

Audit Committee of Governing Body

Minutes of 14th December, 2016

- Present:** Dr Fionnuala Anderson, Kieron Connolly
- In Attendance:** Bernard Mullarkey, Conor Logan, Elaine Dominguez (Minute-taker)
- Apologies:** Dr Annie Doona
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Due to no Chairperson having been appointed to the Audit Committee at the time of the meeting, Dr Fionnuala Anderson proposed that Kieron Connolly act as Chairperson for the meeting.

1. Adoption of Agenda

The meeting Agenda was adopted as circulated.

Proposer: KC
Seconder: FA

2. Adoption of Minutes of the Meeting of 5th October, 2016

The Minutes were agreed as circulated.

Proposer: FA
Seconder: KC

3. Matters Arising

3.1 Revised Code of Practise for the Governance of State Bodies – It was reported that the Technological Higher Education Association (THEA) has set up a working group to review both the current Code of Governance for Institutes of Technology and the new Code of Governance for State Bodies. It is envisaged that the publishing of an updated Code of Governance for Institutes of Technology will require some time to be completed but that it will be brought to the Audit Committee for recommendation to the Institute's Governing Body. It was noted that one of the proposals under the new Code of Governance for State Bodies is that separate Audit and Risk Committees will not be allowed to operate and that a combined Audit and Risk Committee be established if not already in existence. It was noted that IADT's Audit Committee also has a Risk overview function and that the Committee's name may have to be revised accordingly.

3.2 Internal Audit Plan 2016-2018 – It was reported that the Department for Education and Skills has established an Internal Audit Forum to review the operation of internal audits by the various organisations that report to the Department. It was noted that the Institute's internal auditors have been appointed through a sector-wide tender process organised by the Education Procurement Services (EPS). It was reported that the Internal Audit Forum requested that the Chair of the Audit Committee, or Head of Internal Audit for each reporting organisation attend Forum

meetings. However, the Institute along with the other Institutes of Technologies, has advised the Department of Education and Skills that the Chair of our Audit Committee would not be the most appropriate person.

4. Meeting with the Comptroller & Auditor General (C&AG)

Ms. Kathleen Bonner, Senior Auditor with the C&AG joined the meeting and briefed the Audit Committee members on the finding of the Audit carried out this year. It was noted that IADT's audit scheduled for 2017 will be outsourced to Mazars as per this year. It was reported that there were no significant findings with Matters 1 and 2 being carried forward from last year. It was confirmed that the C&AG does not have any concerns regarding these or other findings of the audit. The following matters were noted:

- (i) **Matter 1 (high) Systematic Review of Credit Card Procedures** - it was confirmed that an audit has recently been completed by PricewaterhouseCoopers which included a review of the Institute's credit card procedures
- (ii) **Matter 3 (low), the read/write access of HR staff to CORE payroll function** - it was noted that IADT and the Institutes of Technology are currently involved in the upgrade of CORE and it is hoped that the new system will go live in March 2017. It was reported that due to the Institute's size, it is not always possible to have staff members with segregated duties, but that comprehensive controls are in operation with a two-tier review of each payroll before submission to the Bank. It was confirmed that the C&AG, recognise that under the circumstances, sufficient controls are in place.
- (iii) **Matter 4 (low) Procurement** – it was noted that the tender for cleaning services has been completed through the OGP. In relation to 'Personnel Issues', it was reported that in the case of disciplinary/grievance cases which cannot be resolved via internal investigation, the Institute presents a panel of qualified professionals to both parties involved, who must agree on the person/company to be engaged to investigate the case. It was reported that all qualified professionals on the list have been fully vetted and that no parties involved in any grievance/disciplinary case may propose an external investigator.

The Committee was informed by the auditor that in future if there is a cumulative procurement non-compliance in excess of €450K, then this will be identified in the relevant Institute's Statement of Internal Financial Control and the Audit Certificate.

- (iv) **Matter 5 (low) Accumulation of Excessive Levels of Annual Leave by Institute Employees** – It was reported that the Institute's Annual Leave Policy allows for a maximum of 5 annual leave days to be carried forward into the next academic year, and that most cases of excessive levels of accrued annual leave have now been resolved.
- (v) **Matter 6 (low) Lack of Employment Contract for staff member** – it was noted that this was an isolated incident.

BM thanked Ms Kathleen Bonner and the audit team for the work done. At this point in the meeting, AD, BM, CL and ED left the Boardroom.

Following a discussion between the Audit Sub-Committee members and Ms. Kathleen Bonner, AD, BM, CL and ED returned to the Boardroom. It was reported that the Sub-Committee members were satisfied that there were no further issues raised by the C&AG that would warrant review or consideration by the Audit Sub-Committee.

5. Internal Audit Reports Update

It was noted that PricewaterhouseCoopers (PwC) recently carried out an audit of the Institute's Internal Financial Controls, which included a review of accounts payable, online banking, corporate credit card usage etc. However, the draft Internal Audit Report is not ready for circulation to Committee members as yet. It was reported that PwC confirmed that they do not expect to report on any significant findings and that the report will be ready for review at the next Audit Committee meeting in February/March next year.

6. Contracts Control Sheet

It was report that any contract with a value of €25K must be advertised on the government's e-Tenders website which requires prior permission of the Office of Government Procurement (OGP). The following services and contract end dates were noted:

- (i) **Car Park Management Service (end date 31/08/11)** - It was noted that this does not cost the Institute any money and that the service is reviewed on an annual basis by BM, Grace Weldon (Estates & Facilities Manager) and Sandra Newell (Staff Officer, Estates & Facilities Office). It was proposed to review the service in relation to the feasibility of a tender process
- (ii) **Grounds Maintenance Service (end date 2008)** - It was reported that current and proposed tenders on the OGP website will be consulted to see if these reflect the specifications required for IADT.
- (iii) **Legal Services (end date 23/03/16)** – It was noted that this will be carried out through the Education Procurement Service (EPS)
- (iv) **Medical Services (end date 2004)** – It was reported that the tender process is currently underway for this service.
- (v) **Network Maintenance (end date January 2016)** – It was reported that the Institute is awaiting a tender process to be initiated by the OGP
- (vi) **NFS Equipment Maintenance (end date 31/12/16)** – It was reported that there is no provision in the current contract to extend same by another year under the same terms and conditions. Rónán Ó Muirthile (Head of Dept. of Film & Media) is currently reviewing the maintenance requirements going forward.
- (vii) **Stationery Supplies (end date 31/12/16)** – It was noted that the tender process for this service comes under the remit of the OGP/EPS.

- (viii) **Telephones - Landlines & Mobiles (end date 2013)** – It was reported that the Institute is awaiting tender processes to be initiated by the OGP/EPS.

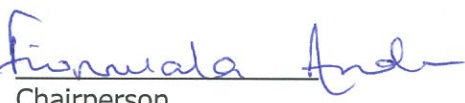
7. Schedule of Meetings to June 2017

Audit Committee members discussed the proposed dates as circulated. The following dates were agreed for meetings to June 2017:

- Tuesday, 14th February, 2017
- Wednesday, 31st May, 2017

8. A.O.B.

There were no items for discussion under A.O.B.

Signed: 
Chairperson

Date: 14/2/17