

Audit & Risk Committee of Governing Body

Minutes of 12th June 2023

Present: Cllr. Michael Clark, Sam Dunwoody, David Smith

Apologies: Maeve McConnon, Ben Harper

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

The Meeting was held as a Video Conference Meeting via MS Teams; the meeting commenced at 13:08hrs and concluded at 13:45hrs.

1. Adoption of Agenda

The Agenda was adopted, as circulated.

Proposer: SD

Seconder: PS

2. Conflicts of Interest

No conflicts of interest were declared.

3. Adoption of Minutes of the Meeting of 29th March 2023

The Minutes of the meeting of 29th March 2023 were adopted as circulated.

Proposer: MC

Seconder: SD

4. Matters Arising

There were no items for discussion under Matters Arising.

5 Financial Statements

5.1 Financial Statements for year ended 31st August 2022 – it was reported that the Institute's Financial Statements for year ended 31st August 2022 were approved by the Governing Body at its meeting of Wednesday, 10th May 2023, and were forwarded to DHKN for onward submission to the Office of the Comptroller & Auditor General. The Office of the C&AG formally issued the Audit Certificate for the Financial Statements on 12th May 2023. A summary of adjustments made to the original Financial Statements and an Analytical Review of same were circulated to Committee members in advance of the meeting. The adjustments made to the Financial Statements included:

- (i) Treatment of 2022/2023 Devolved Grant – as agreed with the HEA, the 2022/2023 Devolved Grant of €1.03m was allocated to fund the exceptional capital expenditure in 2022. As a result, the deficit of €1.13m was reduced to €0.1m.
- (ii) Amendments to Wording in Corporate Governance Statement – some amendments made to the wording in the Commercially Significant Developments section to reflect the up-to-date status.

- (iii) Amendments to Wording in Note 1 Significant Accounting Policies – the Accounting Policy wording was updated to reflect the sectorally agreed wording for these sections

The Analytical Review of the Financial Statements included the following items of note:

- (i) State Grants – reduced from €12.7m to €12m, primarily due to the reduction in COVID Supports from €1.78m to €0.93m.
- (ii) Tuition Fees – reduced due to a reduction in student numbers in most categories over 2021.
- (iii) Research Income & Expenditure – Research income increased significantly over 2021 reflecting continuing growth in this area. Expenditure associated with Research also increased significantly.
- (iv) Student Support Funding – decreased due to a reduction in additional funding provided in 2021 to meet COVID impacts on student welfare.
- (v) Other Income – increased in 2022 primarily as a result of the return of rental income to pre-pandemic levels.
- (vi) Salary Payments – staff costs increased by €1.4m (8%) over 2021, due to an increase in Research Activity associated staff, as well as the implementation of Pay Restoration and National Pay Agreements.
- (vii) Non-Pay Expenditure – Other Operating Expenses increased on 2021 by approximately €0.95m (17%), in areas such as Research, Student Services, Cleaning, Staff Development, Travel and Hospitality.
- (viii) Property, Plant & Equipment (Fixed Assets) – expenditure included a significant Energy Efficiency Upgrade to the Atrium building, and ongoing investment in I.T. infrastructure.
- (ix) Receivables (Debtors) – increase relates primarily to capital due in relation to the Atrium Energy Efficiency Upgrade.
- (x) Payables (Creditors) – increased by €1.7m which includes upfront payments of research contracts.

5.2 Programmes & Budgets 2023 – it was reported that the Governing Body approved the Institute's Programmes & Budgets 2023 at its meeting of Wednesday, 10th May 2023, and were subsequently forwarded to the HEA on 11th May 2023. It was reported that the Institute is projecting an operating surplus totalling €419K in 2023.

6. Internal Audit

Mr. Sanjeev Chahar (Auditor, Deloitte) joined the meeting at 10:10hrs.

6.1 Internal Audit Plan 2023 – the Committee members were briefed on the proposed areas for internal audit review during 2023/2024, which are: Payroll and Space Utilisation. In addition, Deloitte will carry out a Follow-up Review of the progress made regarding the implementation of recommendations from prior internal audits. Other audit areas for consideration included: Management of Health & Safety; Succession Planning of Critical Roles; Timetabling; Travel and Subsistence; and Bank and Cash. The Committee members approved the reviews of Payroll and Space Utilisation.

