

Minutes of the 4th Audit & Risk Committee meeting

Date: Monday 29th May 2023

Time: 4pm, via MS Teams

Chairperson: Mr Jim Bergin

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

Apologies: None

In attendance under the Code of Governance:

Ms Elaine Sheridan, Vice President for Corporate Affairs and Finance
Mr Cormac O'Toole, Vice President for Corporate Affairs

In attendance for Agenda Item 2

Ms Susan Green, Risk & Compliance Officer
Ms Cristiona Innseaduin, Finance Manager
Ms Eleanor Rea, Finance Manager

Secretariat: Ms Annette Byrne

Item Title	
1.	<u>Chairperson's Opening:</u>
1.1	<p><u>Welcome & Approval of Agenda</u> NOTED The Chairperson opened the meeting and welcomed all. He indicated that the purpose of the meeting today was to review draft Annual Financial Statements for both legacy institutes (Waterford Institute of Technology & Institute of Technology Carlow) for the period ending 30 April 2022 (20 and 8 months respectively) and further recommend approval of same to the Governing Body in order to submit to the Comptroller and Auditor General (C&AG).</p>
1.2	<p><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 member present declared a conflict for this meeting.</p>
1.3	<p><u>Matters Arising</u> NOTED For context, Ms Sheridan provided explanation regarding TU legislation whereby it specifies that the Governing Body of the new TU has the authority to approve the final financial statements of the legacy institutes. She informed members that WIT statements for the year ending 31st August 2021 had not been audited by 1st May 2022 and therefore they could not be approved by the previous Governing Body whereas the Governing Body of ITC have approved financial statements for the period 1 Sept 2021</p>

to 30 April 2022 as the audit of those financial statements had been concluded. In order to enable a process to allow for approval of an extended period pertaining to WIT Financial statements, discussions have been directed through the Finance & Capital Investments committee, verified by the HEA and have recommended a final set of accounts for WIT for the period 1 September 2020 to 30 April 2022 (20 months). The final accounts ITC relate to the period from 1 September 2021 to 30 April 2022 (8 months). In understanding this, the Chairperson enquired if for clarity it might be appropriate to state the accounting periods on the front cover of both sets of statements.

ACTION To amend the cover page of Financial Statements format to incorporate accounting period.

NOTED The Chairperson referred to an email sent by Ms Buckley just before the meeting commenced expressing some concerns regarding the language used outlining members responsibility for the financial statements in the committees Terms of Reference, in particular, *“Assess whether the financial statements are complete and provide an accurate view of the financial position of the University”*. Other members also expressed similar concerns and suggested replacing the wording in the Terms of Reference with *“true & fair view”* is more appropriate. It was therefore agreed to review the Terms of Reference and revert to the previous wording of *“true & fair view”*. It was noted that the appropriate approval process must be undertaken to effect the change.

Mr O’Toole reminded members that the format and language used throughout the Financial Statements is agreed by the sector through a Format of Accounts group and substantiated by the C&AG and HEA. They were also informed that the Finance & Capital Investments committee have carried out a thorough review of both sets of statements in line with responsibilities outlined in their terms of reference and have recommend that the process for approval should progress as required. Mr Lewis in seeking additional clarification and assurance recapped on the role of the Finance & Capital Investments committee and their responsibility for the financial statements and also the oversight role the Audit & Risk committee must provide. In concluding the discussion, the Chairperson sought opinion from all with regards to their agreement to proceed, remaining aware that the financial statements are in draft format and subject to audit.

AGREED Following the discussion above members indicated their agreement to proceed under existing Terms of Reference. It was also requested that Terms of Reference are amended as discussed and advanced through the required approval process.

ACTION Amend ARC Terms of Reference as required and seek approval for same.

2. Consolidated Financial Statements:

2.1 Review of Consolidated Financial Statements (Waterford Institute of Technology) to 30 April 2022

NOTED The Chairperson welcomed Ms Green and Ms Innseaduin. Ms Innseaduin commenced with a brief presentation outlining an overview of the process associated with the preparation of the financial statements and associated reports in line with policy and procedures. Ms Green provided a particular focus on the Statement of Internal Controls. She outlined the number of compliance activities carried out as follows;

- Confirmation of compliance through the Annual Governance Statement to the HEA;
- A robust Internal Controls Framework is in place nurturing a culture of accountability for legal and regulatory obligations;
- Activity through a process with senior management whereby compliance requirements and controls are identified and best practice is applied;
- Risk Management policy is in place with individual owners reporting accordingly;
- Executive Management Team have attested to the effectiveness of controls that are in place;
- Internal Audit assignments carried out as well as external audits by state auditors and regulators;
- Weaknesses, items of significance and areas of non-compliance are explained and reported.

