

Audit & Risk Committee of Governing Body

Annual Report 2023-2024

1. Introduction

The purpose of this report is to demonstrate the Institute's compliance with internal control requirements, as set out in the *Code of Practice for the Governance of State Bodies*, as encapsulated by the *Code of Governance for Institutes of Technology 2018*, as amended (Sections 7.3 to 7.6 inclusive) (the Code), and to confirm to the Governing Body that the Audit and Risk Committee has complied with the Terms of Reference of the Committee.

This report has been compiled by the Audit and Risk Committee (ARC) to support the Board's responsibility for reviewing the effectiveness of the systems established by management for both its internal support functions and its externally facing functions.

The Committee is required by its terms of reference to report annually to the Governing Body outlining the extent to which it may rely on the level of assurances provided by the systems of internal control, results reporting, risk management, compliance, governance for the Dún Laoghaire Institute of Art and Design Technology (IADT) financial year and arrangements for securing economy, efficiency and effectiveness.

2. Membership of the Audit & Risk Committee

Members are appointed to the Committee by the Governing Body. As at 31st August 2024, the membership of the Committee consisted of three members: two external members of Governing Body, and one external member. The Chairperson is appointed by the Governing Body on the nomination of the Chairperson. Members are appointed to the Committee taking account of their experience in fields of expertise relevant to the function, so as to enable the Audit and Risk Committee to carry out its work in a proactive and informed manner.

The Secretary to the Governing Body is Secretary to the Committee.

3. Meetings

The Committee's terms of reference require it to meet at least four times a year. The timing of the meetings follows, as far as possible, the planning and reporting cycles of external and internal audit. A quorum of three members is required for each meeting.

In attendance at meetings of the Committee during the year were: the President, Secretary/ Financial Controller, Finance Manager, and Recording Secretary.

During the twelve months to 31st August, 2024, the Audit & Risk Committee met on five occasions to fulfil its remit as follows:

- 27th September 2023 (*inquorate*)
- 7th December 2023
- 28th March 2024
- 8th May 2024
- 28th May 2024

The following table shows the attendance record for each member at these meetings:

Audit & Risk Committee Member	Eligible to attend	Attended
Ms Bernadette Costello (Chairperson)	4*	4
Cllr Michael Clarke (former Chairperson)	1**	1
Mr Sam Dunwoody	5***	4
Mr Colm O'Callaghan	4*	4
Mr Ben Harper	1**	1
Ms Maeve McConnon	1**	1
Ms Punitha Sinnapan	1**	1

* Members appointed on 8th November 2023

** Period of office finished on 30th September 2023

*** Reappointed on 14th June 2023

Representatives of the Office of the Comptroller and Auditor General were in attendance at the meeting held on 7th December 2023 to discuss the audit report for the previous year.

Representatives of the internal auditor were in attendance at the meeting of 28th March 2024 to discuss the Deloitte internal audit reports and their work plans for the coming year.

All members of the Audit and Risk Committee were invited to attend private meetings with representatives of the Office Comptroller and Auditor General, and with the internal audit providers without the presence of officers of IADT. These meetings allow external auditors and outsourced internal audit providers the opportunity to raise any issues of concern with members of the Audit & Risk Committee.

The Committee did not deem it necessary to meet in the absence of the Executive staff members due to the open discussion already undertaken. During the year no matters were reported back to the Audit & Risk Committee as requiring further consideration.

4. Audit & Risk Committee - Terms of Reference

The Audit & Risk Committee's terms of reference defines the scope of the Committee's oversight responsibilities and how these are to be discharged. The Terms of Reference was reviewed and updated during 2024 (copy attached).

5. Internal Audit

A programme of internal audit was delivered during 2024 in line with approved Internal Audit Work Programme as follows:

- Follow-Up Review on previous Internal Audit Recommendations (March 2024)
Review of Travel & Subsistence (March 2024)
- Review of Payroll (March 2024)
- Risk Management draft Corporate Risk Register (8th May, 2024)

The Committee reviewed and approved the Internal Audit Plan 2024-2027 at the meeting of 28th March, 2024.

Additional assurances were sought from the Executive in relation to the findings and management responses.

The Committee received updates on Cyber Security from the Head of Information Services at the meetings of 7th December 2023, 28th March 2024 and 28th May 2024.

The Committee noted the Institute's Statement of Internal Control at its meeting of 7th December 2023 for the year ended 31st August 2023.

The implementation of the internal audit recommendations are tracked and status updates presented to the Audit & Risk Committee on a regular basis.

6. Reports and Financial Statements for the year ended 31st August 2023

The Committee received the statutory financial statements for the year ended 31st August 2022 and the draft statutory financial statements for the year ended 31st August 2023 at its meeting on 7th December, 2023, prior to going to the Governing Body for approval.

The Management Letter relating to the Financial Statements for year ended 31st August 2022 was considered by the Committee at the meeting of 7th December 2023. The Letter of Representation for the Financial Statements for year ended 31st August 2023 was reviewed by the Committee at the meeting of 8th May 2024.

The Committee noted the clean audit opinion issued by the Comptroller and Auditor General for the year ended 31st August 2022.

7. Risk Management

The Board of Management is responsible for ensuring IADT maintains a sound system of internal control, including risk management. A risk management review is currently underway in house with a view to bringing risk management to the next level of maturity. The Senior Management Team has executive responsibility for the management of risk.

The President presented an update on the Corporate Risk Register, outlining the results and findings in respect of responses including:

- The status of all key risks from the Corporate Risk Register
- The status of key risks which could affect the achievement of the Institute's objectives.
- New and emerging risks which affect risk owner's areas of responsibility.

A review of the Risk Management Framework was requested by the Audit & Risk Committee during the academic year 2023/2024.

8. Annual Statement on Internal Control

The Annual Statement on Internal Control (SIC) for the year ended 31st August, 2023 was reviewed by Audit and Risk Committee on the 7th December 2023.

9. Internal Audit Resourcing

Deloitte were appointed on 1st January 2024 as outsourced internal audit providers. The contract was for an initial period of 24 months from the date of award. IADT reserves the right to extend the contract for a further two additional 12-month periods each awarded separately, bringing the contract term to a maximum of four years. This contract expires 31st December 2027.

10. Audit & Risk Committee Effectiveness

In line with best practice, the Audit & Risk Committee will complete a self-assessment of the effectiveness of the Committee in 2024. The self-assessment is a requirement of the Code of Practice for the Governance of State Bodies 2016.

11. Conclusion

The Audit & Risk Committee considers that they have effectively delivered on their Terms of Reference during the period to 31st August 2024. The Committee is of the view that the assurances set out in this document, and provided by Management to the Committee, while not absolute, are comprehensive, and are derived from sound evidence and a wide range of sources.

The Audit & Risk Committee is of the opinion that the Institute's system of internal control is substantially compliant with the requirements of the 2016 Code of Practice for the Governance for State Bodies, as encapsulated by the Code of Governance for Institutes of Technology 2018 as amended.

In carrying out the scope of audit work performed, nothing of significance has come to our attention that would indicate that the systems of internal control are not effective.

The disclosure of high and medium priority observations in the audit reports is indicative of increased levels of control risk. Management action is required to address these observations, together with increased managerial supervision and ongoing oversight to ensure control risk is reduced.

The work of the Audit & Risk Committee has been greatly supported by the senior management of IADT throughout the year, and we take this opportunity to record our appreciation.

Signed: _____

Bernadette Costello

Chairperson of Audit & Risk Committee

Dated: _____