

Audit & Risk Committee of Governing Body

Minutes of 29th September, 2020

Present: Dr Fionnuala Anderson (Chairperson), Marie Carroll, Sam Dunwoody

Apologies: Kieron Connolly, Maeve McConnon

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

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.

Proposer: FA

Seconder: SD

2. Conflicts of Interest

No conflicts of interest were declared.

3. Adoption of Minutes of the Meeting of 21st May 2020

The Minutes of the meeting of 21st May 2020 were adopted as circulated.

Proposer: MC

Seconder: FA

4. Matters Arising

4.1 Presentation on Proposals to Embed and Streamline the Reporting of Risks –

a presentation on the Institute's proposals on embedding and streamlining the reporting of risks will be delivered in the coming months. It was reported that, in the interim, the President has spoken with Eileen Healy (Partner, Deloitte) and other relevant third parties with a view to exploring alternative, digital tools for the effective monitoring and managing of risks within the Institute.

4.2 Item 13. Annual Review of Funded Projects Income & the Performance of a Review of the Completeness of Income –

the presentation of a proposal indicating that the issue of the review of the completeness of income be 'Risk Accepted' (due to the ongoing/fluid nature of the projects and rentals) was deferred until the next Audit & Risk Committee meeting of 25th November 2020.

5. Annual Governance

5.1 Audit & Risk Committee Annual Report 2019/2020 – the draft Audit & Risk Committee Annual Report 2019/2020 was discussed as circulated. In relation to Section 5.2, the members reiterated/confirmed that no amendments are required to the

Committee's existing Terms of Reference. It was proposed that additional wording be included under Section 5.3 (in relation to Compliance with Terms of Reference 5.1.2, 5.2.7 and 5.2.8) to reflect the broad scope of reviews carried out by the Committee in relation to risks and risk management, internal controls, Governance compliance, statutory reporting etc. It was noted that in relation to Section 8, the Governing Body will be provided with the full Statement of Internal Control (as contained in the Governance Statement 2020) for review and resolution at its next meeting of 7th October 2020. Subject to the additional wording being included in Section 5.3, and the meeting date in Section 5.1 being amended to 29th September 2020, the draft Audit & Risk Committee Annual Report 2019/2020 was approved by Committee members for forwarding to Governing Body for consideration at its meeting of 7th October 2020.

Proposer: SD

Seconder: MC

5.2 Annual Review of Controls – it was noted that the Annual Review of Controls forms part of the Institute's Annual Governance Statement 2019/2020.

5.3 Annual Governance Statement 2019/2020 – the draft Annual Governance Statement 2019/2020 was discussed as circulated. It was noted that the Higher Education Authority has requested additional confirmation from Higher Education Institutions (HEIs) to indicate full compliance, partial compliance or non-compliance with the THEA Code of Governance 2018. Items noted in the Governance Statement included: a reference to the impacts of the COVID-19 pandemic, the delay in the commencement of the Public Private Partnership (PPP) project (the Digital Media Building); and the non-compliance of the Quadrangle Building with Building Regulations.

It was proposed that the phrase 'The Governing Body is satisfied that IADT is generally compliant with the provisions...' be changed to 'The Governing Body is satisfied that IADT is wholly compliant with the provisions.... with the exception of Item 24 Disability Act 2005, where the Institute is partially compliant'.

It was proposed that the Institute provides an Annual Disclosure Statement as a cover letter to the Governance Statement which reiterates that the Governing Body is satisfied with the Statement and all responses made by the Institute in relation to internal audit recommendations/reports, as well as statutory reporting requirements.

It was proposed that the order of the text in Section 24 Disability Act 2005 be amended to highlight that, whilst the Institute is partially compliant with the Act (due to the non-compliance of the Quadrangle Building with Building Regulations), it fully meets its obligations in respect of its services and other buildings on campus.

Subject to the aforementioned amendments, the draft Annual Governance Statement 2019/2020 was approved by the Audit & Risk Committee. It was agreed that the Statement be forwarding to the Governing Body for consideration and approval at its meeting of 7th October 2020.

Proposer: FA

Seconder: SD

5.4 Statement of Internal Control 2019/2020 – it was noted that the draft Statement of Internal Control 2019/2020 forms part of the Institute’s Annual Governance Statements (Items 29 to 36) as reviewed.

