

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

## ***Minutes of 30<sup>th</sup> March 2022***

**Present:** Cllr. Michael Clark, Ben Harper, Maeve McConnon

**Apologies:** Sam Dunwoody, Punitha Sinnapan

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

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The Meeting was held as a Video Conference Meeting via MS Teams; the meeting commenced at 13:03hrs and terminated at 14:29hrs.

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

The Agenda was adopted, as circulated.

Proposer: MMcC

Seconder: BH

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

No conflicts of interest were declared.

### **3. Adoption of Minutes of the Meeting of 28<sup>th</sup> November 2021**

The Minutes of the meeting of 28<sup>th</sup> November 2021 were adopted as circulated.

Proposer: BH

Seconder: MMcC

### **4. Matters Arising**

**4.1 Governing Body Approval of Audit & Risk Committee Chairperson** – the Governing Body approved Cllr. Michael Clark as the Chairperson of the Audit & Risk Committee at its meeting of 8<sup>th</sup> December 2021. The appointment as Chairperson on a rotational basis was also approved by Governing Body.

**4.2 Approval of Amendment to Treasury Management Policy** – the Governing Body approved the minor amendment made to IADT's Treasury Management Policy at its meeting of 8<sup>th</sup> December 2021.

### **5. Financial Statements**

**5.1 Financial Statements for year ended 31<sup>st</sup> August 2021** – it was reported that in February 2022, DHKN, acting on behalf of the Office of the Comptroller & Auditor General, carried out an audit of the Institute's Financial Statements for the year ended 31<sup>st</sup> August 2021. Once approved by the Audit & Risk Committee, the Financial Statements will be brought to the Governing Body meeting on 6<sup>th</sup> April 2022 for signing

by the Chairperson and President and onward transmission to the Office of the Comptroller & Auditor General.

**5.2 Financial Statements 2021 Adjustments & Analytical Review** - the S/FC briefed Committee members on the adjustments to Draft 1 of the Financial Statements, and provided an analytical review of same as follows:

**Adjustments Made:**

- (i) **Tuition Fee Debtors** – a review of the stated Tuition Fee Debtors identified an error with a value of €73k, which was corrected; the net effect of this is a reduction of the Surplus by €73k, with a corresponding reduction in Tuition Fee Debtors.
- (ii) **Hospitality** – a purchase order in the amount of €5k had been classified as Hospitality. While the original classification had some justification (it related to items given to prospective students as part of promotional material), a more accurate classification of 'promotional material' has been determined. This amendment had no effect on the Surplus.
- (iii) **Typos, Formatting, Rounding etc.** – there were a number of corrections of minor typos, formatting adjustments, rounding, totals etc.

**Analytical Review:**

- (i) **State Grants** – funding of €1,81k was provided to the Institute during the Financial Year in respect of Covid-19 supports. Some of this funding was used during 2019-2020, and the remainder during 2020-2021. These funds have been fully audited by auditors acting on behalf of the HEA. An additional €400k was awarded to the Institute under the Devolved Grant Allocation for minor capital works and ICT provision.
- (ii) **Tuition Fees** – Lifelong Learning and other Tuition Fees increased by €593k arising from additional Springboard and ICT Additional Places Funding. Fees paid by, or on behalf of, students increased by €193k due to additional numbers of students, although this was offset by €140k resulting from a single cohort of Broadcast Production Students and a general fall in Postgraduate Student Numbers.
- (iii) **Research Income & Expenditure** – Research Income has increased by €209k, with increases in State funded projects (€125k) from the Creative Futures Academy, and income from EU funded projects (€61k) from FilmEU. However, there is an offset of €21k from general industry projects. Costs associated with Research have increased by €189k, reflecting additional resources assigned to the Creative Futures Academy.
- (iv) **Student Support Funding** – Funding for Students with Disabilities has increased by €154k as a general increase in the allocation.
- (v) **Other Income** – Other Income has reduced by €76k in the period; this primarily relates to Covid-19 restrictions.
- (vi) **Salary Payments** – There has been a general increase in salaries between national increases and increments of approximately 2%, as well as the completion of the filling of a number of vacant posts, adding €988k to our costs.

