliance Jun-Aug'23
41.	IOB 47.15 IA RGM Update Sept'23
42.	IOB 48.2 Confidential RGM Committee Meeting Minutes 14 Sept'23
43.	IOB 48.6 R09-23-Evolution of RGM Oct'23
44.	IOB 49.4 Confidential RGM Committee Meeting Minutes 12 Oct'23
45.	IOB 49.5 R12 IOB Report ComReg Compliance Sept'23 - 14 Nov'23
46.	IOB 49.17 IA RGM Update November 2023
47.	IOB 49.24 IA Memo 2HSQ Regulatory Physical Security Considerations 13 Nov'23

48.	IOB 50.3 RGM Committee Meeting Minutes 14 Nov'23
49.	IOB 50.6 eir Management Representations Dec'23
50.	IOB 50.8 open eir report on the Independence of Wholesale RGMU 13 - Dec'23
51.	IOB 50.10 RGM reference document list Dec'23
52.	IOB 51.2 RGM Committee Meeting Minutes 07 Dec'23
53.	IOB 52.2 RGM Committee Meeting Minutes 19 Jan'24
54.	IOB 52.13 IA Memo_Cultural and Operational Separation of the open eir Wholesale Function_120224
55.	IOB 53.7 Conf_Reg_Group Internal Audit and Opinion_RGM_FY23
56.	IOB 53.10 open eir Transformation Mar'24_CRI

3.5.4 Reference to which RGM Undertakings and IOB Charter requirements:

No specific opinion is required of the IOB on the culture and strategy of open eir or transparency of decision making at the eir Board in relation to eir's regulatory obligations. However, as **per 1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance.

In addition, **paragraph 1.2 of Schedule 1 of the IOB Charter** requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. The following relevant RGM Undertakings were considered by the IOB in developing its opinion under section 3.5.1 above. As the IOB has noted elsewhere, it has paid utmost attention to requirements of the Settlement Agreement and it is important to again highlight that its opinions are not intended or required to be referenced to any formal auditing standard. Additionally, the IOB's opinions are based on the accumulation of information and evidence since the IOB's term began, and in this regard the IOB's previous reports can also be referred to.

- eir will put in place and document measures to manage, or where appropriate mitigate, potential regulatory related conflicts of interest, including:

  a) an appropriate segregation of duties, functions, business lines and/or units;

  b) establishing information barriers including the possibility of physical separation of certain business lines or units;

  c) ensuring that there is appropriate access to regulated products and services; and

  d) ensuring that there is appropriate transparency over decision making in relation to eir's regulatory obligations at the Board and within the Wholesale Function. **RGMU 1**

- eir will ensure as far as reasonably practicable the independence of the Wholesale Function. Independence in this context means that Wholesale Function operates separately from eir's retail arm, treating all its Wholesale customers both internal and external in a non-discriminatory manner. In this regard, its culture, strategy and operational approach will be geared towards meeting all customers' needs, in an efficient and non-discriminatory manner. **RGMU 10**
- eir will increase the governance and operational independence of the Wholesale Function in relation to operational decision-making by creating a formal Wholesale Senior Management Team which will be responsible inter alia for wholesale regulatory governance with a Managing Director with formal terms of reference. eir will underpin this with appropriate authority which will apply to address at least the matters listed a) to f) below;

  a) operational decisions;

  b) capex decisions;

  c) development of regulated products including the treatment of access requests and prioritisation;

  d) pricing and provision of active and passive regulatory access products;

  e) appropriate handling of Confidential Regulated Information ("CRI") in divisions and functions; and

  f) regulatory matters including compliance with obligations and, where relevant, remediation of non-compliance. **RGMU 11**

- Paragraph 19 of the RGM Undertakings requires that:

  eir will develop, implement, maintain and embed a formal decision making framework which will

address all decisions that have relevance for eir's compliance with its regulatory obligations. The formal decision making framework will include identification of all relevant decision making fora, all decision makers, relevant processes and will clearly identify all relevant decisions. Each fora will have clear terms of reference. The scope of this decision making framework will include, but not be limited to, the following fora and processes.

Fora:

a) Group Senior Management Team;

b) Wholesale Senior Management Team;

c) RGM committee;

d) RAP change;

e) Product development councils; and

f) Portfolio board.

Processes:

a) Capex Process;

b) Wholesale bid process including bespoke bid processes;

c) RAP change request process;

d) RAP development process;

e) RAP prioritisation process;

f) KPI generation and publication process; and

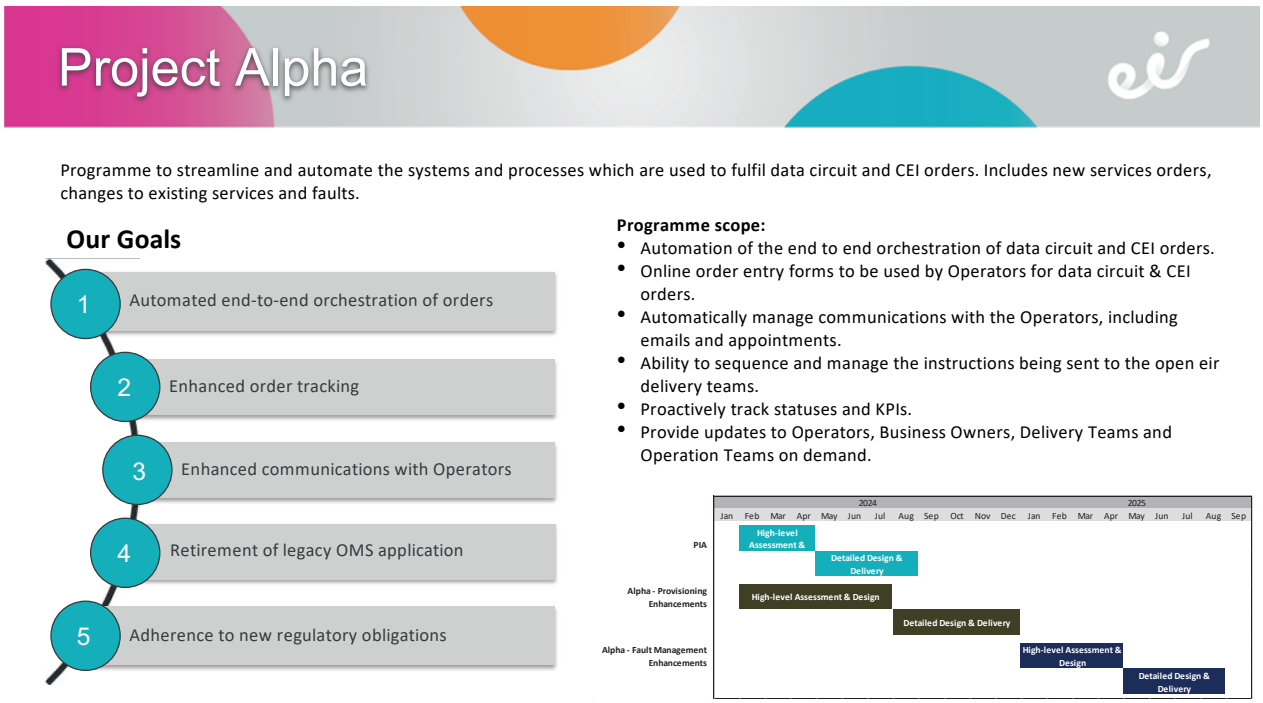
g) Wholesale pricing. **RGMU 19**

3.6 Civil Engineering Infrastructure (CEI) – processes & SLAs

3.6.1 IOB opinion

On 20 February 2022, the IOB communicated by letter to eir and ComReg its intention to focus its reviews under its third report work programme, including on the adequacy of governance arrangements to ensure regulatory compliance with regards to CEI.

It is the opinion of the IOB that the relevant governance arrangements on which it received assurance were inadequate for the period reviewed by eir Internal Audit. IOB reasons for this opinion are set out in more detail under Section 3.6.2 below, but in summary relate to a number of manual errors and poor communications with Operators. eir have noted that since the period of the audit a number of process enhancements have been introduced, including increased allocation of resources and the introduction of additional validation steps. Under Project Alpha, as of March 2024 and as per the summary overview below, eir expected that automation of the order processes for physical infrastructure access would be completed by the end of 2024, by which time eir will also be subject to requirements set out in D03/24 and D04/24 in relation to physical infrastructure access. The IOB understands that the regulatory requirements of D03/24 and D04/24 take precedence which may therefore impact this timeline.



With regard to the Major Infrastructure Programme (MIP) agreed for National Broadband Ireland (NBI), the IOB notes that the information presented to it by open eir appears to demonstrate that open eir is delivering for the most part what has been agreed under the MIP..

During the period of the IOB's final report it engaged with Internal Audit on the scope of the CEI audit. The audit undertaken was extensive and Internal Audit was largely responsive to IOB comments on the original scope developed, in particular with regard to the sample size. The IOB nevertheless notes the following key areas relevant to regulatory governance where audit assurance reviews have not yet been undertaken:

- The audit did not review performance between CEI orders and "eir own use"[3] orders. A random sample of CEI orders were reviewed against eir's process and from an accuracy perspective, but not in comparison to any equivalent "eir own use".
- The audit also undertook a sample review of CEI delivery under MIP which eir had agreed with NBI. This review focused on eir's performance against the MIP agreement document. The IOB understands that open eir's own processes for its fibre rollout, known as IFN, are not from eir's perspective comparable to the NBI MIP as each MIP is specific to the requested project. For example, the NBI MIP consists largely of pole access, while IFN uses more sub-duct. The audit did not look to develop any comparative parameters between the NBI MIP and IFN, and therefore assurance was not provided in comparison to any equivalent eir use.

In both matters above, the IOB recommends that the eir Board consider ensuring an extensive assurance review is undertaken by an internal or external party with both regulatory and telecommunications expertise. This would of course be in the context of the updated regulatory obligations as set out in the Physical Infrastructure Access Decision and KPI requirements (D03/24 & D04/24)

The IOB also notes that it received second line of defence information from eir Regulatory Operations with regard to its review of equivalence between CEI orders & "eir own use" orders and, secondly, CEI process changes underway, as of October 2023.

eir noted the following findings of that review to the IOB:

- Process documentation had been developed when there were low or no CEI order volumes,
- The time to raise a CEI order was slightly longer than for "eir own use" orders (by approximately one day),
- Order processing generally aligns once placed on OMS,
- A review of billing highlighted some issues in relation to incorrect rental rates, and
- A review of the relevant risks and controls found one control issue and the requirement for a new control to monitor the manual processing of charging.

eir noted that the following actions were either completed or underway arising from that review and the audit:

- A change in the organisational location of Project Managers, which was completed by the end of October 2023;
- The allocation of additional resources and order tracking in relation to the time taken to raise a CEI order;
- The assigning of dedicated Programme Managers to Operators;
- The introduction of further validation steps in the processes to declare route completions and undeliverable orders, which was completed by the end of October 2023;
- Implementation of actions required to address billing issues identified, which was completed by the end of 2023;
- Updating of the Regulatory RACM in line with control changes required, which was completed by the end of 2023;
- A full review of the external product and process documentation, to be completed in line with requirements of the PIA Decision which was published in January 2024; and
- Delivery of Project Alpha which will include automation of the CEI order process, to be completed by December 2024 as per the expected timeline set out by eir in December 2023.

Finally, the IOB notes the Internal Audit finding that significant resourcing constraints within the contractor

[3] eir own use orders are any data orders (dedicated capacity NGN Ethernet leased lines) that require installation of a portion of CEI (pole or sub-duct) to facilitate delivery of the active service. Note eir own use orders include both data orders for eir Downstream and Operators (via open eir).

employed by open eir resulted in the late delivery of almost one quarter of CEI orders over a 12 month period to February 2023; however, it also found that this was exacerbated by poor communications between open eir and their customers, the Operators. While the IOB notes the issue regarding contractor resourcing constraints, the IOB nevertheless **recommends that eir continues to place emphasis on improving the quality and timeliness of communications between open eir and the Operators.** While the evidence of mitigation and the programme of enhancements supplied to the IOB by eir IT in this regard (March 2024) is encouraging, it is important that the remaining milestones of the relevant programmes be achieved as outlined.

3.6.2 Reasons for the opinion

eir Internal Audit findings arising from a review of CEI processes and SLAs, July 2023:

- During 2022 30% of all published **aggregated** CEI SLA data was incorrect due to a manual error. This did not impact on individual penalty calculations as the error occurred when the data was aggregated and has since been corrected. Section 3.9 on non-CEI Wholesale SLAs comments further on this, specifically with regard to the IOB opinion expressed in its Second Report.
- Significant resourcing constraints within the contractor employed by open eir resulted in the late delivery of almost one quarter of CEI orders over a 12 month period to February 2023 and was exacerbated by poor communications between open eir and their customers, the Operators.
- In FY22 there were 161 CEI orders processed, of which Internal Audit undertook a review of a 10% sample. In one quarter of the sample reviewed physical works had not yet been completed at the time the orders were incorrectly flagged as being complete on the system resulting in notification to the Operator and commencement of billing.

With regard to the MIP agreed with NBI, in May 2023 open eir provided information to the IOB to show that they were on-target in delivery of the accelerated target for NBI of sub-duct and on target in delivery of the original target of pole replacement (57, 863), but not the accelerated target. In February 2024, open eir confirmed to the IOB that *"The programme to replace poles and make ready duct is continuing in line with agreed targets".*

With regard to the establishment of Fibre Networks Ireland (FNI) in 2022, the IOB is aware of regulatory related Undertakings published by ComReg in Information Notice 22/57 on 05 July 2022; eir has confirmed to ComReg its agreement to these Undertakings, copied to the IOB. The IOB was informed of the creation of two open eir Wholesale SMTs arising from the establishment of FNI and as a result requested that the Director of Internal Audit provide the IOB with assurance on the governance arrangements in relation to the allocation of capital and the terms of reference of the Wholesale SMT attended by FNI in relation to decision making, authorisation levels and authority.

The following information and assurance was provided by the Director of Internal Audit to the IOB in July 2023:

> *"FNI is a subsidiary of eircom Ltd that has acquired the following passive network components of the Eircom network – overhead copper cable, poles, underground copper cable, flexible duct cable, ducts and underground utility boxes, lightning protection equipment, network pressurisation equipment, fibre optic cable, and all passive assets arising from, or used in connection with, the provision of FTTH or FTTC broadband.*
>
> *This is catered for by way of two agreements:*
>
> *1) The Business transfer agreement (BTA) - transferring by eir the assets of its passive fibre-to-thehome (FTTH) network to a newly incorporated subsidiary, Fibre Networks Ireland (FibreCo).*
>
> *2) Master licence agreement (MLA); this is where the licensor (FNI) allows the licensee (eircom ltd) to access and install services on FNI assets (ducts and poles). This enables eircom ltd to continue to meet regulatory obligations with no change to practices prior to the creation of FNI*
>
> *There is a Commercial Service Agreement (CSA) agreement in place for FNI to provide service paths to open eir wholesale which enables open eir wholesale to continue to provide services in the same manner as prior to creation of FNI. The MLA allows open eir to sub-licence to Operators i.e resell FNI access to open eir. Under these agreements FNI has no role in RAP decision making.*
>
> *There are two service agreements in place between open eir Networks and FNI:*
>
> *1) MSA (Master Service Agreement): this sets out the arrangements for open eir networks to*

provide FNI with IT, support services and other administrative functions

2) TSMA (Transitional Service Master Agreement): this sets out that open eir networks will provide on a transitional basis (for a period of 5 years) a range of maintenance services, renewal capex services and associated network roll-out support services (including operational support, billing support, quality audit and record keeping).

IA is satisfied that under these agreements FNI have no decision making role relating to prioritisation of resources for the delivery of CEI orders. open eir Networks will continue to be responsible and has contractual obligations in respect of the delivery of FTTH roll out and management of the network."

Internal Audit also reviewed the BUPCR undertaken by the second line of defence on arrangements in relation to FNI and concluded that they were in agreement with the conclusion in the BUPCR that adequate governance arrangements are in place.

open eir has provided the IOB with the following tables setting out its perspective on equivalence from a governance perspective within CEI, which could be tested from an assurance perspective in any future assurance review:

Single Order / MIP – source: open eir

"Network rollout: IFN rollout is treated in same manner as NBI which is a Major Infrastructure Programme (MIP) a project schedule is agreed" open eir

Process step	Single Order CEI request access product	IFN /MIP CEI requirement
Submit order	Operator completes order form which is submitted to Open Eir Wholesale*	Programme Manager submits a Deployment area to Open Eir Wholesale.
Order creation	Open Eir Wholesale enters Order details on Order management System which flows to Accelerated Martis Provisioning – Data Services Tool (AMP DST). From AMP DST, request flows and work instructions created on WOSAP (i.e. an internal description for the SAP Plant Maintenance Module)	Work instructions are created on WOSAP
Rod, Rope and test	External Contractor receives work instructions and validates – validation method is RRT and install sub-duct. **If no blockage sub duct is installed and order completed.	External Contractor receives work instruction and proceeds to install as per programme forecast.
	External Contractor whereabouts and network imagery required during process.	External Contractor whereabouts network imagery required during process.
Order delivery	Confirmed and inventory updated on Smallworld	Confirmed and inventory updated on Smallworld

** In the case of a data product the Operator submits the order via the Unified Gateway but the remainder of the process is the same*

* *If a blockage is identified during the rod, rope and test stage the following process is followed:

Process step	Single Order CEI request access product	IFN /MIP CEI requirement
Request road opening licence	If blockage identified, order forecast provided; external contractor request road opening licence to resolve blockage	If blockage identified, order forecast provided; external contractor request road opening licence to resolve blockage
Licence issued	Local authority issues road opening licence	Local authority issues road opening licence
Blockage resolved, RRT completed	External contractor schedules work to resolve blockage and complete RRT and install sub-duct and complete the order by the renewed forecast date	External Contractor schedules work to resolve blockage and complete RRT and install and complete the programme activity by the revised forecast date
Order delivery	Order delivered and Inventory updated on Smallworld	Programme activity delivered and Inventory updated on Smallworld

CEI pre-order source: open eir

Process step	Operator	Open eir
Desktop review of route to identify potential route in open eir network	Operator accesses e-maps (external view of open eir GIS system) and identifies route in open eir network Or Operator reviews route on own GIS system with open eir network data imported using the open eir supplied Quarterly Data extract	Open eir networks / contractors on behalf of open eir review route on GIS
Confirm route prior to ordering	Operator carries out physical survey of route prior to submitting request for Duct access	Open eir Networks / contractors on behalf of open eir carry out physical survey prior to self supply

3.6.3 Information relied upon

In addition to discussions between the IOB and eir senior management at the IOB meetings, as documented in the IOB meeting minutes which are shared with eir and ComReg, the IOB has considered and engaged with eir on the contents of the following inputs in agreeing this opinion. The IOB is also informed by relevant publications, information and commentary in the public domain.