Proposer: SD

Secunder: PS

Sanjeev Chahar left the meeting at 10:19hrs

6.2 Internal Audit Report Tracker (March 2023) – the Institute's Master Internal Audit Report Tracker was reviewed by Committee members as circulated. As notified during previous Audit & Risk Committee meetings, the THEA Internal Audit Steering Committee has decided that individual HEIs should develop their own individual Risk Management Systems and Business Continuity Plans. To this end, during the Summer, the President and Secretary/ Financial Controller will examine options regarding external providers who will provide assistance in the development of a Risk Management Framework for the Institute. The Committee will be advised of the outcome of this process at the September 2023 meeting. It was noted that the Managers at IADT do give due consideration to Risk Management for their individual functional areas but that greater consistence in the formal reporting of any risks is required.

7. Corporate Procurement

7.1 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) **Building Maintenance Minor Works** – as previously advised, there is currently no requirement for a building maintenance minor works contract; when such works are required, the SupplyGov platform of existing frameworks are utilised on a call off basis, where available.
- (ii) **Grounds Maintenance** – the preparation of tender documents for a new contract is underway; the contract with SAP Landscapes has been extended until the completion of the Digital Media Building.
- (iii) **Pest Control** – the preparation of tender documents is underway and appointment is expected Q3/Q4 2023.
- (iv) **Utilities Supplies (Electricity)** – a new 18-month contract with a service provider obtained via the OGP was signed on Friday, 2nd June 2023.

It was reported that the OGP has increased the threshold to €50K in relation to the requirement to advertise all contracts for goods and services on eTenders. The Committee approved the Contracts Control Sheet as discussed.

Proposer: SD Seconder: PS

8. Risk Management

8.1 Update re Cyber Security Review Findings - the Update Report on the Cyber Security Review Findings was discussed as circulated. It was noted that IADT experienced a major incident on 15th and 16th April 2023, which resulted in the campus losing power for several hours, and unmanaged shutdowns of systems. IADT's Business Continuity/Disaster Recovery Plan was utilised and systems were back up and running on Monday, 17th April 2023. Additional remedial actions taken to date include: IADT's updated Patch Management System was approved and implemented; a Penetration Testing Procedure was developed, approved and implemented; the HEAnet managed Security Incident & Event Management (SIEM) solution was reviewed and deemed unsuitable for IADT's needs – the Institute will continue to use Microsoft Sentinel SIEM, whilst keeping HEAnet offering under constant review. The Chairperson commended the work carried out by Institute staff

to maintain the cybersecurity of IADT's systems. The Chairperson also commended the Committee members for maintaining a vigilance in relation this issue, and proposed that this issue should remain as a standing item for future reference, and for the new Audit and Risk Committee when appointed.

9. Statutory Reporting

There were no updates to report in relation to: Accidents Reported to the HSA; Open Insurance Claims; Data Breaches under GDPR; General or Student Complaints; Staff Complaints/Grievances; or Issues relating to the Protection of Children & Vulnerable Adults.

10. Equality, Diversity & Inclusion Implications

There were no matters to report in relation to Equality, Diversity and Inclusion (EDI). It was noted that EDI Implications is a standing item on all of the Institute's Committee meetings and any matters raised in relation to EDI are reviewed by the President and the EDI Manager.

11. Audit & Risk Committee

11.1 Audit & Risk Committee Meeting Schedule 2023/2024 – it was noted that as a result of the passing of the HEA Act 2022, a new Governing Body will be appointed at the end of October 2023. This will result in a change to the membership of the Audit & Risk Committee. As a result the times and dates of the Meeting Schedule 2023/2024 may be altered. However, the current Committee members were requested to hold the dates of 27th September and 25th October 2023 in their diaries.

11.2 Appointment of an External Member to the Audit & Risk Committee – the current members of the Audit & Risk Committee indicated their approval for Sam Dunwoody, whose term of office is due to expire on 11th June 2023, to continue as the external member of the Committee. The proposal to re-appointment Mr. Dunwoody will be brought to Governing Body for their approval on 14th June 2023.

12. A.O.B.

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

Next Meeting: Wednesday, 27th September 2023 @ 1pm.

Signed: _____
Cllr. Michael Clark
Chairperson

Date: _____