- (vii) **Non-Pay Expenditure** – IADT's Non-Pay Expenditure increased by approximately €1,466k; significant adjustments were as follows:
- Expenditure on equipment has reduced by €250k; this is a fluctuation figure depending on the levels of capitalisation in the specific year;
  - Legal Fees and Professional Fees (HR) have both decreased due to a reduction in the levels of activity in these areas; the majority of legal fee expenditure tends to be on HR activities.
  - The imposition of negative interest rates caused an increase in financial expenses; this has been resolved by investing the funds through the NTMA.
  - Catering Contract Subsidy – IADT has incurred a requirement to subsidise the catering contract provider due to the various closures and reduced business. The contractor has claimed all relevant government subsidies; however, these have been reducing over time.
  - Other Expenditure items have either increased or reduced, due to a return to normal levels of expenditure following Covid-19. Materials and consumables, travel and subsistence, cleaning, maintenance, security, conferring, marketing and PR.
- (viii) **Payables** – Payables, or creditors, have increased by €903k. Included in this is the upfront payments of research contracts (€1,919K). The reduction in the Student Support Funding is a timing issue, as this funding is now allocated on a calendar year basis. As notified last year, there was a late payment of PAYE/PRSI (€369k), and timing issues in respect of trade creditors (€196k) in 2020; these have now been fully reflected in 2021.

**5.3 Draft Letter of Representation re the Financial Statements for year ended 31<sup>st</sup> August 2021** – the Committee reviewed the draft Letter of Representation as circulated. It was noted that the format of the Letter of Representation is determined by the HEA, and each institution must complete the relevant sections. The Letter will then be signed by both the Chairperson of Governing Body and the President and forwarded to the Office of the Comptroller & Auditor General, in conjunction with the Financial Statements for year ended 31<sup>st</sup> August 2021.

The Committee members expressed their appreciation for the work done by Management which has resulted in such a favourable and speedy audit outcome of the Institute's financial statements for the year ended 31<sup>st</sup> August 2021.

Proposed: MC

Seconded: BH

## **6. Freedom of Information Update**

The President briefed the Committee members on the Report (as circulated) relating to the Complaint received in relation to a Freedom of Information request, and the subsequent investigation carried out. The Committee members were satisfied that the matter has been dealt with appropriately and comprehensively by the Institute.

## **7. Internal Audit**

Cliodhna Maloney (Manager, Deloitte) joined the meeting via MS Teams at 14:11hrs and briefed the Audit & Risk Committee members on the findings of the following internal audit review as circulated:

**7.1 Internal Audit Review of Third Party Contract Management** - it was noted that the Report lists two moderate findings as follows:

- (i) **Policies & Procedures & Procurement Training (Moderate)** – it was recommended that
  - a. Policies and procedures should be updated to include escalation and reporting processes within IADT for vendor issues which may arise; these policies and procedures should be approved and communicated to contract owners and parties involved in the contract management process.
  - b. Training should be provided to all staff members involved in managing contracts to ensure appropriate guidance is provided and roles and responsibilities are understood; evidence of such training should be maintained. In addition, refresher training/awareness sessions should be conducted when changes/amendments are made to the existing processes.

The Institute acknowledges the finding and will implement the recommendations. However, IADT considers that there is significant detail within Section 9.3 of the Procurement Policy, particularly Sections 9.3.3 to 9.3.7 inclusive, to give procurement offices guidance on these matters. The Responsible Party is the Secretary/Financial Controller and the Timeframe is Q2 2022.

- (ii) **Contract Register Monitoring (Moderate)** – it was recommended that:
  - a. A standardised process should be implemented to regularly and formally monitor contract timeframes and cumulative spend, to ensure any near expiring contracts, or contracts where expenditure is at an agreed maximum threshold of the total contract value, are renewed, or that a new tender process is carried out. In addition, Management should consider setting up a trigger on Agresso to identify any contracts where expenditure has reached the agreed spend threshold of the total contract value.
  - b. Management should ensure that the contract register contains complete and accurate details. The requirement for contract owners to provide regular updates to the Secretary/Financial Controller should be formally documented, and escalation procedures should be introduced where updates are not received.

IADT acknowledges this finding and will implement the recommendations. IADT will review the existing Contracts Control Sheet for inconsistencies between the Central Register and the locally held information. The Institute will conduct a full revision of the Contracts Control Register in Q1 2022. However, IADT considers that the current review by the Audit & Risk Committee is a significant control measure in respect of procurement and contract management. The Responsible Party is the Secretary/Financial Controller, and the Timeframe is Q2 2022.

