Audit & Risk Committee of Governing Body
Minutes of 11th December, 2019

Present: Dr Fionnuala Anderson, Marie Carroll, Kieron Connolly,
Sam Dunwoody, Maeve McConnon

In Attendance: Dr Annie Doona, Bernard Mullarkey, Conor Logan,
Elaine Dominguez (Minute-taker)

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1. Adoption of Agenda
The Agenda was adopted as circulated.
Proposer: FA
Seconder: MMcC

2. Conflicts of Interest
No conflicts of interest were declared.

3. Adoption of Minutes of the Meeting of 4th September, 2019
The Minutes of the meeting of 4th September 2019 were adopted as circulated.

Proposer: MC
Seconder: FA

4. Matters Arising
4.1 Audit & Risk Committee Terms of Reference – it was noted that the Audit & Risk Committee's revised Terms of Reference were circulated to the Committee members as a written resolution via email by the Secretary on 13th September 2019 and were proposed, seconded and approved by the members via email. The revised Terms of Reference were subsequently presented for approval to the Governing Body at its meeting of 2nd October 2019.

5. Internal Audit
5.1 Meeting with Internal Auditor (PwC) – Mr. Mike Sullivan (Partner) from PricewaterhouseCoopers (PwC) joined the meeting.

5.2 Report on Internal Audit Review of Internal Financial Controls with respect to Student Records – Mr. Mike Sullivan briefed the Audit & Risk Committee members on the Internal Audit Review of Internal Financial Controls with respect to Student Records. It was noted that out of 5 findings in progress, three are rated Grade 2 (Substantial) and two are rated Grade 3 (Moderate) as follows:

(i)   **Procedures to Support the Management of Student Records should be enhanced (Grade 2)** – it was noted that user manuals in relation to the use of Banner, SUSI and the management of student transcripts were incomplete.

(i)   In addition, it was noted that no formal access reviews are carried out of user access administration for Banner, Digitary and CAO Connect. The formal documenting of procedures to support the management of student records was recommended, along with the performance of periodic formal user access reviews. The Institute accepts the recommendations and will undertake to: develop formal procedures to support the management of student records; remove in a timely manner access to Banner from employees no longer authorised to use same; ensure that all employee requests for access to CAO Connect are formally approved by the respective line manager; and assign separate user accounts for each employee requiring access to CAO Connect. The actions are to be carried out by the Academic Administration & Student Affairs (AA&SA) Manager during the first quarter of 2020.

(ii) **Purging of Data is not consistently performed (Grade 2)** – it was reported that data in relation to unsuccessful postgraduate applicants and other direct entry applicants was not deleted as part of the annual purging process. In addition, it was noted that no formal procedure was in place outlining the purging process and controls, roles and responsibilities and schedule of purges carried out. The Institute accepts the finding and recommendations, and will undertake to purge all applicant data in December and develop procedural processes as identified. The actions are to be carried out by the AA&SA Manager during the Quarter 1 of 2020.

(iii) **No Formal Contract in place with EduCampus, resulting in Service Peformance not being formally monitored (Grade 2)** – it was noted that due to no formal contract being in place with EduCampus, the Institute does not review the performance of EduCampus on a periodic basis against predefined metrics, and that responsibilities are unclear with respect to data protection. The Institute acknowledges the finding and recommendations. It was reported that work is nearing completion on a Service Level Agreement with EducCampus and each Institute of Technology, through the THEA Internal Audit Steering Group, the Internal Auditors (PwC) and EduCampus. The action is to be carried out by the S/FC and Finance Manager during the Quarter 1 of 2020.

(iv) **Verification of Procedures with respect to changes to student email accounts are not performed (Grade 3) –** it was noted that verification procedures were not performed for any email change requests received from students, nor was there a log of email change requests in place. The Institute accepts the finding and recommendations and is currently developing a process to verify change requests. It was noted that a log for email change requests has been implemented. The remaining action is to be carried out by the AA&SA Manager during the Quarter 1 of 2020.

