Audit & Risk Committee of Governing Body
Minutes of 21st October 2024

Present:	Bernadette Costello (Chairperson), Colm O'Callaghan, Sam Dunwoody, Prof. Paul Moore, Eimear Cotter
In Attendance:	David Smith, Bernard Mullarkey, Conor Logan, Elaine Dominguez (Minute-taker)

The Meeting was held the remotely via MS Teams. The meeting commenced at 11:00hrs and concluded at 12:45hrs. The Chairperson welcomed Dr Eimear Cotter and Prof. Paul Moore as members of the Audit & Risk Committee.

1. **Quorum**

   The Committee was deemed to be quorate.

2. **Adoption of Agenda**

   The Agenda was adopted, as circulated.

3. **Conflicts of Interest**

   No conflicts of interest were declared.

4. **Adoption of Minutes of 28th May 2024**

   The Minutes of the meeting of 28th May 2024 were adopted as circulated.

   Proposed: SD   Seconded: CO'C

5. **Matters Arising**

5.1 **Space Utilisation** – as requested by Committee members at a previous meeting, a Report on the Space Utilisations Surveys (held in Semesters 1 and 2 of the academic year 2023/2024) was circulated. It was noted that a third Survey is currently being planned for October 2024, with a fourth scheduled in 2025; these surveys will be held annually going forward. It was proposed that this item be deferred until the next Audit & Risk Committee meeting in November 2024.

6. **Financial Matters**

6.1 **Financial Statements for year ended 31st August 2023**

Mr. Caoimhin Broderick (Audit Director, DHKN) joined the meeting at 11:02hrs

6.1.1   **Audit Completion Memorandum -** Mr. Caoimhin Broderick, Audit Director of DHKN Ltd. Chartered Accountants, briefed the Committee members on the findings of the Audit Completion Memorandum in relation to the Institute's Financial Statements for year ended 31st August 2023. There were no significant findings to report arising from the audit of the Institute's accounts.

6.1.2 **Management Letter re Financial Statements for y.e. 31ˢᵗ August 2023** – Mr. Broderick briefed the Committee members on the Management Letter as circulated. It was noted that there were no significant findings to report; there were three low level findings in relation to: a) Recurrent Grant Income Recognition, b) Late Submission of a Revenue Return, and c) Late submission of two credit card reconciliations.

The Executive members left the meeting at 11:07hrs to enable the Audit & Risk Committee members to meet with the external auditor in the absence of IADT staff members.

The Executive members re-joined the meeting at 11:11hrs.

6.2 **Management Accounts and Expenditure Report to end August 2024 –** the Expenditure Report to end August 2024 was discussed as circulated. It was reported that, on foot of a recent Institutional Review and the commencement of implementation of the Institute's Strategic Policy 2024-2028, a significant restructuring of functional areas will be required, which will in turn lead to the necessity for additional posts to be filled. However, at present, the Institute continues to meet the Employment Control Framework (ECF) as set by the HEA (i.e. 252.9 FTE). It was noted that the Governing Body approves all Institute appointments (except hourly paid staff) below managerial and senior academic level via its Recruitment & Selection Committee. It was reported that the year-to-date variance is showing an adverse variance of €522K (5%), which includes an adverse variance in payroll of €286K (2%), and non-pay expenditure of €25K (1%). Concern was expressed regarding the adverse variance in Payroll costs. It was reported that the Institute is investigating the possible factors causing this increase; these may include:

a) Payroll costs that will be transferred to project codes and externally funded projects;
b) A continued increase in non-standard payroll items such as additional hours required as a result of backfilling roles transferred to externally funded projects; and
c) The introduction of semesterisation which may be changing the profile around teaching costs.

It was noted that, with the continuing changes to the structure and staffing of the Institute as a result of the implementation of the Institute's Strategic Plan 2024-2028, higher Payroll costs may ensue. It was reported that the Institute expects to receive approx. €300K in funding allocated by the HEA by the end of 2024 to cover national pay increases agreed last year. In addition, it was reported that as part of the Government's Budget 2023, €150M in funding was granted to Higher Education Institutions to strengthen the financial position of universities and enable the sustainable growth of our higher education sector. It is expected that IADT will receive a portion of this funding.

7. Annual Governance Reporting

7.1 **Audit & Risk Committee Annual Report 2023/2024** – this item was deferred until the next Committee meeting in November.

7.2 **IADT Annual Governance Statement 2023/2024** – this item was deferred until the next Committee meeting in November.

