

# ***Audit & Risk Committee of Governing Body***

## ***Minutes of 23 November 2022***

**Present:** Cllr. Michael Clark, Sam Dunwoody, Ben Harper

**Apologies:** Maeve McConnon, David Smith

**Absent:** Punitha Sinnapan

**In Attendance:** Bernard Mullarkey, Conor Logan, Elaine Dominguez (Minute-taker)

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The Meeting was held as a Video Conference Meeting via MS Teams; the meeting commenced at 13:00hrs and terminated at 14:08hrs.

### **1. Adoption of Agenda**

The Agenda was adopted, as circulated.

Proposer: MC

Seconder: SD

### **2. Conflicts of Interest**

No conflicts of interest were declared.

### **3. Adoption of Minutes of the Meeting of 21 September 2022**

The Minutes of the meeting of 21 September 2022 were adopted as circulated.

Proposer: SD

Seconder: BH

### **4. Matters Arising**

**4.1 Appointment of Chairperson of Audit & Risk Committee** – the Governing Body approved the re-appointment of Cllr. Michael Clark as Chairperson of the Audit & Risk Committee until September 2023.

**4.2 Audit & Risk Committee Annual Report 2021/2022** – the Committee's Annual Report 2021/2022 was approved by Governing Body at its meeting of 5 October 2022.

**4.3 Effectiveness Review** – the Chairperson confirmed that there were no matters which required reporting in relation to the Effectiveness Review carried out by the Committee members on 21 September 2022.

## **5. Financial Statements**

**5.1 Update re Draft Financial Statements for year ended 31<sup>st</sup> August 2022** – the Committee members were informed that due to the continuing vacancy for the position of Financial Accountant [to replace Paddy McAllister (R.I.P.)], the Institute's Financial Statements for year ended 31 August 2022 will not be available to be submitted to the Office of the Comptroller & Auditor General (C&AG) by the 30 November 2022, and it is expected that they may not be submitted until the middle/end of January 2023. The C&AG have been notified of this informally and following this meeting will be formally notified. It is envisaged that the late submission of the Institute's Financial Statements will not unduly impact on the planned audit by the C&AG in February/March 2023. In addition, the HEA have also been informally notified of the delay in submitting the Financial Statements, and a formal notification will be issued to them following this meeting. This matter will also be brought to Governing Body both via the Minutes of this meeting, and via the Summary Report, which will be circulated in advance of their meeting on 14 December 2022.

## **6. Governance Reporting**

**6.1 Update re IADT Annual Governance Statement 2021/2022** – the updated template as received from the HEA on 4<sup>th</sup> November 2022 was discussed as circulated. The Committee members approved the Annual Governance Statement 2021/2022 for consideration by Governing Body at its meeting of 14 December 2022.

Proposer: BH  
Secunder: SD

## **7. Internal Audit**

Ms. Brenda Nolan (Senior Manager, Deloitte) and Mr. Sanjeev Chahar (Auditor, Deloitte) joined the meeting at 13:30hrs and the Committee members were briefed on the following Reports:

**7.1 Internal Audit Follow-up Review Report (Nov. 2022)** – it was noted that of the original 20 recommendations, 9 (45%) are deemed to be 'Closed'; 6 (30%) are deemed to be 'In Progress'; and 5 (25%) were deemed to be 'Not Started'.

The following were the 9 issues deemed to be 'Closed':

- (i) Examination Papers User Access Reviews (Grade 2)
- (ii) Continuous Assessment Procedures (Grade 3)
- (iii) Consistent Purging of Student Data (Grade 2)
- (iv) Policies & Procedures for ECF-related Activities (Moderate).
- (v) Annual Self-Assessment of the Governing Body (Moderate).
- (vi) Governing Body Meetings in the absence of Executive Members (Moderate).
- (vii) Action Plan to Support the Quality of Service Charter (Moderate).
- (viii) Contract Register Monitoring & Maintenance (Moderate).
- (ix) Vulnerability & Patch Management (Extreme).

