

Audit & Risk Committee of Governing Body

Minutes of 19th February 2025

Present: Bernadette Costello (Chairperson), Dr Eimear Cotter, Sam Dunwoody (*joined at 10:39hrs*), Colm O'Callaghan, Prof. Paul Moore

In Attendance: David Smith, Michael Farrell, Conor Logan, Elaine Dominguez (Minute-taker),

The Meeting was held remotely via MS Teams. A private members' meeting was held from 10:00hrs to 10:11hrs. The Audit & Risk Committee meeting commenced at 10:10hrs and concluded at 12:22hrs.

1. Appointment of Interim Secretary to Audit & Risk Committee

It was noted that Michael Farrell was appointed as Interim Secretary to the Governing Body on 8th January, 2025; the Committee members agreed to Michael fulfilling the position of Interim Secretary to the Audit & Risk Committee. It was reported that a new Governance Lead, Sinead Keane, has been appointed, who will work closely with Michael in the coming months on matters relating to governance and compliance.

2. Adoption of Agenda

The Agenda was adopted as circulated.

3. Conflicts of Interest

There were no conflicts of interest to report.

4. Adoption of Audit & Risk Committee Minutes of 25th November 2024

The Minutes of the meeting of 25th November 2024 were adopted as circulated.

Proposed: CO'C

Seconded: BC

5. Matters Arising

- 5.1 Space Utilisation Report (Survey No.3)** – Committee members were advised that an official Report has not been issued to date regarding the findings of the Space Utilisation Survey No.3; however, the Institute has been made aware that its utilisation of space is not in line with current trends and that changes will be made in this regard. It was noted that the Space Utilisation Survey No.4 will be carried out in March 2025.

Action: DS to provide an update re Space Utilisation Survey No. 3 at the next Committee meeting in March 2025.

- 5.2 Induction Training for Audit & Risk Committee** – it was proposed that the Secretary commence the process of obtaining three quotations for the provision of Induction Training for Audit & Risk Committee members. It was proposed that any such training be scheduled post a Committee meeting.

Action: MF to obtain quotations from training providers, with an update to Committee members at the meeting in March.

- 5.3 IADT Protected Disclosures Policy** – the updates made to the Institute’s *Protected Disclosures Policy*, in line with advice received from the Institute’s legal adviser (Arthur Cox), were discussed as circulated. It was noted that Arthur Cox Solicitors were satisfied that the IADT Protected Disclosures Policy meets legislative requirements. With regard to training for Designated Persons identified in the Policy (i.e., David Holohan, Bernadette Costello, and Sam Dunwoody), it was reported that a representative from Arthur Cox Solicitors will provide the training, with a provisional date of 12th March 2025, post the Governing Body meeting.

Action: The proposed date (12th March) for Protected Disclosures training for Designated Persons to be confirmed as suitable for members.

- 5.4 Audit & Risk Committee Annual Effectiveness Review** – the summary report on the feedback received from the Annual Effectiveness Review process was discussed as circulated. The Interim Secretary will provide the Chairperson with a list of areas/matters which require actioning as a result of the findings and undertake to implement the changes listed for action in 2025.

Action: A list of areas/matters to be actioned will be provided to the Chairperson.

- 5.5 Annual Governance Statement 2023/2024** – it was reported that following the review by the Audit & Risk Committee of the AGS 2023/2024, and the recommendations made, the AGS 2023/2024 was amended to reflect the requirement by the HEA to report on consultancy expenditure in relation to “the investigation on internal matters”. It was noted that details of the investigations carried out during 2023/2024 have been included in the working tables, which form part of the AGS 2023/2024 submission.

6. Financial Matters

- 6.1 IADT Financial Statements for year ended 31st August 2024** – it was reported that, prior to the submission of the Institute’s Financial Statements for year ended 31st August 2024 to the Office of the Comptroller & Auditor General (C&AG), the recommendation of the Audit & Risk Committee regarding the re-categorisation of certain Professional Fees (pg. 11) was carried out. The costs associated with the PwC Process Review were assigned to the Financial Advisory category, rather than to the Internal Audit Fees category. The additional proposed amendments to the wording of the System of Internal Control, as well as the inclusion of additional explanatory notes regarding International Travel and Hospitality costs, will be discussed with the Office of the C&AG as part of the auditing process of the Financial Statements. The Institute has been informed that the Office of the C&AG will carry out an audit of the Institute’s Financial Statements; however, a date for the commencement of the audit has yet to be advised.