1.	IOB 39.23 Scope Audit R01-23 Review of CEI process and SLAs
2.	IOB 40.6 R12 ComReg Compliance Jul-Dec'22
3.	IOB 40.14 IA RGM Update February 2023
4.	IOB 41.5 R03 Product Development and Access Requests Summary Review Jul-Dec'22
5.	IOB 41.6 R04 Product Prioritisation Report Jul-Dec'22
6.	IOB 41.8 R12 ComReg Compliance Jan-Mar'23
7.	IOB 41.12a Copy Quarterly Report on FNI – Information Notice 05 Jul'22 – Nov'22
8.	IOB 41.12b Copy Quarterly Report on FNI – Information Notice 05 Jul'22 – Dec'22
9.	IOB 42.10 ComReg response to IOB 24 Mar'23
10.	IOB 42.23 IA RGM Update April 2023
11.	IOB 43.11 Email & Response Bob D & Keith M post-IOB meeting 24 Apr'23
12.	IOB 43.17 Confidential open eir presentation CEI May'23
13.	IOB 44.3 R12 ComReg Compliance Report Apr-May'23
14.	IOB 45.16a Audit R01-23 Review of CEI process and SLAs_Final
15.	IOB 45.16b Appendix #1 CEI Order Journey
16.	IOB 45.16c Appendix #2 Analysis of Published Quarterly Aggregated SLAs
17.	IOB 45.16d Appendix #3 - Hospital OLT122 Site Survey
18.	IOB 45.16e Appendix #4 - NBI MIP route survey – Roscrea
19.	IOB 46.6 R03 Product development report Jan – Jun 23
20.	IOB 46.7 R04 Product prioritisation report Jan – Jun 23
21.	IOB 48.20 Confidential WRO and open eir presentation Oct'23
22.	IOB 49.8 Conf. Reg. WRO and open eir presentation Oct'23 v2 - for record
23.	IOB 49.9 Note from eir Regulatory regarding comparables within CEI 13 Nov'23
24.	IOB 49.19 IA Memo_Response to IOB opinion re PIA 16 Oct'23
25.	IOB 50.7 eir IT Transformation Update - presentation to ComReg 01 Dec'23
26.	IOB 52.5 R03 Product Development and Access Requests Summary Review Jul-Dec'23
27.	IOB 52.6 R04 Product Prioritisation Review Jul-Dec'23
28.	IOB 52.15 WRO Overview of new decisions Feb'24
29.	IOB 53.9 eir IT Presentation to IOB 21 Mar'24
30.	IOB 53.10 open eir Transformation Mar'24_CRI

3.6.4 Reference to which RGM Undertakings and IOB Charter requirements

Requirements of the IOB Charter include the broad obligation to monitor regulatory obligations "generally" and to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. The IOB considers the general monitoring of regulatory compliance to sit with the Regulator and has focused its attention on the detailed requirements of the RGM Undertakings and the IOB Charter. Under its final report work programme and as noted in Section 3.6.1, the IOB has focused its review of regulated product processes on the area of CEI.

3.7 Structured and Unstructured CRI & CWCI

3.7.1 IOB opinion:

The Settlement Agreement contains extensive and detailed requirements relating to data, both structured and unstructured, many of which are linked to milestone payments under the performance agreement in Annex 2. ComReg has found that eir has met the requirements of the milestones amounting to €8.9 million, and has withheld €100,000 relating to an "all risk review".
For the purposes of this report, structured data is understood as data that has a defined data model or recognised structure and is held within IT systems and unstructured data is understood to mean data which does not have a pre-defined data model or recognised

structure, including emails, file depositories, documents etc. The Settlement Agreement requirements are set out in detail under section 3.7.4 below; in summary the IOB's relevant obligation is to opine on the adequacy of the governance structures and eir's adherence to requirements of the RGM Undertaking.

With regard to eir's obligations relating to data under the RGM Undertakings, information provided to the IOB and the IOB's opinion remains consistent with previous reports; eir remains compliant with the RGM Undertakings.

With regard to the governance structures, the IOB believes that eir's extended use of an "Agile" approach to IT development poses inherent risk to open eir regulatory governance and will continue to do so until such time as eir has completed IT Transformation current plans of relevance to systems containing CRI and Confidential Wholesale Customer Information (CWCI) or of relevance to systems required in the fulfilment of a regulatory requirement, expected by the end of 2025. The IOB notes that eir IT and wholesale management have put in place interim mitigation measures. The IOB also notes that eir has no formal policy in place for legacy system management and the IOB has queried the level of IT resource investment to further automation. While the percentage of overdue remediation in eir Internal Audit's Issues Tracker is consistently low, at approximately 6% in January 2024, the overdue items also consistently fall into the categories of data or IT. Automation of the CEI order processes and KPIs is not expected before the end of 2024, having been put on hold pending ComReg's final Decision on PIA, which was published in January 2024. The IOB is not aware of any breach of open eir's Wholesale regulatory obligations arising from inadequate governance arrangements for structured or unstructured CRI and the IOB notes that eir has itself acknowledged this risk, for example by the establishment of an additional reporting forum in November 2023 whose primary purpose is *"to review and sign off any proposed changes to systems or processes that will impact either the regulatory reporting or operational reporting or both. The aim of this forum is to ensure continuity in the reporting, review and sign off on any proposed changes."* eir has also established and maintains a protocol document *"for the implementation of all future new systems that will ensure the compliance with regulatory obligations including appropriate segregation of and governance over retail and wholesale data. The protocol includes the design principles for user access profiles on the new systems."*

In May 2019 there were 37 IT systems with high regulatory risk ratings; action taken by eir IT to remediate and mitigate regulatory risk has meant there are currently no IT systems with high risk ratings.

The IOB acknowledges significant achievements relevant to regulatory governance by eir IT Transformation since May 2019, not least in relation to TIS retirement. The following summary is that presented by eir in relation to TIS retirement, as of March 2024:

"TIS is a suite of legacy IT applications built on mainframe technologies. It was initially deployed in 1987 and was the core IT solution for eir until 2014. All lines of business were dependant on TIS and knowledge and skills to support this solution are extremely difficult to source. Major issues arose with TIS during April 2022 and February 2023 which had a significant impact on eir and our Wholesale OAOs. Replacing TIS requires deliverables across many programmes and projects "

Wholesale billing and Wholesale Service Inventory are both now fully migrated off TIS and onto Wholesale-only solutions. While TIS holds legacy wholesale data and segregation is therefore maintained, TIS is now operational as a Retail only system and is scheduled for full retirement later in 2024.

In May 2019 there were 37 IT systems with high regulatory risk ratings; action taken by eir IT to remediate and mitigate regulatory risk has meant there are currently no IT systems with high risk ratings. As of September 2023 there were 14 IT systems containing CRI or CWCI in eir that both the Wholesale and downstream arms of the business have legitimate access to, with regulatory controls in place. Eight of these systems are in scope to be replaced or retired under transformation plans over the next 12-18 months. The remaining six systems are considered functionally fit for purpose by eir and eir reviews have found they do not pose significant regulatory risks. The following six systems will continue to be shared by open eir and downstream businesses:

System	Description	Comments
AMP DST	AMP DST provides workflow management of Data circuit Orders	Full data segregation in place. Downstream users are unable to view any upstream orders.
		Market Review by ComReg expected in 2023/24. Potential full deregulation of market
ASP	Workflow system for various B2B products such as sub 2Mb/s circuits (LL / PPC). Also used to manage delivery of tasks on NGIN.	Full data segregation in place. Downstream users are unable to view any upstream orders.
		Market Review by ComReg in 2023/24. Potential full deregulation of market
BIP FAPS	Supports allocation and tracking of IP port inventory on Cisco based network. A small number (2) of legacy open eir BECS (Bitstream Ethernet Connection Service) are still provisioned on this network.	Any data (name, address) which could identify the Wholesale Operators who have been allocated network inventory has been anonymised on BIP FAPS. Downstream users are unable to identify the Wholesale Operators who have been allocated network inventory on the system.
Coupa	Cloud based eProcurement system which supports sourcing, contract management and Procure-2-Pay processes.	Full data segregation in place. Different User Groups have been created on Coupa for upstream and downstream users. Downstream users are unable to view any upstream procurement related information.
Microstrategy	Microstrategy is an enterprise-grade reporting and dashboarding system which provides query, analysis & reporting of data held on the Eclipse system.	Full data segregation in place. Access to Retail projects and Wholesale projects are managed via eirAM. Users who have access to the Retail projects on Microstrategy can only access the data contained on the Retail Eclipse database. Likewise users who have access to the Wholesale projects on Microstrategy can only access the data contained on the Wholesale Eclipse database.
Remedy 9	Primary Incident Management system for Core Networks. Also includes the Remedy Change Management (RCHM) module.	Full data segregation in place. Remedy 9 is configured as separate companies (open eir, Consumer, eir Evo, etc.). Users who raise tickets on Remedy 9 can only view ticket details for tickets which belong to their 'company'.

At the IOB's request, eir commissioned an external inspection of the adequacy of eir's review of IT governance arrangements of relevance to the IOB, including with regard to the Regulatory RACM and with regard to eir's process to support regulatory compliance during IT Transformation. The reviewer's objective was to provide a high-level assessment of the design of governance processes around eir's three lines of defence model. It also looked at how risk management, controls and processes were designed, with greater focus on IT risks, IT transformation plan activities and internal audit assignments by reference to frameworks including COBIT, COSO and Global Internal Audit standards. The inspection did not involve expressing an opinion on the effectiveness of the activities looked at and it was carried out by a fully accredited professional services organisation. The inspection report contained the following assessment results and recommendations:

- No significant issues were identified with eir's governance structures, the adequacy of its three lines of defence or the design of its internal audit function by reference to the RGM set out in the Settlement Agreement.
- eir demonstrated the following good practices to support its compliance with the RGM:

- Formal responsibilities and accountabilities of the Board and senior management to risk and audit activities;
- A clearly defined risk management approach and procedures to identify key risks;
- Alignment of the three lines of defence model to requirements of the Settlement Agreement;
- Monitoring and reporting mechanisms in relation to governance;
- The Internal Audit strategy documented within the Internal Audit plan defines factors to determine the audit universe;
- The Risk and Control Matrix and IT Asset Register are established and tailored to industry good practices; and
- Progress on IT Transformation milestones are consistently communicated and reported on.

- The following recommendations were made to enhance the areas of IT governance and the Internal Audit function:

  - Enhancing Board interaction with Internal Audit by way of private sessions without the presence of management;
  - Developing defined guidelines and requirements on outsourcing internal audit assignments; and
  - Streamlining procedures on data conversion and migration activities, by way of the introduction of "minimum guidelines" to the 'Protocol for the implementation of all future new systems' document to specify the minimum procedures required when data conversion & migration is involved. To include (but not be limited to) documentation of data structure, data migration & conversion strategy, data classification & ownership, mapping & review and monitoring errors/incidents.

In its First Report, the IOB noted that the question remained whether the extent of review of system CRI access by eir Internal Audit was sufficient for IOB purposes. While the external inspection report is not explicit on this point, based on the assessment results noted above and the information provided to the IOB from eir Internal Audit during its term, the IOB believes that Internal Audit reviews of CRI access and related governance processes are adequate, assuming that the current level of review and skill-set is retained.

In its second report, the IOB noted difficulties encountered by eir with a technology solution (File Access Manager or FAM), the result being a number of unstructured data controls over the contents of Windows file shares and some Google drives remained non-operational since 2019, with a target date for remediation at that point being mid-November 2022. eir has migrated all regulatory information off file shares and has manually operated controls over Google drives since Q1 2023; the IOB has received assurances in this regard. The fact remains however that automation of the controls was an aspect of remediation identified under Milestone 10 of the Settlement Agreement and the latest information to the IOB is that this has been further delayed beyond December 2023. The related regulatory risk remains low; the following is a summary statement from eir IT on this matter:

"In relation to FAM the upgrade that was planned to complete by end Nov to facilitate a review of Shared Google drives containing CRI / CWCI was not completed in time and the review will be operated using the manual method (Google extract and files shares with control executors). The delays to the implementation of FAM arise from the complex legacy systems within eir and issues which are only uncovered as the project progresses through the implementation stage. From a regulatory perspective the manual process of Google extract and circulating files to the control executors mitigates against the risk of inappropriate access as a regular review is taking place. FAM will provide a more automated audit trail." eir 23 Jan'24

3.7.2 Reasons for the opinion:

With regard to eir's obligations under the RGM Undertakings relating to data, information provided to the IOB and the IOB's opinion remains consistent with regard to eir's compliance with requirements of the Settlement Agreement. Section 3.7.1 above sets out some of the IOB's rationale for its opinion relating to data and this is further supported by the paragraphs below.

Previous IOB reports have noted the following.

- The Second IOB Report noted the IOB's opinion that eir had completed the actions required of it under **paragraphs 52, 53, 55, 56, 57, 58, 59** and **61** of the RGMU and remained compliant with **paragraphs 47, 51, 60, 62** and **63**. With regard to **paragraph 64** of the RGMU, the IOB noted that from

its perspective the adequacy of the IT Transformation plan with regard to governance arrangements remained under consideration by the IOB.

- With regard to general requirements relating to regulatory governance **(1.1 (e) of Schedule 1 of the IOB Charter, IOB Charter Schedule 1, 1.3 (o) and IOB Charter Schedule 1, 1.3 (p))**, the First IOB Report noted the following:
  - *"Policies relevant to eir's regulatory governance obligations have been addressed in Section 6.2.6 of this document [Code of Practice].*
  - *The most relevant governance structures, forums and processes in eir related to structured CRI data would appear to be the regular Business Access Reviews (BAR), Segregation of Duties (SOD) and Technical System Data Segregation (TSDS) reviews, the IT Asset Register Change Control Forum and the regular Data Integrity Group (DIG) review meeting attended by the DIA. This is based on eir milestone submissions and references made by IT and IA in IOB meetings.*
  - *In matters concerning BAR/SOD/TSDS reviews and the IT Asset Register Change Control Forum, the IOB view is that having performed a desktop analysis of the inputs received from eir, no matters of significant interest have come to the IOB's attention regarding regulatory non-compliance or eir's regulatory governance structures."*
  - *"The most relevant governance structures, forums and processes in eir relevant to unstructured CRI data are captured by eir's Milestone 4 submission. This concludes that, having assessed each using a consistent set of questions specific to relevant regulatory obligations regarding information sources and flows, sufficient safeguards are in place. eir IA's review of Senior Management Fora notes that: "eir ensures that CRI is appropriately managed as part of the decision making framework"."*
  - *"The IOB view is that having performed a desktop analysis of the inputs received from eir, no matters of significant interest have come to the IOB's attention regarding regulatory noncompliance or eir's regulatory governance structures in so far as they are relevant to unstructured CRI data management in eir."*

- With regard to **paragraph 47** of the RGMU, the First IOB Report noted:
  - *"System access management and both structured and unstructured CRI data reviews have been received by the IOB. Schedule 2 of the IOB Charter has an indicative reporting frequency of once per year for both structured and unstructured data reviews and the IOB has received two reports of each to date. It would appear that eir has met this obligation under the RGMU. A question remains open for now on whether the extent of review of system CRI access by eir Internal Audit is sufficient for IOB purposes; this will be interrogated further in the next IOB work programme."*

- With regard to **paragraph 51** of the RGMU, the First IOB Report noted:
  - *"eir has confirmed that the BAR happens on a six-monthly basis by way of an automated process and further notes that there are additional RGM RACM risks and controls to review user access to systems on a 6-monthly basis. Segregation of Duties (SOD) and TSDS reviews are carried out by IA on a sample set of high risk systems only. The All Risk Review in eir reviewed all systems containing CRI. The IT Asset Application Register is reviewed regularly. The IT Asset Register Change Control Forum reviews and signs off on proposed changes to the Register relevant to systems which process or contain CRI including any proposed changes to risk ratings assigned to systems."*

- With regard to **paragraphs 52, 53** and **55**, the First IOB Report noted:
  - *"This report was shared with ComReg; the first meeting of the IOB did not take place until 12 June 2019. The report was subsequently made available to the IOB by eir."*

- With regard to **paragraphs 55** and **58**, the First IOB Report noted:
  - *"As per paragraph 58 of the RGMU, the IOB received a report from eir in December 2020 confirming completion of full systems remediation for structured data."*

- With regard to **paragraph 56**, the First IOB Report noted:
  - *"The remediation plan for structured data was shared with ComReg and the IOB in November*

2019 and outlines eir's plan and timelines to address the findings of the Report on Review of Access Controls to eir IT Systems with CRI, which itself was shared with ComReg and the IOB as required under the Performance Agreement."

- With regard to **paragraph 57**, the First IOB Report noted:
  - *"This milestone submission was received from eir in March 2020."*
- With regard to **paragraph 59**, the First IOB Report noted that this deadline preceded the first meeting of the IOB, and the timely milestone submission was subsequently made available to the IOB. The submission contained eir's Clean Desk Policy, Data Classification Policy, Data Governance Policy, Data Handling and Management Policy, Data Ownership Policy and the Overarching Policy. It was noted that all policies with the exception of the Clean Desk Policy include explicit reference to the Regulatory Code of Practice; however the Clean Desk Policy applies to all confidential and commercially sensitive information.
- With regard to **paragraph 60**, the First IOB Report noted:
  - *"This protocol document was provided to ComReg before the first meeting of the IOB and was subsequently made available to the IOB."*
- With regard to **paragraph 61**, the First IOB Report noted:
  - *"eir shared its remediation plan for risks associated with the use of unstructured data with ComReg and the IOB in September 2019. The milestone submission included an external report containing their recommendations on the Risk and Control Matrix (RACM), relevant policies and potential technologies that could be used to mitigate risk, as well as eir's remediation plan. The remediation plan outlined how the recommendations contained in that report would be delivered.*
  - *On 23 December 2019 ComReg notified eir of its determination that eir had not yet met milestones 4 ["All Risk Review"], 10 [unstructured CRI risk review] and 11 [execution of unstructured CRI remediation plan]. An amendment to the Settlement Agreement was signed by eir and ComReg on 17 February 2020, agreeing that a revised unstructured CRI review would be submitted by eir by 01 May 2020 and the remediation plan would be implemented by 01 August 2020.*
  - *The revised unstructured CRI review was shared with the IOB by eir on 01 May 2020. This submission notes that eir has considered in the review how unstructured CRI is generated, shared, stored and disposed of/deleted. Fewer than 10% of eir employees were found to generate this data from upstream or central business units and the review considered the life cycle of the data across all eir's business units, governance forums and processes. The report further notes that unintended distribution and deliberate inappropriate access were also considered. Reference is made to the context of the review being within an established regulatory framework which includes risks previously identified, the Code of Practice and CRI Policy and training in these. eir's review concluded that no significant new regulatory risks were identified and, secondly, that there is reasonable assurance that even if downstream business units gained inappropriate access to unstructured CRI, such information cannot be acted on or brought to market. Notwithstanding these conclusions, the report did identify a number of enhancements to the current framework, including simplification of the language on unstructured CRI and business unit specific labelling guidelines for the Regulatory Code or Practice and CRI Policy. It was also noted that regular reviews of Google shared drives would be conducted to ensure access remains up to date, new controls were introduced to ensure that the RAP product list remains up to date for eir Networks and procurement project lists were separated into RAP and non-RAP.*
  - *On 24 June 2020, ComReg confirmed that eir had achieved milestones 10 [unstructured CRI risk review] and 12 [remediation of high risk systems]. ComReg offered a number of points for consideration by eir in its then future milestone 4 and 13 submissions on the "All Risk Review" and completion of full systems remediation for structured data as set out in paragraph 58 of the RGMU.*
  - *eir IT presented to the IOB meeting on 30 March 2020 during which paragraph 61 of the RGMU was noted to the IOB: "Having consulted the IOB and taken their advice into account, that eir has*

implemented a remediation plan to include the most appropriate controls to deliver remediation." eir IT noted the distinction between data at rest (repositories including SharePoint, fileshare and google G suite) and data in motion (email) and outlined the recommendations contained in the relevant report commissioned by eir. The IOB discussed a number of points including staff training and behaviours.

