

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

## ***Minutes of 26<sup>th</sup> March 2020***

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

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

**Apologies:** Sam Dunwoody

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The Meeting was held as a Video Conference Meeting due to the Government's restriction requirements related to Covid-19.

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

The Agenda was adopted as circulated, with the inclusion of the following items under A.O.B.

- Enhanced Reporting by the Audit & Risk Committee to Governing Body
- Audit & Risk Committee Meeting Schedule 2020/2021

Proposer: FA

Seconder: MC

### **2. Conflicts of Interest**

No conflicts of interest were declared.

### **3. Adoption of Minutes of the Meeting of 11<sup>th</sup> December, 2019**

The Minutes of the meeting of 11<sup>th</sup> December 2019 were adopted as circulated.

Proposer: FA

Seconder: MMcC

### **4. Matters Arising**

There were no items for discussion under Matters Arising which did not form part of the Agenda of 26<sup>th</sup> March 2020.

### **5. Internal Audit**

#### **5.1 Report on Internal Audit Review of IADT's Risk Management Framework**

Mr. Mike Sullivan joined the meeting via video conferencing and briefed the Audit & Risk Committee members on the Internal Audit Review of IADT's Risk Management Framework. It was noted that, while there is no doubt as to the day-to-day management of risks by Executive and Management Team members in the Institute, the issue lies in the reporting and recording of risk and any actions taken to mitigate or eliminate those risks. Out of three findings by PwC, one is rated Grade 1 (Critical), one is rated Grade 2 (Substantial) and one is rated Grade 3 (Moderate) as follows:

- (i) **Risk management monitoring, reporting and culture requires enhancement (Grade 1)** – it was noted that: there is no evidence of formal risk management activities; no approved update of the Risk Register has taken place; Risk Management does not feature as part of the monthly Management Team Meeting Agendas; no reports on the top 10 risks have been submitted to date to the Chief Risk Officer by Heads of Function/Faculty/Department; Risk Management does not feature as part of the Governing Body Agenda, nor is the Governing Body briefed on risk management related matters on a monthly basis. The Institute accepts the findings and recommendations and will undertake to: Include Risk Management on each Executive, Management, Audit & Risk Committee and Governing Body meeting agenda. The action is to be carried out by David Smith (President) and Bernard Mullarkey (S/FC and Chief Risk Officer) commencing April 2020 and is to be completed by May 2021.
  
- (ii) **Risk Management process not in line with the documented Risk Management Policy (Grade 2)** – it was reported that: the Institute’s Risk Register has not been updated since May 2018; no formal risk identification or assessment activity has been carried out since 2018; and IADT’s Risk Management Policy has not been reviewed by the Audit & Risk Committee on an annual basis. The Institute accepts the findings and recommendation and will re-establish the annual process of reviews of the Risk Register in accordance with the Risk Management Policy. The action is to be carried out by the S/FC & Chief Risk Officer commencing January 2021.
  
- (iii) **Formal Risk Management Training is not provided (Grade 3)** – it was noted that formal risk management training has not been provided to key staff involved in the implementation of risk management practices, as stated in the Institute’s Risk Management Policy. The Institute accepts the findings and recommendations and will undertake to implement a training programme on Risk Management for all Managers. The action is to be carried out by the S/FC & Chief Risk Officer commencing September 2020 and to be completed by May 2021

The issue of acquiring systems software to streamline the recording and reporting of risks and subsequent actions taken was discussed. A more Institute-wide recording system of risks will be explored in the coming months.

It was noted that this was the last meeting of the Audit & Risk Committee to be attended by representatives from PwC due to the Internal Audit function having been awarded to Deloitte by the Office of Government Procurement. The work of all PwC staff members was acknowledged and gratitude expressed on behalf of the Institute. Mr. Mike Sullivan left the meeting at 10.26 hrs.