8. Corporate Procurement

8.1 Contracts Control Report – the Contracts Control Report (October 2024) was discussed as circulated. It was noted that all contracts on the Institute's Contracts Register remain within the legislative requirements. The contracts which have expired are as follows:

(i) **Cleaning (13/07/2024) –** tendering process was carried out by the OGP, with a multi-supplier framework agreement established which awarded a 2-year contract commencing 20/08/2024 (with 2 x 1-year extensions permissible); IADT will sign up to this contract.

(ii) **Fire Extinguisher Equipment (09/07/2024) –** tendering process was carried out by the OGP, with a multi-supplier framework agreement established, which awarded a 3-year contract commencing 26/08/2024 (with 1 x 1-year extension permissible); IADT to sign up to this contract.

(iii) **Grounds Maintenance (31/12/2023) –** contract extension agreed with SAP Landscapes on a rolling monthly basis until the new Digital Media Building has been completed.

(iv) **Pest Control (12/02/2020) –** tender documents preparation underway; appointment expected Q2/Q3 2024.

(v) **Plant Maintenance (30/06/2024)** – tendering competition completed, with a potential 3-year contract to be awarded to Thermodial; relevant correspondence will issue shortly.

(vi) **Security (30/09/2023) –** awaiting the completion of an OGP tendering process.

(vii) **Utilities Supplies (Gas) [31/08/2024] –** OGP tendering process completed, with a 3-year contract awarded to Energia commencing 01/11/2024.

It was reported that the staffing levels in the Estates & Facilities Office have been significantly depleted since the commencement of the Summer months due to the resignation of the Estates & Campus Services (E&CS) Manager, the Assistant E&CS Manager commencing maternity leave and currently being replaced by a temporary E&CS Assistant Manager.

9. Risk Management

9.1 IADT Risk Management Policy – the Committee members were briefed on the updates made to the IADT Risk Management Policy as circulated. The Institute's risk appetite across key strategic areas are as follows:

(i) Strategic – Medium to high
(ii) Reputation: insignificant
(iii) Governance: insignificant
(iv) Financial: low to high
(v) Operational: insignificant to low
(vi) Environment & Sustainability/ESG: low to medium

It was noted that the risk in relation to "Financial" relates to financial resources, rather than financial management. It was proposed that a risk appetite rating be included in the explanatory note relating to the risk appetite regarding Financial Performance & Sustainability to reflect that the Institute's risk appetite is low; however, in order to achieve strategic objectives, the risk appetite may increase to medium going forward. It was reported that the Institute has received funding under the Technological Sector

Advancement Fund (TASF) from the Government which will enable the Institute to establish Governance and Policy Units and thus review all of its Policies and Procedures to bring them in line with current legislative and governance.

It was proposed that a summary document be provided to the Audit & Risk Committee which contains high-level detail of the Institute's risk appetites in key strategic areas; these will then be included in the Committee's work plan going forward.

9.2   **IADT Corporate Risk Register (Summary Report)** – the President briefed the Committee members on the Summary Report of the Institute's Risk Register as circulated. The following changes to risk ratings were noted:

(i)   **Strategic (IADT Transformation)**: moved from Medium to High based on current student numbers (2024) and projected numbers not aligning with growth targets and HEA required numbers for investment.

(ii)   **Financial (IADT Transformation):** increased from Medium to High due to the Institute's Action Plan and Strategic planning not having progressed at pace expected.

(iii)   **Financial (International):** increased from Low to Medium due to personnel and organisational changes not allowing the Institute to make progress in this area as expected.

(iv)   **Operational (People & Organisation):** increased from Medium and High due to depleted core staff - the Estates & Campus Services (E&CS) Manager having resigned over the summer, and the Assistant E&CS Manager having been on maternity leave since May 2024.

(v)   **Governance (IADT Transformation):** decreased from High to Medium due to the new Governance and Policy Units providing additional support and resources to ensure governance and oversight is monitored and continuously improved.

It was proposed that the risk appetites contained in the Risk Management Policy be aligned with the Risk Register prior to being sent to Governing Body.

9.3   **IADT Business Continuity Policy** – the Institute's Business Continuity Policy was reviewed as circulated. It was noted that the Institute has had a Critical Incident Policy in place for a number of years. The IADT Business Continuity Policy will be integrated into the Institute's Corporate Risk Register in the form of a five-times matrix identifying what constitutes a business risk for the Institute. The Committee members recommended the Business Continuity Policy to Governing Body for approval.

Proposer: PM   Seconder: CO'C

9.4   **Report on Cyber Security (October 2024)** – since the Audit & Risk Committee meeting on 28th May 2024, the following updates were noted:

(i)   **Cyber Security Incidents** - no major Cyber Security incidents have occurred.

(ii)   **Vulnerability and Patch Management** - these are continuously monitored and updated by the ICT Department, with staff members regularly reminded to carry out an Operating System update on all their devices.