- 6.2 Management Accounts and Expenditure Report to end December 2024** – the Committee members noted the report previously circulated. The Committee expressed concern that the Management Accounts included eight months of the previous accounting period, which form part of the Financial Statements for the year ended August 2024. The Finance Manager noted that the projected deficit of €402K for the calendar year to 31st December 2024 was negated by the receipt of €1.06M from the HEA at the end of 2024 to cover

additional pay costs arising from the National Pay Agreement. The Committee welcomed the resultant nominal surplus of €47K for the financial year 2024, and the preliminary changes made to the format of the Management Accounts & Expenditure Report. At the request of the Committee, it was agreed that the Management Accounts in future would reflect the academic year in line with statutory accounts reporting.

- 6.3 Management Accounts Format** – the President informed the Committee that, as a result of concerns expressed by them in relation to the scope of information provided in previous reports, a full revision of the structure/format of the Management Accounts has been carried out. The revised template, to be used going forward, will include details of both Core and non-Core expenditure, ancillary activities and project income. A discussion arose regarding how best to provide more in-depth, current and relevant information in the Reports for the Committee. It was recognised that there is a divergence in the Institute’s reporting year of statutory accounts, (i.e. academic year), and the calendar year (i.e. January to December). It was requested that the Management Accounts be aligned with the statutory accounts reporting period; subject to available resources, the Institute is committed to the format of reporting requested.

Action: The Management Accounts, as per the updated template, to be presented to the Committee members at the next meeting in March; subject to available resources, the Management Accounts will be aligned with the statutory accounts reporting period.

7. Internal Audit

Angela Ileri (Assistant Manager – Risk Advisory, Deloitte) joined the meeting at 10:38hrs to brief the Committee members on internal audit matters.

- 7.1 Internal Audit Follow-up Review (Status Report)** – Ms. Ileri informed the Committee that the Follow-up Review was in the process of being finalised and that a Report would be issued in time for the Audit & Risk Committee meeting on 31st March 2025. A discussion arose regarding the number of days allocated to the follow-up review of outstanding internal audit findings. It was suggested that regular reviews of outstanding audit findings could be carried out in-house, and reported at each Audit & Risk Committee meeting, thus reducing the length of time allocated for a Follow-up Review by Deloitte and making those days available for other audit-related activity.
- 7.2 Internal Audit Plan 2024/2025** – a discussion was held regarding possible changes to the agreed Internal Audit Plan for 2024/2025. Following a discussion with the Committee and with input from the President and Interim Secretary on the various options in relation to areas to be audited by Deloitte, the following was agreed:
- (i) **System of Internal Control (SIC)** – a review of the Institute's SIC with the emphasis on internal financial controls and an associated Internal Control Questionnaire (ICQ) issued to management for completion would be carried out in September-October 2025 following the end of the financial year, and annually thereafter.
 - (ii) **General Information Technology Controls (GITC)/IT Audit** – the terms of reference for the audit of GITC/IT are to be circulated to the Committee members. The Interim Secretary noted the existence of Public Sector Cyber Security Baseline Standards, and undertook to discuss same with the Head of IT, IADT and to confirm in due course

what alignment, if any, there is between the areas covered by the GITC audit and the Baseline Standards document. Consideration may be given to a baseline benchmarking exercise to assess IADT's compliance with the Baseline Standards.

- (iii) **Budgeting & Financial Reporting Audit** – a review of the Institute's Budgeting and Financial Reporting systems is to be carried out in Q2 2025 subsequent to the GITC audit. The terms of reference for this review are to be provided by Deloitte.
- (iv) **Future Internal Audit Plans** – it was agreed that future Internal Audit Plans will take into account areas of high risk as identified in the IADT Risk Register. It was also agreed that consultation is required between Deloitte and the Audit & Risk Committee prior to drafting the 2025/2026 Internal Audit Plan. Deloitte will also invite Management to identify areas for consideration in the annual audit plan.