In relation to the 6 issues 'In Progress', the following was noted:

- (i) **Update of Media Cube Rentals Policy (Grade 3)** – the current Media Cube Rentals Policy does not fully address the original recommendation; a further review of the Policy is required. The Responsible Party is: Head of RDI & S/FC; the Revised Target Date is Q1 2023.
- (ii) **Enhancement of Procedures for the Management of Student Records (Grade 2)** – the only recommendation not deemed to be 'implemented' by Deloitte relates to Formal, Periodic, User Access Reviews (UARs) for Banner, Digitary and CAO Connect: UARs not performed on a periodic basis; no formal evidence of reviews carried out; no evidence of review of access privileges; and UARs on a periodic basis for Digitary and CAO Connect were not performed. The Responsible Party is: Assistant Registrar; the Revised Target Date is: Q1 2023.
- (iii) **Procurement Policy Update & Training (Moderate)** – the review of IADT's Procurement Policy is in the process of being finalised; no evidence available of Procurement training having been provided to staff involved in managing contracts. Management advised Deloitte that refresher/training sessions will be conducted once the Procurement Policy is finalised as per their recommendation. Responsible Party is: S/FC; the Revised Target Date is: Q4 2022.
- (iv) **Incident Response Plan Update & Testing (Extreme)** – the Incident Response Plan has been approved but testing of the Plan had not occurred as at the time of the review. Responsible Party is ICT Manager; the Revised Target Date is: Q3 2023.
- (v) **Disaster Recovery/Business Continuity Plan** – IADT plans to implement a THEA enterprise-wide Business Continuity Planning System once this has been approved. Responsible Party is: ICT Manager; Revised Target Date is: 31 October 2022.
- (vi) **System Penetration Policy & Test** – the annual Penetration Test was in progress at the time of the audit; Deloitte were provided with an approved Vulnerability & Penetration Testing Policy. Responsible Party is: ICT Manager; Revised Target Date is: Q4 2022.

In relation to the 5 issues 'Not Started', the following was noted:

- (i) **Formal Policies re Other Income (Grade 2)** – the Secretary/Financial Controller has been liaising with colleagues within the education sector in order to develop formal policies covering all categories of other income. Responsible Party is: Head of RDI and S/FC; the Revised Target Date is: Q2 2023.
- (ii) **Risk Management Review by Audit & Risk Committee (Grade 1)** – the recommendations will be addressed following the outcome of a procurement process for a risk management system by SETU; it was noted that Risk Management is a standing item on Agenda for Governing Body, Audit & Risk Committee and Executive Team meetings. The Responsible Party is: the President and the S/FC; the Revised Target Date is: Q2 2023.
- (iii) **Review of IADT's Risk Register & Risk Management Policy (Grade 1)** – the recommendations will be addressed following the outcome of a procurement process for a risk management system by SETU. The Responsible Party is: S/FC & Chief Risk Officer; the Revised Target Date is: Q2 2023.

- (iv) **Risk Management Training (Grade 3)** – the recommendations will be addressed following the outcome of a procurement process for a risk management system by SETU. The Responsible Party is: Chairperson & S/FC; the Revised Target Date is: Q2 2023.
- (v) **Timely submission of Institute's Financial Statements (Moderate)** – the draft Financial Statements for y.e. 31<sup>st</sup> August 2021 were issued to the C&AG on 17 December 2021, after the stipulated submission date (30 November 2021); IADT had notified the C&AG on 25 November of the delay in issuing the Financial Statements to them. The Responsible Party is: S/FC and Finance Manager; the Revised Target Date is: Q4 2022.
- (vi) **Governing Body Annual Self-Assessment (Moderate)** – Management advised Deloitte that, while informal self-assessments have been completed by the Governing Body and Audit & Risk Committee, no formally documented self-assessments have commenced as of yet. The Responsible Party is: Governing Body Chairperson & Secretary/Financial Controller. Target Date: June 2022

The Committee members approved the Deloitte Internal Audit Follow-up Review Report as discussed.