The Committee members had no queries in relation to either of the internal audit findings.

Proposed: MC

Seconded: BH

**7.2 Internal Audit Review of Cyber Security**

This item was deferred until next Audit & Risk Committee meeting.

### 7.3 IADT Internal Audit Report Master Tracker

Due to time constraints, this item was deferred until the next Audit & Risk Committee meeting.

The Chairperson thanked Clíodhna Maloney and her colleagues for the internal audit work completed to date. CM confirmed that Deloitte will inform IADT if any updates are received from other Institutes of Technology/Higher Education Institutes in relation to contract payment limit/end date triggers which could form part of Agresso, the sectoral finance system. Clíodhna Malone left the meeting at 14:29hrs.

## 8. Programmes & Budget 2022

The S/FC briefed Committee members on the Programmes & Budget Template as circulated. It was noted that the Programmes & Budget 2022 submission is currently being prepared, and that it is anticipated there will be a budget overrun/shortfall of €257K (1.18% of overall budget). This is due to a reduction in Tuition Fees and Rental income, increased pay costs etc. It is hoped that additional funding will be received during 2022 to reduce the overrun/shortfall. The Committee approved the continued preparation of the Programmes & Budget submission based on the projections circulated.

Proposed: MMcC

Seconded: BH

## 9. Corporate Procurement

**9.1 Contracts Control Sheet Update** – the updated Contracts Control sheet was discussed as circulated. It was noted that the updates contained in the Contract Control Sheet were provided by the relevant Manager. It was reported that a Contracts Control System is being tested by Managers, which will enhance the reporting mechanism and contracts management across the Institute. The following items were noted:

- (i) **Library Subscriptions** – both the film streaming subscription (Kanopy) and the Copyright subscriptions (ICLA) will be renewed on 1<sup>st</sup> May 2022.
- (ii) **Computer Supplies (Apple Products)** – a tender process run by HEAnet has been delayed; the OGP will consult with HEAnet, and in the interim, IADT will go to tender separately if required.
- (iii) **Computer Supplies (PC Products)** – HEAnet granted a new 1-year contract to Dell Technologies, commencing on 23/02/2022.
- (iv) **Network Maintenance** – there has been no update from the OGP regarding this contract to date.
- (v) **Network Security (Firewall)** – there is no update regarding this contact; the existing firewall is sufficient for the workloads during the continued period of restrictions. The estimated date of implementation following a review of the Firewall is Summer 2022.
- (vi) **Telephones (Landlines)** – the OGP extended the contract with Eir from 11<sup>th</sup> July 2021 to 10<sup>th</sup> July 2022.

- (vii) **Telephones (Mobiles)** – the OGP extended the contracts with Three/Vodafone/eMobile from 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022.
- (viii) **Design & Print** – the tender process commenced, with a Request for Information issued in February 2022; the response deadline is 21<sup>st</sup> March 2022, with a decision due in April 2022.
- (ix) **Fire Alarms & Emergency Lighting** – IADT is finalising the documentation with the OGP for the issuing of a tender for Fire Alarms & Emergency Lighting.
- (x) **Fire Extinguisher Equipment** – IADT is currently liaising with the OGP re a tender process for fire extinguisher equipment.
- (xi) **Pest Control** – due to pandemic response measures, the commencement of a tender process was delayed; the service is currently in planning stage for tender.
- (xii) **Plant Maintenance** – the service provider extended the service period by 12 months (to 30/04/2022) under the same terms and conditions; it is planned to issue the tender documents in Q1 2022.
- (xiii) **Utilities Supplies (Electricity)** – a procurement process was carried out via the OGP; a 3-year contract was awarded to Electric Ireland; the Institute is awaiting an update from the OGP.

The Committee members satisfied with the updates provided.