**Agreed:** A presentation to be delivered to Audit & Risk Committee members at the next meeting in May 2020 re proposals on how the Institute will embed and streamline the reporting of risks and actions taken/proposed. (DS)

**5.2 Update on Outstanding Issues from Follow-up Review** – the Audit & Risk Committee members discussed the updates to the findings of the Follow-up Review Report. It was proposed that a ‘live’ spreadsheet be developed to contain a

summary of current items/actions and follow-up items and completion/target dates. The following updates were provided:

- (i) **Item 4. IT System User Access Process and Review Issues** – it was reported that the review and recording of Web Performance Monitor (WPM) was carried out in January 2020 and that the review of the Active Directory is currently ongoing. This element of the finding is regarded as being 'In Progress' and the Responsible Party is the ICT Manager.
- (ii) **Item 7. User Access Management & Change Management Policies** - it was reported User access Management forms part of the Information Security Management Guidelines which are available on IADT's website. In relation to the Back-up Protocol and Procedures, it was noted that this is an organic document or 'run book' which changes on a monthly basis and requires no Executive approval. The issue is regarded as being 'In Progress', with the Responsible Party being the ICT Manager.
- (iii) **Item 9. Formal IT Strategy** – it was reported that a Service Level Agreement (SLA) was approved by THEA and signed off, on behalf of the Institute, by the Secretary/Financial Controller and was circulated to all relevant Managers within the Institute. The issue is regarding as being 'Closed'.
- (iv) **Item 10. Other Income Generation Policy** – there was no update available on this matter due to the absence of the Responsible Party.
- (v) **Item 12. The Approval of the Media Cube Licence Policy** – there was no update available on this matter due to the absence of the Responsible Party.
- (vi) **Item 13. Annual Review of Funded Projects Income & the Performance of a Review of the Completeness of Income** – it was noted that the majority of IADT invoicing for student fees/contribution, Media Cube rentals, pitch rentals and general room rentals are handled by the relevant IADT department and recorded on the Institute's MIS systems (Banner Student Records and Agresso Finance Systems). In relation to other ad hoc income due, the Finance Office raises invoices on Agresso when requested by the relevant IADT department. There are processes and procedures in place to monitor and manage any receivables raised on any of IADT's MIS systems. However, most research grants etc. are not drawn down by invoice and, typically, payments are triggered by contract signings, funding awards, the submission of interim and final reports etc. There is, therefore, nothing on our systems to trigger any follow-up and it is down to the relevant project managers to comply with whatever drawdown procedures are in place. The Institute plans to conduct a review of all income strands during 2020 with a view to documenting the various categories and identifying appropriate and practical processes and procedures to ensure all funding streams are proactively managed. The issue is regarded as being 'In Progress' and the Responsible Party is the S/FC.
- (vii) **Item 14. Access Control Issues in relation to Examination Papers** – it was reported that a Guidance Report for the copying of Examination Papers has been produced by the Institute's Exams Office. The issue is regarded as being 'Closed'.

- (viii) **Item 15. Interpreting & Translation Services for Students** – it was reported that both the Office of Government Procurement (OGP) and the Education Procurement Service (EPS) declined a request to run this competition for this. As a result, the Institute has published a tender notice on the eTenders website with a closing date of 30<sup>th</sup> April 2020. The item is regarded as being 'In Progress', and the Responsible Party is the Student Experience Manager.
- (ix) **Item 19. External Examiner Reports (inclusion in Exam Boards and Recommendations Tracking)** – there was no further update in relation to the implementation a formal tracker of EE recommendations. This element of the finding is deemed to be 'In Progress' and the Responsible Parties are the Heads of Faculty.
- (x) **Item 20. Formal Procedures in relation to Continuous Assessment Process** – there was no further update regarding the documenting of formal procedures in relation to the continuous assessment process. This item is deemed to be 'In Progress' and the Responsible Parties are the Heads of Faculty.
- (xi) **Item 21. The Update of Examination Administration Procedures and Regulations** – it was reported that the current Regulations remain in force, however consideration is being given to these by the Teaching & Learning (T&L) Committee. Item is deemed to be 'In Progress' and the Responsible Parties are the Chairperson of the T&L Committee and the Registrar.

