

## ***Audit Sub-Committee of Governing Body***

### ***Minutes of 9<sup>th</sup> June, 2015***

**Present:** Cormac Shaw (Chair), Eleanor Roche, Dr Tim Jackson, Donal O'Mahony

**Apologies:** Tony Traynor

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

---

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

The meeting Agenda was adopted as circulated with the item 'Road Safety and METNS' included under A.O.B.

Proposer: TJ  
Seconder: DOM

#### **2. Adoption of Minutes of the Meeting of 27<sup>th</sup> March, 2015**

The Minutes of 27<sup>th</sup> March, 2015 were adopted as circulated to Sub-Committee members.

Proposer: ER  
Seconder: TJ

#### **3. Matters Arising**

- 3.1 Reports on the Media Cube and School in a Box (SIAB)** – it was noted that Professor Peter Robertson has resigned from the Institute due to ill health. It was also noted that the contract of the Marketing Manager will regrettably not be renewed. The advertising of these and other potential posts will be discussed over the coming months.

Agreed: Linda O'Sullivan FÍS Manager to update Sub-Committee members at next meeting of 16<sup>th</sup> September 2015.

- 3.2 Programmes & Budgets Document 2015** – it was reported that the Programmes & Budgets Document 2015 was approved by Governing Body at its meeting of 6th May 2015 and was agreed by the HEA. It was noted that the President, Secretary/Financial Controller and Finance Manager met with the HEA on 22nd April to discuss budgetary issues. It was reported that at the meeting of 22<sup>nd</sup> April, the HEA raised some questions regarding the Institute's partnership agreement with Sound Training College (STC). Assurance was given to the HEA that this was not a franchise; and that the BA in Creative Music Production is an IADT programme, taught by the Institute's staff on a part-time basis on STC's premises. It was noted that the partnership agreement with STC provides additional credibility for IADT students of this programme.

It was reported that the Institute had written to the HEA requesting that it reconsider the weightings of Level 7 programmes but has received no feedback to date.

It was noted that there are approximately 7-8 whole-time equivalent posts in the Institute which are self-funded and the cost of these is covered by non-exchequer third party funds.

### **3.3 Internal Audit Reports/Updates**

**3.3.1 Fixed Asset Register** – it was reported that the Institute is satisfied that its Fixed Asset Register is up to date. It was noted that a 'stock-taking' exercise of all assets contained in the National Film School building is currently being undertaken.

**3.3.2 Procurement & Contracts Control Sheet** – A Contracts Control Sheet was circulated. It was reported that the Institute completed a tender process for design and print services, which included the upgrade of the existing website and the design of a new website. As a result of this process, 'Detail' was awarded a three-year contract commencing 1<sup>st</sup> May 2015. It was noted that procurement processes for the provision of services such as: cleaning, internal audit, legal advice, library purchases, print supplies, security, telephone service (landlines and mobiles), utilities (Gas and Electricity) are carried out directly by the Office of Government Procurement (OGP), or the Education Procurement Services (EPS). It was reported that the Institute plans to carry out a tender process for the provision of medical services in the new academic year. Grace Weldon, Estates & Facilities Manager, is currently in the process of organising a tender process for the provision of ground maintenance services.

**3.3.3 Deloitte Internal Audit Report - Item re Employee Salary Rate Adjustment** – It was reported that this was a once-off instance and that following an investigation of same, it was found that the employee had in fact been underpaid. This matter has now been rectified.

**3.3.4 Training for Audit Sub-Committee members (as recommended by the Office of C&AG)** - It was noted that due to prior commitments, none of the Audit Sub-Committee members were able to attend the training offered by the Office of the Comptroller & Auditor General (C&AG).

Agreed: BM to circulate the slides from the training to all Audit Sub-Committee members.

## **4 President's Expenses**

The Audit Sub-Committee members were briefed on the contents of the President's Expenses for the period November 2014 to May 2015. The majority of entries related to travel expenses associated with Programmatic Review and Validation Panels. It was noted that all expenses relating to the Irish Film Board have been recouped by the Institute.

The President's Expenses were approved by the Committee and signed by the Chair.

