

Audit & Risk Committee of Governing Body

Minutes of 28th May 2024

Present: Bernadette Costello (Chairperson), Colm O'Callaghan, Sam Dunwoody

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 14:35hrs and concluded at 16:00hrs.

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 8th May 2024

The Minutes of the meeting of 8th May 2024 were adopted as circulated, with one change to Item 7.1 Review of Audit & Risk Committee Terms of Reference: the word "approved" in the final sentence of the last paragraph to be changed to "recommended".

Proposed: SD Seconded: CO'C

5. Matters Arising

5.1 Programmes & Budgets 2024 – on the 8th May 2024, the Governing Body approved the Programmes & Budgets 2024 document, which was subsequently, submitted to the HEA on the same date. A letter from the President, outlining the Institute's budget deficit, accompanied the Programmes and Budgets document. The HEA has requested further information in this regard, and a copy of the response letter to the HEA will be issued to the Audit & Risk Committee for its next meeting in September.

5.2 Audit & Risk Committee Terms of Reference – the Audit & Risk Committee Terms of Reference were adopted by the Governing Body at its meeting of 8th May 2024.

5.3 IADT Financial Statements for year ended 31st August 2023 – the Governing Body approved the IADT Financial Statements for year ended 31st August 2023 at its meeting of 8th May 2024. They were subsequently signed by both the

Chairperson of the Governing Body and the President, and submitted to the Office of the Comptroller & Auditor General (C&AG), who issued an Audit Certificate on 20th May 2024. It was noted that the draft Management Letter relating to the Financial Statements contains three items/findings (one medium and two low rated findings), which the Secretary/ Financial Controller and Finance Manager will provide responses to. (Post Meeting Note: the auditor has amended the above findings to three low rated findings). The Management Letter will be brought to the next Audit & Risk Committee meeting in September, and a representative from DHKN Ltd. (external auditor) will be invited to attend.

6. Financial Matters

6.1 Management Accounts – the Management Accounts were reviewed as circulated. A discussion arose regarding the differences between the reporting periods of both the financial year (i.e. 1st January to 31st December), and the calendar year (1st September to 31st August), which is currently the reporting period required by the HEA. It was proposed that some changes be made to the layout of, and information contained in, the Management Accounts. Further amendments to the structure of the document may be required going forward. The Management Accounts will be a standing item on all future Audit & Risk Committee Meeting Agendas, and this will form the financial reporting to the Governing Body.

7. Internal Audit

7.1 IADT Internal Audit Report Tracker – the updated IADT Internal Audit Report Tracker was discussed as circulated, with the following items noted:

- (i) **Item 1.1 Policies re Other Income and Item 1.2 Media Cube Licences & EU Projects Approval Dates (In Progress)** – relevant Policies have been drafted/reviewed and will be presented to the Executive Team for approval. It is planned to have these items “actioned” by the next Audit & Risk Committee meeting in September.
- (ii) **Item 2.1 Enhancement of Risk Management Monitoring, Reporting & Culture (Actioned)** - a draft Risk Register was reviewed by the Audit & Risk Committee at its meeting on 8th May, with some amendments being suggested to same. It was reported that this item will be reviewed by Deloitte as part of their Follow-up Review in September, and it is expected that as a result, this Item will be deemed to be “Closed” by the internal auditors.
- (iii) **Item 2.2 Risk Management Process (In Progress)** – the IADT Risk Management Policy is currently being reviewed, and it is planned to have the process completed by the end of Q2 2024.
- (iv) **Item 2.3 Formal Risk Management Training (Not Started)** – the Institute is currently in the process of engaging an external provider to deliver Risk Management Training, and it is hoped to achieve the target date of Q3 2024 for the commencement of such training.
- (iv) **Item 3.1 Timely Submission of Financial Statements to the C&AG (Not Started)** – the Institute plans to meet the target date of 31st November 2024 for the submission of the Financial Statements for year ended 31st August 2024.

- (v) **Item 4.1 Policies & Procedures & Training (In Progress)** – a Procurement Policy is in place and Procurement Training/Refresher sessions will be rolled out over the Summer, with training commencing in September 2024.
- (vi) **Item 5.1 Disaster Recover/Business Continuity (Actioned)** – Disaster Recovery and Business Continuity Plans have been developed for ICT.
- (vii) **Item 6.1 Procurement Documentation & Item 6.2 Procurement Approval Process (In Progress)** – Procurement Training will be rolled out to staff by September 2024.
- (viii) **Item 6.3 Contracts Register (Actioned)** – the Institute is satisfied that all contracts in excess of €25k are included in the Contracts Control Register.
- (vix) **Item 7.1 Business Continuity Planning & Item 7.2 Critical Incident Policy (Not Started)** – a draft BCP has been produced and will be reviewed in the coming months; following on from this, the IADT CIP will be reviewed and updated.
- (x) **Item 8.1 Payment of Climate Action Fund (Actioned)** – Carbon Offset payments have been made to the Climate Action Fund in respect of the years 2020 to 2023, and will be made annually hereafter.
- (xi) **Item 8.2.1 Pre-Approval of Foreign Travel & Item 8.2.2 Evidence to Verify Distance Travelled (Actioned)** – Executive and Management Team members have been reminded of the control mechanisms required in relation to pre-approval of Foreign Travel and Travel and Subsistence claims.
- (xii) **Item 8.2.3 Validation of Car Engine Size (Not Due)** – the Institute is currently reviewing its Travel & Subsistence Claim Form to ascertain the best method by which claimants can validate car engine size.
- (xiii) **Item 8.3 Incorrect Calculation of Travel Claim (Actioned)** – the controls in relation to the calculation of travel/subsistence claims have been reviewed, and credit card holders and managers have been reminded of their responsibility to control and review travel expenditure.
- (xiv) **Items 8.4.1 Non-Generation of PO on Credit Card Purchase & Item 8.4.2 Delay in the Submission of Credit Card Reconciliation Forms (Actioned)** – all Institute credit card holders have been reminded of their obligations in relation to the use and reporting requirements for credit cards.
- (xv) **Item 9.1 Payroll Policy & Procedures (Not Due)** – the Finance and HR Managers are currently working on the documentation of a formal Payroll Policy and Procedures document, and it is hoped that this will be completed prior to Deloitte's Follow-up Review in September 2024.