**Agreed:** A 'live' spreadsheet be developed to contain a summary of current items/actions and follow-up items and completion/target dates. (BM)

**5.3 Updates on the Internal Audit Review of Student Records System** – it was reported that due to COVID-19 and the unexpected closure of the Institute, no updates have been received from the Registrar or Academic Administration & Student Affairs Manager. It was noted that Item 3 is now deemed to be 'Closed' due to an SLA having been approved by THEA and signed off, on behalf of the Institute, by the Secretary/Financial Controller, with all relevant Managers within the Institute having been circulated with the SLA.

**Agreed:** The Registrar and AA&SA Manager to be requested to provide updates on the recommendations contained in the report prior to the next Audit & Risk Committee meeting. (BM)

## **6. Corporate Procurement**

**6.1 Contracts Control Sheet Update** – the Audit & Risk Committee members were briefed on the contracts control sheet as circulated. As was previously reported under Item 5.2, both the OGP and the EPS refused the Institute's request for a tender process to be carried out for Student Support (Interpretation and Translation) Services. As a result, the Institute was authorised to carry out a tender process for this service via eTenders and the closing date for submission of tenders is 30<sup>th</sup> April 2020. It is hoped to have a contract and service in place for the start of the new academic year.

## **7. Financial Statements**

**7.1 Management Letter for Financial Statements for year ended 31<sup>st</sup> August 2019** – it was clarified that the correspondence relates not to the Management Letter, but instead to correspondence received from Mr. Peter Kinsley, Deputy Director of Audit, Office of the C&AG, in relation to the auditing of the Institute’s Financial Statements for year ended 31<sup>st</sup> August 2019. In addition, it was noted that Appendix A ‘Cover Letter for the submission of the Institute’s draft Financial Statements for audit’ was signed by the President and forwarded to Mr. Kinsley (along with the draft Financial Statements for year ended 31<sup>st</sup> August 2019 and the Statement of Internal Control) on 27<sup>th</sup> February 2020.

**7.2 Financial Statements for year ended 31<sup>st</sup> August 2019** - it was reported that the Institute has received the permission of the Office of the C&AG to bring the Financial Statements for year ended 31<sup>st</sup> August 2019 to the Audit & Risk Committee for approval, subject to there being no amendments to these. It was noted that the Financial Statements will be reviewed by the Office of the C&AG prior to being brought to the Governing Body for approval. The S/FC has attended a close-out meeting with the external auditors DHKN, as well as a telephone meeting with Ms. Kathleen Bonner, Senior Auditor, Office of C&AG with no serious issues being raised in relation to the Institute’s accounts. Once authorisation has been received from the Office of C&AG, the Financial Statements for year ended 31<sup>st</sup> August 2019 will be brought to the Governing Body for approval.

Proposer: FA

Seconder: MC

## **8. Risk Management – Review of main Risks to the Institute**

The President briefed Audit & Risk Committee members on the overall risks to the Institute as a result of COVID-19 closures. The work by all of the Institute’s staff members to support other staff members and students remotely was acknowledged. All potential risks to the Institute are being considered on a regular basis by the Executive Team. The overall risks include:

- (i) **Leaving Certificate Examination** - if the Leaving Certificate Examination is postponed until August 2020, this will result in a delay in the intake of first year students to October/ November 2020, or potentially later. This will impact on processes and procedures for the delivery of the curriculum for the 2020/2021 academic year.
- (ii) **Assessments for progression years and 4<sup>th</sup> year students** – the work by the Heads of Faculty in relation to the development of alternative models of assessment for current IADT students was acknowledged. It was noted that the models proposed were brought to Academic Council last week. The risk of increased appeals/deferrals was noted, as was possible inconsistencies of access to technology/equipment by students in order to carry out project work/assessments. In addition, it was noted that there is a possibility that the Graduate Exhibition may need to be cancelled if the COVID-19 closures continue longer term; this would impact on the final assessments of Art students. The issue of students who require additional supports during examinations/assessments was noted. It was reported that the Executive Team had requested Academic Council to delegate authority for expediting decisions relating to assessments to the Executive Team during the COVID-19 closures.

Academic Council approved this proposal with an amendment that such a delegation of authority would not impact on nationally agreed contracts.

