

March 2023. It was confirmed that the Office of the C&AG was notified in advance of the delay in the submission of these Financial Statements. It was noted that the Institute had reported a deficit of €1.13M (page 19) for the year ended 31st August 2022. However, the Institute received a Minor Works Grant in September 2022, and the HEA is permitting this to form part of the 2022 Accounts. In addition, the HEA is permitting the reallocation of €1.13M of Recurrent Grant to Capital Expenditure. As a result of this reallocation, and the inclusion of the Minor Works Grant in 2022, a total of €1.43M has been allocated to Capital Expenditure, resulting in a net deficit of €99K. The C&AG will review these updates to the Financial Statements during the current audit.

5.2 Update on Audit of the Financial Statements for y.e. 31st August 2022 – the C&AG has once again outsourced the auditing of the Financial Statements to DHKN. The Committee members reviewed the Audit Planning Memorandum as circulated. The audit of the Institute's Financial Statements for y.e. 31st August 2022 commenced on 6th March 2023 and is expected to be completed this week. Once the audit process has been completed, the Financial Statements will be presented to Governing Body in May/June 2023, along with annotations on the amendments made to the original draft Financial Statements as submitted to the C&AG in March 2023. If there is anything of note to report as a result of the audit process, the Audit & Risk Committee will be notified either through a one-item Agenda meeting in April, or via email. The Audit & Risk Committee approved the draft Financial Statements for y.e. 31st August 2023.

Proposer: SD Second: BH

5.3 Programmes & Budgets 2023 Update – it was reported that the Programmes & Budgets (P&B) 2023 document is in the process of being finalised. The submission date to the HEA is 31 March 2023. The delay in the submission of this document was due to the untimely passing of the Institute's Financial Accountant last year. It was reported that the Institute is projecting a €50K (1-1.5%) overrun in 2023. Once the P&B 2023 document has been completed, it will be circulated to the Committee members.

6. Internal Audit

Ms. Brenda Nolan (Senior Manager, Deloitte) and Mr. Sanjeev Chahar (Auditor, Deloitte) joined the meeting at 13:15hrs and the Committee members were briefed on the following Internal Audit Report.

6.1 Draft Internal Audit Report on the Review of Business Continuity Planning (March 2022) – the Report contained a total of 3 Findings: 1 was considered to be a 'Serious' Risk, 1 to be a 'Moderate' Risk, and 1 to be a 'Minor' Risk. The details were as follows:

- (i) **Business Continuity Planning (Serious)** – Deloitte recommended that:
 - a) Responsibility for Business Continuity Planning (BCP) be formally assigned to an appropriate individual/team;
 - b) A process to carry out risk assessment or business impact assessment to should be developed and implemented;
 - c) A BCP and Disaster Recovery Plan (DRP) should be formally documented, approved, circulated and reviewed periodically; in addition, training should be provided as required.
 - d) The BCP and DRP should be tested on a regular basis and modified accordingly.

IADT acknowledges the findings and recommendations and is committed to implementing them. It was noted that ultimate responsibility rests with the

President as Chief Officer of the Institute, and the Critical Incident Protocol identifies the lead Executive member for incidents depending on their nature. It was also noted that a sectoral project on BCP has commenced, but has not progressed as expected. Responsible Party is: President & Business Continuity Executive; Target Date is: Q2 2023.

- (ii) **Critical Incident Policy (Moderate)** – Deloitte recommended that:
- a) The Critical Incident Policy should be reviewed on a formally defined periodic basis, and include an update to the relevant contact persons.
 - b) A record of critical incidents incurred and actions taken should be maintained on file.

IADT accepts the finding and will develop a register of critical incidents and business continuity incidents. IADT will also update the CIP as appropriate. Responsible Party is: Business Continuity Executive; Target Date is: Q2 2023.

- (iii) **Remote Working and Classes (Minor)** – Deloitte recommended that IADT should document the guidelines to facilitate remote working for staff and for providing online classes to students. The Institute accepts the finding and has been working within the HE Sector to finalise a Remote Working Policy and Procedure for staff. A separate Policy and Procedure can be developed to determine the necessity and process for moving to online classes. Responsible Party: Secretary/Financial Controller (Oversight), HR Manager (Staff Policy & Procedure), and Registrar & Heads of Faculty (Remote Teaching). Target Date: Q3 2023.

The Chairperson, on behalf of the Committee, expressed his appreciation for the work carried out by Deloitte. Ms. Nolan and Mr. Chahar left the meeting at 13:25hrs.

The Committee members were informed that the THEA Internal Audit Steering Committee has decided not to proceed with sectoral audit projects. As a result, the Institute may need to develop a BCP at a local level. If this is the case, the Audit & Risk Committee will be consulted throughout the development process. The Committee members approved the Deloitte Internal Audit Follow-up Review Report as discussed.

