

## ***Audit & Risk Committee of Governing Body***

### ***Minutes of 24<sup>th</sup> May, 2017***

**Present:** Dr Fionnuala Anderson (Chairperson), Marie Carroll, Kieran Connolly, Maeve McConnon

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

**Apologies:** Dr Annie Doona

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

Proposer: KC

Seconder: MMcC

#### **2. Adoption of Minutes of the Meeting of 14<sup>th</sup> February, 2017**

The Minutes of 14<sup>th</sup> February 2017 were adopted with one amendment being made to the 'Date of the Next Meeting'.

Proposer: KC

Seconder: FA

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

**3.1 Revised Code of Practise for the Governance of State Bodies** – It was reported that the analysis of the existing and new Code of Practise for the Governance of State Bodies is still ongoing. It was noted that once completed, proposals will be submitted to both Higher Education Authority and Department of Education & Skills.

**3.2 Read/Write Access of HR Staff to CORE Payroll Function** – It was reported that the new CORE system has gone 'live' at the end of March. An assessment will be carried out as to the access needs of all relevant staff members. It was reiterated that there are significant controls in place in relation to the access of CORE by staff members.

**3.3 Legal Services Contract** – it was reported that to date the Institute has not engaged with the Office of Government Procurement in relation to a tender process for the procurement of legal services. As previously advised, the Institute may engage with legal advisors on a case-by-case basis in the interim.

#### **4. Election of Chairperson of Audit Committee**

The Audit Committee members elected Dr Fionnuala Anderson to be the Chairperson for the duration of the term of office of the Governing Body. It was noted that the proposal will be brought to Governing Body for formal ratification.

## **5. Briefing on the Role of the Audit Committee**

Appendices 6 and 7 of the Audit Committee Charter were circulated, followed by a briefing in relation to the role of the Committee. It was noted that formal training can be provided on the role of the Committee which would be delivered by external consultants. It was noted that any staff member has a right to contact the Chairperson of the Audit Committee in relation to a serious concern under the Protected Disclosures Act 2014.

## **6. Update on Draft Financial Statements for year ended 31<sup>st</sup> August, 2016**

It was reported that the Office of the Comptroller & Auditor General outsourced the auditing of the Institute's accounts to Mazars. Mazars have completed the site work last week and there was only one minor amendment to the original draft Financial Statements, i.e. Research Income to the value of €40K re-allocated to form part of Current Grant. There were also a number of textual changes to meet the requirements of the Financial Reporting Standard FRS102. It was noted that the Office of the C&AG gave clearance to bring the draft Financial Statements to the Audit Committee for recommendation to Governing Body, subject to minor amendments.

### **6.1 Draft Management Letter for Financial Statements for year ended 31<sup>st</sup> August 2016** - Appendix A of the draft Management Letter issued by Mazars was circulated and BM briefed Committee members on the three 'low' level audit findings as follows:

- (i) **Review of Fixed Assets Register** – it was noted that the Institute accepts the need for a periodic review of the Fixed Assets Register to verify the presence of significant assets and to identify any required material adjustments arising from obsolescence, damage or reclassification.
- (ii) **Core Access by HR/Finance Staff Members** – it was noted that the Institute recognizes the importance of maintaining controls over access to key elements of the MIS Systems for both Data Protection purposes and the security of the records and processes. It was noted that access to the MIS Systems is limited to those staff in both the HR Office and the Finance Office.
- (iii) **Procurement for Landscaping & Personnel Issues** – it was noted that the Institute recognizes the importance of the public procurement process and is currently updating both its Policy and procedures. It was noted that IADT will be tendering for landscaping services during 2017. In relation to the 'Personnel Issues' tender, it was reported that the contracts in question were entered into prior to 31<sup>st</sup> August 2015 (in accordance with the HR Processes), and have all been completed. Currently, no further contracts have been entered into in respect of HR processes.

Subject to minor amendments, the Audit Committee members approved the Financial Statements for year ended 31<sup>st</sup> August 2016.

