

Minutes of the 13th Audit & Risk Committee meeting

Date: Thursday 19th December 2024
Time: 9.30am, via MS Teams

Chairperson: Dr David Dempsey

Attendees: Mr Kevin Lewis
Mr Sean Quigley
Ms Kathleen Holohan
Ms Imelda Buckley

In attendance under the Code of Governance:

Ms Elaine Sheridan, VP Governance/University Secretary

In attendance: Ms Sarah Morrissey, SETU Internal Auditor

In attendance for Agenda Item 2 & 4.2:

Mr Cormac O'Toole, VP Finance/Financial Controller

In attendance for Agenda Item 3:

Mr David Denieffe, VP Student Experience
Mr Tony Miller, Director of ICT & Digital Transformation

In attendance for Agenda Item 4:

Ms Brenda Nelson, Deloitte
Ms Eileen Healy, Deloitte (Item 4.1 only)

Secretariat: Ms Annette Byrne

| Item Title | |
|------------|---|
| 1. | <u>Chairperson's Opening:</u> |
| 1.1 | <u>Welcome & Approval of Agenda</u> NOTED The Chairperson welcomed and thanked all for making themselves available for the meeting. Confirming that the meeting was quorate and approval of the agenda he commenced the business of the meeting. |
| 1.2 | <u>Conflict of Interest</u> NOTED The Chairperson asked members if they had any conflicts of interest to declare particularly associated with items on the meeting agenda. No members present declared a conflict for this meeting. |

1.3 Approval of Minutes

AGREED It was agreed to approve the minutes of 18th November 2024 and publish them on the website.

1.4 Matters arising (Action Log)

NOTED The Chairperson reviewed matters listed on the Action Log and updated as follows;

- a recommendation in relation to risk appetite was brought to the attention of the EMT at their meeting on 18th December and duly approved;
- Audit assignments pertaining to SETU subsidiaries have been included on the Internal Audit Plan to be presented later in the meeting.

2.

Financial Matters:

Annual Financial Statements year ending 31 Aug 2023

NOTED It was noted that the unavoidable delay in the availability and provision of supporting papers resulted because of access to data during the Cyber Security incident and correspondence with the Comptroller & Audit General office (OCAG) which has been ongoing and only finalised the previous afternoon. Ms Sheridan indicated to all that the OCAG has requested additional notes pertaining to some matters and minor amendments within the Statement of Internal Control (SIC). She also advised members that the Finance & Capital Investments Committee have been through a similar presentation and review the previous evening.

NOTED Mr O'Toole was welcomed to the meeting. He commenced by outlining the process of review and approval carried out regarding the financial statements to period ending 31st August 2023 prior to commencement of the audit by the Office of the Comptroller & Auditor General (OCAG) audit fieldwork in August 2024 which concluded in recent days. He then provided details of the next steps in the approval process in order to submit to the OCAG for final certification. The following amendments were outlined;

- Increase in University (€58k) and Consolidated (€253k) result due to the release of HCI and N-TUTORR additional income;
- Provision in University to offset accrued losses regarding ThreeD DAC offset in the consolidated accounts;
- Non-compliant procurement €587k;
- Additional notes by request by the OCAG regarding Cyber Security Incident, Cash Handling matter and related parties regarding the purchase of a property.

Mr O'Toole indicated that the overall result is a satisfactory one, however difficult to establish a comparator on the previous statements due to 20 and 16-month periods. He also informed members that the HEA and OCAG had been informed of a delay regarding the Financial Statements for 31 August 2025 and a first draft is expected in January 2025. The Chairperson opened the floor to comments and advice from the members. It was requested that an accompanying briefing note outlining the cycle of the audit process and key highlights would be beneficial in guiding members through the process. The committee members queried details of particular notes regarding the treatment of non-compliant procurement, cash handling and property purchase as included in the financial statements. Mr O'Toole provided clarification on same and he also indicated that the OCAG have not highlighted any concerns.

AGREED Based on the presentation and explanations provided, it was agreed to recommend the Annual Financial Statements period ending 31 Aug 2023 for approval to the Governing Body. The Chairperson thanked Mr O'Toole and he left the meeting.

3.