Proposed: MC  
Seconded: SD

**7.2 Internal Audit Report on the Review of Procurement (Nov. 2022)** – the Report contained a total of 5 Findings: 2 considered to be 'Moderate' Risk, and 3 to be 'Minor' Risk. The details were as follows:

- (i) **Retention of Supporting Procurement Documentation (Moderate)** – Deloitte recommended that supporting procurement documentation should be retained in a structured manner to facilitate easy retrieval. IADT accepts the finding and recommendation and acknowledges the importance of retaining and maintaining access to all relevant documentation. IADT will remind Procurement Personnel of the importance of retention of documentation. Responsible Party is: Secretary/Financial Controller; Target Date is: Q1 2023.
- (ii) **Prior Approval of Purchases & Consistency in the Retention of Support Procurement Documentation (Moderate)** – Deloitte recommended that a) Evidence should be maintained on file of the approval of purchases prior to commencing the procurement by the authorised individual; and b) local departments should consider setting up local procurement folders to retain supporting procurement documentation. IADT accepts both findings and recommendations and will remind Procurement Personnel of the importance of retaining copies of documents and approvals; and will also explore the possibility of establishing localised electronic procurement files. Responsible Party is: S/FC; the Target Date is: Q1 2023.
- (iii) **Business Case for New Procurements & Renewals for Non-Capital Procurement (Minor)** – Deloitte recommended that a Business Case should be required for non-capital procurement (e.g. threshold, complexity, priority) and should include a) the rationale/need for the procurement, b) the indicative lifetime costings, and c) the risks and benefits to IADT. The Institute acknowledges the finding and accepts the need for Business Cases for new procurements and for procurement renewals above a determined threshold. IADT's Procurement Policy will be updated to reflect this and the update will be brought to the attention of all budget holders. Responsible Party: S/FC, Target Date: Q2 2023.

- (iv) **Use of Sole Suppliers (Minor)** – Deloitte recommended that the requirements and procedures for the use of Sole Suppliers should be included in the Procurement Policy and Procedure document, and should include the completion of a Sole Supplier Justification Form for appropriate approval. IADT accepts the finding and recommendation, and will update its Procurement Policy to reflect this requirement, and will bring the update to the attention of all budget holders. Responsible Party: S/FC; Target Date: Q2 2023.
- (v) **Review of Contracts Register (Minor)** – Deloitte recommended that a) the Contracts Register should be reviewed and updated to include required information (e.g. contracts start and end dates, term of contract, total contract value, Procurement process, Tendering Authority etc.); and b) all contracts with a value in excess of €25k should be added to the contract register. IADT accepts the findings and recommendations; it was noted that the Contracts Control Template is reviewed regularly to reflect best practice, and it will be reviewed to obtain any missing information. Responsible Party: S/FC; Target Date: Q2 2023.

The Committee members approved the Deloitte Internal Audit Report on the Review of Procurement as discussed.

Proposed: SD  
Seconded: BH

The Chairperson, on behalf of the Committee, expressed his appreciation for the work carried out by Deloitte. Ms. Nelson and Mr. Chahar left the meeting at 14:00hrs. It was reported that THEA has extended the internal audit contract with Deloitte for a further twelve months, following which they will carry out a procurement process.

## **8. Corporate Procurement**

- 8.1 Update re IADT Procurement Policy** – it was noted that the new EDI and Procurement Section 7 of the IADT Procurement Policy were circulated to Committee members by the Secretary/Financial Controller on 10 October 2022. It was reported that one query had been raised in relation to Section 7.3.2 Provider's EDI Policies and Practices, as to what type of evidence a company would need to provide to IADT in order to prove that they are "social responsibilities". Evidence required to prove their compliance in this regard would include: EDI Policies, Gender Balance, Non-traditional Employment etc. The Committee members approved the updated Procurement Policy for posting on IADT's website.

Proposer: MC  
Secunder: BH

- 8.2 Multi-Annual Procurement Plan 2022/2023** - the Multi-Annual Procurement Plan (MAPP) 2022/2023 was noted as circulated. The Institute is projecting expenditure of over €17.7M for the period 2022–2024. The Committee had no queries in relation to the MAPP 2022/2023 and approved same.