(iii)   **Disaster Recovery Plan (DRP) & Business Continuity Plan (BCP) Testing** – the Institute experienced a major incident on 10th August, which resulted in a campus power outage lasting 18 hours. The ICT BCP process was followed, and

ICT staff members recovered all systems. In addition, the "Crowdstrike" incident occurred on 19th July 2024 disabling a number of systems worldwide; disruption to IADT's systems was minimal and no DRP/BCP was required to be enacted.

(iv) **Penetration Testing** – the ICT Dept. continues to work through low priority issues identified in the HEAnet pen test, with all high and medium risks having now been mitigated. A new Penetration Test will be carried out before the end of the year.

(v) **Cyber Security Developments** – Cyber Security Awareness Training sessions were held for all staff members in June and September 2024. With further training sessions scheduled for October and November 2024. IADT continued to engage with Topsec Cloud Solutions regarding Domain-based Message Authentication, Reporting & Conformance (DMARC) to ensure they are set optimally. There have been a number of password breaches over the past four months, and ICT staff have contacted any relevant staff members.

The President informed the Committee members that he recently attended a meeting convened by the Dept. of Further & Higher Education, Research, Innovation & Science (DFHERIS), along with the Presidents and Vice Presidents of HEIs, to discuss issues surrounding research security among Higher Education Institutions (HEIs) in Ireland. Key personnel within the national security and cyber security fields were present at the meeting, which covered issues such as the need to ensure that research systems and information systems in use within HEIs are secure and robust. It was reported that, over the coming months, DFHERIS plans to organise a number of workshops with the Research and Innovation community in order to discuss the focus and content of Ireland's national guidelines for Research Security and implementation plans at a local level. Dr Daithí Mac Síthigh, Director of Strategic Projects, will be involved directly with this process. The President will provide an update the Committee on any findings received from the national Cyber Security Review Committee.

As previously mentioned in the Cyber Security Report, a number of Cyber Security Awareness training sessions have been delivered to staff across the Institute, with certain training sessions being mandatory for Executive and Management Team staff members. It was noted that the ICT Dept. are continually working to ensure that the Institute's information systems are robust and secure. It was proposed that the Committee be provided with the staff attendance statistics for Cyber Security Awareness training for a future meeting.

10. IADT Protected Disclosures Policy

The Institute's Protected Disclosures Policy was discussed as circulated. It was reported that the Chairperson and Sam Dunwoody are the Institute's Designated Persons for the report of Protected Disclosures. It was proposed that the Protected Disclosures Policy be reviewed by legal advisers outside of the Institute, and that the Designated Persons be provided with relevant training to fulfil their role. It was reported that the Institute has had a Protected Disclosures Policy in place for a number of years, but that no PDs have been submitted either to the Institute or to the HEA.

11. Audit & Risk Committee Training

It was proposed that, with the appointment of two new members to the Committee, training be provided on the role and functions of the Committee. The Secretary/ Financial Controller will contact a number of suitable providers in this regard.

12. Statutory Reporting

Since the last Committee meeting on 28th May 2024, no statutory reports were required to be made to TUSLA/Gardaí or the Data Protection Commission. There were no updates to current Open Insurance Claims, and no new Claims have been received. In addition, there were no new formal Student or General Complaints received. In relation to other Statutory Reporting, the following updates were noted:

(i) **Accident Reports** – one report was made to the Health & Safety Authority in relation to a staff member who suffered whiplash/back strain while dismantling a work bench

(ii) **Staff Complaints/Grievances** – 1 Staff Grievance due to be heard by the Workplace Relations Commission (WRC) was withdrawn; there is currently one interpersonal dispute being investigated by Resolve Ireland.

13. Audit & Risk Committee Annual Effectiveness Review

It was proposed that this item be deferred until the next Committee meeting in November, and that the Questionnaire contained in the Code of Practice for the Governance of State Bodies 2016 be circulated to Committee members in advance.

14. Equality, Diversity & Inclusion Implications

There were no items to report under Equality, Diversity and Inclusion Implications.

15. A.O.B.

14.1 Internal Audit Plan/Reports – it was noted that the Committee approved the Internal Audit Plan 2024-2027 in March 2024, and that a Follow-up Review is currently being carried out by Deloitte. A review of General IT Controls/IT Application Controls is scheduled to take place in November/December 2024. It was noted that two internal audits are carried out each year, in addition to a follow-up review. It was proposed that a list of Internal Audit Review Reports/Reviews and the scheduled review dates be presented to the Audit & Risk Committee.

Next Meeting: Monday, 25th November @ 2pm

Signed: _____   Date: _____

       Bernadette Costello
       Chairperson