(v)   **Listings manually created and not system generated (Grade 3) –** it was noted that the list of active users for Banner and CAO Connect are manually created and not system generated leading to the risk of inaccurate or incomplete reports. The Institute acknowledges the finding and recommendation and the issue is currently being investigated through the CAO. The actions are to be carried out by the AA&SA Manager during the Quarter 1 of 2020.

It was requested that PwC amend the titles of some of the Responsible Parties listed in the Report; ED to provide the correct staff titles.

At this point in the meeting (09.24 hours) AD, BM, CL and ED left the Boardroom. Following a discussion between the Audit & Risk Committee members and Mr. Mike Sullivan, AD, BM, CL and ED returned to the Boardroom (09.27 hours). It was reported that there were no further issues raised during the meeting with Mr. Mike Sullivan.

5.3   **Update on Outstanding Issues from Follow-up Review –** the Audit & Risk Committee members were briefed on the updates to the findings of the Follow-up Review Report. The following updates were provided:

(i)   **Item 2. Issues regarding Changes to Supplier Master Data on Agresso** – it was noted that a Supplier Master Data Amendment Form has been developed and implemented to include a checklist of verification procedures in relation to bank details amendments and a record of other changes, as well as relevant back-up documentation and correspondence. In addition, a log of all supplier amendments is produced on a quarterly basis and is reviewed and signed off by the Finance Manager. The Item is now regarded as being 'Closed'.

(ii)   **Item 4. IT System User Access Process and Review Issues** – it was reported that Section 5.2 of the Access to IADT Facilities Procedure for Employees covers staff members who move between roles within the Institute. This element of the finding is now regarded as being 'Closed'. In relation to the carrying out of User Access Reviews, it was acknowledged that reviews conducted in January 2019 were not recorded and retained. The Institute is committed to recording and retaining a record of these reviewed from January 2020 onwards. This element of the finding is regarded as being 'In Progress' and the Responsible Party is the ICT Manager.

(iii)   **Item 5. Issues/Weaknesses regarding Password/Login Issues** – it was reported that this risk relates to the password parameters of WPM being in conflict with those set out in IADT's Password Policy. It was noted that the risk is very low and that the ICT Manager has proposed that the issue is risk accepted by the Institute. The Committee members accepted this proposal and the issue is now regarded as being 'Closed'.

(iv)   **Item 7. User Access Management & Change Management Policies** – it was reported that both Policies have yet to be developed due to the fact that changes to Banner are dictated by EduCampus. In addition, it was reported that Back-up Protocol and Procedures are to be reviewed for approval by the Executive Team at its next available meeting. The issue is regarded as being 'In Progress', with the Responsible Party being the ICT Manager.

(v)   **Item 9. Formal IT Strategy –** it was noted that this matter is outside of the control of IADT, as the sign-off of the Service Level Agreement occurs at THEA level; the THEA CIO/IT Managers Group along with the THEA S/FC Group have been urging a resolution to this issue. The issue is regarding as being 'In Progress' and the Responsible Parties are the ICT Manager and S/FC.

(vi)   **Item 10. Other Income Generation Policy** – there was no update available on this matter due to the absence of the Responsible Party.

(vii)   **Item 12. The Approval of the Media Cube Licence Policy** – there was no update available on this matter due to the absence of the Responsible Party.

(viii) **Item 13. Annual Review of Funded Projects Income** – it was noted that a year-end review will take place as part of the draft Financial Statements. The issue is regarded as being 'In Progress' and the Responsible Party is the S/FC.

(ix) **Item 14. Access Control Issues in relation to Examination Papers** – it was reported that password protected USB keys were used within Faculties for the Summer 2019 exams. In addition to this measure, the HEA secure file sharing system will be used for External Examiners and 'invite only' folders are currently being set up for internal communications between Faculty staff. It was reported that in future, no exam papers will be issued without the presentation of a staff card. The above elements of the finding are regarded as being 'Closed'. It was noted that a pilot system has been completed and formal Procedures are currently being developed. This element of the finding remains 'In Progress'. The Responsible Party is the AA&SA Manager and the Due Date is February 2020

(x) **Item 15. Interpreting & Translation Services for Students** – it was reported that the Institute is currently in the process of developing a tender process to be commenced by the end of December 2019. The item is regarded as being 'In Progress', and the Responsible Party is the Student Experience Manager.