6. Internal Audit

Clíodhna Maloney and Brenda Nelson (Managers at Deloitte) joined the meeting via MS Teams at 14.38hrs. The Chairperson welcomed the new internal auditors and the Committee members introduced themselves to Clíodhna and Brenda.

6.1 Follow-up Review Report by Deloitte (August 2020) – it was agreed that due to the late receipt of the Follow-up Review Report (12 noon on today’s date), the review of the Report be deferred until the next Audit & Risk Committee meeting on 25th November 2020.

6.2 Terms of Reference of Internal Controls Audit – HR Employment Control Framework 2020 – it was reported that Eileen Healy, Partner at Deloitte, is currently finalising the Terms of Reference for the review of the Internal Controls in relation to the HR Employment Control Framework. Once this has been received, it will be circulated to Audit & Risk Committee members.

Agreed: Terms of Reference of the Internal Audit to be circulated to Committee members.

6.3 Internal Audit Plan 2020-2023 – the draft Deloitte Internal Audit Plan 2020-2023 was discussed as circulated. It was noted that the three-year Audit Plan was developed through a consultation process with IADT’s Executive Team. The audits proposed for 2021 are: a Review of Compliance with the Code of Governance; and a Review of Recruitment (Employment Control Framework). In addition, Follow-up Reviews will take place during the three-year period. It was noted that the proposed areas for auditing during years two and three are tentative and subject to approval by the Audit & Risk Committee/Executive.

It was noted that Deloitte did not consult the Institute’s Risk Register prior to drafting the proposed Internal Audit Plan, due to the document requiring major restructuring/ update. The Institute acknowledges that its existing Risk Register needs to be streamlined and made more functional for the effective monitoring and managing of risks, and it considers this to be a fundamental weakness which it has brought to the attention of Deloitte. The Institute has made a commitment to carry out a review of the Risk Register in the coming months. As previously mentioned, the Institute is currently examining the possible acquisition of digital tools, which would be made available to all IADT Managers and which would enable continuous risk monitoring and recording.

In relation to the proposal to review the Institute’s Compliance with the Code of Governance, it was noted that the last review of this area (in March 2019) was undertaken under the auspices of the Department of Education and Science. It was reported that, Dr Joseph Ryan, CEO of THEA, met with Mr. Jim Nelson, Secretary General of the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) where the Secretary General indicated that the HEI sector should review Governance compliance as a matter of priority. In addition, it was noted that the term of office of IADT’s Governing Body will come to an end on 31st March 2020 and, therefore, a review of the Institute’s compliance with the Code of Governance

would be an appropriate means of verifying the Board's functions and reviews over its term of office.

A suggestion was made in relation to an internal audit review of Training (to include Fire Safety, COVID-19, health and safety, etc.). It was reported that the Institute's Staff Training, Learning & Development Officer maintains a rolling register of all training undertaken by staff members. It was noted that during the Summer months, and in response to the COVID-19 pandemic, all Executive members and Managers received additional Occupational Health training, as well as Lead Worker Representatives (LWR) training (delivered by IBEC); the LWR training was also made available to a wider cohort of staff. In addition, staff members are provided with scheduled training in areas, including: fire safety, technical skills, general health and safety protocols, and legal and compliance matters. It was reported that the Institute has engaged Legal Island for training in relation to GDPR and COVID-19 related issues; on the successful completion of the online course, each member of staff is issued with a certificate, which is then forwarded to the HR Office for retention on the staff member's file.

The Audit & Risk Committee members approved the draft Deloitte Audit Plan 2020-2023 (in particular year one), and the Chairperson thanked Clíodhna and Brenda for their briefing to the Committee members.

It was noted that, due to the remote nature of the Audit & Risk Committee meeting, the members were unable to consult with the internal auditors without IADT staff members being present. However, the Chairperson, confirmed that if there were any issues/queries these could be raised directly with Deloitte post the meeting.

7. Financial Statements

It was reported that, due to unforeseen circumstances, Ms. Kathleen Bonner, Senior Auditor in the Office of the Comptroller & Auditor General (C&AG) was unable to join the meeting remotely.

