

## ***Audit Committee of Governing Body*** ***Minutes of 5<sup>th</sup> October, 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, Kieron Connolly proposed that Dr Fionnuala Anderson act as Chairperson for the meeting.

### **1. Adoption of Agenda**

The meeting Agenda was adopted, with the following additions under A.O.B.:

- Mazar's Management Letter in relation to the audit of the Institute's Financial Statements for year ended 31<sup>st</sup> August, 2015

Proposer: FA  
Secunder: KC

### **2. Adoption of Minutes of the Meeting of 24<sup>th</sup> February, 2016**

It was noted that the members of the previous Audit Committee had confirmed their agreement (via email) that the Minutes were an accurate reflection of matters discussed at the meeting of 24<sup>th</sup> February 2016. The Minutes were adopted as circulated, with one typographical error noted under Item 3.4 'Gape' should read 'Gap'.

Proposer: FA  
Secunder: KC

### **3. Matters Arising**

**3.1 Reports on the Media Cube and School in a Box (SIAB)** – It was noted that PricewaterhouseCoopers have been appointed as the internal auditors for the sector (except D.I.T.). It was reported that future audits will revisit both the Media Cube and SIAB project.

**3.2 Procurement & Contracts Control Sheet** – It was reported that the Institute continues to be involved in the tender processes with the Education Procurement Services (EPS). In relation to the Institute's internally managed tender process for Reading & Writing Services, it was reported that an agreement is currently being finalised with a relevant service provider. In relation to the provision of Medical Services, this process is currently stalled due to newly appointed Student Services Manager being on sick leave. It was noted that the EPS/OGP has appointed Noonan to provide sector-wide cleaning services. The tender process for the supply of telephone (both landline and mobiles), electricity and gas services are currently being managed

by either the EPS or Office of Government Procurement (OGP). An updated contracts control sheet will be circulated to Audit Committee members at the next meeting in December.

**3.3 Institute's Boundary Dispute** – it was noted that that a long-standing dispute over the Institute's boundary has finally been resolved.

**3.4 Financial Statements for year ended 31<sup>st</sup> August, 2015** – it was reported that the on 13<sup>th</sup> September 2016, Comptroller and Auditor General issued an audit certificate in relation to the financial statements for year ended 31<sup>st</sup> August, 2015. These have been forwarded to a dedicated email address in the Department of Education and Skills for presentation to the House of the Oireachtas. A copy of the financial statements has also been forwarded to the Higher Education Authority.

#### **4. Audit Committee Briefing**

Audit Committee members were briefed on their role in relation to the review of matters such as Programmes and Budgets, Financial Statements, Internal Audit Reports and the Institute's Risk Register. Members were requested to raise any queries in relation to any concerns they may have. Members were also advised that they will have opportunities to meet with both the external and internal auditors separately from Management members.

#### **5. Audit Committee Annual Report 2015/16**

The Audit Committee Annual Report for 2015/16 was discussed as circulated. It was identified to the Audit Committee members that the Annual Report of the Committee forms the basis for the Annual Review of Internal Controls conducted by the Governing Body. It was reported that in August this year, Minister Pascal Donohue issued a revised Code of Practice for the Governance of State Bodies. It was noted that once approved, this will be presented to the Governing Body at their next meeting. The Committee's Annual Report 2015/16 was approved as circulated.

Proposer: KC

Secunder: FA

#### **6. Internal Audit Plan 2016-2018**

Mr. Mike Sullivan (Partner, PwC) and Ms. Yvonne McBain (Director – Risk Assurance Solutions, PwC) joined the meeting and briefed Committee members on the Internal Audit Plan for 2016-2018. It was proposed to carry out an audit of the Institute's Internal Financial Controls in November 2016. This will include a review of accounts payable, online banking, corporate credit card usage etc. It was also proposed that an audit of IT Systems Security and Data Management Control be carried out some time in early 2017. The representatives of PwC confirmed that the risks outlined in the Institute's Risk Register are 90% consistent with those found in other Institutes. It was reported that reports will be issued on completion of the internal audits. Committee members were offered the opportunity to meet separately with the representatives from PwC, however it was deemed by all parties concerned to be too early at this stage of their internal audit contract to be able to provide any meaningful/worthwhile discussion. The Deputy Chairperson thanked PwC for their comprehensive plan, which was approved by both Audit Committee members.

Proposer: FA

Secunder: KC

## **7. President's Expenses (March – September 2016)**

Audit Committee members were briefed on the President's Expenses as circulated at the meeting. It was noted that the cost of any expenses incurred for travel/accommodation expenses in relation to the Irish Film Board meetings/events, and those incurred as part of international evaluation panel work (e.g. Vilnius) are reimbursed by the relevant organisation. The Deputy Chairperson signed each of the Visa Expense Forms.

## **8. A.O.B.**

### **8.1 Mazar's Management Letter in relation to the audit of the Institute's Financial Statements for year ended 31<sup>st</sup> August, 2015**

Audit Committee members were briefed on Mazar's Management Letter as circulated at the meeting. It was noted that six matters were identified, with one being rated as 'high' and five rated as 'low'.

- (i) **Fixed Assets (Low)** – It was reported that the Institute has a Fixed Asset Register but that it is recognised that a Fixed Assets Disposal Policy needs to be developed. It was reported that the Institute has outsourced the fixed assets management process to the chartered accountants firm, Crowleys DFK.
- (ii) **Credit Card Expenditure (High)** – It was noted this matter arose from an issue, which was identified internally and dealt with via a disciplinary route. It was reported that both the HEA and the Office of the Comptroller & Auditor General had been fully informed of the matter. Audit Committee members were informed that the Institute has new and improved controls in place in relation to the usage of credit cards. Currently there are a total of seven credit cards in operation: five held by Executive members and two held by Managers. Due to the resignation of one of the Managers in question, this credit card will be cancelled and a new credit card will be issued to the sixth Executive member. It is planned that the second credit card held by the Management Team member will be cancelled in due course. It was pointed out that the operating of the Institute's credit cards is purely a payment mechanism and not a purchasing mechanism.
- (iii) **Procurement (Low)** – As previously advised under Item 3.2, the procurement process for Cleaning Services has been completed with the appointment of Noonan. In relation to the procurement re Personnel Issues, it was reported that in the case of a grievance being brought by a member of staff, it is not possible to run a tender process for the procurement of mediators.
- (iv) **Core Access (Low)** – It was noted that only the HR and Finance Offices have access to their relevant areas on Core. The system is undergoing an extensive upgrade at present and it is hoped that this will resolve any access issues in the future.
- (v) **Annual Leave (Low)** – It was reported that the accrual of annual leave by a small number of staff members is an ongoing issue which is being monitored by the Institute. These accruals arose as a result of a number of factors, including: compensatory leave granted under the Haddington Road Agreement, Maternity Leave allowances and Long Term Sick Leave accruals. 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. Permission must be sought from the President in order to carry over between 5 to 10 annual leave days.

- (vi) **Employment Contract (Low)** – It was reported that this was an isolated incident and has been highlighted to the HR Office. It was noted that matters such as Benefit Statements and Superannuation are currently being reviewed by the HR Office.

**Next Meeting:** Proposal date of 7<sup>th</sup>/14<sup>th</sup> December, 2016.

Signed: Kieran Connolly  
Chairperson

Date: 14<sup>th</sup> Dec 2016.