Cybersecurity Update:

NOTED Mr Denieffe and Mr Miller were welcomed to the meeting. Mr Denieffe commenced by informing all that the investigation stage is now complete and initial findings have been presented to the ICT team to enable a recovery process. He outlined the ongoing work in terms of business continuity, recovery of key data, cleaning processes and network rebuild, noting that student exam sessions have successfully commenced in recent weeks. Mr Denieffe also informed the committee that the rebuild of network infrastructure and firewalls is in progress with an expected completion date for key elements in time for the commencement of Semester 2 on January 20th. A detailed overview of the Incident Recovery project with timelines was provided to the committee. Mr Miller provided an update regarding the next steps in implementing findings and best practice recommendations to support a secure cloud-based technology system and technical aspects of the recovery plan noting the status of actions and progress being made in this regard. He also indicated that he expects Teaching and Learning labs to be fully operational in time for the commencement of Semester 2. The Chairperson and members extended their gratitude to all for the work completed thus far and the ongoing work that continues in resolving and recovering from the cybersecurity incident. He thanked Mr Denieffe and Mr Miller for the briefing and they left the meeting.

4.

Internal Audit:

4.1

Internal Audit Workplan 2025

NOTED Deloitte representatives, Ms Nelson and Ms Healy joined the meeting at this point. Ms Morrissey noted that the purpose of their attendance was to enable clarification in terms of the Internal Audit plan for 2025 whereby Deloitte will continue to provide input into some internal audit activities of the university working with the in-house internal auditor during the transition period. Ms Morrissey then presented a 3-year draft Internal Audit Plan (2025 – 2027) including proposed assignments for inclusion in 2025 and noted that these assignments have been considered by the Executive Management Team, Corporate Compliance & Risk Manager, the VP Governance during the planning process. It was also noted that Executive Management Team has also reviewed the proposed plan in detail in recent weeks and proposed some recommendations in terms of additional reviews i.e. Academic Governance, Space Management and Staff Development. A schedule of nine assignments with indicative timelines for 2025 were outlined to the committee noting that a review of cyber security remains on the plan for 2025 as a result of the recent incident.

AGREED Having considered and discussed the Internal Audit Plan as presented, the committee indicated satisfaction with same and agreed to approve the Internal Audit Plan 2025-2027.

NOTED Ms Healy noted that during the internal audit transition period that Deloitte would continue to support the work of the Internal Auditor in relevant assignments. She thanked all for their engagement during the term of the contract, wished all a Happy Christmas and left the meeting. Ms Nelson remained present.

4.2

Cash Handling Review

NOTED Mr O'Toole re-joined the meeting. In referring to the above review he referred to the management responses supplied. In considering these responses the committee members continued to express a view that the matter remains incomplete. Mr O'Toole reminded the committee of the scope of the review. Ms Sheridan also recapped on the process that has been pursued regarding this matter which has included the involvement of the relevant Head of Faculty and that the OCAg have requested a note in the Financial Statements as advised earlier in the meeting. Further discussion on the matter ensued. Notwithstanding that responses to recommendations are reassuring, the Chairperson and the members requested that in order to conclude the matter, that it should be referred onwards to Human Resources. In order to put this in process the following was agreed;

ACTION Ms Nelson, Deloitte to provide a final report on Cash Handling matter.

| | |
|----|---|
| | <p>ACTION Final report to be shared with Human Resources.</p> <p>The Chairperson thanked Ms Nelson and Mr O'Toole and they left the meeting.</p> |
| 5. | <p><u>Protected Disclosure Matters:</u></p> <p>NOTED Ms Sheridan provided an update on disclosure matters, referring to the reports provided to members. A detailed report regarding the more complex submission was considered and it was noted that this particular matter has been through a rigorous review process with much engagement and gathering of information and it has therefore been recommended that the matter is considered not to be a protected disclosure. A recommendation is included in the report regarding extending the scope of the next Internal Audit Plan to take account of the matters raised in this disclosure. Ms Sheridan suggested that the report is shared with reporting person.</p> <p>AGREED To accept the recommendations and suggestions outlined in the reports.</p> |
| 6. | <p><u>Briefing note re. follow up to Effectiveness Review processes</u></p> <p>NOTED A briefing paper on the above noting it as a helpful reminder of the committee's role in this regard.</p> |
| 7. | <p><u>AOB:</u></p> <p>NOTED Final Internal Audit Reports namely Internal Financial Controls and Facilities Management Review.</p> <p>There being no other matters to attend to the Chairperson thanked all for their attendance, wished all a Happy Christmas and closed the meeting at 11.25am.</p> |

Approved: Dr David Dempsey
Chairperson

Date: 13th February 2025