7.1 Management Letter for Financial Statements for year ended 31st August 2019

7.1.1 C&AG Audit Completion Memorandum – in the absence of Ms. Bonner, the Secretary/Financial Controller briefed the Committee members on the C&AG Audit Completion Memorandum as circulated. In relation to Significant Audit Risks, it was reported that during the audit work carried out, the following was noted:

- (i)** No instances of Management Override of Controls;
- (ii)** No inappropriate or unexplained Journals;
- (iii)** One instance of non-compliant Procurement Expenditure, details of which are included in the Management Letter;
- (iv)** No significant issues in relation to Salaries;
- (v)** No significant issues in relation to Travel and Subsistence;
- (vi)** No significant issues in relation to Fixed Assets/Capital Projects;
- (vii)** No significant issues in relation to Credit Cards;
- (viii)** No Protected Disclosure Reports were made during 2019;
- (ix)** No issues in relation to the Business Purpose of General Expenditure;
- (x)** No issues in relation to Revenue Recognition;
- (xi)** No issues in relation to Debtors/Receivables.

7.1.2 DHKN 2019 Audit Management Letter – the Secretary/Financial Controller briefed the Committee members on DHKN’s 2019 Audit Management Letter as circulated. It was reported that none of the findings require to be referenced in the Institute’s Governance Statement. The following issues were noted:

- (i) THEA Code of Governance 2018 Disclosures (High Risk Rating)** – it was recommended that all of disclosures required by the THEA Code of Governance be provided in the Institute’s Financial Statements, rather than the accompanying information. The Institute acknowledges the finding and recommendation and is satisfied that IADT has complied with all the requirements of the THEA Code of Governance 2018; it was noted that certain areas of required compliance within the State Code of Practice for the Governance of State Bodies 2016 (from which the THEA Code of Governance 2018 was derived) are not applicable to HEIs due to them being relevant to enterprise bodies. The Institute considers the ‘High’ risk rating for this finding to be excessive. The Committee noted the response issued by the Executive and recognised that this issue is being dealt with at a sectoral level.
- (ii) Capital Commitments (Medium Risk Rating)** – it was recommended that a review take place of procedures for the identification and recording of capital commitments in the Financial Statements. The Institute notes the findings and recommendation, however the goods/services in question had not been received prior to the year end and therefore, were accounted for as a commitment rather than an accrual. The Institute will review its Capital Commitments and the accounting treatment of these as part of the preparation of the Financial Statements 2020. The Committee noted the response and is satisfied that the Institute has applied the correct accounting treatment.
- (iii) Procurement Contracts (Medium Risk Rating)** – it was recommended that the Institute reviews the procedures in place so as to ensure appropriate tendering/procurement processes are applied and are identified prior to when existing contracts expire. The Institute acknowledges the finding and recommendation and is satisfied that it maintains a comprehensive procurement and contracts control system with reporting to the Audit & Risk Committee quarterly. It was reported that IADT has commenced a Procurement Process for Interpreting and Translation Services - the annual expenditure, while variable, would not have required a tendering process during 2019.
- (iv) Policy Review (Medium Risk Rating)** – it was recommended that the Institute reviews procedures in place to ensure all Policies are scheduled for review and approval as appropriate, in line with their documented review dates. The Institute accepts the finding and recommendation and acknowledges that the Policies in question - Protected Disclosures Policy (PDP) and Prevention and Detection of Fraud Policy (PDFP) were not reviewed within the timeframe set by the Institute. It was reported that the aforementioned Policies were reviewed and were approved by Governing Body at its meetings of 6th May (PDFP) and 17th June 2020 (PDP).
- (v) Revenue Returns (Medium Risk Rating)** – it was recommended that the Institute reviews procedures in place so as to ensure all Revenue Returns are submitted ahead of deadlines and that no late filing fees/penalties are incurred. The Institute acknowledges the finding and recommendation and, while the delays in the submission of a small number of returns was between 1 and 3 days, it will endeavour to ensure that these are submitted on time, as is the case with the vast majority of Revenue and other Returns. With regard to the two-month delay in the submission of the VAT RTD for y.e. August 2019, it was noted that this was due to the resolution of a similar issue raised

regarding the 2018 Return. The Institute will submit this annual Return on time in future.