- (iii) **Portfolio Submissions & First Year Applicants** – it was noted that Portfolios are currently being submitted online; however due to the fact that NCAD has already completed their portfolio assessments this may lead to some potential students for IADT opting instead to study at NCAD. The Institute is liaising with the Central Applications Office (CAO) regarding the extension of portfolio assessment deadlines.
- (i) **Additional demand for Equipment & ICT** – while at present the majority of the Institute’s staff members are able to work remotely, it was noted that the main challenge may occur during assessments/examinations when there will be a higher demand on equipment and ICT.

At this point, MMcC had to leave the meeting due to a prior engagement, and KC disconnected from video conferencing.

The S/FC briefed the Audit & Risk Committee members on the financial risks to the Institute of the COVID-19 closures. It was reported that the HEA has confirmed to the Institutes of Technology Presidents, that the present funding arrangements will continue until the end of May 2020. Additional systems have been engaged at additional costs to the Institute which, at present, are minor. It was noted that both payroll and supplier payments continue to operate remotely and the Institute’s cash flows are being carefully monitored. The main financial risks include:

- (i) **Student Contributions for 2020/2021** – it was reported that the Institute relies heavily on income received through Student Contributions in August/September each year to manage cash flows; if the commencement date of first year students for the 2020/2021 academic year is delayed until October/November 2020, this will result in significant income and cash flow implications. If this occurs, the S/FC Group will flag such issues to the HEA.
- (ii) **Media Cube Income** – it is envisaged that there will be a certain amount of income lost from international students; however the main impact will be as a result of Media Cube companies being unable to pay rents due to loss of business during COVID-19 closures; a number of companies are currently seeking rent ‘holidays’/abatements. The Institute is offering three-month ‘rent holidays’ at present and will support the Media Cube tenants as far as possible.
- (iii) **Postgraduate, Part-time & Lifelong Learning Income** – due to the resultant financial constraints, it is expected that the demand for such courses will fall. The Institute is reasonably confident however that Springboard will continue and may even increase due to the Government planning for a recovery post-COVID-19 and the necessary upskilling/re-skilling of those who could potentially be unemployed as a result.
- (iv) **Capital & Research Calls** – it is expected that Research Calls will be the first to be impacted by the resulting financial constraints. In addition, on the Capital side, it is expected that unless a contract has already been signed for campus developments, it is unlikely that any income will be forthcoming from the Government. For the Institute, this will result in the Digital Media Building being put on hold.

- (v) **Security Risks** – it was reported that, at present, the Institute has contracted security personnel on campus; however due to the increased demand for such services, this cannot be guaranteed in the future. As a result of an empty campus, there is a risk of anti-social behaviour occurring; to-date there has been one instance of a break-in on campus, with a computer being removed. The Institute has taken steps to ensure that this does not happen again.
- (vi) **Secondment of Staff to the Department of Health and the Department of Employment Affairs and Social Protection (DEASP)** – it was reported that a call has been issued by the Department of Health and the DEASP for staff members to be seconded for several months to deal with contact tracing and requests for the new COVID-19 unemployment payments. The Institute would continue to pay such staff – this will result in additional pressures being placed on staff members remaining in the Institute.
- (i) **Payroll and Supplier/Contract Service Payments** - It was noted that administrative staff do not have access to the same level of technology (e.g. desktops or printers) while working remotely; this results in inherent risks due to the inability of the approving staff member to have the same level of oversight and review/control of processes

It was reported that to-date there has been no confirmed case of COVID-19 among the Institute staff members; there has been one confirmed case of the virus in a postgraduate student who, due to the nature of their studies, has not attended on campus for a considerable length of time prior to the closure

## 9. Review of PwC Audit & Risk Committee Training

This item was deferred until the next meeting in May 2020 in order to enable the Committee members to carry out a review of the training provided.

## 10. President's Expenses – June 2019 to March 2020

Due to the level of paperwork associated with the review of the President's Expenses, this item was deferred until such time as Audit & Risk Committee members are in a position to attend a meeting in person. It was noted that no concerns have been raised in relation to any of the President's expenses for the period June 2019 to March 2020.