Proposed: MC  
Seconded: SD

- 8.3 Corporate Procurement Plan 2022/2023** - the Institute's Corporate Procurement Plan 2022/2023 was discussed as circulated. The 51% 'Centrally Procured' relates to contracts procured via the OGP/EPS; the 11% 'Not Applicable' relates to contracts which are centrally procured by HEAnet or otherwise procured. The 23% 'Self-Procured' are due to a number of instances whereby the OGP/EPS has authorised the

Institute to carry out their own contract process. The 15% 'Pre-National Framework Agreement/Contract' relate to those contracts in place prior to the introduction of the National Procurement Policy Framework. The Committee approved the CPP 2022/2023 as circulated.

Proposed: SD  
Seconded: BH

**8.4 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) **Pest Control** – due to the pandemic response measures and staffing resources issues, the commencement of a tender process was delayed; the service is currently in the planning stage for tender.
- (ii) **Plant Maintenance** – awaiting the installation of the outstanding equipment as part of the Atrium Upgrades; once full complement is in place and the assets are tagged, the tender will be published.

## 9. Risk Management

**9.1 Update re Cyber Security Review Findings** the Update Report on the Cyber Security Review Findings was discussed as circulated. Remedial actions taken to address the findings of the Internal Audit Review included:

- (i) IADT's Incident Response Plan has been updated, published and implemented, and it was successfully tested at the lowest level (*post the Deloitte Internal Audit Follow-up Review*)
- (ii) Mandatory online ICT Cyber Security Awareness training for all staff members was rolled out in September;
- (iii) A Patch Management Policy was drafted and approved;
- (iv) IADT will implement a THEA enterprise-wide Business Continuity Plan once this has been approved;
- (v) The IADT Vulnerability & Penetration Testing Policy was approved which outlines the context, frequency and process to conduct a Penetration Test. An annual Penetration Test was in the process of being carried out at the time of the Deloitte audit and the Institute is awaiting a full report re same from our security partners;
- (vi) The Security Incident & Event Management (SIEM) system has moved to the live environment and monitoring is currently taking place; the next stage will be the engagement with IADT's SIEM partner to harness their Security Operations Centre (SOC) and Security Orchestration, Automation & Response (SOAR) for 24/7/365 migrations.

## 10. Statutory Reporting

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

- (i) **Accidents Reported to the Health & Safety Authority (HSA)** – no accidents occurred which required reporting to the HSA.
- (ii) **Data Breaches under GDPR** - there were no data breaches since last one noted which occurred on 14<sup>th</sup> September 2022.

- (iii) **General Complaints** – there were no general complaints received since the last meeting.
- (iv) **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 on 21<sup>st</sup> September 2022.
- (v) **Staff Complaints/Grievances** – one new staff grievance received on 10<sup>th</sup> November 2022 relating to technical staff members being requested to work across Faculty.
- (vi) **Student Complaints** – 2 new student complaints were made:
  - a) September 2022: complaint made by a student regarding an academic staff member’s alleged behaviour – investigation by a Head of Department is currently in progress and a report is expected shortly.
  - b) October 2022: complaint made by a student regarding an academic staff member’s alleged behaviour – complainant withdrew their complaint and the matter is deemed to be closed.

## 11. President’s Expenses

Due to the current remote nature of the Audit & Risk Committee meetings, it was proposed that the Chairperson review the President’s expenses during the Christmas annual leave period, when an on-campus visit will be arranged.

## 12. Equality, Diversity & Inclusion Implications

There were no matters for discussion under EDI Implications; it is unclear whether the Student Complaints received relate to EDI matters.

## 13. A.O.B.

**13.1 Higher Education Authority (HEA) Act 2022** – it was reported that the Oireachtas passed the new HEA Act 2022 which came into effect on 10 November 2022. As part of the new Act, the membership of Governing Body, and subsequently of its Sub-Committees will be required to be reviewed. It was noted that there is a transition period of twelve months for the implementation of the new legislation. A query was raised as to whether this affected the status of the external member of the Committee; it was noted that while the new legislation does not affect the status of the external member, the term of office of the external member will expire in mid-June 2023, and discussions in this regard will be held in the New Year.

**Next Meeting:** Wednesday, 29<sup>th</sup> March @ 1pm.

Signed: \_\_\_\_\_  
Cllr. Michael Clark  
Chairperson

Date: \_\_\_\_\_