

Audit & Risk Committee of Governing Body

Minutes of 28th March 2019

Present: Dr Fionnuala Anderson, Marie Carroll, Maeve McConnon,
Kieron Connolly

In Attendance: Dr Annie Doona, Bernard Mullarkey, Conor Logan,
Elaine Dominguez (Minute-taker)

1. Adoption of Agenda

The Agenda was adopted, as circulated, with two items included under A.O.B. as follows:

- Proposed Audit & Risk Committee Briefings to Governing Body
- The inclusion of 'Equality, Diversity & Inclusion Implications' on future Committee Meeting Agendas

Proposer: MC

Seconder: MMcC

2. Conflicts of Interest

Following a recommendation in the recent External Governing Body Effectiveness Review, it has been agreed that an opportunity for members of the Governing Body and its Sub-Committees to declare any potential conflicts of interest regarding items scheduled for discussion at that meeting will be included as a standing item on future agendas. No conflicts of interest were declared.

3. Adoption of Minutes of the Meeting of 12th December, 2018

The Minutes of the meeting of 12th December 2018 were adopted as circulated.

Proposer: FA

Seconder: MMcC

4. Matters Arising

4.1 Appointment of External Member of Audit & Risk Committee – it was reported that the S/FC has consulted with David Holohan, Chairperson of Governing Body, regarding the appointment of an external member of the Audit & Risk Committee and that a potential candidate has been identified. The S/FC to make contact with the individual by telephone prior to the issuing of a letter by the Chairperson of Governing Body.

Agreed: The S/FC to contact the potential candidate regarding the role of the external member of Audit and Risk Committee.

5. Internal Audit

5.1 Meeting with Internal Auditor (PwC) – Mr. Mike Sullivan (Partner) and Mr. Keegan Henkeman (Risk Assurance Solutions Manager) from PricewaterhouseCoopers (PwC) joined the meeting.

5.2 Report on the Internal Audit Review of the Institute's Compliance with the THEA Code of Governance – Mr. Mike Sullivan and Mr. Keegan Henkeman briefed the Audit & Risk Committee members on the Internal Audit Review of the Institute's Compliance with the THEA Code of Governance. It was noted that this is a very positive report, which records a number of good practice items, which will be conveyed to the sector. IADT was recognised for its high level of compliance with the THEA Code of Governance. The majority of the recommendations relate to the updating of existing policies and procedures. The findings of note were for the following sections:

1. Role of the Governing Body (Page 4)

- (a) The Institute does not have formal procedures in place to deal with issues relating to post resignations/retirements of Governing Body members in order to guard against potential conflicts of interests, or inappropriate disclosure of information. The Institute accepts the finding and recommendation and will undertake to document Procedures in this regard. The action is to be carried out by the S/FC during the second quarter of 2019.
- (b) There are no terms of reference for the Athena SWAN Sub-Committee of Governing Body. The Institute accepts the finding and recommendation and will undertake to formally document a terms of reference for the Athena SWAN Sub-Committee and obtain formal approval from the Governing Body. It was noted that a draft Terms of Reference has been completed and will be brought for approval to the Institute's Governing Body. The action is to be carried out by the President during the second quarter of 2019.

5. Code of Conduct, Ethics in Public Office, Additional Disclosure of Interests by Governing Body Members & Protected Disclosures (Page 8)

- (a) The Codes of Conduct for Governing Body Members and Employees have not been updated since the 2018 Code of Governance and the Codes of Conduct are not published on the Institute's website (as recommended by the THEA Code of Governance). The Institute accepts the findings and recommendations and will undertake a review and update of the Codes of Conduct. However, it does not propose to publish these on the Institute's website as these are internal management documents. A discussion ensued in relation to the non-publication of the Codes of Conduct on the Institute's website and it was agreed that it is a matter for the Institute to decide whether or not to publish the document on IADT's website, while still remaining compliant with the THEA Code of Governance. It was noted that the Codes of Conduct will be available to all Governing Body members on the secure meeting facilitation platform once this has been introduced. The actions are to be carried out by the S/FC during the third quarter of 2019.
- (b) The Institute's Protected Disclosures Policy 2015 was not reviewed in June 2018 as required by the Policy. The Institute accepts the findings and recommendations and will undertake to review the Protected Disclosures Policy, however it was noted that a review of the Protected Disclosures

Policy and Procedures is currently underway at a sectoral level. The action is to be carried out by the S/FC during the fourth quarter of 2019.

8. Relations with the Oireachtas, Minister and Department of Education and Skills and the HEA (Page 11)

A disposal register is currently not in place to log assets disposed of internally, or to former staff/Governing Body members. The Institute accepts the finding and recommendations and will undertake to develop an Assets Disposal Register. It was noted that no disposals have taken place with respect to Governing Body members, and any disposals to staff members have been for assets valued at less than €5,000. The action is to be carried out by the Finance Manager during the second quarter of 2019.

9. Remuneration and Superannuation (Page 12)

IADT's Travel and Subsistence Procedures were last updated in January 2015 and do not include 2017 circulars issued by the Dept. of Public Expenditure and Reform. The Institute accepts the finding and recommendation and will undertake to review and update the Travel and Subsistence Procedures. It was noted that the correct and current travel and subsistence rates are paid to staff members. The actions are to be carried out by the Finance Manager during the second quarter of 2019.

10. Quality of Service Charter (Page 13)

IADT's Quality Service Charter has not be reviewed and updated since the implementation of the new Code of Governance. The Institute accepts the finding and recommendations and undertakes to implement and review the relevant Charters in line with the THEA Code of Governance. The actions are to be carried out by the Registrar (in respect of the Learner Charter) and by the S/FC (in respect of general Charters) during the third quarter of 2019.