- *In line with the side letter to the Settlement Agreement of 17 February 2020, eir submitted milestone 11 to ComReg and the IOB in August 2020, confirming as per paragraph 61 of the RGMU that the remediation plan set out in milestone 10 on unstructured CRI had been implemented.*
- *While resolution of a dispute between eir and ComReg on Milestone 4 ("All Risk Review") remains pending at this point and the above comments from ComReg in relation to eir's milestone 11 on unstructured CRI data are noted, it would appear nevertheless that eir has met the obligations under paragraph 61 of the RGMU on unstructured CRI data.*
- *IA's most recent audit of unstructured CRI data classification and handling was provided to the IOB in July 2020. As of February 2021 there were three open IA recommendations, due for completion by 31 March 2021, two of which were system related and one of which required an update to IT policies with regard to g-suite functionality and CRI. The IOB continues to monitor the resolution of these issues.*
- *The IOB view is that having performed a desktop analysis of the inputs received from eir, no matters of significant interest have come to the IOB's attention regarding regulatory noncompliance or eir's regulatory governance structures in so far as they are relevant to unstructured CRI data management in eir."*

- With regard to **Paragraph 62**, the First IOB Report noted:
  - *"eir shared its Data Asset Register with the IOB in April 2020. The milestone submission notes that the IT Asset Register Change Control Forum is chaired by the Director of Solutions and Engagement, is dependent on the IT development process to track and update the IT RMS with any changes to data stored in systems on foot of developments but it is not part of the IT development or RAP product development. Other attendees are the Owner of IT Application Asset Register, Head of Architecture, Director of Internal Audit, Head of Wholesale Regulatory Operations, Head of IT Security, Director of Wholesale Products and Director of Data Protection and Enterprise Risk.*
  - *The IT Application Asset Register owner collates a list of proposed changes to the Register pertaining to systems which process or contain CRI including any proposed changes to risk ratings assigned to systems. These changes could include the introduction of new systems to the eir IT estate, the decommissioning of legacy systems, changes to user access management or changes requested by system / control owner. Following this the IT Application Asset Register owner updates the Asset Register Change Control log (which maintains a list of all changes to the IT Application Asset Register). System owners are informed of changes to their systems so they can request the appropriate changes to the relevant risks and controls relating to their systems on the Risk and Control Matrix (RACM)."*

- With regard to **Paragraph 63**, the First IOB Report noted:
  - *"eir's IT transformation plan was provided to ComReg before the first meeting of the IOB and was subsequently made available to the IOB in January 2020. eir IT has since provided regular updates to the IOB. The relevant structured data milestone submissions provided further detail and updates on the IT transformation plan. It would appear that eir has met this obligation under the RGMU.*
  - *Nonetheless, given the significant programme of transformation which continues to be undertaken by eir, the IOB will monitor carefully this area as the extent of transformation may, in of itself, give rise to potential risks associated with the transfer of data between legacy and new systems. As noted elsewhere in this Report, the IOB is considering whether, and if so, to what extent, external assurance on data governance may be required."*

- With regard to **Paragraph 64**, the First IOB Report noted:
  - *"While eir IT has provided a number of updates to IOB meetings and by way of milestone*

submissions, the assurance aspect for IOB purposes is considered against IA reports to the IOB."

The IOB received an **unstructured CRI data audit** from Internal Audit to its meeting of 20 Nov'23, which concluded as follows:

"Compliance with the SA Undertakings

Having reviewed the management of CRI including, unstructured data access management, data classifications and data handling, eir meets requirements of Paragraph 47 of the SA. By reviewing the structure of registered unstructured data controls eir meets the requirements of Paragraph 61 of the SA.

Governance structures and arrangements

We reviewed and assessed the effectiveness of the governance structures and governance arrangements in the eir Group relating to the management of Unstructured CRI and CWCI Data for the period of H1 FY2023.

The main governance structures overseeing unstructured data are adequate. This includes for example the RGM Framework, the Three-Lines of Defence Model, the RGM Committee, the Code of Practice, the WSMT and associated terms of reference.

The governance arrangements supporting the structures include various directive controls or policies in place to provide statements on how regulatory compliance is observed including separation of functions within specific meeting fora for example PDC and WSMT meetings. This helps manage unstructured data risks of information being shared in error. We detected some minor governance arrangement issues including a small percentage of policy non-compliance to the labelling and classification of regulatory documents and communications. This example of non-compliance was observed in a very a small percentage of emails, but could have serious consequences if even one email or document was sent in error to a downstream business function. In this instance we observed that in practice, the liberal application of regulatory labelling that occurs after the signatures in emails is not adequate on its own to sufficiently notify email recipients that the email that was sent to them contains CRI / CWCI data. Noting the risk, we did not see any evidence of the risk materialising by unauthorised transmission of CRI/CWCI data.

In fact, some emails that had no CRI/CWCI information contained in them, but still had the warning labelling in place below the signature unnecessarily. This is an ineffective over-cautious approach.

Management have agreed to place emphasis on this risk in future revisions of the CRI/CWCI policy.

RACM – Unstructured Data Controls

Within the RACM we assessed all registered unstructured data controls. The majority of these controls are operating effectively and as intended. We detected one control exception; WRP_CRM_071 where the control procedure had not been updated in line with organisational change as required. The control procedure was not amended by the first line of defence to take account of personnel changes with the single dependency and the segregation of duty risk. Management has since reviewed, updated and correctly recorded the amended control on the RACM. Thus at time of writing all unstructured controls are adequately managed. Whilst RRG had tested this control as 'Green' in their testing, Internal Audit processes apply a deeper level of review to detect this exception. The strengthened control description will assist RRG in future testing of this control.

We observed good compliance with the access control policy relating to regulatory storage repositories. The majority of users detected in the recent File Access Manager (FAM) campaign were leavers and this posed no access risks as the individual accounts were already deactivated as required. FAM detected the residual folder access names within the 30-day deletion period. Thus the control is working. FAM also detected two external personal email accounts that had been granted access to eir google drive folders containing regulatory information. Following a review of these in conjunction with WRO we are satisfied that these persons were permitted to review the regulatory data as part of their contractor roles. However open eir staff still granted permission to an external email address which is against policy. They should have only accepted an approved business email addresses instead. The FAM campaign control worked as intended to detect this. A further enhancement to the

CRI/CWCI policy is required to specifically call this risk out. This will be incorporated into the next policy update and submitted for approval at the next IT Security Management Council before year end.

With the exception of the CEO / Legal office there are no printers located in eir buildings where printed data might be resting. Thus there are no risks with hard copy data. We did not observe any CRI/CWCI hard copy data lying about on desks across the Head Office in Bianconi and a number of Care centres. There is good compliance to the clean-desk policy in place. Periodical physical on-site checks of this are conducted by IT in conjunction with IA.

The eir evo eir AD Federation Trust project was disbanded in early October as its remit has been met and all regulatory considerations were adequately assessed as part of this including input from WRO and IA. Eir evo staff remain for now on a Microsoft 365 platform against the Google platform used by open eir staff. This adds additional logical protections between upstream and downstream functions particularly with unstructured data storage. JML processes have been updated to ensure regulatory compliance, particularly for movers.

Whilst one control performance exception was detected (breach of process) this has since been resolved by management. I expect to see complete adherence to unstructured data policy specifically concerning labelling of emails and this has been explicitly discussed with the new MD of open eir.

IA applied a gross risk rating of 3 to some findings in particular external email addresses being granted access by open eir staff to CRI repositories and breaches of policy concerning labelling of emails. The internal control system worked to detect the external email addresses and policy will be reviewed to mitigate this from occurring again. Whilst awaiting a policy update a residual risk rating of 2, low-risk has been applied as most issues have been remedied at the time of writing. Future reviews of unstructured data will confirm subsequent compliance arrangements with labelling. IA will work with management to track issues raised to completion."

With regard to references above to File Access Manager or "FAM",, the IOB sought and received confirmation that Internal Audit are referring above to the manual Google shared drive review undertaken in eir.

The IOB also received a **structured CRI data audit** from Internal Audit to its meeting of 18 December 2023, the findings and conclusions of which were debated by the IOB's with the Director of Internal Audit, resulting in the IOB opinion as set out in section 3.7.1 above.

3.7.3 Information relied upon

In addition to discussions between the IOB and eir senior management at the IOB meetings, as documented in the IOB meeting minutes which are shared with eir and ComReg, during the period of this report the IOB has considered and engaged with eir on the contents of the following inputs from eir in agreeing this opinion:

1.	IOB 36.6 Draft ToR external assistance 28 Sept'22
2.	IOB 37.2 IT - Remediation & Mitigation of Regulatory Risks (Ver 2.0)
3.	IOB 37.12 Draft TOR for IOB External IT Audit Engagement_October 2022 update
4.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
5.	IOB 44.15 FAM memo V1 IOB Jun'23
6.	IOB 45.23 Regulatory Meeting Presentation Slides Jul'23
7.	IOB 46.3 eir investment in RGM 260623 v1.1
8.	IOB 46.23 IT presentation
9.	IOB 48.6 R09-23-Evolution of RGM Oct'23
10.	IOB 49.18 Proposal to Eir for IT Governance Review
11.	IOB 49.20 Conf_Reg_Audit R03-23 Review of Unstructured Data Oct'23
12.	IOB 50.7 eir IT Transformation Update - presentation to ComReg 01 Dec'23
13.	IOB 50.11 Reporting forum Terms of Reference Nov'23
14.	IOB 51.8 Audit R07-23 IT BARSoD and TSDS Remedy9_Final Report
15.	IOB 51.20 High level assessment on governance & IT 22 Jan'24
16.	IOB 51.21 IA Issue Tracker Jan'24
17.	IOB 53.9 eir IT Presentation to IOB 21 Mar'24

3.7.4 Reference to which RGM Undertakings and IOB Charter requirements:

No specific opinion is required of the IOB on the governance arrangements for structured and unstructured CRI management.

However, the following relevant requirements are set out by the IOB Charter:

- As per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance.
- Paragraph **1.3 of Schedule 1 of the IOB Charter** sets out tasks the IOB is required to undertake in forming this opinion, including the requirements to:
  - Review eir's other policies and structures in so far as they are intended to ensure that they enable eir to be compliant with its regulatory obligations" **(Schedule 1, 1.3 (o))**; and
  - Review eir's governance structures to ensure they enable eir to comply with its regulatory obligations in an effective and transparent manner" **(Schedule 1, 1.3 (p))**.
- Paragraph **1.2 of Schedule 1 of the IOB Charter** requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. The RGM Undertakings relevant to the management of structured and unstructured CRI are as follows:
  - **Paragraph 47** of the RGMU requires that Internal Audit will perform end-to-end reviews of Wholesale Function activities including:
    - ii. Systems access management reviews performed by both IT and business units;
    - iii. Management of CRI including structured data access management, unstructured data access management, data classification and data handling.
  - **Paragraph 51** of the RGMU requires that eir complete BAR and TSDS reviews on user access management to IT Systems at regular intervals and that these reviews are designed to provide reasonable assurance that access to Confidential Regulated Information (CRI) is appropriate and that non-Wholesale staff cannot access CRI.
  - **Paragraphs 52 and 53** of the RGMU require that by 31 May 2019, eir had performed a full review of all IT systems with CRI or that have access to systems with CRI to ensure that Wholesale Function and non-Wholesale Function access to these IT systems is appropriately controlled. And that this review includes: a) Identifying and classifying the data held on each system and determining a risk rating for each system; b) Documenting access to each system at a business unit level; c) Updating the Data Asset Register to reflect the risk rating which will be reviewed on a quarterly basis; and d) Conducting a risk review of each system identifying risks of non-compliance and identifying new controls.
  - **Paragraph 55** of the RGMU requires that by 31 May 2019 eir had provided a report to the IOB and ComReg based on the review described in paragraphs 52 and 53.
  - **Paragraphs 55 and 58** of the RGMU require that by 01 December 2020 high risk systems will have been remediated by adding these systems to eir's user access management (UAM) system. For the remainder of the systems, that controls identified in the report are implemented, operated and managed, in order to ensure that Wholesale Function and Non-Wholesale Function access to systems with CRI, or to systems that have access to systems with CRI, is appropriately controlled. That this will inter alia provide the IOB and ComReg with reasonable assurance that non-Wholesale Function personnel will not have access to CRI.
  - **Paragraph 56** of the RGMU requires that by 30 November 2019 eir had provided a systems/application delivery plan to the IOB and ComReg, based on the report outlined in paragraph 55. That this plan provides timelines for the development of controls and/or systems remediation in order to manage or mitigate the risk including controls based on the appropriate segregation of Structured Data at a system level.
  - **Paragraph 57** of the RGMU requires that by 1 March 2020, eir will have provided to the IOB and ComReg, a written report on progress of the remediation of high risk systems and an updated review of low risk systems.
  - **Paragraph 59** requires that by 31 May 2019, eir will have developed and provided to the IOB and ComReg an overarching policy on the management of CRI from, at a minimum, data governance, data ownership, data management,

data classification, data handling and security perspective.

- **Paragraph 60** of the RGMU requires that by 31 May 2019, eir will have developed and provided a protocol to the IOB and ComReg for the implementation of all future new systems that will ensure the compliance with regulatory obligations including appropriate segregation of and governance over retail and wholesale data. The protocol will include the design principles for user access profiles on the new systems. Eir will implement the protocol for all new systems development. Future BAR and TSDS reviews on these systems will address user access profiles.
- **Paragraph 61** requires that eir carries out a comprehensive analysis and prepares a written report of the risks associated with the use of Unstructured Data and the extent to which existing policies and controls mitigate these risks. The report should include analysis of systems based controls and other controls as ways of mitigating against risks identified and should consider which controls from a cost and complexity approach are appropriate to be adopted. Having consulted the IOB and taken their advice into account, that eir has implemented a remediation plan to include the most appropriate controls to deliver remediation, that the report and the remediation plan were provided to ComReg and the IOB by 30 September 2019 and that eir regularly reports to ComReg and the IOB on the delivery of the plan. That remediation was completed by 1 December 2019.
- **Paragraph 62** of the RGMU requires that by 31 March 2019, eir will have had designed and implemented and subsequently maintained a Data Asset Register (including Structured Data) to include information on the nature and type of data in use and that the Data Asset Register includes a current data classification on systems and will be updated for any subsequent changes. This Data Asset Register will be kept up to date, i.e. current systems and systems data will be in scope, and includes: a) description of system including functionality and/or use; b) types of data held (e.g. wholesale customer personally identifiable information ("PII"), retail customer PII, employee PII, financial, wholesale commercial, retail commercial, intellectual property etc.); c) classification of data as per the Data Classification Policy (e.g. Confidential Regulatory Information etc.); d) UAM; and e) risk rating and criteria.
- **Paragraph 63** of the RGMU requires that by 31 May 2019, eir will have had provided ComReg and the IOB with its most up to date IT Transformation Plan (the "IT Transformation Plan"), which will have provided information on eir's plan for the implementation of new IT systems. As eir's IT Transformation Plan in relation to new systems develops that it is shared with ComReg and the IOB.
- **Paragraph 64** of the RGMU requires that eir will have had communicated periodically with the IOB and ComReg with regard to progress against milestones and updates in relation to the report described at paragraph 55 and that eir has also communicated periodically to ComReg and the IOB progress against all Wholesale Function aspects of the IT Transformation Plan. The IT Transformation Plan should ensure that IT governance arrangements provide adequate assurance regarding management of CRI and related access management requirements.

3.8 Capex and Group IT allocations

3.8.1 IOB opinion

The governance arrangements for the allocation of capital expenditure and Group IT resources to the Wholesale Function are adequate in light of eir's regulatory obligations. The IOB's oversight of allocations in line with non-discriminatory regulatory obligations has primarily been by way of audit reports and opinions received. The IOB has noted eir's consistent achievement of product development regulatory milestones (in the IOB's first and second reports) and that Equivalence KPIs do not suggest discriminatory practices (in the IOB's second report); governance regarding Equivalence KPIs is addressed in Section 3.10.

3.8.2 Reasons for the opinion

eir has a Wholesale SMT and a formal decision making framework in place, with authority for Wholesale capital expenditure decision-making. eir has considered the allocation of capital expenditure to Wholesale in identifying regulatory risks and designing regulatory controls. A separate capex Wholesale budget under the eir Group budget is in place; the basis for the allocation to Wholesale is documented.

With regard to eir's joint venture with InfraVia which saw the creation of FNI, in July 2023 eir's Director of Internal Audit provided the following assurances to the IOB; the arrangement with InfraVia is also referenced in

this report under section 3.5 and additional assurances received are noted in section 3.6.2.

"IA has reviewed the WRO document titled, 'Regulatory Risk Review of FNI BUPCR Review Document 30 September 2022 Version 1.0'. The objective of this review was to assess if any new regulatory risks emerged from the creation of Fibre Networks Ireland (FNI) on 1 July 2022.

- *Members of FNI do not attend the eircom decision making forums such as PDC, PCRP, IT and Networks Portfolio board. They have no role in relation to RAP product decision making.*
- *Unrelated to the CEI orders, FNI allocates Capex for the rollout of the passive elements of IFN (optical distribution network ODN) and any Capex requirements in respect to IT developments etc. associated with IFN's physical infrastructure. If additional capex beyond what was allocated is required this is noted to FNI and the eir board. This review confirmed that any additional capex allocation follows the existing Capex process.*

WRO's conclusion is that there has been no change to the RAP processes associated with the provision of CEI since the creation of FNI. No discriminatory behaviour was identified and control WRP_CRM_201 continues to operate providing further oversight in the processing of CEI orders. WRO is satisfied that there are no new risks identified in relation to the RAP for CEI and that there is reasonable assurance that regulatory obligations are not at risk since the creation of FNI. IA agrees with the outcome of the 'Regulatory Risk Review of FNI BUPCR Review Document' and are satisfied that adequate governance arrangements are in place."

While a relevant audit report received by the IOB in April 2023 noted an inaccurate self-certification, the IOB does not consider there to be any regulatory risk or impact arising from this. Rather, the issue is one of governance and is addressed in Section 3.2.