Action:

- a) Internal Audit Follow-up Review Report to be circulated to Committee members for 31st March meeting;
- b) Terms of Reference of the GITC/IT review to be circulated for approval by the members via email;
- c) The Interim Secretary and Head of IT to consider a benchmarking exercise on IADT cyber security based on the Public Sector Cyber Security Baseline Standards document;
- d) The date (in Q2 2025) and terms of reference for a Budgeting & Financial Reporting Audit to be provided by Deloitte;
- e) A review of the SIC and circulation of an ICQ to management to be planned for September 2025;
- f) A revised audit plan to include action point 5 above to be prepared by Deloitte for June 2025 and circulated to Arc and IADT management for consideration;
- g) All future Internal Audit Plans to take into account the IADT Risk Register, and prior consultation with the Audit & Risk Committee.

Ms. Ileri left the meeting at 11:22hrs.

8. Corporate Procurement

- 8.1 Multi-Annual Procurement Plan (MAPP) 2025** – the summary of the top ten procurement processes for the Institute was discussed as circulated. It was noted that on an annual basis the Institute is obliged to complete the MAPP, which outlines projected procurement processes required during the forthcoming year. The collation of all procurement requirements for the higher education sector is managed by the Education Procurement Services, and the information received is then relayed to the Office of Government Procurement. The Institute includes all products/services, with a value greater than €30K over a period in excess of three years, in the MAPP. It was noted that the majority of the procurement processes are carried out via the OGP or HEAnet. The exceptions to this include: Design and Print, Medical Services and Learning Support Services for students.

Proposed: SD

Seconded: PM

- 8.2 Corporate Procurement Plan (CPP) 2024/2025** – it was reported that the format and content of the CPP 2024/2025 is currently under review and will be brought to the Committee members at the next meeting in March 2025.

Action: An updated CPP 2024/2025 to be circulated to the Committee members for the next meeting in March.

- 8.3 Contracts Control Report (February 2025)** - 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) **Interpreting Services (31/08/24)** – awaiting update from OGP regarding IADT's Procurement Support Request;
- (ii) **Cleaning (13/07/24)** – tendering process completed by OGP; multi-supplier framework agreement established, awarding a 2-year contract (with 2 x 1-year extensions) commencing 20/08/24; new E&CS Manager will contact OGP re this.
- (iii) **Fire Extinguisher Equipment (09/07/24)** – tendering process completed by OGP; multi-supplier framework agreement established, awarding a 3-year contract (with 1 x 1-year extension) commencing 26/08/2024; E&CS Manager will contact OGP re this.
- (iv) **Grounds Maintenance (31/12/23)** – tender delayed due to construction of Digital Media Building; contract extension was agreed with SAP Landscapes on a rolling monthly basis; E&CS Manager will contact OGP re new framework.
- (v) **Pest Control (12/02/20)** – EC&S Manager will contact OGP re agreed service provider.
- (vi) **Plant Maintenance (30/06/24)** – tendering process completed with a potential 3-year contract to be awarded to Thermodial; verification of declaration letter issued to Thermodial requesting information; documentary evidence has been provided; E&CS Manager will progress this matter.
- (vii) **Security (30/09/23)** – OGP tendering process in progress; tender evaluation due on 07/02/2025.
- (viii) **Utilities – Gas (31/08/24)** – awaiting outcome of OGP tendering process.

9. Risk Management

- 9.1 Update on *Risk Management Policy*** – the proposed updates to the *Risk Management Policy* were discussed as circulated. It was noted that “Financial Performance and Sustainability” (pg. 10) under Section 4: Risk Appetite now stipulates a risk rating, plus provides an explanatory note in relation to any variance in same due to meeting the objectives of the IADT Strategic Plan 2024–2028.

Action: The updated *Risk Management Policy* to be circulated to Committee members.

- 9.2 IADT Corporate Risk Register** – the Summary Update Report of the IADT Corporate Risk Register was discussed as circulated. The changes made to the risk ratings since the last Committee meeting included:

- (i) **Building/Space:** change of risk status from High risk to Medium; full Business Case and Economic assessment progressing with KPMG; meeting and ongoing dialogue with the HEA very positive; submission due at the end of March 2025; additional

TSAF funding has been secured to focus and support dedicated resources for Climate and Sustainability.