Appendix M: Audit and Risk Committee Charter (Pages 14-15)

M1.3 Terms of Reference – the Audit and Risk Committee Terms of Reference do not include value for money, or the review of its own effectiveness. The Institute accepts the finding and recommendation and undertakes to review the Terms of Reference with regard to this. It was noted that the Audit & Risk Committee currently examines the Institute's expenditure for all aspects of value for money. The action is to be carried out by the S/FC in conjunction with the Chairperson of the Audit and Risk Committee during the second quarter of 2019.

M1.12 Training and Development – specific training for Audit & Risk Committee members is not provided. The Institute accepts the finding and recommendations and will develop and deliver specific training for the Committee members. The actions are to be carried out by the S/FC in conjunction with the Chairperson of the Audit & Risk Committee during the third quarter of 2019.

M1.21 Appraisal – the Chairperson of the Audit & Risk Committee is currently not assessed by the Chairperson of the Governing Body. The Institute accepts the finding and recommendation and will implement the appropriate process. The action is to be carried out by the Chairperson of Governing Body during the second quarter of 2019.

At this point in the meeting (11.01 hours) AD, BM, CL and ED left the Boardroom.

Following a discussion between the Audit & Risk Committee members and the representatives from PwC, AD, BM, CL and ED returned to the Boardroom (11.09 hours). It was reported that PwC acknowledged the good results of the review of the Institute's compliance with the THEA Code of Governance.

The Committee members proposed that specific training sessions be held for them, with a suggestion that a one-hour session be delivered either before or after the next Audit & Risk Committee meeting on 22nd May 2019. It was suggested that a representative from PwC deliver the first training session for a more in-depth briefing in relation to the implications of the THEA Code of Governance. In addition, it is hoped that the newly appointed external member of the Committee will be in a position to attend this training and it was suggested that the training be open to Governing Body members also. The Internal Audit Review of the Institute's Compliance with the THEA Code of Governance was approved by the Audit & Risk Committee members.

Proposer: MC

Secunder: KC

6. Corporate Procurement

6.1 Contracts Control Sheet Update – the Audit & Risk Committee members were briefed on the updated contracts control sheets as circulated. It was proposed that the contracts totals be provided for review in future, that the contracts be grouped per academic year and that a 'traffic light' system be implemented to highlight contracts terminated or due for renewal. There was one change to be made to the contracts control sheet in relation to the Virtual Learning Environment (Blackboard) – this should be listed as a framework agreement under HEAnet and not a direct IADT contract.

Agreed: The S/FC to include contract values on the Control Sheet, and to group the contracts per academic year.

7. Financial Statements

7.1 Management Letter for the Financial Statements for year ended 31st August 2017 - It was noted that the Management Letter was previously circulated at the last Audit & Risk Committee meeting but it was not approved on that occasion due to a request by the President that the C&AG review additional documentation relating to the Credit Card Issues finding. It was reported that the President has had a number of conversations with the Office of the C&AG, but that no changes are to be made to the original wording of the Management Letter. It was reported that the issue in relation to the Harbour Health contract has been resolved.

The Management Letter for the Financial Statements for the year ended 31st August, 2017 were approved as circulated.

Proposer: FA

Secunder: MC

7.2 Programmes & Budgets 2019 – The draft preliminary overview of Programmes and Budgets 2019 was discussed as circulated, with full explanations given as to the background and causes of the deficit budget, as well as the actions taken to keep the budget at its current presented level. It was noted that income obtained via Student Contributions and Tuition Fees has decreased due to falling student numbers, which is a sector-wide issue at present. It was noted that the disciplines of Arts and Humanities

have seen the greatest reduction in applications. In addition, all future projections of student numbers are based on the acquisition of the new Digital Media Building, which is still very much in the planning stage.

It was noted that Payroll costs have increased for 2019 due to new posts and pay restorations being introduced during 2018. It was reported that any Executive Team member who wishes to fill any future positions in the Institute will be required to present a case for same to the President for approval. It was noted that no additional funding was provided by the State to cover either the cost of pay restorations, or the introduction of obligatory posts such as the Equality, Diversity & Inclusion Manager (under Athena SWAN Ireland).

It was reported that, with the approval of the Audit & Risk Committee and Governing Body, the Institute will submit a budget for 2019 showing a shortfall of €294K. It was noted that the HEA may not accept such a submission and may request that the Institute review the budget proposal to achieve a 'zero' balance.

The Audit & Risk Committee members approved the deficit budget with a recommendation to be made that the Governing Body approves the budget as presented, albeit that this is likely to result in a request from the HEA to re-present as a balanced budget.

Proposer: FA
Secunder: MC

8. Risk Register Update

Due to time restrictions, this item was deferred until the next Audit & Risk Committee meeting scheduled for the 22nd May 2019.


9. A.O.B.

9.1 Proposed Audit & Risk Committee Briefings to Governing Body – it was proposed that a summary of the proposals/findings from each Audit & Risk Committee meeting be compiled to form part of future briefings for the Governing Body.

Agreed: BM and ED to compile a sample briefing document for review by Audit & Risk Committee members.

9.2 Inclusion of Equality, Diversity & Inclusion Implications on future Audit & Risk Committee Agendas – it was noted that as part of the Institute's proposed application for an Athena SWAN Bronze Award, all future Audit and Risk Committee Agendas will include the item 'Equality, Diversity & Inclusion Implications'. There were no Equality, Diversity & Inclusion Implications noted regarding items discussed at the meeting.

Next Meeting: Wednesday, 29th May, 2019 at 9.30am.

Signed: 
Dr Fionnuala Anderson
Chairperson

Date: 29/5/19