3.8.3 Information relied upon

In addition to discussions between the IOB and eir senior management at the IOB meetings, as documented in the IOB meeting minutes which are shared with eir and ComReg, the IOB has considered and engaged with eir on the contents of the following inputs from eir in agreeing this opinion:

1.	IOB 39.24 Scope Audit R10-22 Capex and Group IT Process Risks and Controls Review
2.	IOB 40.4 R06 open eir Capex report Jul-Dec'22
3.	IOB 41.5 R03 Product Development and Access Requests Summary Review Jul-Dec'22
4.	IOB 41.6 R04 Product Prioritisation Report Jul-Dec'22
5.	IOB 42.27 Audit R10-22 Review of open eir IT capital budgeting and allocation processes
6.	IOB 45.16a Audit R01-23 Review of CEI process and SLAs_Final
7.	IOB 46.6 R03 Product development report Jan – Jun 23
8.	IOB 46.7 R04 Product prioritisation report Jan – Jun 23
9.	IOB 46.8 R06 Capex report Jan – Jun'23
10.	IOB 52.7 R06 open eir Capex report Jul-Dec'23

3.8.4 Reference to which RGM Undertakings and IOB Charter requirements

No specific opinion is required of the IOB on the governance arrangements for the allocation of Capex or group resources to the Wholesale Function.

However, the following relevant requirements are set out by the IOB Charter:

- As per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance.
- Paragraph **1.3 of Schedule 1 of the IOB Charter** sets out tasks the IOB is required to undertake in forming this opinion, including the requirements to:
  - Review how effective the governance arrangements were to assure regulatory compliance in respect of the allocation of group resources, including IT, in light of eir's regulatory obligations, with respect to the development and provision of regulated services **(Schedule 1, 1.3 (k))**, and
  - Review how effective the governance arrangements were for allocating capital

expenditure to the Wholesale Function in light of eir's regulatory obligations **(Schedule 1, 1.3 (m))**.

Paragraph 1.2 of Schedule 1 of the IOB Charter requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. **Paragraphs 6, 11, 15, 19, 27 and 34 of the RGM Undertakings** are most relevant to the IOB's review of governance arrangements for the allocation of group resources and Capex. Specific requirements include:

- IOB oversight that allocations across the eir group are carried out in a non-discriminatory manner;
- Increased operational independence of the Wholesale Function by the creation of a Wholesale Senior Management Team and and Managing Director with appropriate authority to address capex decisions;
- Implementation of a formal decision making framework, to include the Capex process in scope;
- Implementation of a formal regulatory risk management process, to include identifying risks of non-compliance and applying appropriate controls in relation to the allocation of Capex to the Wholesale Function; and
- Establishment of a separate Wholesale Function Capex budget, including documentation of the basis for the allocation.

3.9 Wholesale SLAs (non-CEI)

3.9.1 IOB opinion

The IOB's opinion with regard to the governance arrangements for the operation and management of open eir Wholesale non-CEI SLAs is that governance arrangements require strengthening, in the context of manual processes and a single dependency risk. Despite this, information available to the IOB does not suggest a significant regulatory risk arising from the issues identified. Furthermore, the IOB notes that eir Internal Audit's review of non-CEI SLAs did not identify any issues with the raw data or accuracy of published information. The IOB is aware that SLA penalty payments increased significantly in Q4 of 2022, but has not received any information to suggest governance issues with the payment of these penalties.

Wholesale SLA assurances received by the IOB during the period of the IOB's previous report focused on duct and pole access. The IOB's opinion at that time was that governance arrangements pertaining to the regulatory requirements set out in the WLA and WCA Decision Instruments of ComReg Decision D10/18 under Clauses 8 and 10 were adequate. This included the requirements that SLAs were in place, published on an aggregate basis (including quarterly data and methodology) and for automated timely payment of penalties. The issue with aggregated CEI SLA data referenced in Section 3.6 of this report only became apparent to Internal Audit during the audit of the CEI process and SLAs carried out in 2023.

In terms of the product group, the focus of eir Internal Audit's review of Wholesale SLAs during the period of this IOB report was WLR provisioning and repair SLAs, CGA broadband provisioning and repair SLAs and NGA query order and data product SLAs.

3.9.2 Reasons for the opinion

- The assurances, findings, statements and opinions provided by eir Internal Audit in a report to the IOB in August 2023 included the following:
  - *Manual intervention required in the generation of SLAs. A number of SLA reports require manual intervention and processing. Manual systems put pressure on employees to ensure they are following the correct procedures and be precise in all details of their work at all times. There is a risk of errors and inconsistency in published data and associated SLA production. Increased manual reporting and data validation requirements.*
  - *There is single point dependency in the production of SLAs. Tacit and explicit knowledge of the gathering and production of data sets is retained mainly to one person. This reliance should there be any change to the person's availability would impact; response time, productivity, reputation and confidence. Replacement staff would likely have difficulty meeting the SLA published requirements in a timely manner.*
  - *There is a lack of governance oversight regarding the production of and management of SLAs. For example there is no comprehensive list of SLAs available to reference what open eir is required to produce. Associated process gaps are evident including weak process documentation lacking detail on relevant products, product group, whether it is involved in provisioning or repair, the frequency by which the reports are produced, lack of appropriate links to filepaths on openeir.ie or Google Drive repositories and linking back to sections on the SLA Management Process document.*

- *Eir complies with the ComReg Decision D10/18 Wholesale Local Access (WLA) and Wholesale Central Access (WCA) and publishes the Aggregated SLA reports in timely manner. We have reviewed the Q4 2022 (October to December) Aggregated SLA report that was published on the open eir website on the 28 February 2023. The associated control for this is performing as intended.*
- *We have tested the integrity of the raw data outputs used to generate the SLAs.*
- *Requirements of ComReg Decision D03/20: Market Review Wholesale High Quality Access at a Fixed Location includes requirements to report methodology and description of the source data. We have noted the methodology document is out of date and work in currently underway to rectify this.*
- *There are three risks and corresponding controls associated with SLAs; WRP_CRM_131, WRP_CR_128 and SYS_CRM_001 are operating as intended and no breach of regulatory compliance was observed.*

- In terms of remediation, the following are some of the recommendations issued by Internal Audit to the business arising from their review; the status' of these recommendations is also noted:

  - *Internal Audit recommended development of an in-house alternative to WSLAM, linked to the finding of a single point of dependency. open eir noted that CRD 1015 had been raised for a new SLA system. The IOB was notified by eir in February 2024 that CRD 1015 was part of an overall plan to review SLAs including development of a new management system, however that IT resources were being focussed on IT development in line with requirements of ComReg Decisions published in January 2024.*
  - *Internal Audit recommended adding a new risk and control to the Regulatory RACM, listing all SLAs to be categorised by product, provision/repair and frequency. The list was also to include a link to the relevant sections of the open eir website and the SLA process management document. In response, open eir instead agreed to manage the issue identified (there being no definitive SLA list) by means of an update to the SLA management process document to include a version controlled listing of all active SLAs, which was completed by August 2023.*

3.9.3 Information relied upon

In addition to discussions between the IOB and eir senior management at the IOB meetings, as documented in the IOB meeting minutes which are shared with eir and ComReg, the IOB has considered and engaged with eir on the contents of the following inputs from eir in agreeing this opinion:

1.	IOB 40.16 Draft Scope Audit R04-23 Review of Service Level Agreements
2.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
3.	IOB 42.6 R14 WRO Annual Work Plan Jul'22-Jun'23 Updated
4.	IOB 44.4 RGM Commitee Meeting Minutes 15 May'23
5.	IOB 44.12 IA RGM Update June 2023
6.	IOB 45.15 IA RGM Update July 2023
7.	IOB 46.2 Confidential Minutes of RGM Meeting 29062023
8.	IOB 46.3 eir investment in RGM 260623 v1.1
9.	IOB 46.4a R01 Self cert report Apr – Jun 23
10.	IOB 46.4b R01 self cert excel spreadsheet
11.	IOB 46.5 R02 RRG quarterly report Apr – Jun 23
12.	IOB 46.12 R14 WRO annual work plan July 23 – Jun 24
13.	IOB 46.20 IA RGM Update August 2023
14.	IOB 46.21 Wholesale SLA audit report
15.	IOB 47.4 eir responses to IOB Actions 310 & 311

3.9.4 Reference to which RGM Undertakings and IOB Charter requirements

No specific opinion is required of the IOB on RAP Service Level Agreements (SLAs), however as per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance. Paragraph **1.3 of Schedule 1 of the IOB Charter** sets out tasks the IOB is required to undertake in forming this opinion, including:

- Review and assess how effective the governance arrangements were to assure regulatory compliance regarding the operation and management of open

eir wholesale service level agreements for regulated products. **(Sch.1 1.3(b))**

3.10 Equivalence KPIs

3.10.1 IOB opinion

open eir governance arrangements for the generation and publication of Equivalence KPIs relating to broadband Access and Data products are adequate, specifically with regard to D03/20 and D04/22. eir Internal Audit has provided assurance to the IOB regarding integrity of the raw data and presentation of the report data. Neither Internal Audit nor IOB reviews indicate equivalence issues evident from the Equivalence KPI reports.

eir has largely completed automation of the KPI report generation process since the IOB published its previous report; the process for generation of the NGA and CGA tables no longer includes manual management of excel or pivot tables. The IOB understands that eir intends to ultimately move generation of WHQA KPI data to the same data generation process as that used for NGA and CGA tables under its IT Transformation programme. WHQA KPI data generation is in the meantime significantly automated, albeit under a separate process.

3.10.2 Reasons for the opinion

The relevant audit report by the IOB from Internal Audit in November 2023 provided an opinion of eir's compliance both with the Settlement Agreement and with regulatory requirements relating to Equivalence KPIs. The audit identified two single point of dependency risks; one was resolved before conclusion of the audit and the second was resolved by the end of February 2024. Neither was considered a significant risk by Internal Audit.

Assurances received from Internal Audit included the following:

- *"Paragraph 19 (f): A monthly meeting is held to review the draft equivalence KPI figures to identify any issues that may require review or deeper analysis. It is reviewed by the Wholesale Product Manager, open eir Customer Care, open eir Networks Performance and Engagement Manager and WRO. This review is managed under control RC_TRN_C17. Each equivalence KPI's report is presented to the WSMT and subsequently to the RGM SteerCo for sign-off. Thus eir complies with Paragraph 19(f)." eir Internal Audit Nov'23*
- *"Paragraph 27(h): A process document is in place, "Equivalence KPI reporting Process and Business Rules Report" version 1.0 (pages 18 to 35) details how to calculate the equivalence KPI data for the published report that are produced and published on a quarterly basis. Section 3.7.2 Service Management: – Core Networks – CTO: Process in place for Generating Equivalence KPIs Tables 5 to 9: The above process documents demonstrate specific focus on risks related to the equivalence KPI's and this complies with Paragraph 27." eir Internal Audit Nov'23*
- *"Paragraph 36: Section 3.1 in the audit below details the process on the Generation of Equivalence KPIs that is in place. eir has implemented a robust process to generate the KPI metrics that were specified in D04/22. The data necessary to calculate the individual metrics was identified sourced and rules about how this data should be processed were created and the process to generate the KPI metrics is fully automated. We reviewed the twelve risks on the Master RACM that are impacted by Equivalence KPI metrics. Some changes were implemented following a recent BUPCR on the Equivalence KPI's demonstrating that adequate management of controls governing the Equivalence KPI's is in place." eir Internal Audit Nov'23*
- *"Schedule 3: Based on our review of the detailed SQL scripting / coding in place, the coding matching associated Business Rules, SQL's link to the correct UG tables, we are satisfied that the overarching ETL process is in order and the integrity of the raw data has not been compromised in this ETL journey. Test and output data is stored securely in restricted drives. Adequate processes are in place to oversee the generation and publication of the KPI data." eir Internal Audit Nov'23*
- *"The eir equivalence KPIs Q1 Jan – Mar 23 report is published on the open eir website located at: https://www.openeir.ie/kpis/. By publishing these KPIs eir is in compliance with ComReg Decision D04/22: Access Products and Services Key Performance Indicator (KPI) Metrics." eir Internal Audit Nov'23*
- *"IA plans to schedule a review of the implementation of the BUPCR during the FY24 audit work plan period. This review will include the assessment of the operational effectiveness of the new suite of Equivalence KPI controls and risks in place." eir Internal Audit Nov'23*
- *"IA has reviewed the published Equivalence Data for Q1 FY23. No equivalence issues were reported in the published reports. We validated the integrity*

of the raw data across the Extraction, Transform and Load processes and found no issues with this data demonstrating that the information in the published reports for the period checked was correct." eir Internal Audit Nov'23

3.10.3 Information relied upon

Since the start of its term the IOB has received the quarterly Equivalence KPI reports which are provided to ComReg by eir. The IOB has also requested and received quarterly summary reports from Wholesale Regulatory Operations relating to the KPI metrics, with information provided under the following headings:

- Context (Settlement Agreement & Regulatory);
- Method for producing and reviewing the Equivalence KPIs;
- Metric review notes prior to approval; and
- ComReg queries received relating to Equivalence KPIs.

In addition to discussions between the IOB and eir senior management at the IOB meetings, as documented in the IOB meeting minutes which are shared with eir and ComReg, the IOB has considered and engaged with eir on the contents of the inputs listed below from eir in agreeing this opinion.

1.	IOB 37.5 eir KPI Equivalence KPI_s APR - JUN 2022 [Comreg V1] 12082022
2.	IOB 39.12a R10 Equivalence KPI Summary Report Jul-Sept'22
3.	IOB 39.12b R10 Equivalence KPI's Jul - Sept'22 [Comreg V1] 21112022
4.	IOB 41.7a R10 Equivalence KPI Summary Report Oct-Dec'22
5.	IOB 41.7b R10 Equivalence KPIs Oct-Dec'22
6.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
7.	IOB 41.23 Overview of D04-22 - Access Products & Services Equivalence KPIs
8.	IOB 41.24 Confidential Equivalence KPI Overview Slides Mar'23 PLUS MINUTES REVIEW
9.	IOB 42.11 Confidential Equivalence KPI Overview Slides Mar'23 (updated) (for recording)
10.	IOB 42.26 Draft Audit R05-23 Equivalence KPIs Scope
11.	IOB 44.2a Conf Regulated Access Product Equivalence KPI Report Jan-Mar'23
12.	IOB 44.2b R10 Equivalence KPI Summary Report Jan-Mar'23
13.	IOB 47.6a R10 Equivalence KPI Summary Report Apr-Jun'23
14.	IOB 47.6b Equivalence KPI Metrics Apr-Jun'23 Confidential Regulated
15.	IOB 48.8 IA Issue Tracker Oct'23
16.	IOB 49.22a Audit R05-23 Review of Equivalence KPIs_Final Nov'23
17.	IOB 49.22b Appendix 1 Audit R05-23 Review of Equivalence KPIs
18.	IOB 49.22c Appendix 2 Audit R05-23 Review of Equivalence KPIs
19.	IOB 49.22d Appendix 3 Audit R05-23 Review of Equivalence KPIs
20.	IOB 50.4 Equivalence KPIs Apr-Jun'23 v2 - Confidential Regulated
21.	IOB 50.5a Equivalence KPIs Jul-Sept'23 - Confidential Regulated
22.	IOB 50.5b R10 Equivalence KPI summary report Jul-Sept'23

3.10.4 Reference to which RGM Undertakings and IOB Charter requirements

No specific opinion is required of the IOB on the governance arrangements for open eir's generation and publication of Equivalence KPIs. However, the following relevant requirements are set out by the IOB Charter:

- As per **1.1(e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance.
- Paragraph **1.2 of Schedule 1 of the IOB Charter** requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. The following RGM Undertakings are relevant to open eir Equivalence KPIs.
    - **Paragraph 19** *"Eir will develop, implement, maintain and embed a formal decision making framework which will address all decisions*

that have relevance for eir's compliance with its regulatory obligations. The formal decision making framework will include identification of all relevant decision making fora, all decision makers, relevant processes and will clearly identify all relevant decisions. Each fora will have clear terms of reference. The scope of this decision making framework will include, but not be limited to, the following fora and processes.

Processes

f) KPI generation and publication process"

- **Paragraph 27:** *"There will be a process to ensure that all relevant regulatory risks are identified. The scope of the risks to be addressed will include operations and non-operational risks including those relating to management decision making. There will be an effective risk management control for each identified regulatory risk. The correct operation of controls should be recorded with sufficient clarity and detail such that the control can be operated, by assurance process owners, at all levels of the eir organisation, e.g. within business units, governance fora etc. in a consistent manner. In particular eir shall identify risks of noncompliance and apply appropriate controls in relation to, but not limited to, the following:*

  h) Generation and publication of key performance indicators mandated by ComReg."

- **Paragraph 36:** *"eir will document the process for the generation and publication of KPIs and perform a risk analysis and develop controls to ensure accuracy and comparability. This documentation underpinning KPIs and metrics will provide an audit trail."*

- Paragraph **1.3(a) of Schedule 1 of the IOB Charter** requires the IOB to review and assess how effective the governance arrangements were to ensure the accuracy of KPIs and metrics relevant to regulatory matters, to assess the implications of such KPIs and metrics for the effectiveness of governance arrangements generally, and to assess the implications of such KPIs and metrics for the work plan of Internal Audit.
- As per **Schedule 3 to the IOB Charter**, the IOB is required to establish whether or not the principles contained in the guidance on the KPI process contained in Schedule 3 have been adhered to and in doing so assess the implications for the effectiveness of the governance arrangements in respect of regulatory obligations. Paragraph 2 of Schedule 3 Guidance on the KPI Process is as follows:

  - *Document and implement a KPI generation and publication process which includes:*

    a) How data relevant to each KPI is generated;

    b) How raw data is collected including an explanation of the criteria, if any, applied to the collection of data;

    c) Where data relevant to each KPI is stored;

    d) Process for generating KPIs from raw data including an explanation of the reasons and effect of data filtering which may be applied; and

    e) Process for the publication of KPIs.

3.11 Incentives

3.11.1 IOB opinion

The IOB has undertaken a review of eir's approach to incentivising the Wholesale Function and Internal Audit personnel; consistent with its second report the IOB is of the opinion that eir continues to meet its obligations under Paragraphs 22, 23 and 24 of the RGM Undertakings.