(xi) **Item 16. Document of the Processes for the Appointment and On Boarding of Exam Invigilators** – it was reported that since Summer 2019, the following actions have been implemented: a formal process for the appointment of Exam Invigilators (EIs), the Garda Vetting of all EIs, the on-boarding of new EIs and the provision of full training to all EIs. This item is deemed to be 'Closed'.

(xii) **Item 17. Sign-off of Review between Banner and Broadsheets and a Formal Process for the Copying of Exam Papers** – it was reported that changes made to Banner are formally signed off and that Guidance Procedures for Copying Exam Papers is in place. This item is deemed to be 'Closed'.

(xiii) **Item 18. Incomplete Sections of External Examiners' Checklist** – it was noted that the existing checklist has been updated to include a field for date(s) of receipt of the signed nomination forms and CVs; this spreadsheet is managed on an ongoing basis by the Senior Quality Officer. This item is deemed to be 'Closed'.

(xiv) **Item 19. External Examiner Reports (inclusion in Exam Boards and Recommendations Tracking)** – it was reported that due to the timelines for Exam Boards, the External Examiner (EE) Reports would not be completed in time for consideration. It was noted that where EEs have specific recommendations for changes to grades, these are presented to Exam Boards. This element of the finding is deemed to be 'Closed'. In relation to the recommendation to implement a formal tracker of EE recommendations, this will be notified to the Faculties for consideration. This element of the finding is deemed to be 'In Progress' and the Responsible Parties are the Heads of Faculty.

(xv) **Item 20. Formal Procedures in relation to Continuous Assessment Process** – It was noted that the this is the responsibility of the Heads of Faculty and that the Quality Enhancement Committee reported to Academic Council and it is expected to have the formal procedures by early 2020. This element of the finding is deemed to be 'In Progress' and the Responsible Parties are the Heads of Faculty.

(xvi) **Item 21. The Update of Examination Administration Procedures and Regulations** – it was reported that the current Regulations remain in force, however consideration is being given to these by the Teaching & Learning (T&L) Committee. Item is deemed to be 'In Progress' and the Responsible Parties are the Chairperson of the T&L Committee and the Registrar.

(xvii) **Item 22. Contract Management Procedures** – it was noted that the contracts control sheet is the mechanism for monitoring contract end dates and that it is the responsibility of each budget holder to monitor relevant contract end dates, and spending limits within the limits of contracts. This item is deemed to be 'Closed'.

(xviii) **Item 23. Required Approvals and Minimum Documentation for Purchases** – it was noted that the Institute's Procurement Policy and the Agresso system set out the required approval limits. This item is deemed to be 'Closed'.

(xix) **Item 24. Review of the Procurement Policy re conflicts of interest and tender processes and access to tender mailbox** – it was noted that the Procurement Policy has not been updated accordingly. This item is deemed to be 'In Progress' and the Responsible Party is the S/FC.

5.4 Appointment of the Internal Auditors for 2020 – it was reported that the contract with PwC is due to expire on 31st December 2019. The Secretary/Financial Controllers Group, with the THEA Internal Audit Steering Group, in conjunction with the OGP, carried out a tender process during the year, with Deloitte being awarded the internal audit contract for the sector as and from 1st January 2020. It was noted that PwC have one remaining audit to carry out early next year.

6. Corporate Procurement

6.1 Corporate Procurement Plan (CPP) – the updated Corporate Procurement Plan 2020 was discussed as circulated.

6.2 Multi-Annual Procurement Plan (MAPP) – the summary and more detailed MAPPs were discussed as circulated; it was noted that the summary MAPP was submitted to the OGP in November 2019.