Proposer: MC

Seconder: SD

6.2 Internal Audit Report Tracker (March 2023) – the Institute's Master Internal Audit Report Tracker was reviewed by Committee members as circulated. There were 5 items reported to be 'Actioned', 6 items deemed to be 'In Progress', 3 items were 'Not Due' and 5 items were reported as 'Not Started'. In relation to the Items 'Not Started' concerning the development and monitoring of a Risk Management System, the Institute had originally intended to adopt a sector-wide Risk Management System. However, as previously notified, the THEA Internal Audit Steering Committee has decided that individual HEIs should develop their own individual Risk Management Systems and Business Continuity Plans.

7. Corporate Procurement

7.1 Contracts Control Sheet Update – the updated Contracts Control sheet was discussed as circulated. It was noted that all contracts listed on the Control Sheet are up-to-date, with the exception of the following:

- (i) **Building Maintenance Minor Works** – there is currently no requirement for a building maintenance minor works contract; when such works are required, the

SupplyGov platform of existing frameworks are utilised on a call off basis, where available.

- (ii) **Grounds Maintenance** – the preparation of tender documents for a new contract is underway; delay is attributed to unknown commencement of construction of the Digital Media Building, and the consequences to the extend of maintenance required; SAF Landscapes proposal to extend for an interim period is under review.
- (iii) **Pest Control** – the preparation of tender documents is underway.
- (iv) **Plant Maintenance** – tender documents preparation is underway; Thermodial proposal submitted to extend in the interim period is under review.
- (v) **Utilities Supplies (Electricity)** – awaiting new OGP contract; the OGP has been provided with relevant information for Carnegie and will be advising on the outcome of a tender process in due course.

The Committee approved the Contracts Control Sheet as discussed.

Proposer: BH

Seconder: SD

8. Risk Management

8.1 Update re Cyber Security Review Findings the Update Report on the Cyber Security Review Findings was discussed as circulated. Remedial actions taken since the last Committee meeting to address the findings of the Internal Audit Review included:

- (i) **Weakness in the Management of Incidents (Extreme)** - IADT's Incident Response Plan is active; a major incident test on IADT's systems is planned (cognisant of the MTU ransomware incident); this will also be covered under the ICT Disaster Recovery Plan.
- (ii) **Weakness within the Vulnerability & Patch Management (Extreme)** – IADT's systems continue to be patched, and the Patch Management Procedure was accepted at the recent internal audit follow-up review.
- (iii) **Lack of IADT Disaster Recovery & Business Continuity Testing (Extreme)** – a major test of the Disaster Recovery Plan/Business Continuity was carried out on 20 December 2022 on one of the campus' buildings that required a power-down; the test was successful and business continued without IADT's primary data centre. A major incident test is planned for IADT's systems (cognisant of the MTU ransomware incident).
- (iv) **No Formal Penetration Testing Process (Extreme)** – the ICT Department is currently mitigating any deficits in IADT's security identified during the internal and external penetration and vulnerability tests carried out last year; in addition, a new system has been deployed which continuously monitors for vulnerabilities in IADT's cyber defences.
- (v) **Lack of a Security Incident & Event Management (SIEM) [Serious]** – IADT's SIEM continuously monitors the Institute's network, and following on from the MTU ransomware incident, IADT's network has been locked down further, with The Onion Router (TOR) browsers and anonymous browsing on the network being blocked. HEAnet proposal for a national SIEM solution (based on Slack) has been analysed and IADT has decided to continue with its current Microsoft and Threatscape. HEAnet has been informed of this decision and advised that IADT will, in the longer term sign up to the Slack solution once it has been established within the HEI sector (approx.18-24 months).

9. Statutory Reporting

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

9.1 Accidents Reported to the Health & Safety Authority (HSA) – one accident occurred which required reporting to the HSA.

9.2 Open Insurance Claims:

- a) February 2018 – Student with RSI using Cintiq; being defended by insurers.
- b) August 2020 – Contractor Employee received electric shock; case being defended by insurers.
- c) February 2021 – Student fall in Quadrangle Building; settlement being negotiated by insurers through PIAB.
- d) September 2022 – Student accident (fatality); No Fault Student Accident Policy through IPB Insurance.

9.3 Data Breaches under GDPR - there were no data breaches since the last Committee meeting in November 2022.

9.4 General Complaints – there were no general complaints received since the last meeting.

9.5 Issues in relation to the Protection of Children & Vulnerable Adults – there were no reports made to TUSLA or the Gardaí since the last Audit & Risk Committee meeting.

9.6 Staff Complaints/Grievances – there were no new Staff Complaints or Grievances made since the last Committee meeting in November 2022.

9.7 Student Complaints – there were no new Student Complaints received since the last Committee meeting.

10. Equality, Diversity & Inclusion Implications

As previously notified under Item 6.1, as part of the Review of Business Continuity Planning, Deloitte has recommended that a Remote Working Policy be developed to provide more flexibility for staff members. A Remote Working Policy and Procedures is currently being developed.

11. A.O.B.

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

Next Meeting: Wednesday, 31st May 2023 @ 1pm.

Signed: _____
Cllr. Michael Clark
Chairperson

Date: _____