3.11.2 Reasons for the opinion

In April 2023 the IOB received confirmation from the Managing Directors of open eir Wholesale and Networks as well as from eir's second line of defence, Regulatory Operations, that:

- *"In addition to an employee's ineligibility to particulate in the company bonus programme, failure to comply with mandatory training requirements may be treated as a disciplinary matter under the eir Discipline Code. Those employees who are, for reasons outside their control, for example those on long-term sick leave, are expected to complete the training within two months of their return to work."*
- *"Personal objectives are set at the start of the year, and agreed between the individual and her/his line manager. These must include specific objectives depending on where the employee works. open eir employees must include objectives to achieve open eir EBITDA and ComReg Service Availability, whilst other employees must include objectives to achieve cash and revenue.*

- *"The scope for open eir bonus includes only eligible open eir Wholesale and open eir Networks staff. The incentive is paid only if both the target open eir EBITDA and the target ComReg Service Availability are achieved. open eir EBITDA is only derived from two relevant P&Ls, open eir Wholesale and open eir Networks. It is not derived in any way from the Group EBITDA."*

In addition, the IOB received assurance from Internal Audit with regard to eir's incentive related obligations under the Settlement Agreement in July 2023, which included the following statements and opinions:

- *"I requested and obtained from HR, details including supporting evidence of the approved company STIP payments related to the FY22 period across both eir and open eir employees. This consisted of a random but anonymous selection of 300 open eir and eir employees' accounts was extracted for analysis across all pay grades. This represented a 9% random sample of the total employee population across all pay grades."*
- *"Section 22. All personal objectives for staff are directly linked to the individual business units against company strategy and individual performance against objectives set. For Wholesale staff objectives are based on objectives within the Wholesale Unit only. Multiple controls including policies and mandates and the Code of Practice outline details of structures in place to functionally separate the objectives and operations of the Wholesale function from downstream business units. Individual PMR scorecards in the Wholesale samples detailed objectives that are set and solely related to Wholesale activities. These activities are assessed during midpoint reviews with progress checked during individual staff 1:1 meetings and team updates. Every staff member uses the HR system Odoo to upload and manage their objectives and these have restricted access to the employee and their line management only. IA tested this separately in an IT PEN test of Odoo."*
- *"Section 23. It is obligatory that all staff complete the mandatory Code of Practice Training. There are no exceptions to this unless explicitly agreed by HR and only in extenuating circumstances. This was driven hard by the CEO again in 2022 with many reminders and Internal Communications on same. Additionally in 2022 HR tracked completion rates and provided updates to SMT members on their business area compliance levels."*
- *"Section 24. The Internal Audit function operates independently and objectively to eir Group normal BAU activities and does not have responsibility for any business controls or risks. The IA team objectives are solely focused on delivering the audit plan including Regulatory Governance reviews and advisory services. During FY22 individual performance objectives were set for IA employees with the following bonus pool entitlement weightings. By meeting all objectives this allows an auditor achieve 100% of approved bonus entitlement. …*

  IA bonus allocations are not linked to eir Group performance. They are payable subject to successful delivery of the Internal Audit plans only."
- *"The open eir STIP is the only relevant incentive remuneration related to the performance of employees of the Wholesale Function."*

The IOB has undertaken a review of eir's approach to incentivising the Wholesale Function and Internal Audit personnel; consistent with its second report the IOB is of the opinion that eir continues to meet its obligations under Paragraphs 22, 23 and 24 of the RGM Undertakings.

3.11.3 Information relied upon

In addition to questions and answers between the IOB and eir senior management as documented in the IOB meeting minutes which are shared with eir and ComReg, the IOB has considered and engaged with eir on the contents of the following inputs from eir in agreeing this opinion:

1.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
2.	IOB 42.3 R05 Wholesale Remuneration Policy 06 Apr'23
3.	IOB 45.18 Incentives memo
4.	IOB 50.8 open eir report on the Independence of Wholesale RGMU 13 - Dec'23

3.11.4 Reference to which RGM Undertakings and IOB Charter requirements

No specific opinion is required of the IOB on remuneration or incentives to the Wholesale Function or Internal Audit personnel. However, the following relevant requirements are set out by the IOB Charter:

- As per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance.
- Paragraph 1**.3 of Schedule 1 of the IOB Charter** sets out tasks the IOB is required to undertake in forming this opinion, including the requirement to annually review and if appropriate comment on the approach to incentivising Wholesale Function and Internal Audit personnel **(IOB Charter, Schedule 1, 1.3 (l))**.
- Paragraph **1.2 of Schedule 1 of the IOB Charter** requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings.
    - **Paragraph 22:** All performance management and incentive remuneration of the Wholesale Function employees will reflect solely the objectives of the Wholesale Function.
    - **Paragraph 23:** The remuneration policies for all eir staff will include completion of Regulatory Code of Practice training as a perquisite for inclusion in any incentive plan. Eir's disciplinary policy will also address breaches of the Regulatory Code of Practice by any member of eir staff.
    - **Paragraph 24:** Eir will ensure that the remuneration incentive arrangements for employees working in Internal Audit relating to RGM are based on its objectives and are not based on the financial performance of eir.

3.12. Other Settlement Agreement Requirements

3.12.1 IOB opinions & reasons for the opinions

In February 2022, the IOB communicated to eir and ComReg that, having considered the most beneficial and best use of its time, it did not intend to comment in its third report on areas of the Settlement Agreement relating to **Wholesale regulatory complaints and whistleblowing, the RAP request process and prioritisation other than that relating to CEI processes, portfolio boards or bids. The IOB chose instead to undertake deeper reviews of the categories set out in sections 3.2 to 3.11 above.**

All of the areas of regulatory risk addressed in this section have been interrogated in detail by the IOB during its term. The following opinions are informed by the relevant inputs received from eir and reviewed by the IOB during the period of this report, by the IOB's previous opinions on these areas of regulatory risk and by the relevant updates provided by Internal Audit during this report period.

The IOB's rationale for this was an acceptance of internal audit's position, being that these areas had received detailed assurance reviews during the periods of the IOB's first and second reports and that Internal Audit's risk based audit planning did not consider re-review to be immediately required. eir continued to supply to the IOB reports related to these areas of regulatory risk set out in Schedule 2 of the IOB Charter and the IOB continued to review these reports as standard, posing questions where needed. The IOB has also received quarterly updates from Internal Audit confirming whether or not any process changes within these areas of risk have been implemented.

In January 2024 the IOB agreed with eir and ComReg that its third report would be its last. The IOB is therefore also including in this report its summary opinions on the areas of the Settlement Agreement relating to Wholesale regulatory complaints and whistleblowing, the RAP request process and prioritisation other than that relating to CEI processes, portfolio boards and bids, as well as the IOB's opinion on the Settlement Agreement requirements in relation to Wholesale pricing.

All of the areas of regulatory risk addressed in this section have been interrogated in detail by the IOB during its term. The following opinions are informed by the relevant inputs received from eir and reviewed by the IOB during the period of this report, by the

IOB's previous opinions on these areas of regulatory risk and by the relevant updates provided by Internal Audit during this report period.

3.12.1.1 open eir Regulatory Complaints & Whistleblowing

The IOB believes that the governance arrangements as outlined in eir's Wholesale Regulatory Complaints process remain adequate; eir also continues to operate an internal 'Speak Up' process relating to regulatory and other matters which is formally and regularly communicated to staff and, in an update since the IOB's second report, also contractors.

3.12.1.2 The RAP request process and prioritisation other than that relating to CEI processes

With regard to the **RAP request process and prioritisation**, since the IOB's second report open eir of its own initiative has merged the PCRP, an internal governance process, with the Product Change Request Process (PCRP), a process introduced to improve transparency to customers and to outline a method for submitting RAP change requests. open eir merged the processes to increase efficiency. In terms of the governance of this process change, the IOB received a copy of the Business Unit Process Compliance Review (BUPCR), which is eir's risk review process, that was undertaken by the second line of defence before the processes were merged. This report provided a conclusion from the second line of defence regarding regulatory risks and also contained recommendations in relation to updates required to the regulatory Risk and Control Matrix (RACM) and the Statement of Compliance to be provided to the regulator. In February 2024, Internal Audit's regulatory governance function commenced its own review of the revised process. While the IOB has queried the 'parking' of a number of CEI related product development requests, reports from open eir and Regulatory Operations regarding the acceptance and progression of RAP change requests demonstrate open eir's achievement of regulatory milestones. **The IOB believes that open eir Wholesale has adequate governance arrangements in place in respect of its assessment of requests for regulated products and services and its RAP product prioritisation process. Furthermore, in line with the IOB's second report, it considers that eir's arrangements with regard to its Portfolio Boards are in line with the requirements of the RGM Undertakings.**

3.12.1.3 Bids

With regard to eir's Bids process, the IOB's position is consistent with its second report, that eir is compliant with RGM Undertakings 19 and 27 and points of divergence in eir's bid process from bid process guidance contained in Schedule 3 of the IOB Charter have no negative impact on the adequacy of these arrangements with regard to regulatory compliance. The detail of this divergence is outlined in detail in section 3.12.3 below. In its second report, the IOB noted that it expected to see improvements in open eir's management of related process documentation, including the relevant controls, which have the potential to impact assurance surrounding the bids process and the adequacy of governance arrangements to ensure regulatory compliance. Internal Audit has confirmed by way of its Issues Tracker that the process document has been adequately updated and reports to the IOB relating to control operation have not highlighted issues with controls over the bids process. The IOB nevertheless recommends that Internal Audit include review of the open eir Bid process and controls within its 2024 work plan.

3.12.1.4 Wholesale Pricing

The IOB believes that eir's RGM with regard to Wholesale Pricing continues to meet the requirements of the RGM Undertakings as set out in paragraphs 11, 18, 19 and 27.

3.12.2 Information relied upon

In addition to the IOB's analysis undertaken during the period of the IOB's first and second reports, the following inputs were considered in agreeing the opinions above.

1.	IOB 38.5 R08-Wholesale Regulatory Complaints Report Jul-Sept'22
2.	IOB 39.10 R08 Wholesale Regulatory Complaints Report Oct-Dec'22
3.	IOB 39.11 R09 Speak Up report July – Dec'22
4.	IOB 40.14 IA RGM Update February 2023
5.	IOB 41.5 R03 Product Development and Access Requests Summary Review Jul-Dec'22
6.	IOB 41.6 R04 Product Prioritisation Report Jul-Dec'22
7.	IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
8.	IOB 41.22 IA RGM Update February 2023 v2
9.	IOB 42.8 Action#260(a) Review of open eir response time to CRD 900

10.	IOB 42.23 IA RGM Update April 2023
11.	IOB 43.17 Confidential open eir presentation CEI May'23
12.	IOB 43.20 RGM reference document list May'23
13.	IOB 44.5 BUPCR - Intergration of PDC PCRP process
14.	IOB 45.15 IA RGM Update July 2023
15.	IOB 46.3 eir investment in RGM 260623 v1.1
16.	IOB 46.6 R03 Product development report Jan – Jun 23
17.	IOB 46.7 R04 Product prioritisation report Jan – Jun 23
18.	IOB 46.22 International Whistleblowing Guidance
19.	IOB 48.6 R09-23-Evolution of RGM Oct'23
20.	IOB 50.8 open eir report on the Independence of Wholesale RGMU 13 - Dec'23
21.	IOB 50.10 RGM reference document list Dec'23 – for record
22.	IOB 51.18 IA RGM Update January 2024
23.	IOB 52.5 R03 Product Development and Access Requests Summary Review Jul-Dec'23
24.	IOB 52.6 R04 Product Prioritisation Review Jul-Dec'23
25.	IOB 52.14 Audit R01-24-Scope-Review of open eir Wholesale Product Change Request Process

3.12.3 Reference to which RGM Undertakings & previous IOB report conclusions

3.12.3.1 open eir Regulatory Complaints & Whistleblowing

No specific opinion is required of the IOB on the governance arrangements for open eir's regulatory complaints or whistle-blowers processes. However, as per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance. **Paragraph 1.3 of Schedule 1 of the IOB Charter** sets out tasks the IOB is required to undertake in forming this opinion, including:

- The IOB is required to review and assess how effective the governance arrangements were in addressing complaints made to the eir whistleblower hotline relating to regulatory compliance matters as referred to in the Regulatory Code of Practice **(Schedule 1 1.3 f)**; and
- The IOB is required to review how effective the governance arrangements were for managing any complaints from other operators **(Schedule 1 1.3 r)**.

The first IOB report concluded as follows:

"eir provided reports to the IOB on Other Authorised Operator (OAO) complaints between July 2019 and June 2020. There were 15 complaints in total to the end of that period and all complaint investigations by eir are now complete, with one finding of a breach by eir of regulatory obligations regarding removal by eir in error of a customer's access to the Unified Gateway (UG). Separately, three of the 15 complaints related to eir's regulatory Access obligations, specifically in relation to eir declining development requests. The investigations into all three by eir found no breach of regulatory obligations. Subsequent to this preliminary view being approved, the IOB received a complaints reports covering October to December 2020 and January to March 2021, which when reviewed by IOB were found to have no impact on the view for this Report."

"The IOB view is that, having performed a desktop analysis of the inputs received from eir, no matters of significant interest have come to the IOB's attention regarding regulatory noncompliance or eir's regulatory governance structures in so far as they are relevant to the establishment and operation of the wholesale complaint process and whistleblowing process.

The IOB has suggested to eir it might consider that, when publicising channels which employees might use in the event they wish to report a breach of the Regulatory Code of Practice, the Speak Up channel should be given at least as strong a prominence as the normal chains of command channels which are more frequently referred to within the Code. This is not to suggest that the normal chains of command channels referred to within the Code are not functioning effectively.

Separately, at its meeting with industry stakeholders (see Section 5.6), the IOB reminded attendees that the opportunity to provide evidence and information of failures of eir's governance to the IOB remains open, including specifically examples of complaints. No such examples have been received by the IOB."

Paragraph 1.2 of Schedule 1 of the IOB Charter requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. The following RGM Undertakings are relevant to open eir's complaints and whistleblowing processes.

- **Paragraph 31 of the RGM Undertakings** requires that "eir will oversee and approve how and by whom legitimate material regulatory concerns and complaints will be investigated and addressed. Metrics in respect of whistleblowing cases will be reported to the IOB and appropriate details communicated on request having regard to any need to preserve anonymity. The IOB will use such information as part of its assessment of the effectiveness of eir's governance arrangements but is not responsible for dealing with or managing complaints in any way."
- **Paragraph 32 of the RGM Undertakings** requires that "eir will continue to operate a wholesale complaints process which will be overseen by a Second Line of Defence function."

The first IOB report noted:

> *"eir submissions to the IOB have demonstrated compliance with the RGMU relating to whistleblowing and an operator complaints process. The IOB review engaged with eir particularly on the effectiveness of governance arrangements in addressing regulatory related complaints made via the whistleblowing process and on the effectiveness of governance arrangements for managing complaints from other operators."*

The second IOB report concluded:

> *"It is the IOB's opinion that the governance arrangements as outlined in eir's Regulatory Complaint processes are adequate; however the volume of regulatory complaints is so low as to limit the evidence available for review by eir's Internal Audit Function and the IOB. The Speak-Up Policy is fully rolled out within eir but is not expected to be communicated to all eir contractors until December 2022 and in this regard the governance arrangements will not be considered adequate by the IOB until this roll-out has been completed in full.*
>
> *The reasons for this opinion include:*
>
> - *The IOB has reviewed and queried the process for Operators to lodge regulatory complaints with eir, the communication of this and the management of complaints. While the IOB remains somewhat concerned by the low volume of regulatory complaints despite having heard non-specific concerns raised by Operators, the IOB considers that the governance arrangements in place are adequate to manage the complaints being received.*
> - *The following opinion of eir Internal Audit:*
>
> *"The regulatory complaints process is adequately managed for in-scope complaints. We observed gaps with internal process only, concerning an inconsistent approach to the logging of some out of scope complaints. This is now addressed. Also a minor finding with non-recording of the most recent Speakup policy review and subsequent agreed deferral awaiting legislative change. We are satisfied that communication to eir staff of the Speakup policy and associated management of the Speakup process is adequate, however there is a gap with restricted access to the policy for most contractors."*
>
> - *The IOB has received assurance specifically in relation to eir's compliance with paragraphs 31 and 32 of the RGMU.*
>
> *The IOB has relied on eir's Internal Audit report and opinions and has been informed by reports and management presentations by eir Regulatory Operations and open eir Wholesale. The IOB has engaged with, sent queries to and received responses from eir's First, Second and Third Lines in preparation of this opinion."*

3.12.3.2 The RAP request process and prioritisation other than that relating to CEI processes

No specific opinion is required of the IOB on regulated product processes, however as per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance. Paragraph 1.3 of Schedule 1 of the IOB Charter sets out tasks the IOB is required to undertake in forming this opinion, including:

- The IOB is required to review and assess how effective the governance arrangements in respect of eir's assessment of requests for regulated products and services were to assure regulatory compliance **(Schedule 1 1.3 j.)**;
- The IOB is required to review and assess how effective

the governance arrangements for eir's RAP product prioritisation process were to assure regulatory compliance **(IOB Charter, Schedule 1 1.3 i.)**;

Paragraph 1.2 of Schedule 1 of the IOB Charter requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. **Paragraphs 1 (conflicts of interest), 11 (governance and operational independence of Wholesale), 19 (decision making framework), 27 (risk identification and management) and 33 (portfolio board)** of the RGM Undertakings are those most relevant to regulated product processes.

The first IOB report concluded:

"The IOB noted a reservation on the adequacy of assurance received with regard to the governance of the open eir Wholesale Product Development Council (PDC) process as noted earlier in Management & mitigation of conflicts of interest in access to RAPs and has suggested that eir could consider the assurance of the governance of open eir Wholesale PDC to determine whether improvements could be made to be in a position to demonstrate an improved assurance position.

Notwithstanding this, the IOB view is that having performed a desktop analysis of the inputs received from eir, no other matters of significant interest have come to the IOB's attention regarding regulatory non-compliance or eir's regulatory governance structures in so far as they are relevant to the effectiveness of governance arrangements to assure regulatory compliance in respect of eir's assessment of requests for regulated products and services."

The second IOB report concluded:

"open eir Wholesale has adequate governance arrangements in place in respect of its assessment of requests for regulated products and services and its RAP product prioritisation process.

The IOB notes that eir's arrangements with regard to its Portfolio Boards are in line with the requirements of the RGMU.

The IOB's mandate is to assess the adequacy of governance structures as outlined in the Settlement Agreement, not investigate individual cases of regulatory non-compliance.

Despite the adequacy of the governance arrangements, the non-performance of a relevant regulatory control was detected by Internal Audit at the end of the previous IOB reporting period (see more under Wholesale SLAs). This resulted in a failure to comply with eir's transparency obligations for a period as well as non-compliance with an internal eir process. Timely action was taken by management on identification of the issue, including a change to the disciplinary process going forward. Internal Audit have reviewed and accepted as satisfactory the root cause analysis relating to the issue.

The IOB notes from ComReg's Strategy Statement 2021-2023 that ComReg intends to consider whether it is appropriate to publish further information and guidance on certain aspects of its compliance investigation practices and methodologies, after the European Electronic Communications Code has been transposed into Irish law. The IOB considers that this would be of assistance to eir's internal governance processes, in particular for those compliance cases that have not been communicated on for extended periods of time.

While the IOB has received assurance on the mandate and work plan of eir's Second Line of Defence, which includes the implementation of regulatory obligations, the IOB has not itself received or reviewed the process for the implementation of regulatory decisions. This may be an area of further focus in the IOB's Third Report – both by way of management presentations and more focused review by Internal Audit."

Separately, the IOB's second report also concluded:

"The IOB is satisfied that it has received detailed assurance from eir's Internal Audit Function confirming that eir's RGM meets the requirements relating to open eir's independence, decision making and management of conflicts of interests as required by the RGMU.

With regard to the IOB's oversight responsibility for eir's compliance with the RGMU (i.e. the extent to which eir's RGM meets the requirements of the RGMU) it should be noted that the IOB's reviews have focused on eir's Wholesale Function, including the creation and independence of the Wholesale SMT with regard to regulatory compliance. Decision making at the eir Board level has not been addressed by IOB reviews. This will form part of the agenda for discussion in the IOB's Third Report."