On 3rd November 2019, BM, CL, Grace Weldon (Estates & Facilities Manager) and Colm Hennessy (ICT Manager) attended a Corporate Procurement Plan (CPP) and MAPP Clinic in the HEA, where the Institute's list of procurement needs was discussed. It was noted that approximately 70% of IADT's sourcing of goods and services is carried out via national frameworks. Where a national framework exists, this should be utilized except if the goods/service in question may be obtained cheaper elsewhere; however the rationale behind such a decision must be clearly documented. It was also noted that the contracts listed as 'Other' relating to Computing/IT/Telecoms are sourced through HEAnet rather than the OGP. In relation to 'Pre National Framework Agreement/Contract' contracts, it was reported that the Institute is endeavouring to work through these to obtain end dates. The Audit & Risk Committee members approved the MAPP.
Proposer: SD
Seconder: KC

6.3 Contracts Control Sheet Update – the Audit & Risk Committee members were briefed on the contracts control sheet as circulated. The updates of note were as follows:

- **Financial Services (FAR)** – Crowleys DFK: Contract extended by 1 year until 30/09/2020
- **Fire Extinguisher Maintenance** – DB McLarnon: 2 x 1 year extensions applied until 21/11/2021

- **Microsoft Software & Licencing** – Micromail: extended through HEAnet until 31/05/2020

- **Network Maintenance** – BT: contract extended until December 2020

- **Pest Control** – Rentokil: contract extended until 31/07/2020

- **Reading & Writing Services** – NLN: tender process completed and new contract awarded until 14/08/2021

- **Security** – Noonan: new contract awarded until 30/09/2021

- **Student Support (Interpreting & Translation)**: two-year tender process being prepared; Due Date is expected to be Quarter 4 2019 or Quarter 1 2020.

- **Telephones (landline)** – Eir: contract extended by OGP until 01/02/2020

- **Telephone (mobile)** – Three/Vodafone/eMobile: contract extended by OGP until 01/02/2020

- **Tools & Hardware:** various new contracts awarded with suppliers

- **Waste Management** – Greenstar: 6-month extension awarded; liaising with OGP

It was noted that the Disability Services have been brought in house and, as a result, this item can be removed from the Contracts Control Sheet.

7. Financial Statements

7.1 Meeting with the Office of the Comptroller & Auditor General – Ms. Kathleen Bonner, Senior Auditor in the Office of the Comptroller & Auditor General (C&AG) joined the meeting via a conference call at 09.54 hours.

7.2 Management Letter for Financial Statements for year ended 31st August 2018 - it was noted that the conclusion of the Audit of the Institute's Financial Statements for the year ended 31st August 2018 were submitted to the Office of the C&AG by DHKN Ltd. in July 2019 and were certified by the Office of the C&AG on 1st November 2019. The following points were noted in respect of the governance and probity issues reviewed in depth by the Office of the C&AG:

(iii) **Petty Cash** – cash floats were verified to cash count sheets and petty cash expenditure was tested; it was concluded that petty cash is rarely provided to functional areas and receipts are held by the functional area/Faculty.

(iv) **Credit Card Use** – it was noted that there was one instance of an unauthorised credit card transaction which was notified to the Office of the C&AG. The matter was dealt with through disciplinary action.

(vi) **Wages & Salaries** – it was noted that there were no excessive holidays found to be carried forward and no issues with the wage and salary payments. It was noted that the Institute's Annual Leave Policy limits the amount to 5 days annual leave permissible to carry forward, with the President's approval being required for a total of 6 to 10 days, and any amount in excess of 10 days requiring both the President's approval and an action plan to be devised.

(vii) **Income** – it was noted that main streams of income were reviewed and no issues were noted.

(viii) **Debtors/Receivables** – it was noted that year-end listings were reviewed and debtor amounts in the financial statements appear to be receivable and recoverable.

In relation to the review by DHKN Ltd. of IADT's management and operations, the following points were noted in relation to risks identified as Medium rating:

(i) **School in a Box Project** – the Institute notes the finding and recommendation; the Institute undertakes to refund the deferred income received from Irish Aid to the amount of €60,000 to the Department of Foreign Affairs. It was reported that the initial project in question had been completed and, despite carrying out research to identify an alternative recipient of the funding, there was no project which the Institute deemed suitable. This action to refund funding is the responsibility of the S/FC and the Target Date is December 2019.