It was reported that the next Internal Audit Report Tracker to be presented to the Audit & Risk Committee will contain only those items which are not started, in progress and not due.

8. Corporate Procurement

- 8.3 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) **Network Maintenance (03/04/2029)** – Institute were advised by the OGP that a 5-year contract was awarded to eCom (end date 3rd April 2029).
- (ii) **Grounds Maintenance (31/12/2023)** – the tender process has been delayed due to the unknown commencement of the Digital Media Building; contract extension was agreed with SAP Landscapes on a rolling monthly basis.
- (iii) **Pest Control (12/02/2020)** – OGP tender process is underway, with appointment expected Q2/Q3 2024.
- (iv) **Plant Maintenance (30/06/2024)** – tender competition live on eTenders; appointment is expected to be in place before September 2024.
- (v) **Security (30/09/2023)** – a new EPS tender process is awaited; Institute has been advised that a new framework will be in place in Q4 2024.

It was proposed that in future, for the purposes of reporting to the Audit & Risk Committee, a summary report be presented to the members, which contains an assurance regarding the Institute's compliance with Procurement legislation, as well as details and explanations of any procurement processes which may have been conducted outside of OGP/EPS frameworks and IADT's Procurement Policy.

9. Risk Management

9.1 Report on Cyber Security (May 2024) – since the Audit & Risk Committee meeting on 28th March 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 Dept.
- (iii) **Disaster Recovery Plan (DRP) & Business Continuity Plan (BCP) Testing** - the Head of Information Services was briefed by MTU on the cyber attack which occurred last year; following on from this, minor adjustments will be made to IADT's DRP and BCP.
- (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.
- (v) **Cyber Security Developments** – Cyber Security Awareness Training sessions were held for all staff members in June 2024. IADT has engaged with Topsec Cloud Solutions regarding Domain-based Message Authentication, Reporting & Conformance (DMARC) challenges which have now been resolved. In addition, Topsec Cloud Solutions has identified instances where IADT credentials were on sale on the dark web as a result of password breaches over the past 14 years. All relevant staff were contacted accordingly, and the ICT Dept. is currently monitoring for any new breaches that may occur in the future.

10. Statutory Reporting

Since the Committee meeting of 28th March 2024, no statutory reports were required to be made to TUSLA/Gardaí or the Data Protection Commission. 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 cleaning staff member who banged their head on a low door and required treatment in A&E; the door has now been closed permanently.

- (ii) **Student Complaints** - three Student Complaints, which were reviewed and not upheld by the President, were subsequently submitted to the Ombudsman in April 2024.
- (iii) **General Complaints** - one General Complaint from November 2023, which was reviewed by the Registrar, was subsequently reviewed by the Complaints Appeal Board and was not upheld.
- (iv) **Staff Complaints/Grievances** – 2 Workplace Relations Commission (WRC) cases:
 - One Staff Grievance was heard on 18th April 2024; the WRC deemed IADT to be fully compliant with regard to Employee Information legislation, but non-compliant in relation to an element of the Protection of Employees (Fixed-Term Work) Act 2003. This was due to the length of the probation period (12-month) for an individual who was/is on a 24-month, fixed-term contract. The WRC determined that the probationary period was disproportionate and deemed it to have concluded; the individual concerned was awarded €1k; the Institute will amend its probation procedures accordingly and does not intend to appeal the WRC finding.
 - A second Staff Grievance is due to be heard by the WRC on 5th July 2024.
 - There is currently one interpersonal dispute between two staff members, and an external investigator will be appointed to review same.

11. Equality, Diversity & Inclusion Implications

It was noted that individuals on Fixed-Term Contracts tend to experience more precarious working conditions, and that this would be reported through IADT's Equality, Diversity & Inclusion processes.

12. A.O.B.

There were no items to be discussed under A.O.B.

Next Meeting: Monday, 23rd September 2024 @ 2pm

Signed: _____
Bernadette Costello
Chairperson

Date: _____