- (vi) **Purchase Orders (Low Rating)** – there were five instances where a Purchase Order was found to have been raised after the invoice date (Mazars, Hayes Recruitment and Allied Fire Protection, SSE Airtricity and Irish Water). The Institute notes the finding and recommendation and is satisfied that its Procurement Policy and practices are fully compliant with EU and national procurement requirements. It was noted that in the case of Mazars and Allied Fire Protection, these amounts arose from contracts entered into following the conclusion of tender processes. With regard to the Hayes Recruitment invoice, the Institute acknowledges that a Purchase Order should have been raised at the outset, however the HR Manager directly oversaw the process, thus mitigating any risk in that area. In respect of both SSE Airtricity and Irish Water, it was noted that these are utility invoices and it is not possible to raise Purchase Orders prior to the receipt of invoices. It was reported that Institute’s staff members are regularly reminded of the importance of procurement compliance, and that IADT will include specific reference to the need for prior Purchase Orders in its next communication. ✓

Agreed: A proposal was made that the C&AG’s Audit Completion Report and DHKN’s Management Letter be brought to the attention of Governing Body via a summary report to be provided by the Secretary/Financial Controller.

8. Corporate Procurement

8.1 **Contracts Control Sheet Update** - the updated Contracts Control sheet was discussed as circulated. The following item was specifically noted:

- (i) **Student Support (Interpretation & Translation)** – tender process conducted with the following contracts awarded to multiple service providers as follows:
- a) **Interpreting Services** – 1-year contract awarded to Bridge Interpreting (end date 30/08/2021)
 - b) **Notetaking Services** – 1-year contract awarded to Bridge Interpreting (end date 30/08/2021)
 - c) **Speed Text Operator** – 1-year contract awarded to Premium Captioning & Realtime Ltd. (end date 30/08/2021)
 - d) **Personal Assistant** – 1-year contract awarded to ServiceSource (end date 30/08/2021)

In addition, the following contracts are in place under Student Support:

- a) **Learning Support (Reading & Writing) Services** – tender process completed in 2019, with a 2-year contract awarded (end date 14/09/2021)
- b) **Student Counselling** – 2-year contract awarded in September 2019

9. Risk Management – COVID-19 Return to Campus Protocol

9.1 The President briefed Audit & Risk Committee members on the measures and protocols put in place to ensure a safe return to campus for both students and staff during the COVID-19 pandemic. It was reported that the Institute has successfully managed a number of significant challenges, with the COVID-19 Steering Group having met

regularly throughout the Summer months to provide guidance in how best to respond to the constantly changing situation. Matters of note were as follows:

- (i) **Lead Worker Representatives** - the Institute was one of the first HEIs to appoint Lead Worker Representatives in May 2020; in addition, the position of Leader Worker Liaison was made available to staff members who wish to volunteer with contributions to the COVID-19 Steering Group.
- (ii) **Planning for 2020/2021 Academic Year** - the planning for the new academic year 2020/2021 was carried out with a view to the Institute operating at 25% of its normal operating capacity; relevant protocols, schedules and timetables were developed on that basis.
- (iii) **Remote Working** - the HR Manager provided flexibility for staff members (during the Summer period) to work remotely; the Institute operated with 90-100% remote activity in any given week up until 30th August 2020. At present, all areas are operating with approximately 50% on-campus activity (less in some instances), with the remaining activity being carried out remotely.
- (iv) **COVID-19 Protocols on Campus** - from 1st September 2020, work and study protocols were implemented. The campus has been completely reconfigured in order to ensure that social distancing is adhered to. The occupancy capacity of the Institute in any given day is less than 500. It was reported that with the Government's announcement on 10th October, placing Dublin under Level 3 Restrictions, the President was requested to submit all of the Institute's health and safety protocols and relevant communications to THEA and DFHERIS for assessment. The Institute received a positive endorsement in relation to the standards of safety achieved and the protocols implemented in IADT in this regard.
- (v) **Students Recruitment** - this week the Institute welcomed its 1st Year students, working within safe protocols, including the rollout of the First Year Matters transition programme. Student Recruitment is deemed to have been very successful; there were 615 places available for the 2020/2021 academic year; as of yesterday (28th September), the Institute had 580 of those places filled. It was reported that out of approximately 1,500 progression year students, there are 60 who have not registered and paid fees for the academic year 2020/2021. The recruitment of Postgraduate students has also been successful, particularly for Masters courses (100%) and Special Purpose Awards (75%). As a result, income associated with student registrations is considered to be stable.
- (vi) **Online Delivery of Programmes** - the President has informed the Minister and Secretary General of DHERIS that IADT, as a practice-based institution, will not be in a position to move to 100% online delivery. The imposition of additional online delivery would have significant impacts on finances, staffing numbers and the length of the academic term.