Proposer: FA

Secunder: KC

## 7. Draft Report on the Internal Audit Review of I.T. Systems Security & Data Management Controls

Ms. Yvonne McBain, PricewaterhouseCoopers, joined the meeting and briefed Audit Committee members on the Draft Internal Audit Report. It was reported that a total of 3 'substantial' and 4 'moderate' findings were noted, with no 'critical' findings. The findings were as follows:

- (i) **Weaknesses in the Movers and User Access Review Processes (substantial)** – it was noted that the Institute accepts the recommendation for the development and implementation of appropriate processes for regular reviews of the access rights of 'Movers' and 'Key Systems Users'.
- (ii) **Password Policy failing to meet Good Practice (substantial)** – it was noted that the Institute acknowledges the findings but it was noted that the '60 day' password renewal period is not possible to implement due to students and a number of staff members being absent from the system for a period greater than 60 days. IADT will review the password policies in respect of proprietary systems and a 'lockout' process will be reflected in the Institute's Password Policies.
- (iii) **Monitoring of 'Super' User Activity (substantial)** – it was noted that IADT acknowledges the recommendation to implement controls for monitoring the activity of 'super' users and the review of the Active Directory.
- (iv) **Weakness in the Data Transfer Process between WPM & Banner (moderate)** – it was noted that IADT acknowledges the findings and recommendation to investigate the possibility of utilising an updated transfer protocol between Banner and WPM. However, it was reported that this is a legacy issue with Banner and is dependent on a new or upgraded student management system procured through EduCampus. If this risk cannot be resolved, the Institute will review the controls required to mitigate the risk.
- (v) **I.T. Policies for Key Processes (Moderate)** – it was noted that IADT accepts the findings and recommendation and will develop and distribute formal policies for the user access management and change management processes. Reviews of all relevant policies will be carried out on a periodic basis.
- (vi) **Limited Visibility over Back-up Activities & Testing of Disaster Recover Plan [DRP] (moderate)** – it was noted that IADT acknowledges the findings and recommendations in relation to reviewing back-up and restore testing, as well as formal testing of the DRP. It was reported that An Cheim, the shared service provider regularly performed DRP but that this has now been transferred to EduCampus. The Institute will engage with EduCampus and will formally request an SLA, which includes references and details regarding DRP and Back-up Reviews.
- (vii) **I.T. Strategy & the Review of Third Party Service Providers' Performance (moderate)** – it was noted that IADT acknowledges the findings in relation to a lack of formal I.T. Strategy and a fully formalised process whereby third party performance is reviewed against agreed service levels. It was reported that the development of such an I.T. Strategy is dependent on the completion of IADT's Academic Plan. It was also reported that the Institute's relationship with key MIS vendors is managed by EduCampus and that an agreed sectoral SLA from EduCampus is awaited.

At this point in the meeting BM, CL and ED left the Boardroom.

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

## **8. Report on the Review of Prior Internal Audit Reports**

During the private meeting with Ms. Yvonne McBain, PricewaterhouseCoopers, it was reported that Audit Committee members had been informed that a full review has been carried out on both the internal audit report on the Code Gap Analysis and Payroll Systems originally carried out by the then internal auditors, Deloitte.

## **9. Programmes and Budgets 2017**

The Audit Committee members were briefed on the Programmes and Budgets 2017 document as circulated. It was noted that Appendix B reflects the desired additional posts, however these additional posts would be mainly dependent upon the Institute's Campus Development Plan being agreed by the HEA and the Department of Education & Skills. It was reported that the Digital Media Building, one of the nine projects forming part of the Institute Campus Development Plan, has been shortlisted for review. IADT is one of 16 higher education institutions who have had a Campus Development Plan project shortlisted. Representatives from both the HEA and the Department of Education & Skills will visit the Institute's campus on 13<sup>th</sup> June next in connection with the Campus Development proposal.

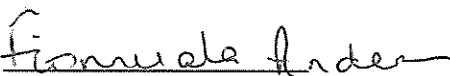
## **10. President's Expenses (October 2016 – May 2017)**

The Audit Committee members were briefed on President's Visa Card Statements and Expenses for the period October 2016 to May 2017. It was noted that any expenses incurred through the President's role of Chairperson of the Irish Film Board (IFB) are reimbursed by the IFB.

## **11. A.O.B.**

**11.1 Schedule of Audit Committee Meetings for 2017/18** – a draft schedule of Meetings for 2017/18 was requested and Committee members agreed that the first meeting of the new academic year be scheduled for 9.30am on Wednesday, 13<sup>th</sup> September 2017.

**Next Meeting:** Wednesday, 13<sup>th</sup> September, 2017 at 9.30am

Signed:   
Dr Fionnuala Anderson  
Chairperson

Date: 13th September, 2017