The reasons for the IOB opinion in its second report relating to the RAP request process and prioritisation included:

- *"eir's audit of 28 "change control" controls dated 29 March 2021 and submitted to the IOB meeting of 26 April 2021, which identified delayed publication of SLA reports.*
- *eir's audit of the five controls relating to transparency risks dated June 2021, which noted no issues requiring follow up.*
- *eir's audit of 10 controls relating to the Product Development Council (PDC) Process dated December 2021, which found these to be "fully operational and effective in managing the identified risks".*
- *Following a performance improvement observation from Internal Audit, open eir has updated its internal RAP process with regard to the location of documentation repositories along the Product Change Request Process (PCRP) and Product Development Council (PDC) Process, to aid in future audits and to improve transparency.*
- *In the vast majority of cases, eir has consistently met the milestones for RAP assessment, consultation and publication as outlined in ComReg Decision D10/18. The IOB has received details from eir on cancelled and declined requests and notes that accounts for these are published on the RAP customer portal. A recent additional step to the process, whereby ComReg receive withdrawal requests and have the opportunity to provide feedback before the withdrawals are progressed, is also noted.*
- *The opinion from Internal Audit's Annual Report on eir's RGM for the period 01 July 2020 to 31 December 2021.*
- *The following opinion of Internal Audit:*

> *"Based on the supporting evidence derived from multiple reviews in my opinion the IOB can be assured that arrangements to secure governance, risk management and internal control, underpinned by the overarching Regulatory Governance Framework, for regulated products and services, are suitably designed, applied effectively throughout eir and are in compliance with the SA and relevant decision instruments."*

- *Second and Third Line reports to the IOB on prioritisation scores applied to RAP requests.*
- *The following opinion of Internal Audit:*

> *"In our opinion there are effective governance arrangements to assure regulatory compliance for eir's RAP product prioritisation process. We analysed each of the relevant undertakings to form this opinion. The Prioritisation process and Portfolio board was previously audited by IA (Audit R08-21 Review of Prioritisation process). The outcome from that audit concluded that controls overseeing various documented prioritisation risks were well managed. We recommended amending the relevant process documentation which was delivered. Management agreed to obtain formal SMT sign off for all product offers even if the prioritisation score assigned to a project is 100 which indicates that a project was initiated. There has been no change to this position; the Prioritisation process and Portfolio board are operating as intended. In addition to previous audit reviews we offer additional evidence below to support the current review. There was no non-compliance detected with the relevant undertakings."*

- *Internal Audit has communicated its ongoing review of open eir's physical segregation from the downstream arms of the business as eir proceeds with a physical return to work. As of September 2022, open eir share a building with downstream arms of the business under the "return to office" post-Covid, whereas prior to the pandemic they did not. The IOB has received assurance that open eir is located on a separate floor with swipe access restrictions in place and has requested Internal Audit to keep the IOB informed of Internal Audit's opinion on the adequacy of the arrangements from a regulatory and Settlement Agreement perspective.*
- *The following opinion of IA:*

> *"Paragraph 1: eir is compliant with the undertaking. We reviewed the end to end processes and controls across a number of RAP product submissions addressing risk conflicts of interest in access to regulated products and services."*

- *The following opinion of IA:*

> *"Paragraph 11: eir is compliant with the undertaking. We observed that in practice the*

PDC and WSMT operate in line with the approved terms of reference, with adequate resources and mandates."

- *The following opinion of IA:*

"Paragraph 19: eir is compliant with the undertaking. We saw evidence of this through reviewing various end to end product submissions and related governance in place."

- *The following note in Internal Audit's Annual Report and Opinion for the period ending December 2021:*

"There are adequate governance arrangements in place to maintain an adequate and effective Regulatory Governance Framework. The Regulatory Governance Committee continues to operate through FY21 with sufficient mandate and adequate attendance and authority to manage existing and emerging regulatory risks as they arise."

- Included under eir Internal Audit's review were the following forums and terms of reference:

Forums:

- Group Risk Profile reviewed by Corporate Risk Committee
- IT risk register
- IT asset application Management Register
- Business Continuity Plans (BCP) processes (42) in place and associated Self Cert where all associated network infrastructure and IT risks are reviewed annually by management and all plans to manage these risks are tested and updated as required
- Regulatory Governance Committee
- Data Information Governance Committee
- Portfolio Board (review of RAP/Non-Rap products)
- Product Development Council
- Wholesale SMT
- Fraud Governance Committee (Speak-up reporting)

Terms of reference::

- Group SMT Terms of Reference
- RGM Committee Terms of Reference
- WSMT Terms of Reference
- RAP PDC Terms of Reference
- Portfolio Board Terms of Reference Processes
- Capex Process
- Internal product change request process
- KPI generation and publication process
- Wholesale bespoke bid process (FY20)"

3.12.3.3 Bids

No specific opinion is required of the IOB on the governance arrangements for bids and bespoke bids. However, the following relevant requirements are set out by the IOB Charter:

- As per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance.
- The IOB is required to establish whether or not the principles of the **Bespoke Bids Guidance contained in Schedule 3 of the IOB Charter** have been adhered to and in doing so assess the implications for the effectiveness of the governance arrangements in respect of regulatory obligations. These obligations relate to the establishment and operation of the relevant bid teams, policies, procedures and governance surrounding related decisions, management of Confidential Regulated Information and, for those bids including RAP products, adequate governance of pricing.
- **Paragraph 1.2 of Schedule 1 of the IOB Charter** requires the IOB to prepare an opinion on the extent to which eir's RGM meets the requirements of the RGM Undertakings. As per **Paragraph 19** of the RGM Undertakings, the formal decision-making framework must specifically address the wholesale bid process including bespoke bids. As per **Paragraph 27** of the RGM Undertakings, eir is also required to identify risks of non-compliance and apply appropriate controls in relation to wholesale bids including bespoke bids.

The first IOB report concluded:

"While the IOB view is that no matters of significant interest have come to the IOB's attention regarding regulatory non- compliance or eir's regulatory governance structures. The IOB notes a number

of points of divergence in eir's bid process from bid process guidance contained in Schedule 3 of the IOB Charter but considers that this has not to the knowledge of the IOB resulted in any matters of significant interest with regard to eir's regulatory compliance and governance structures.

The IOB notes that since it conducted its analysis, an updated version of eir's Bespoke Bids process, consistent with previous versions, was provided by eir. Nothing in this update indicated a reason that would cause the IOB to change its view as expressed above."

An internal IOB document from February 2021 notes the following:

"Specifically, the points of divergence from the guidance on the bespoke bids process relate to:

1. *The guidance requires that access profiles for the proposed bid team are reviewed/ amended/revoked as appropriate prior to the establishment of a bid team.*
   a. *eir responded that to note that "as a preliminary point, it is necessary to clarify that bid teams are not 'proposed' i.e. assembled for a particular bid. The bid team is an established team, whose members are known. None of the bid team members have access to systems containing Confidential Regulated Information ('CRI'). There is therefore no issue of them having access to CRI while working in a bespoke bid."*
2. *Secondly, the guidance requires that the bid evaluation team should, at a minimum include Wholesale Pricing and a second line Function with responsibility for confirming compliance with regulatory obligations in relation to the direct or indirect inclusion of RAP products. The IOB requested clarification from eir on members of the bid evaluation team, with reference to the guidance and discrepancies between the process and Milestone 10 submission.*
   a. *eir responded as follows: "With regard to the status of the particular roles queried above in the bid evaluation process, the position is as follows: The 'Head of open eir Commercial' referred to in the Milestone 10 report is a member of the bid evaluation team. In the process documents this role is referred to as 'Head of open eir Pricing'; this difference in title description will be corrected in the process documents. Wholesale Pricing provides advice on wholesale pricing requirements to the bid evaluation team, but is not a member of the bid team. Specifically with regard to the provision in the Guidelines mentioned, namely that 'the bid evaluation team should at a minimum include Wholesale Pricing and a second line Function with responsibility for confirming compliance with regulatory obligations in relation to the direct or indirect inclusion of RAP products', as noted above, eir's commitment is to 'have regard' to this, which it has done. eir is satisfied that the aim of the Guideline in question, namely to ensure appropriate oversight by pricing and regulatory experts to ensure compliance with regulatory obligations, is met, as the work of the bid evaluation team is fully supported and reviewed by Wholesale Pricing and by WRO to ensure regulatory compliance. eir has taken the view that it is not necessary for either Wholesale Pricing or WRO to be actual members of the bid evaluation team in order to carry out this regulatory review work. Further, eir is cognisant of its obligation to comply with the provisions in the RGM Undertakings to create an independent Wholesale Pricing Function (see Clause 18) and ensure its ongoing independence, together with the obligation to ensure the 'separation of governance, operational and assurance roles' including the separation of WRO from operational roles (Clause 38). eir considers that these RGM Undertakings relating to independence of these roles (which are legal commitments and as such take priority over the Guidelines) are better complied by having both Wholesale Pricing and WRO not be formal members of the bid evaluation team, while still having full oversight of the regulatory compliance of each non-standard bid. Furthermore WRO notes that there is a risk that details relating to RAP pricing may be used if Wholesale Pricing were a member of the bid team. WRO considers it an important segregation of duties function for Wholesale pricing to be independent of the bid team and provide oversight to the final bid price."*

The second IOB report concluded:

> *"eir is compliant with RGM Undertakings 19 and 27 and points of divergence in eir's bid process from bid process guidance contained in Schedule 3 of the IOB Charter have no negative impact on the adequacy of these arrangements. The IOB has received assurance from Internal Audit that bids are receiving the appropriate reviews and approvals by the appropriate stakeholders and segregation of information as per the Code of Practice is in place.*
>
> *The IOB does, however, expect to see improvements going forward in open eir's management of process documentation, including the relevant controls, which have the potential to impact assurance surrounding the bids process and the adequacy of governance arrangements to ensure regulatory compliance.*
>
> *The reasons for this opinion include:*
>
> - *The following opinion of Internal Audit:*
>
> *"We did not find any non-compliance with RGM undertakings in respect of Bid processes in eir. eir generally operates its processes and manages associated controls well. Based on our review of the Bid Evaluation Team (BET) process documentation and associated controls for this on the RACM we observed a level of non-compliance which resulted in an assessment that there were some performance weaknesses with gaps in process documentation that require addressing."*
>
> - *The following comments from Internal Audit:*
>
> *"Whilst the pricing decisions are handled appropriately an inadequate pricing process document may result in future process changes not being recorded."*
>
> *"While there are gaps in the labelling of CWCI the documents are secure and there is no access available to downstream as per the Code of Practice and the 'Handling Confidential Regulated Information and Confidential Wholesale Customer Information Policy."*
>
> *The IOB has relied on eir's Internal Audit report and opinions and has been informed by reports and management presentations by open eir Wholesale. The IOB has engaged with, sent queries to and received responses from eir's First and Third Lines in preparation of this opinion."*

3.12.3.4 Wholesale Pricing

No specific opinion is required of the IOB on the governance arrangements for Wholesale Pricing. However, the following relevant requirements are set out by the IOB Charter:

- As per **1.1 (e) of Schedule 1 of the IOB Charter**, the IOB must prepare an opinion on the adequacy of the governance structures in place to ensure regulatory compliance.
- The IOB is required to establish whether or not the **principles of the Bespoke Bids Guidance contained in Schedule 3 of the IOB Charter** have been adhered to and in doing so assess the implications for the effectiveness of the governance arrangements in respect of regulatory obligations. Paragraph 1.2(a) of Schedule 3 provides for the following principle concerning Bespoke Bids Guidance:

  "Ensure that for bespoke bids which include RAP Products:

  a) the bid evaluation team should, at a minimum include Wholesale Pricing and a second line Function with responsibility for confirming compliance with regulatory obligations in relation to the direct or indirect inclusion of RAP products."

Paragraph 1.2 of Schedule 1 of the IOB Charter requires the IOB to prepare an opinion on the extent to which eir's RGM meets th e requirements of the RGM Undertakings. The following RGM Undertakings are relevant to Wholesale Pricing.

- **Paragraph 11:** *"Eir will increase the governance and operational independence of the Wholesale Function in relation to operational decision-making by creating a formal Wholesale Senior Management Team which will be responsible inter alia for wholesale regulatory governance with a Managing Director with formal terms of reference. Eir will underpin this with appropriate authority which will apply to address at least the matters listed a) to f) below;*

  c) pricing and provision of active and passive regulatory access products;"

- **Paragraph 18:** *"Eir will create a separate Wholesale Pricing Function with a documented mandate. The head of this function will report directly to the Managing Director of the Wholesale Function. Eir will design, implement and embed appropriate controls to ensure non-discriminatory decision making and to manage the risk of sharing CRI with other business units."*
- **Paragraph 19:** *"Eir will develop, implement, maintain and embed a formal decision making framework which will address all decisions that have relevance for eir's compliance with its regulatory obligations. The formal decision making framework will include identification of all relevant decision making fora, all decision makers, relevant processes and will clearly identify all relevant decisions. Each fora will have clear terms of reference. The scope of this decision making framework will include, but not be limited to, the following fora and processes.*

  Processes

  - *g) Wholesale Pricing."*

- **Paragraph 27:** *"There will be a process to ensure that all relevant regulatory risks are identified. The scope of the risks to be addressed will include operations and non-operational risks including those relating to management decision making. There will be an effective risk management control for each identified regulatory risk. The correct operation of controls should be recorded with sufficient clarity and detail such that the control can be operated, by assurance process owners, at all levels of the eir organisation, e.g. within business units, governance fora etc. in a consistent manner. In particular eir shall identify risks of non-compliance and apply appropriate controls in relation to, but not limited to, the following:*

  a) setting prices for RAP services."

In its first report, the IOB addressed Settlement Agreement obligations on eir in relation to pricing by treating this as an aspect of the IOB's review of regulated product processes generally. Following documented internal analyses, including that quoted under the section above on Bids, the IOB first report concluded:

> *"… the IOB view is that having performed a desktop analysis of the inputs received from eir, no other matters of significant interest have come to the IOB's attention regarding regulatory non-compliance or eir's regulatory governance structures in so far as they are relevant to the effectiveness of governance arrangements to assure regulatory compliance in respect of eir's assessment of requests for regulated products and services."*

The IOB addressed Wholesale pricing as a category of regulatory risk in its own right in its second report and in that, again following documented internal analyses, concluded:

> *"The governance arrangements for open eir Wholesale Pricing are adequate and eir's RGM regarding Wholesale Pricing meets the requirements of the RGMU. The IOB is satisfied that Internal Audit has reviewed the Wholesale Pricing process and has provided assurance on the relevant RGMU requirements in Paragraphs 11, 18, 19 and 27 of the RGMU. No issues of significant concern were highlighted by Internal Audit."*

4

EIR MANAGEMENT REPRESENTATIONS

Following a request by the IOB to eir to provide a set of management representations relating to the information it has provided the IOB in the course of the IOB's work, the following representations were received from eir on [7 December 2023].

Management representations

eir acknowledges the responsibility of eir under the terms of the Settlement Agreement, among other matters, to implement the Regulatory Governance Model Undertakings as set out in Annex 1 to the Settlement Agreement. Included in the Undertakings is an undertaking that eir will design, implement, embed and monitor controls to mitigate the risks of non- compliance with eir's regulatory obligations within the governance fora or decision making processes outlined in Clause 19 to Annex 1.

eir confirms that, to the best of its knowledge and belief, having made such enquiries as it considered necessary for the purpose of appropriately informing itself that:

(i) the information which the company has provided to you regarding the RGM, has been presented fairly in all material respects;

(ii) we have designed such internal controls over the Regulatory Governance Model (RGM), or caused such internal controls over the RGM to be designed under our supervision, to provide reasonable assurance regarding the reliability of the RGM to ensure compliance with eir's regulatory obligations as outlined in Clause 20 Annex 1. As of 1st December 2023 there were a total of 170 controls on eir's RACM (Risk and Control Matrix).

(iii) we have disclosed to you all weaknesses in the design or operation of internal control over the RGM as identified as part of our evaluation as outlined in Clause 26 Annex 1.

(iv) we have a process in place to identify all regulatory risks and to design the appropriate controls to manage that risk which is set out in the Business Unit Process Compliance Review (BUPCR) document. These risk and controls are recorded in the Risk and Control Matrix (RACM) which also sets out the location where evidence of control operation is stored as noted in Clause 27, 28 and 29 Annex 1.

(v) There is an ongoing management, review and continuous improvement of the effectiveness of eir's internal control over the RGM. This is supported with sufficient evidence, including documentation, demonstrates that eir maintained effective internal control over RGM covering the period from 1 October 2022 to December 2023

(vi) no changes in internal control to the RGM or other factors that have occurred up to the date of this letter that might significantly affect internal control over the RGM, including corrective actions taken by management with regard to material weaknesses

(vii) the IOB has received minutes of the meetings of the Regulatory Governance Committee (RGC). We represent that, insofar as we are aware, no matters are recorded in minutes of the RGC meetings for the relevant period that eir considers would have an impact on the reporting obligations of IOB for the same relevant period

(viii) eir's mandated KPIs have been prepared accurately and in accordance with the methodology and timescales required by ComReg

(ix) we have complied with the requirement in the RGM Undertakings to capture, review, and resolve all Wholesale related complaints

(x) the representations made on the implementation of effective governance arrangements to ensure that the allocation of capital expenditure to the Wholesale function is in accordance with eir's regulatory obligations, are made based on enquiries of management and staff. These persons had the relevant knowledge and experience to satisfy ourselves that we can properly make these representations to you, the IOB.

(xi) eir continues to operate a Three Lines of Defense model which ensures there is a separation of governance, operational and assurance roles. Each part of the Second line of Defense has Mandates and operates to an annual plan approved by the Regulatory Governance Committee and are adequately resourced. The heads of the Second line functions do not report to the same member of the SMT as per Clause 37, 38, 39, 42 and 49 Annex 1.

(xii) As per Clause 44 Annex 1 the methodologies for RGM related activities are documented and reviewed on a regular basis.

RGM Chair

CEO

5

EIR COMMENTS

eir acknowledges the very significant work undertaken by the IOB over the past five years. The IOB's opinion that eir has delivered on its regulatory governance model commitments during its tenure isa testament to eir's commitment to continuous improvement and dedication to our wholesale customers.

eir voluntarily agreed to an External Quality Assessment of eir's Internal Audit Regulatory Governance (IARG) function which facilitated enhancements to the form the IOB's annual opinions could take for the Second and Third Report. In addition, eir agreed to contract external assistance to provide the IOB with a further understanding of how eir is managing regulatory risks to structured and unstructured data in the context of its IT Transformation Plan. eir notes from the positive conclusions in the report that these voluntary agreements by eir provided additional assurances to the IOB.

eir notes the IOB's recommendations in the Third Report including the recommendations relating to open eir's CEI process and associated communications. open eir had already embarked on a major transformation process and has since made significant changes in relation to CEI in enhancing the management of orders and developments arising from the new regulatory decision (Decision D03/24). eir is in the process of reviewing the regulatory governance model and the in-housing of the regulatory governance oversight function within eir post the end of the IOB term.

eir wishes to thank the IOB members for their support, their shared expertise and the enhancements their recommendations have made to eir's regulatory governance model during their tenure.