(ii) **Credit Card Reconciliation** – the Institute acknowledges the finding in relation to the late submission of credit card reconciliation forms by an IADT cardholder and recognises the importance of controls over Institute Credit Cards. It was noted that the issue arose due to the refunding of a transaction to the credit card, which created a positive balance and hence no credit card statements were issued during the period. It was confirmed that the Finance Office were working with the credit card holder throughout the period in relation to the positive balance. It was reported that the credit card in question has since been cancelled at the request of the credit card holder.

(iii) **Deadlines for Revenue Returns** – the Institute acknowledges the finding and recognises the importance of filing Revenue returns in a timely manner. It was noted that the late filings of returns was due to the training of new staff members in the Finance Office arising out of staff turnover and unfilled staff absences during the period. The action is the responsibility of the Finance Manager and the Target Date was November 2019.

(iv) **Non-review of Manual Journals** – it was reported that the Institute notes the finding, however only CL and the Institute's accountant, Paddy McAllister, have the authority to enter journals on Agresso. IADT undertook to review the journal entry procedures in order to minimise the risks of error and to ensure appropriate controls are in place. The action was the responsibility of the Finance Manager and the Target Date was December 2019.

At this point in the meeting (10.20 hours) AD, BM, CL and ED left the Boardroom.

Following a discussion between the Audit & Risk Committee members and Ms. Kathleen Bonner, AD, BM, CL and ED returned to the Boardroom (10.33 hours). It was reported that the Committee members requested more clarity in relation to Procurement and the risk of non-compliance due to the combined value of multiple or extended contracts. It was reported that the Office of C&AG expressed positive feedback in relation to the information provided to them by the Institute during and post audit.

BM briefed the Audit & Risk Committee members on the financial adjustments made to the Institute's financial statements for the year ended 31st August 2018, which occurred between the approval of same by the Committee prior to submission to the Office of the C&AG, and their subsequent approval by the Governing Body following the completion of the audit. These included:

(i) **Tuition Fee Adjustment** – tuition fees to the value of €9K paid in late August 2018 for 2017/18 were incorrectly recorded as relating to 2018/19.

(ii) **Capital Development Reserve** - €4,000K was transferred (following approval by Governing Body) from the Revenue Reserve to the Capital Development Reserve to allow sufficient reserves for the fitting out and equipping of the Digital Media Teaching Building. It was noted that the HEA has been fully and properly informed of this adjustment.

(iii) **Creditors** – a €10K creditor was reclassified from Accruals to Other Creditors, with no impact on the total figure for Payables, or on the Deficit for the year.

(iv) **Superannuation** – Note 10 Retirement Benefit Cost was populated following receipt from the external actuarial consultant of the requirements of Financial Reporting FRS17.

7.3 Draft Financial Statements for year ended 31st August 2019 – it was reported that the draft Financial Statements for year ended 31st August 2019 are nearing completion and will be brought to the Audit & Risk Committee at its first meeting of 2020. It was noted that the Institute has been given a provisional date in February 2020 for the audit of the financial statements for year ended 31st August 2019.

8. Review of PwC Audit & Risk Committee Training

This item was deferred until the next meeting in March 2020 in order to enable the Committee members to carry out a review of the training provided.

9. Risk Management – Review of main Risks to the Institute

There was no update available for this item.

10. Staff/Student Complaints

The Audit & Risk Committee members were briefed on four staff complaints/ grievances under both Grievance and Mutual Respect Procedures, which have been or are being investigated by an external consultant. In addition, five instances of student complaints were received which related to complaints against fellow students or academic staff members; one complaint was received from a member of the public and further details are awaited.

11. Statutory Reporting

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

- **Data Breaches under GDPR** - none have occurred since 1st September 2019
- **Accidents Reported to the Health & Safety Authority (HSA)** – no accidents required reporting to the HSA.
- **Reporting under the Children & Vulnerable Adults Policy** – one report was made to the Gardaí, with no reports made to TUSLA.

12. Equality, Diversity & Inclusion Implications

There were no Equality, Diversity & Inclusion Implications noted regarding any items discussed at the meeting.

13. A.O.B.

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

Next Meeting: Thursday, 26th March 2020 at 9.30am.

Signed: _____   Date: _____
          Dr Fionnuala Anderson
          Chairperson