## **10. Risk Management – COVID-19 Update**

The President and S/FC briefed Audit & Risk Committee members on the latest updates in relation to on-site activities for both students and staff during the current COVID-19 situation. The updates were as follows:

- 10.1 Covid-19 Steering Committee** – the Institute has taken the decision to retain the Covid-19 Steering Committee until the end of June 2022 in order to ensure best practice during the pandemic.
- 10.2 Staff & Student Activity on Campus** - while there is increased activity on campus, staff and students are advised to wear masks where appropriate, as per national guidelines.
- 10.3 Academic Provision** - the Faculty of Enterprise & Humanities has continued to deliver their programmes predominately online. With regard to the Faculty of Film, Art & Creative Technologies, students are currently preparing year-end projects and this is being facilitated in a safe manner. It was noted that there is a potential risk of some students having too many deferrals as a result of Covid-19, and as a result, the deficits may be too great for them to progress to the next year of study. The Registrar will provide an update to the Executive Team regarding this matter in May 2022.
- 10.4 Staff Recovering from Covid-19** – it was reported that the Institute encourages staff members who contract Covid-19 to ensure they take the time to recuperate fully before returning to the workplace. The HR Manager continues to facilitate staff members who have requested additional accommodations as a result of recuperating from Covid-19.

The Chairperson acknowledged the work done to ensure that the Institute has continued to operate in a safe manner during the Covid-19 pandemic.

## **11. Correspondence from the HEA**

The Committee members reviewed the correspondence, addressed to the Chairperson of the Audit & Risk Committee, which was received from the HEA in relation to Export Controls Legislation and its impact on international research collaborations/activities in Higher Education Institutions. It was reported that the European Commissioner recently published export controls guidelines for researchers, and that the Department of Enterprise, Trade & Employment is the national competent authority in respect of certain destination countries or end-users. It was noted that Emma Leahy, Head of Directorate of Research, Development & Innovation, also received similar correspondence from the HEA, and the information has been disseminated to research colleagues in IADT.

## **12. 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)** – no reportable accidents occurred on campus since November 2021.
- (ii) Data Breaches under GDPR** - there was one data breach reported to the Data Protection Commissioner:
  - a) On 1<sup>st</sup> December 2021, a student sent a form containing personal data to a lecturer via email, who in the process of responding to the student, mistakenly sent the email (containing the personal data) to other individuals. The affected individual was notified, and the individuals who were sent the data in error were requested to delete the specific email, purge trash/bin folder and confirm having done so, as well as confirming that they had taken no action with the email received. The individuals confirmed this to the lecturer, and the affected individual was notified. The DPC were informed of the incident on 13<sup>th</sup> January 2022.
- (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 on 28<sup>th</sup> November 2021.
- (iv) Staff Complaints/Grievances/General Complaints** – there was no Staff Complaints/Grievances/General Complaints received under the Institute's Mutual Respect Procedures since November 2021. However, there was one General Complaint made by a former student against a number of staff members (including a member of the Executive Team). An investigation was completed by the President, with the result being 'Not Upheld'. A response was issued to the complainant on 31<sup>st</sup> January 2022. The complainant consequently contacted the Ombudsman, which also resulted in a 'Not Upheld' ruling.
- (v) Student Complaints** – no new complaints were lodged in the period since the last Audit & Risk Committee meeting of 28<sup>th</sup> November 2021.

**13. President's Expenses (April 2021 – March 2022)**

Due to the current remote nature of the Audit & Risk Committee meetings, it was proposed that the Chairperson review the President's expenses in person over the Easter break. It was reported that the Secretary/Financial Controller, who signs off on the President's expenses, has had no questions or concerns in relation to same.

**14. Equality, Diversity & Inclusion Implications**

**14.1 Athena SWAN Bronze Award Application** – it was reported that the Institute will submit its Athena SWAN Bronze Award Application on 29<sup>th</sup> April 2022. As part of the application process, in December 2020, the EDI Manager issued an all-staff survey on gender equality within the Institute. Approximately 40% of staff members responded to the survey and a summary report on the results was issued to the Equality, Diversity & Inclusion Committee in November 2021. In addition, an overview of the results of the survey has been published on IADT's website.

**14.2 Covid-19 Steering Committee** – as previously advised, the Institute's Covid-19 Steering Committee will be retained until the end of June 2022.

**14.3 Accommodations for Staff** – as previously advised, staff members continue to be supported and granted additional accommodations where necessary, in the case of any long-term effects of contracting Covid-19.

**15. A.O.B.**

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

**16. Deloitte Audit & Risk Committee Training**

Ms. Brenda Nelson, Deloitte, joined the meeting at 14:13hrs to provide training in relation to the role of Audit & Risk Committee members.

**Next Meeting:** Wednesday, 1<sup>st</sup> June – start time to be confirmed.

Signed: \_\_\_\_\_  
Cllr. Michael Clark  
Chairperson

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