APPENDICES

1. List of material received from eir between October 2022 and March 2024[4]

Information & Reports to the IOB from eir		
Meeting #	**Meeting Date**	**Report Name**
37	26 Oct'22	IOB 37.2 IT - Remediation & Mitigation of Regulatory Risks (Ver 2.0)
		IOB 37.3 IOB request action 224 121022
		IOB 37.4 eirs mgmt representations IOB 3Oct22
		IOB 37.5 eir KPI Equivalence KPI_s APR - JUN 2022 [Comreg V1] 12082022
		IOB 37.12 Draft TOR for IOB External IT Audit Engagement_October 2022 update
38	30 Nov'22	IOB 38.2 eir response to IOB action #224
		IOB 38.3 RGM Committee Meeting Minutes 18 Aug'22 Revised
		IOB 38.4 RGM Committee Meeting Minutes 15 Sept'22
		IOB 38.5 R08-Wholesale Regulatory Complaints Report Jul-Sept'22
		IOB 38.6 R14 Regulatory Annual Plans Quarterly review Jul-Sept'22
		IOB 38.7 IA Update October 2022 - for record
		IOB 38.16a IA Memo FY23 RGM Draft Audit Plan v1.0
		IOB 38.16b Appendix 1 FY23 RGM Audit Plan
39	25 Jan'23	IOB 39.7b eir response 17 Jan'22
		IOB 39.8a R01 Quarterly Self-Cert Report Jul-Sept'22
		IOB 39.8b R01 Consolidated Return Jul-Sept'22
		IOB 39.9 R02 - RGM Risk Group Quarterly Report Jul-Sept'22
		IOB 39.10 R08 Wholesale Regulatory Complaints Report Oct-Dec'22
		IOB 39.11 R09 Speak Up report July – Dec'22
		IOB 39.12a R10 Equivalence KPI Summary Report Jul-Sept'22
		IOB 39.12b R10 Equivalence KPI's Jul - Sept'22 [Comreg V1] 21112022
		IOB 39.13 R14 Regulatory Annual Plans Quarterly review Oct – Dec'22
		IOB 39.14 RGM Committee Meeting Minutes 09 Nov'22
		IOB 39.15 RGM Committee Meeting Minutes 08 Dec'22
		IOB 39.21 IA RGM Update January 2023
		IOB 39.22a IA Memo FY23 RGM Draft Audit Plan v2.0
		IOB 39.22b Appendix 1 FY23 RGM Audit Plan v2
		IOB 39.23 Scope Audit R01-23 Review of CEI process and SLAs [ALREADY ISSUED]
		IOB 39.24 Scope Audit R10-22 Capex and Group IT Process Risks and Controls Review [ALREADY ISSUED]

[4] Previous IOB reports contain details of material received to the IOB from eir since the IOB's term began

Information & Reports to the IOB from eir		
Meeting #	Meeting Date	Report Name
		IOB 39.25 Scope- RGM Audit R02-23 Self-Certification [ALREADY ISSUED]
		IOB 39.26 Audit R08-22 Self Cert H1FY22_Final Report
		IOB 39.27 Audit R09-22_Review of Code of Practice Training_Final_Dec 2022
		IOB 39.28 IAIssueTracker 18 Jan'23
		IOB 39.29 Draft Scope Audit R03-23 Review of Unstructured Data
40	20 Feb'23	IOB 40.2 RGM Committee IOB reporting schedule 2023
		IOB 40.3 RGM Committee Meeting Minutes 12 Jan'23
		IOB 40.4 R06 open eir Capex report Jul-Dec'22
		IOB 40.5 R11 ComReg Decisions Jul-Dec'22
		IOB 40.6 R12 ComReg Compliance Jul-Dec'22
		IOB 40.14 IA RGM Update February 2023
		IOB 40.15 Audit R02-23-Revised Scope-Review of RGM 2LoD incl Self-Cert H2 FY22
		IOB 40.16 Draft Scope Audit R04-23 Review of Service Level Agreements
		IOB 40.17 QA_IP_checklist
41	28 Mar'23	IOB 41.2 RGM Committee Minutes 07 Feb'23
		IOB 41.3a R01 Self Cert Report Oct-Dec'22
		IOB 41.3b Self Cert Consolidated Return Oct-Dec'23
		IOB 41.4 R02 RGM Risk Group Report Oct-Dec'22
		IOB 41.5 R03 Product Development and Access Requests Summary Review Jul-Dec'22
		IOB 41.6 R04 Product Prioritisation Report Jul-Dec'22
		IOB 41.7a R10 Equivalence KPI Summary Report Oct-Dec'22
		IOB 41.7b R10 Equivalence KPIs Oct-Dec'22
		IOB 41.8 R12 ComReg Compliance Jan-Mar'23
		IOB 41.9 R14 Annual Plan of the RGM Risk Group (RRG) 2023
		IOB 41.10 R14 Mandate of the RGM Risk Group Jan'23
		IOB 41.11 R14 Group Risk RGM Mandate and Annual Plan 2023
		IOB 41.12a Copy Quarterly Report on FNI – Information Notice 05 Jul'22 – Nov'22
		IOB 41.12b Copy Quarterly Report on FNI – Information Notice 05 Jul'22 – Dec'22
		IOB 41.17 IA RGM Update March 2023
		IOB 41.18 Conf_Regulated_Group Internal Audit Opinion_RGM_FY22_Final_090323
		IOB 41.19 Audit R02-23 Review of the RGM 2LOD and Self Cert H2 FY22_Final Report
		IOB 41.20 Scope Audit R03-23 Review of Unstructured Data v1.1
		IOB 41.21 IA Memo - ComReg Publications - Root Cause Analysis
		IOB 41.22 IA RGM Update February 2023 v2
		IOB 41.23 Overview of D04-22 - Access Products & Services Equivalence KPIs
		IOB 41.24 Confidential Equivalence KPI Overview Slides Mar'23

Information & Reports to the IOB from eir		
Meeting #	**Meeting Date**	**Report Name**
42	24 Apr'23	IOB 42.2 RGM Committee Meeting Minutes 14 Mar'23
		IOB 42.3 R05 Wholesale Remuneration Policy 06 Apr'23
		IOB 42.4 R07 Regulatory Code of Practice Mandatory Training Jan-Dec'22
		IOB 42.5 R14 Regulatory Annual Plans Quarterly review Jan-Mar'23
		IOB 42.6 R14 WRO Annual Work Plan Jul'22-Jun'23 Updated
		IOB 42.7 R14 Regulatory Strategy Annual Plan Jul'22-Jun'23 Updated
		IOB 42.8 Action#260(a) Review of open eir response time to CRD 900
		IOB 42.9 Action#258 ref. IOB 41.3b Self Cert Consolidated Return Oct-Dec'23
		IOB 42.10 ComReg response to IOB 24 Mar'23 (for recording)
		IOB 42.11 Confidential Equivalence KPI Overview Slides Mar'23 (updated) (for recording)
		IOB 42.15 OL Response Letter to IOB 13 April 23
		IOB 42.23 IA RGM Update April 2023
		IOB 42.24 Appendix 1 FY23 RGM Audit Plan v3
		IOB 42.25 IA Issue Tracker April 2023
		IOB 42.26 Draft Audit R05-23 Equivalence KPIs Scope
		IOB 42.27 Audit R10-22 Review of open eir IT capital budgeting and allocation processes
		IOB 42.28 IOB Update DD Apr'23
43	23 May'23	IOB 43.2a R01 Self-Cert Report Jan-Mar'23
		IOB 43.2b R01 Self-Cert Consolidated Return Jan-Mar'23
		IOB 43.3 R02 RGM Risk Group Quarterly Report Jan-Mar'23
		IOB 43.4 RGM Committee Meeting Minutes 13 Apr'23
		IOB 43.5 Regulatory Code of Practice v5.3 July 2022
		IOB 43.14 IA RGM Update May'23
		IOB 43.15 Appendix 1 FY23 RGM Audit Plan v4
		IOB 43.16 IA self-assessment
		IOB 43.17 Confidential open eir presentation CEI May'23
		IOB 43.18 Confidential open eir Culture and Strategy May'23
		IOB 43.19 eir investment in RGM May'23
		IOB 43.20 RGM reference document list May'23
44	28 Jun'23	IOB 44.2a Conf Regulated Access Product Equivalence KPI Report Jan-Mar'23
		IOB 44.2b R10 Equivalence KPI Summary Report Jan-Mar'23
		IOB 44.3 R12 ComReg Compliance Report Apr-May'23
		IOB 44.4 RGM Commitee Meeting Minutes 15 May'23
		IOB 44.5 BUPCR - Intergration of PDC PCRP process

Information & Reports to the IOB from eir		
Meeting #	Meeting Date	Report Name
		IOB 44.12 IA RGM Update June 2023
		IOB 44.13 Appendix 1 FY23 RGM Audit Plan v5
		IOB 44.14 Scope Audit R07-23 IT BAR-SoD & TSDS Review of Remedy 9
		IOB 44.15 FAM memo V1 IOB Jun'23
		IOB 44.16 Internal Audit Skills and Competencies June 2023
		IOB 44.17 Second Line Presentation Deck 28 Jun'23
45	26 Jul'23	IOB 45.2 RGM Committee Meeting Minutes 12 Jun'23
		IOB 45.3 Action 298 NPS detail
		IOB 45.4a Regulatory Code of Practice v5.4 Jun'23
		IOB 45.4b Regulatory Code of Practice v5.4 Jun'23 tracked changes
		IOB 45.5a CRI and CWCI Policy v4.4 Ju'23
		IOB 45.5b CRI and CWCI Policy v4.4 Jun'23 tracked changes
		IOB 45.6a Regulatory Mandate Jun'23 v7
		IOB 45.6b Regulatory Mandate Jun'23 v7 tracked changes
		IOB 45.11 Response to IOB letter 23 May'23 from Chairman
		IOB 45.15 IA RGM Update July 2023
		IOB 45.16a Audit R01-23 Review of CEI process and SLAs_Final
		IOB 45.16b Appendix #1 CEI Order Journey
		IOB 45.16c Appendix #2 Analysis of Published Quarterly Aggregated SLAs
		IOB 45.16d Appendix #3 - Hospital OLT122 Site Survey
		IOB 45.16e Appendix #4 - NBI MIP route survey - Roscrea
		IOB 45.18 Incentives memo
		IOB 45.19 Internal Memo Independance 1 and 2 LOD_220623
		IOB 45.20 Draft Audit R08-23-Scope-Review Completeness of Code of Practice Training
		IOB 45.21 IAIssueTrackerJuly23
		IOB 45.22 RGM Audit workplan revisions
		IOB 45.23 Regulatory Meeting Presentation Slides Jul'23
		IOB 45.24a Regulatory Consult Process v1.4 Jun'23
		IOB 45.24b Regulatory Consult Process v1.4 Jun'23 tracked changes
		IOB 45.25a Regulatory Guideline RAP determination V1_4 Jun'23
		IOB 45.25b Regulatory Guideline RAP determination V1_4 Jun'23 tracked changes
46	21 Aug'23	IOB 46.2 Minutes of July RGM Meeting
		IOB 46.3 eir investment in RGM 260623 v1.1
		IOB 46.4a R01 Self cert report Apr – Jun 23
		IOB 46.4b R01 self cert excel spreadsheet

Information & Reports to the IOB from eir		
Meeting #	Meeting Date	Report Name
		IOB 46.5 R02 RRG quarterly report Apr – Jun 23
		IOB 46.6 R03 Product development report Jan – Jun 23
		IOB 46.7 R04 Product prioritisation report Jan – Jun 23
		IOB 46.8 R06 Capex report
		IOB 46.9 R08 Wholesale Regulatory Complaints Jan – Jun 2023
		IOB 46.10 R09 Speak up Jan – Jun 2023
		IOB 46.11 R14 Regulatory Annual Plans Quarterly Review Apr- Jun 23
		IOB 46.12 R14 WRO annual work plan July 23 – Jun 24
		IOB 46.13 R14 Regulatory Strategy work plan July 23- Jun
		IOB 46.17(b) Response to IOB letter 17 Aug'23
		IOB 46.20 IA Update
		IOB 46.21 Wholesale SLA audit report
		IOB 46.22 International Whistleblowing Guidance
		IOB 46.23 IT presentation
47	25 Sept'23	IOB 47.3 eir comments on IOB notes from 21 Aug'23
		IOB 47.4 eir responses to IOB Actions 310 & 311
		IOB 47.5 RGM Committee Meeting Minutes 14 Aug'23
		IOB 47.6a R10 Equivalence KPI Summary Report Apr-Jun'23
		IOB 47.6b Equivalence KPI Metrics Apr-Jun'23 Confidential Regulated
		IOB 47.7 R12 ComReg Compliance Jun-Aug'23
		IOB 47.15 IA RGM Update Sept'23
		IOB 47.16 IA Resourcing Sept'23
		IOB 47.17 IA Process_April 2021_final
48	26 Oct'23	IOB 48.2 Confidential RGM Committee Meeting Minutes 14 Sept'23
		IOB 48.3 R14 Regulatory Annual Plans Quarterly review Jul-Sept'23
		IOB 48.5 IA RGM Update October 2023
		IOB 48.6 R09-23-Evolution of RGM Oct'23
		IOB 48.7 R07-23-IA Memo Timeliness of RGM H1 Self-Certificate returns Oct'23
		IOB 48.8 IA Issue Tracker Oct'23
		IOB 48.20 Confidential WRO and open eir presentation Oct'23
49	20 Nov'23	IOB 49.2a R01 Quarterly Self-Cert Report Jul-Sept'23
		IOB 49.3 R02 RGM Risk Group Quarterly Report Jul-Sept'23
		IOB 49.4 Confidential RGM Committee Meeting Minutes 12 Oct'23
		IOB 49.5 R12 IOB Report ComReg Compliance Sept'23 - 14 Nov'23
		IOB 49.8 Conf. Reg. WRO and open eir presentation Oct'23 v2 - for record

Information & Reports to the IOB from eir		
Meeting #	Meeting Date	Report Name
		IOB 49.9 Note from eir Regulatory regarding comparables within CEI 13 Nov'23
		IOB 49.17 IA RGM Update November 2023
		IOB 49.18 Proposal to Eir for IT Governance Review
		IOB 49.19 IA Memo_Response to IOB opinion re PIA 16 Oct'23
		IOB 49.20 Conf_Reg_Audit R03-23 Review of Unstructured Data Oct'23
		IOB 49.21 Scope Audit R09-23 Capex and Group IT Process Risks and Controls Review
		IOB 49.22a Audit R05-23 Review of Equivalence KPIs_Final Nov'23
		IOB 49.22b Appendix 1 Audit R05-23 Review of Equivalence KPIs
		IOB 49.22c Appendix 2 Audit R05-23 Review of Equivalence KPIs
		IOB 49.22d Appendix 3 Audit R05-23 Review of Equivalence KPIs
		IOB 49.23 Audit R08-23 Review of CoP Training Nov'23
		IOB 49.24 IA Memo 2HSQ Regulatory Physical Security Considerations 13 Nov'23
		IOB 49.25 IA Memo_Draft RGM Audit Plan FY24
50	18 Dec'23	IOB 50.2b R01 Quarterly Self-Cert Report Jul-Sept'23 – consolidated return
		IOB 50.2c - eir response to IOB action 326
		IOB 50.3 RGM Committee Meeting Minutes 14 Nov'23
		IOB 50.4 Equivalence KPIs Apr-Jun'23 v2 - Confidential Regulated
		IOB 50.5a Equivalence KPIs Jul-Sept'23 - Confidential Regulated
		IOB 50.5b R10 Equivalence KPI summary report Jul-Sept'23
		IOB 50.6 eir Management Representations Dec'23
		IOB 50.7 eir IT Transformation Update - presentation to ComReg 01 Dec'23
		IOB 50.8 open eir report on the Independence of Wholesale RGMU 13 - Dec'23
		IOB 50.9 CEO response to IOB Chair re resourcing 16 Nov'23 – for record
		IOB 50.10 RGM reference document list Dec'23 – for record
		IOB 50.11 Reporting forum Terms of Reference Nov'23
		IOB 50.13c OL response to IOB letter 07 Dec'23
		IOB 50.18 IA RGM Update Dec'23
51	29 Jan'24	IOB 51.2 RGM Committee Meeting Minutes 07 Dec'23
		IOB 51.3 R08 Wholesale Regulatory Complaints Report Jul-Dec'23
		IOB 51.4 R09 Speak Up Report Jul-Dec'23
		IOB 51.5 R14 Regulatory Annual Plans Quarterly review Oct-Dec'23
		IOB 51.6 eir reporting schedule to IOB 2024
		IOB 51.7 open eir response to IOB action #325
		IOB 51.8 Audit R07-23 IT BARSoD and TSDS Remedy9_Final Report [reviewed 18 Dec'23]
		IOB 51.9 Draft Report_Audit 06-23_Review of open eir Culture

Information & Reports to the IOB from eir		
Meeting #	Meeting Date	Report Name
		IOB 51.10 Email re Action 328 20 Dec'23
		IOB 51.11 Further information - open eir Commercial 11 Jan'24 - for record
		IOB 51.18 IA RGM Update January 2024
		IOB 51.19 Audit 06-23_Review of open eir Culture_Final Report_Jan 24
		IOB 51.20 High level assessment on governance & IT 22 Jan'24
		IOB 51.21 IA Issue Tracker Jan'24
52	26 Feb'24	IOB 52.2 RGM Committee Meeting Minutes 19 Jan'24
		IOB 52.3a R01 Quarterly Self-Cert Report Oct-Dec'23
		IOB 52.3b Consolidated Return RGM Self-Cert Oct-Dec'23
		IOB 52.4 R02 RGM Risk Group Quarterly Report Oct-Dec'23
		IOB 52.5 R03 Product Development and Access Requests Summary Review Jul-Dec'23
		IOB 52.6 R04 Product Prioritisation Review Jul-Dec'23
		IOB 52.7 R06 open eir Capex report Jul-Dec'23
		IOB 52.12 IA RGM Update February 2024
		IOB 52.13 IA Memo_Cultural and Operational Separation of the open eir Wholesale Function_120224
		IOB 52.14 Audit R01-24-Scope-Review of open eir Wholesale Product Change Request Process
		IOB 52.15 WRO Overview of new decisions Feb'24
53	21 Mar'24	IOB 53.6 IA RGM Update March 2024
		IOB 53.7 Conf_Reg_Group Internal Audit and Opinion_RGM_FY23
		IOB 53.8 Group Internal Audit Charter-2024
		IOB 53.9 eir IT Presentation to IOB 21 Mar'24
		IOB 53.10 open eir Transformation Mar'24_CRI

2. Glossary of Terms

Acronym	Full Name
BAR	Business Access Review
BCP	Business Continuity Plan
BUPCR	Business Unit Process Compliance Review
CEI	Civil Engineering Infrastructure
CFO	Chief Financial Officer
ComReg	Commission for Communications Regulation
COP	Regulatory Code of Practice
CIIA	Chartered Institute of Internal Auditors
CIO	Chief Information Officer
CRI	Confidential Regulated Information
CWCI	Confidential Wholesale Customer Information
DIA	Director of Internal Audit (eir)
EHIL	Eircom Holdings Ireland Limited
eir	Eircom, trading as eir
EQA	External Quality Assessment
FAM	File Access Manager
FLOD	First Line of Defence
FNI	Fibre Networks Ireland
HR	Human Resources
IA	Internal Audit
IARG	Internal Audit Regulatory Governance
IFN (eir)	Ireland's Fibre Network
IIA	Institute of Internal Auditors
IOB	Independent Oversight Body
IOBE	Independent Oversight Body Executive
IPPF	International Professional Practices Framework
KPI	Key Performance Indicator
LOD	Line of Defence
MIP	Major Infrastructure Programme
MD	Managing Director
NBI	National Broadband Ireland
OAO	Other Authorised Operator
PIA	Physical Infrastructure Access

Acronym	Full Name
PDC	Product Development Council
PDW	Product Development Workshop
PCRP	Product Change Request Process
MSP	Managed Service Partner
RACM	Risk and Control Matrix
RAP	Regulated Access Product
RGM	Regulatory Governance Model
RGMU	Regulatory Governance Model Undertakings
RRG	Regulatory Risk Group
RRMA	Regulatory Risk Management & Assurance
SA	Settlement Agreement
SLA	Service Level Agreement
SLOD	Second Line of Defence
SMT	Senior Management Team
STIP	Short Term Incentive Plan
TLOD	Third Line of Defence
TSDS	Technical System Data Segregation
UG	Unified Gateway
WAR	Wholesale Access Review
WRO	Wholesale Regulatory Operations
WSMT	Wholesale Senior Management Team

3. IOB effectiveness review ToR

Background

1. In late 2018, the Commission for Communications Regulation (ComReg) reached a settlement with Eircom Limited (eir) in respect of certain litigation that had been brought to the High Court and entered into a binding set of commitments through a Settlement Agreement ("SA").