## 11. Statutory Reporting

The Audit & Risk Committee was updated as follows in relation to Statutory Reporting:

- (i) **Data Breaches under GDPR** - it was reported that since the issue of the meeting documentation, there have been three potential data breaches, all relatively minor. The Institute is working through these breaches at present. The first data breach occurred when a staff member inadvertently forwarded a commencement form to an individual which had already been completed by another individual; both parties were informed and are satisfied that it was a genuine error. The Data Protection Commissioner (DPC) has been informed of this data breach. The Institute will ensure that staff members verify that any forms being sent to individuals are blank. The second potential data breach occurred while a staff member was working remotely (as a result of the closure)

and inadvertently forwarded a report meant for another staff member to a student with the same name; the Institute is very confident that the student in question did not access the report which was rescinded; the Institute is not certain whether or not this constitutes a formal data breach but will make the necessary report should that be the case. The third potential data breach occurred during the break-in on campus when a staff member's work computer was stolen; however the computer is heavily encrypted and secure and it is highly unlikely that any data can be accessed. Staff members would normally save documents to the Institute network drive rather than the individual computer's hard drive; however the Institute is in the process of verifying that this is the case. It is likely that, either way, the Institute will report this as a data breach to the DPC.

- (ii) **Accidents Reported to the Health & Safety Authority (HSA)** – no accidents required reporting to the HAS since the Audit & Risk Committee meeting of 11<sup>th</sup> December 2019.
- (iii) **Reporting under the Children & Vulnerable Adults Policy** – there were no reports made since those reported at the last Audit & Risk Committee meeting.
- (iv) **Student Complaints** – it was noted that the investigation was completed into the complaint made by a member of the public against a number of IADT's academic staff with the complaint not being upheld.
- (v) **Staff Complaints/Grievances/General Complaints** – it was reported that the investigation was completed at the end of February into the complaint lodged by a staff member under both Grievance and Mutual Respect Procedures. As a result of being involved separately with the investigation, Dr Annie Doona has delegated the responsibility for the remainder of her term to David Smith as incoming President. The report that was issued by the external investigator is now with David Smith and he will formally take over the process next Wednesday, 1<sup>st</sup> April 2020. The cost of the investigation to date is €37K and this does not include any legal costs incurred; the Institute will keep Audit & Risk Committee members informed of any further costs incurred as a result of this complaint.

## **12. Equality, Diversity & Inclusion Implications**

The potential difficulties for students requiring additional learning supports and both staff and students working/studying remotely were highlighted. It was noted that some staff members may have to carry out additional duties of caring for children/elderly parents during this time.

## **13. A.O.B.**

**13.1 Enhanced Reporting by the Audit & Risk Committee to Governing Body** – it was proposed that, while at present the Chairperson of the Audit & Risk Committee provides a verbal briefing to Governing Body of matters discussed at each meeting, a more detailed summary report be compiled providing more in-depth information.

**13.2 Audit & Risk Committee Meeting Schedule for 2020/2021** – it was proposed that, subject to members' availability, the Audit & Risk Committee Meeting Schedule for 2020/2021 be designed to enhance alignment with

Governing Body meeting dates and reporting to the Board members. It was noted that attendance at Governing Body and Audit & Risk Committee meetings is on a voluntary basis and appreciation was expressed for members' attendance at such meetings. In addition, it was noted that a new Governing Body, and subsequently, a new Audit & Risk Committee will come into effect in April 2021, due to the term of office of the present Governing Body concluding on 31<sup>st</sup> March 2021.

It was noted that this was the last Audit & Risk Committee meeting which Dr Annie Doona will attend due to her retirement from the role of President on 31<sup>st</sup> March 2020. The President expressed her pleasure at working with the members of the Audit & Risk Committee and wished everyone well for the future. The Chairperson in turn expressed her appreciation for the President's input and work throughout her term of office and wished her well for the future.

**Next Meeting:** Thursday, 21<sup>st</sup> May 2020 at 9.30am.

Signed: \_\_\_\_\_  
Dr Fionnuala Anderson  
Chairperson

Date: \_\_\_\_\_