## **5. Draft Financial Statements for year ending 31<sup>st</sup> August, 2014**

The Secretary/Financial Controller and Finance Manager briefed the Audit Sub-Committee members on the draft Financial Statements for the year ending 31<sup>st</sup> August 2014. It was noted that the Office of the Comptroller & Auditor General have engaged

contracted auditors to carry out a review of the Institute's accounts this year and they are currently on site for this process. The following items were noted by the Sub-Committee members:

- (i) **Annual Review of Controls (Pg. 3)** – it was proposed that the wording of the first paragraph be updated to reflect the three-year cycle of the Internal Audit Plan.
- (ii) **Operating Deficit** – it was reported that the level of the deficit of €2.317M (2013: €1.060M) was largely due to the purchase of assets for the National Film School. It was noted that the final construction costs of the NFS were higher than originally anticipated. This was due to the fact that the original construction company engaged for the project went into receivership and a second company was contracted.
- (iii) **Reserves** – it was noted that, as a result of the deficit, the Institute's reserves were reduced by €2.3M to €5.3M. The Capital Development Reserve remained at €1.6M. HEA has recommended that all Institutes of Technology should maintain reserves to the value of two months' income. It was reported that it is planned to spend approximately €2M of the Institute's reserves on the upgrade of Student Union facilities and the upgrade/refurbishment of the lecture theatre A019 in the Atrium Building. ✕
- (iv) **Net Assets** – it was noted that the overall balance sheet increase of €742K arose primarily due to capital funding in relation to final construction work on the National Film School.
- (v) **Research: Staff Costs (Note 3, Pg. 12)** – it was noted that Staff Costs have reduced from €300K in 2013 to €157K in 2014. This is mainly due to the expiry of contracts for projects such as Create, SeeSearch etc.
- (vi) **Research Grants (Note 3, Pg. 12)** – it was noted that the 'Contract and Project Income' relating to research decreased by approximately €40K during 2014. It was reported that while areas of Science and Technology (especially I.T.) are readily funded, it is much more difficult to grow research income in the areas of the Arts and Humanities. It was noted that the Institute continues to work towards increasing its research income.
- (vii) **Academic Departments: Other Expenditure (Note 6, Pg. 13)** – it was requested that an expanded explanation be given for the 'Other' expenditure of €250K under Academic Departments, which increased by approximately €136K during 2014. It was reported that an amount of €218K of this relates to irrecoverable fees owed by non-continuing students. It was noted that if a student leaves the Institute prior to 31<sup>st</sup> October he/she is not obliged to pay the student contribution fee; if the student leaves between 31<sup>st</sup> October and 31<sup>st</sup> January, he/she must pay the Institute half of the student contribution fee. It was reported that Student Universal Support Ireland (SUSI) pays the Institute the portion of fees due in the case of a student who drops out of a programme.
- (viii) **Creditors and Accrued Expenses: Tuition Fees & Student Contributions (Note 16, Pg. 20)** – it was reported that the reduction in the total for Tuition Fees and Student Contributions as at 31<sup>st</sup> August 2014 relates to 2014/15 amounts paid in advance and is dependent on the timing of the issuing of Registration Packs (which includes Fee Notices/Giros) to students.

Agreed: BM to forward a memo to Audit Sub-Committee members outlining the historical facts in relation to the construction and completion of the National Film School.

Wording of the first paragraph of 'Annual Review of Controls' (Pg. 3) to be reviewed.

Entry under Note 6, Page 13 of the Financial Statements to be expanded giving greater details of the costs involved under 'Other' expenditure.

Subject to these changes, the Sub-Committee members approved the draft Financial Statements for the year ended 31<sup>st</sup> August, 2014.

**6. Draft Schedule of Meetings 2015-16**

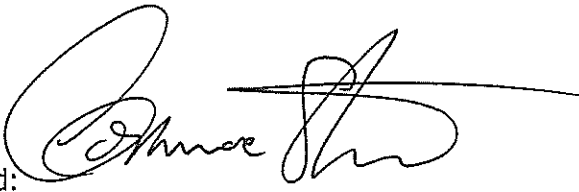
The draft schedule of Audit Sub-Committee meetings was discussed as circulated. It was proposed to move the date of the September meeting back to 16<sup>th</sup> September 2015, and to bring the March meeting forward to 2<sup>nd</sup> March 2016.

Agreed: Updated Meeting Schedule to be circulated to Sub-Committee members.

**7. A.O.B.**

**Road Safety and METNS** – a discussion took place regarding how the Institute and the Monkstown Educate Together National School (METNS) are working together in order to ensure the safety of the school children during the start and end times of the school day. It was noted that despite numerous reminders, some parents still park their cars on double yellow lines and on the cycle lanes while on campus. It was reported that Grace Weldon, Estates & Facilities Manager, is currently investigating the possibility of installing a new footpath from the METNS car park to the school.

**Next Meeting:** Wednesday, 16<sup>th</sup> September, 2015 at 9am

Signed:   
Chairperson

Date: 16 | 9 | 2015