- (ii) **Student Recruitment:** change of risk status from High to Medium; CAO applications trending at 8% positive, with a high rate of first preferences for new programmes; there are continued monitoring and recruitment initiatives through to the July 2025 closing date.
- (iii) **Finance:** change of risk status from High to Medium due to the progress made on the Action Plan and strategic planning; revised budget planning and forecasting are underway; positive indicators in student numbers for both CAO and international.
- (iv) **Recruitment:** change of risk status from Low to Medium as, due to personnel and organisational changes, the Institute has been unable to progress this at a pace expected; it is planned to focus through to the end of Q4, and to ensure the work of International Education Mark does not impact the wider Institute Strategy.
- (v) **Health & Safety:** change of residual risk from High to Medium due to the appointment of a new Estates & Campus Services Manager (appointed 6th January 2025), plus an Assistant E&CS Manager cover in place; the new Digital Media Building (DMB) is nearing completion, which will be managed by an external facilities management services company.
- (vi) **Legal/Compliance (Governance):** residual risk status has changed from High to Medium, due to the establishment of the Governance Unit and Policy Unit, providing additional support and resources to ensure Governance and oversight is monitored and continuously improved; training for Executive members' needs to follow under AdvanceHE; the Secretary/Financial Controller is currently on extended leave, with appropriate mitigations being in place.
- (vii) **Legal/Compliance (Environment/Sustainability):** risk status has changed from High to Medium due to the completion of the new DMB; the granting of additional TSAF funding for climate Resource; and the continued progress of the Project & Building Consultancy for the Quadrangle Building.

9.3 Cyber Security Report (February 2025) – the Cyber Security Report (February 2025) was discussed as circulated. It was noted that the revised Report contains details of: Cyber Incidents that have occurred since the last Committee meeting, ICT and Cyber Training delivered, proposed Phishing Simulation exercise, vulnerability and security checks carried out, etc.

It was noted that significant activity is evident in the report which was welcomed. As mentioned previously, a benchmarking exercise was deemed to be of assistance with regard to indicating how comprehensive the security arrangements are, and if any gaps remain to be addressed.

10. Statutory Reporting

Since the Committee meeting of 25th November 2024, no statutory reports were required to be made to TUSLA/Gardaí, the Health & Safety Authority, or the Data Protection Commission. In addition, there were no new General Complaints to report since the last meeting. In relation to other Statutory Reporting, the following updates were noted:

- (i) **Student Complaints** – two new Student Complaints were received:
- November 2024: a student lodged a formal complaint regarding a staff member; the complaint was investigated and upheld; the issue was addressed by the relevant Faculty.
 - January 2025: a student lodged a formal complaint regarding two other students; this matter is currently being investigated.
- (ii) **Staff Complaints/Grievances** – there were no new Staff Complaints/Grievances received since the previous Committee meeting. The investigation into the inter-personal dispute by Resolve Ireland was completed in late October 2024; training in effective communication/engagement and conflict resolution was recommended for key leadership roles, plus dignity and respect and professional conduct training for all staff and Management Team members.

It was reported that, while not a data breach, it has come to the Institute's attention that files stored offsite, through a records management company, have not been managed in accordance with the IADT *Records Management, Retention & Destruction Policy*. It was noted that a dispute exists regarding historic payments, and the Institute is currently in negotiations on this matter with the records management service provider. The Institute's Governance & Compliance Officer has visited the company's storage facility to verify the retention status of the Institute's files. The service provider has been requested to implement a destruction order for all historic Institute records that fall outside of our *Records Management, Retention & Destruction Policy*.

11. Equality, Diversity & Inclusion Implications

It was noted that, the Institute continues to ensure that financial support is allocated to respond to and meet the educational, health and wellbeing needs of all students in IADT.

12. A.O.B.

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

The next meeting of the Audit & Risk Committee is scheduled for Monday, 31st March 2025 @ 2pm.

Signed: _____
Bernadette Costello
Chairperson

Date: _____