The President acknowledged the work of the COVID-19 Steering Group, its Sub-Groups and Institute staff members, which has resulted in a welcoming and safety-conscious campus, providing a safe study and work environment. In addition, it was reported that IADT's website provides links to various Institute Protocols relating to returning to work/campus safely, dealing with changes in COVID-19 restriction levels, etc. which are continuously being updated in line with current expert advice.

The Audit & Risk Committee members acknowledged and expressed their support of the past and present work carried out by the Executive, Management Team, and the

COVID-19 Steering Group and its Sub-Groups in relation to the successful management and operation of the Institute in a safe manner during these challenging times.

10. Statutory Reporting

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

- (i) **Accidents Reported to the Health & Safety Authority (HSA)** – two accidents occurred since the Audit & Risk Committee meeting of 21st May 2020:
- a) On 15th July 2020 a minor (attending a Summer Camp) cut their leg while climbing on a metal cable which forms part of the netting surrounding the all-weather pitch; all cables on the pitch were assessed and are in the process of being covered with protective covers.
 - b) On 25th August 2020 an external contractor received an electric shock to left shoulder from 3-core cable (left by a previous contractor) while installing new brackets on water services pipes; contractor attended A&E and incident was reported to the HSA by the contractor on 24th August and by IADT on 25th August 2020.

Personal Injuries Claims Received – claim lodged in July 2020 in relation to an allegation of repetitive strain injury from a Wacom Cintiq (graphics tablet) in February 2018; claim is being investigated by insurers.

- (ii) **Data Breaches under GDPR** - there was one reportable data breach and two non-reportable data breaches since the Audit & Risk Committee meeting of 21st May 2020:
- a) On 8th June 2020, an email with attachments was sent to the wrong person; recipient was requested to delete the email, to confirm that they had taken no action and to purge their Trash; the individuals whose information was breached were informed; the DPC informed on 11th June 2020 and has confirmed that their investigation of this data breach is concluded.
 - b) On 12th June 2020, an email was sent to the wrong addresses; no personal data was involved and recipient was requested to delete the email.
 - c) On 18th June 2020, a staff member reported seeing another staff member's email account while using LogMeIn; staff member exited the software immediately and the staff member whose email account was viewed was informed.
- (iii) **Reporting under the Children & Vulnerable Adults Policy** – there were no reports made to TUSLA or the Gardaí since the last Audit & Risk Committee meeting.
- (iv) **Staff Complaints/Grievances/General Complaints** – there was one complaint made under Mutual Respect Procedures in July 2020; an investigator from the Workplace Relations Commission has been appointed in the first instance.
- (v) **Student Complaints** – no new complaints were lodged in the period since the last Audit & Risk Committee meeting of 21st May 2020.

It was noted that there can be a misconception amongst the student body that the Institute can make decisions/take actions in relation to matters which must be conducted through the proper channels (i.e. the Gardaí, TUSLA, etc.). In addition, the

Minister for FHERIS has indicated that the issue of Consent be highlighted and complied with in all HEIs. It was reported that Claire McGing, IADT's Equality, Diversity & Inclusion Manager, has been organising training in relation to Consent for both staff members and students. In addition, the Institute will be reviewing its Mutual Respect Policy in the coming months and will examine how best to support staff and students who consider they are being bullied/harassed.

11. President's Expenses

The Secretary/Financial Controller confirmed that the President's Expenses continue to be signed off by him and that there have been no matters of concern in relation to these. The President's Expenses will all be formally signed by the Chairperson of the Audit & Risk Committee at a future date.

12. Equality, Diversity & Inclusion Implications

There were no Equality, Diversity & Inclusion Implications noted regarding any items discussed at the meeting. It was reported that Claire McGing (EDI Officer) is looking at ways in which any EDI implications raised during meetings can result in actionable items, or can form part of a reporting mechanism across Institute Committees. It was noted that Athena SWAN designation is a strategic priority for the Institute in 2021, with significant training and a commitment to the re-application for Bronze Award over the next six months.

13. A.O.B.

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

Next Meeting: Wednesday, 25th November 2020 at 10.30am.

Signed: _____
Dr Fionnuala Anderson
Chairperson

Date: _____