2. In line with that Settlement Agreement, eir agreed (among other things) establish and operate an enhanced Regulatory Governance Model ("RGM") and to create and Independent Oversight Body ("IOB") which was charged with the oversight of Eircom's governance structures as they apply to its regulatory obligations. Established in May 2019, the IOB is made up of 5 Members, the majority of which, including its Chairperson, are appointed by ComReg (the "Independent Members") with two further members appointed by Eircom.

   The objective of the IOB is to provide assurance to both eir and ComReg that there is in place a clear and unambiguous set of measures, arrangements, structures and internal controls that were specified in the RGM Undertakings within the Settlement Agreement.

3. The IOB is required to conduct an annual review of eir's governance of its compliance with its regulatory obligations and its compliance with and the adequacy of the RGM Undertakings and prepare and publish a report with an opinion, regarding the implementation and effectiveness of eir's RGM. Whilst the primary focus of the IOB's activities is to assess the adequacy and effectiveness of eir's compliance with its obligations under the Settlement Agreement, it must also have due regard to its own activities, and, in particular, the governance of those activities.

4. The IOB Charter and its Schedules set out a number of key requirements in this respect. Paragraph 5.1 of the IOB Charter requires that

   "After an initial period of two years, the IOB will for each year of the IOB's existence commission a suitably qualified independent person or organisation to express an opinion as to the effectiveness of the IOB's activity. A report prepared by the person or organisation will be published on a suitable open eir website as soon as possible after sharing the report with ComReg and eir in advance of publication. This will be based on a review of the material and information already provided to the IOB. No eir resources will be needed to support or contribute to this review other than access to the eir IOB Members, members of eir's SMT and the Head of Internal Audit. A review will be repeated annually unless otherwise agreed by ComReg. ComReg will bear the cost for any such review(s). Procurement arrangements will be agreed between the IOB and ComReg."

5. This RFP seeks an appropriately qualified vendor to carry out this review.

6. It is anticipated that the project will involve a review of the effectiveness of the activities undertaken by the Independent Oversight Board (IOB) since its inception in July 2019. The project deliverable will be in the form of a written report and accompanying presentation delivered to the IOB. The report will be made publicly available on open eir's website.

7. The full scope of the service provided will be defined and documented through the dialogue phase of this procurement process and provided to all Tenderers to enable the completion of their tender responses. However, it is anticipated the review will cover a number of key areas including the composition of the IOB, skills and background; key relationships and how the board works together, including the level of challenge and debate; the board's leadership around purpose, direction and values; the support provided by management and the secretariat; the quality of board information and board papers; the Board's strategic input and oversight of performance in meeting its obligations

as set out in Clause 4.1 of the IOB Charter; the Board's role in the oversight of compliance and risk management, with effective, robust and transparent communication with stakeholders. This would be completed through the review of available material and interviews with key stakeholders. For example:

a) Review of Documentation

- The Settlement Agreement and the IOB Charter
- The IOB First Report
- IOB Second Report Work Plan
- Minutes of IOB meetings
- Material provided to the IOB (RGM Reports and eir Presentations)
- IOBE Activity Tracker
- IOBE Gaps Analysis

b) Interviews with key stakeholders:

- IOB members
- IOB executive
- Representatives from ComReg
- Representatives from eir

8. It should be noted that references to "assurance" within the Settlement Agreement relate to the provision of assurance from eir to the IOB. The review should be carried out within that frame of understanding i.e the successful vendor is expected to express an opinion on the effectiveness of the IOB's activity based on the information provided to it.

9. In this regard, "effectiveness" should be understood in the context of the delivery of the requirements of Clause 4.2 of the IOB Charter.

10. Prospective venders are invited to set out how they would approach benchmarking and assessing "effectiveness", given the specific context of the Settlement Agreement and the IOB.

11. While the IOB will procure the Services, the Services Contract will be executed between the successful Tenderer and ComReg

12. The IOB will run this procurement through a competitive dialogue process with the expected timeline included in Annex 1 to this Invitation.

4. Report by DT Economics

This report was published on the open eir website on Friday 18 August and is available at the following link: https://www.openeir.ie/regulatory-governance-model/

5. Information made available to external IOB review

Given the scope and timelines set out for delivery of the report, the DT Economics team selected a representative sample of this material for its analysis as set out in its report.

1. Log of submissions from eir to IOB (excel)

2. IOB agenda documents – 43 documents of 1 or 2 pages each including all eir and IOBE papers

3. IOB governance procedures

4. IOB operating procedures

5. Minutes of all IOB meetings – 3-10 pages each of 42 meetings, each including an updated table of actions

6. Excel tracker of IOB actions

7. Detailed IOB analysis reports. Information relied upon (i.e. eir submissions) in relation to these analyses were provided on a sample basis at the request of the reviewer. Related IOBE meeting presentation slides were provided and guidance was given on relevant meeting minutes. Sub-folders as follows:

   a. The IOB's own governance & resources
   b. eir's Second and Third Lines of Defence, including

      - EQA of Internal Audit – the ToR and the report
      - Internal Audit Charter, Internal Audit workplans for periods of IOB's First and Second Reports, Internal Audit statements of independence, Internal Audit Issues Tracking reports
      - Draft IA Assessment Tool & completed Internal Audit self-assessment
      - Mandates of the second line of defence and Internal Audit recommendations with respect to second line of defence
      - RGM Risk Group Report
      - Master Risk and Control Matrix

   c. eir's Regulatory Code of Practice
   d. Incentives
   e. Regulatory Wholesale Complaints & Whistleblowing
   f. Capex & Group Resource Allocations
   g. Bids
   h. Equivalence KPIs
   i. Regulated Product Processes – RAP requests, prioritisation & portfolio boards
   j. Wholesale independence, decision making and conflict of interest management
   k. Data governance – structured & unstructured
   l. Regulatory risk management
   m. Wholesale pricing
   n. Wholesale SLAs

8. Letters between the IOB, eir and ComReg in relation to the IOB's first report

9. Letters between the IOB, eir and ComReg in relation to the IOB's second report work programme and report

10. IOB gaps analyses relating to the first & second IOB reports

6. Internal Audit assessment tool

Questionnaire for assessment of eir Internal Audit Regulatory Governance Function			
Completed by:		Date:	

	Big Picture Questions	Y / N	COMMENT / ACTION
1	Is there an annual IA assessment process that is effective but not overly burdensome?		
2	Is there an assessment of how well IA is gathering and using information *on regulatory compliance* and helping the business to drive decisions?		
3	Is the assessment effective in helping leadership and IA activity leaders understand the role of IARG in the organization and the need or opportunities for changes in its role?		

	Performance & Expectations	Y / N	COMMENT / ACTION
	Has IA had a positive impact on *regulatory governance*? Were matters IA brought to the IOB's attention relevant? Was there adequate support in the businessfor its observations and conclusions?		
	Does IA's definition of success correlate with that of the *IOB*?		
	Is IA designed to meet *regulatory governance* needs and to add value that will help the business improve going forward?		
	Is IA succeeding at monitoring the regulatory governance controls (including *structured and unstructured data*)?		
	Are IARG resources sufficient *(number, skills level and competencies)* to fulfill its charter and meet the expectations of the *IOB (in a comprehensive, effective and timely manner)*?		
	Does the audit team have an audit strategy? Does the strategic vision include workforce planning for the audit team that addresses the resources necessary to deliver effective service (i.e., adequate resource and talent management)?		
	Is the IA charter regularly reviewed by the *IOB*? Does IA follow that charter? *Does the charter outline IARG's scope, methodology and activities?*		
	Is the *IARG* audit plan organized so that issues can be detected in a timely fashion and audits can be completed as expected?		

	Performance & Expectations	Y / N	COMMENT / ACTION
	Does the IARG risk based work plan set out: *1. the approach to audit planning;* *2. details of the Internal Audit tasks including reviews to be performed during the period that relate to the RGM;* *3. details of RGM related process which will not be covered in the period of review;* *4. the number of days required for each RGM related Internal Audit task, including Audits, in order to generate a projected resource requirement; and* *5. an identification of any resource gap to achieve the work plan based on the projected resource requirement.*		
	Although issuing reports is not mandatory, as a best practice, does IA communicate results detailing its actions and time-bound remedial action plans? (More questions on IA's reporting are included in Section IV.)		
	Is management responsive to IA requests?		

	Risk Considerations	Y / N	COMMENT / ACTION
	Does the IARG activity expand the *IOB*'s knowledge about current and emerging risks to the organization?		
	Are there clear links between the *regulatory governance* audit plan and the organization's *regulatory* strategic objectives and risks? *Is the IARG audit plan risk based?*		
	Does the *Director of Internal Audit* explain to the *IOB* how the audit plan covers challenging and critical areas, including emerging or existing risk areas that will or could impede the organization's *regulatory* objectives?		

	Technology & Technical Expertise	Y / N	COMMENT / ACTION
	Does IA continuously and effectively assess and implement different technologies to support its assurance and consulting services and drive efficiencies in the department?		
	Does IA expand its use of technology to also address impact and root causes of issues (instead of just identifying issues)?		
	In technology or any technical area, does the IA team bring in external experts when needed?		

	Quality Assurance	Y / N	COMMENT / ACTION
	Does the IA*RG* team use quality processes and engage in continuous improvement efforts?		
	What are the results of the most recent Quality Assurance and Improvement Program internal reports and external assessments?		
	If there were any significant areas of improvement or non-compliance with IIA and other quality standards, what were the reasons and did IA adequately address each?		
	Does IA conform with the International Standards for the Professional Practice of Internal Auditing?		
	Did the IA activity properly disclose, if necessary, if the activity was prohibited by law or regulation from conformance with certain parts of The IIA's Standards?		

	Adding Value	Y / N	COMMENT / ACTION
	Does the IA*RG* activity lend its expertise to key implementation initiatives, such as compliance with new laws and regulations, an unexpected event like the COVID-19 epidemic, or the organization's implementation of enabling technology?		
	Does the IA*RG* team play a consultative role in addition to its assurance responsibilities?		
	Has IA*RG* identified areas for assurance services as a result of the consulting services conducted?		
	Does IA*RG* do a post-engagement survey?		
	Does IA*RG* receive requests from management?		
	Is IA*RG* considered an important rotation?		

	Team Qualifications & Makeup	Y / N	COMMENT / ACTION
	Is the *IOB* aware of whether IA*RG* has the right resources and competency to do its work competently and deliver on the *IOB's* goals?		
	Does the *Director of Internal Audit* report to the *IOB* on the percentage of Certified Internal Auditors (CIAs) on the team? The percentage with master's degrees? The percentage with other relevant specialized experience or credentials?		
	Is the IA team a diverse group, in terms of demographics and types and range of experience?		
	Is the IOB informed about whether IA continually enhances its team through effective recruitment, retention, and promotion? Are team members rotated within the department to broaden their knowledge and perspectives?		
	Is there a succession plan for the *Director of Internal Audit* as well as key members of the team?		
	Has IA adopted a guest auditor program in specific projects?		

	Benchmarking & Feedback	Y / N	COMMENT / ACTION
	Does IA*RG* use benchmarking to see how its processes, performance, and leadership compare with those of other organizations?		
	Are the benchmarks or performance indicators tracked by IA reasonable and in line with its charter duties and responsibilities?		
	Does management provide feedback on the *Director of Internal Audit* and the IA*RG* team overall?		
	Does the external auditor provide feedback on the IA*RG* activity?		

	Combined Assurance	Y / N	COMMENT / ACTION
	How does IARG approach integrated/combined assurance to ensure it coordinates its activities with other internal and external assurance service providers?		
	Has the combined assurance approach exposed coverage gaps or duplication of efforts?		

	The Working Relationship	Y / N	COMMENT / ACTION
	Does IA communicate its plan and seek feedback and approval? Does it follow up to ensure it is still applicable?		
	Are all discussions between *the IOB* and IA frank and thorough?		
	Is the IOB Chair available to the *Director of Internal Audit* outside of meetings?		
	Does IA feel comfortable bringing up important and sometimes difficult issues?		
	Is there friction when IA raises difficult issues?		
	Is the *Director of Internal Audit* given adequate and sufficient time as part of the periodic reporting to the *IOB*?		
	Does the *IOB* have executive sessions with the *Director of Internal Audit* without management? If yes, how often? If not, why not?		

	Quality of Communications	Y / N	COMMENT / ACTION
	Does the *Director of Internal Audit* communicate to the *IOB* about its periodic RGM risk assessment and audit plan?		
	Do IA activity communications to the *IOB* provide a good understanding of the risks being covered, the process for monitoring emerging risks, and potential for *non-compliance*?		
	Do the communications offer the information necessary for the *IOB* to determine whether IA*RG* team processes are carried out in a professional manner and that its results are accurate?		

	Quality of Communications	Y / N	COMMENT / ACTION
	Does the IA*RG* activity report on the percentage of management action plans that are implemented and the time frame?		
	Are IA communications well-organized and clear? Does the IOB consider these to be high-impact reporting with high-quality visuals?		
	Is IA reporting timely and factually correct, objective, and constructive?		
	Does IA reporting cover IA*RG* activity, significant risk exposures, and control issues? Are engagement objectives and scope, conclusions, recommendations, and action plans clear?		

	Benchmarking & Feedback	Y / N	COMMENT / ACTION
	Does the *Director of Internal Audit* promote a culture that actively encourages objectivity and skepticism?		
	Does the overall culture and the governance by the eir Board support IA objectivity and skepticism? *Does IARG have adequate authority and access to records including access to the eir Board and committees, to operate effectively.*		
	Is IA staff sufficiently trained in the importance of independence, objectivity, and skepticism? Does it receive refresher training as needed?		
	Does IA report challenges to objectivity or skepticism to the AC?		
	Are members of the team rotated regularly so that they can use their insights and ingenuity in new roles or assignments? Are there continuous development plans for staff members?		
	Does the IA team maintain its own policies and procedures (methodology), aligned with standards and best practices? Are these IA policies and procedures used for training purposes (new auditors, guest		
	auditors) and available for the IA team to reference?		

	Independence	Y / N	COMMENT / ACTION
	Is the independence of the IA activity accepted and respected? Is the IA activity considered trustworthy and confidential?		
	Can the *Director of Internal Audit* speak candidly to those in charge of governance?		
	Are the IA team and *Director of Internal Audit* able to develop a collaborative relationship with management, the board, and *the IOB* without allowing that relationship to interfere with their independence, objectivity, and skepticism?		

	Independence	Y / N	COMMENT / ACTION
	Does the team understand that the overall goal is to maintain independence in order to develop findings that will help the company *strengthen regulatory governance and be compliant with regulation?*		
	Is the IA activity able to resist pressure to minimize or limit audits or to succumb to other favors asked by management?		
	Are audit findings dampened down or suppressed, or does management trust and welcome reports from IA?		
	Are there any indications the IA activity has become complacent and taken to routinely following the same procedures repeatedly?		
	Do representatives of the audit team meet with corporate leadership regularly – every quarter, for example?		
	Is the *Director of Internal Audit* report heard in executive session? Does the *Director of Internal Audit* candidly discuss challenges faced and tough calls made?		

	Objectivity	Y / N	COMMENT / ACTION
	Have there been any instances where an internal auditor's personal or professional involvement with or allegiance to the area being audited has clouded their objectivity?		
	Have IA team members been able to maintain an unbiased and impartial mindset in all engagements?		
	If the *Director of Internal Audit* or other members of the team receive incentive-based compensation, do you feel it seems to affect their objectivity?		
	Does IA exhibit a good balance of assurance and consultative work?		
	Is the *Director of Internal Audit* willing to acknowledge mistakes or limitations and eager to learn new skills and perspectives? Does IA call in outside experts when necessary?		

	Skepticism	Y / N	COMMENT / ACTION
	Does the IA team employ appropriate skepticism in its work? Does it gather adequate documentation and challenge facts before coming to a conclusion?		
	Do team members have a healthy level of curiosity and a questioning mindset?		
	Are team members comfortable challenging or independently verifying information received from others in the organization? Are they actively encouraged to do so?		

	Skepticism	Y / N	COMMENT / ACTION
	Do team members pose questions that get simple yes/ no answers or ones that are more thoughtful and must be answered with more detail or perspective?		
	Does the audit team have sufficient knowledge of the company, its industry, *its regulatory obligations* and the risks and challenges it faces to recognize questionable data or observations?		
	When faced with a questionable finding, do audit team members sometimes research how other entities are handling or experiencing certain issues?		
	Are audit team members able to scrutinize their own findings for errors or surprising details? Can they step back from procedures to develop a holistic view of the *governance arrangements and regulatory requirements*?		
	Is the IA team given the time it needs to exercise its skepticism, objectivity, and independence without feeling pressure to meet a deadline or approve a finding?		
	What do IA report ratings reveal about skepticism? Does a lack of issues or well-controlled ratings indicate a lack of skepticism or questioning mindset?		

	CONCLUDING COMMENT

NOTES

1. Questions are taken from the Institute of Internal Auditors internal-audit-assessment-tool-for-audit-committees 2021, available at https://www.iia.org.uk/resources/audit-committees/internal-audit-assessment-tool-for-audit-committees/
2. Text in *blue italics* are changes made to the assessment tool to make the question relevant to the IOB
3. Additional questions which are not taken from the assessment tool are in *blue italics*