All of the above are the basis on which assurances can be provided that controls and regulations are in place to ensure, in so far as possible, an effective system of internal control is maintained and operated. It was therefore requested that approval for the Statement of Internal Controls as presented is granted. Members indicated their approval and satisfaction with the comprehensive review provided.

NOTED Ms Innseaduin continued by providing a recap on the 20-month timeline for the WIT AFS highlighting preparation for the initial period that being 12 months to 31st August 2021. She indicated where items have been re-classified and changes in disclosure notes required as a result of the extended period. Additional items highlighted were as follows;

- Stipends categorised as Non-Pay from September 2021 (in line with HEA P&B submissions);
- August 2021 net surplus unchanged from previously audited;
- Finance & Capital Investment Committee review carried out on 26 May 2023;
- Significant accounting policies and critical accounting judgements outlined;
- Format of statements based on latest version of the sectoral format of accounts template;
- Letter of Representation and President's covering letter to accompany the financial statements based on prior year templates and updated accordingly.

The Chairperson thanked Ms Innseaduin and opened the floor to questions or advice. Members sought and were provided with clarification to items contained within the financial statements as follows;

- Note 6 – amend abbreviated wording re Opening/Closing balance;
- Increase in Professional Fees – specific TUTF funding provided to support this;
- Clarify date of Protected Disclosure legislation as referred to in the Letter of Representation;
- Clarification provided regarding Research grant income & expenditure;
- Note 18 re DFHERIS loan (Drawdown balance at Nil). It was suggested that the reference to this is deleted;
- Confirmation of external validation regarding pension valuation.

In concluding the discussion, the Chairperson recapped on the alignment between all processes of compliance, transparency and assurance. He enquired if there were any matters that might present a risk and if these should be highlighted to the Audit & Risk committee. The VPs Corporate Affairs confirmed a strong position and satisfactory final results. Additional assurances were provided as members were informed that a pre-merger independent external review of the financial positions of the legacy institutes was conducted by PWC. Members indicated their satisfaction with the Financial Statements of Waterford Institute of Technology for the period 1 September 2020 to 30 April 2022.

AGREED To recommend to the Governing Body approval of the draft Annual Financial Statements of Waterford Institute of Technology to 30 April 2022 for submission to the Comptroller & Auditor General.

AGREED Confirmed satisfaction with the format and language contained within Letter of Representation presented.

The Chairperson thanked Ms Green and Ms Innseaduin. Due to some technical issues, the Chairperson requested that Ms Widger chair the meeting in the event of him being disconnected temporarily.

2.2

Review of Consolidated Financial Statements (Institute of Technology Carlow) to 30 April 2022

NOTED Ms Rea presented an overview of the above highlighting the 8-month period. She drew attention to amendments to some of the terminology used. Mr Quigley enquired as to the reason for differing terminology used in the opening paragraph of each set of accounts. As previously indicated, these particular formats and language are agreed by the sector, however it was agreed the amendments

	<p>could be made based on what is acceptable to the C&AG. Ms Rea continued with details of the following;</p> <ul style="list-style-type: none"> • Annual Governance Statement – confirm and explain in line with the Code of Governance; • Processes regarding assurances provided in the Statement of Internal Control carried out; • Disclosures / areas of Non-Compliance have been called out as appropriate; • No change in significant accounting policies • Explanation of significant movements regarding cash reserves; • Referring to Business Risk on Page 11 – it was suggested to include the word “manage”. <p>Members indicated their satisfaction with the Financial Statements of Institute of Technology Carlow for the period 1 September 2021 to 30 April 2022.</p> <p>AGREED To recommend to the Governing Body approval of the draft Annual Financial Statements of Institute of Technology Carlow to 30 April 2022 for submission to the Comptroller & Auditor General.</p> <p>The Chairperson thanked all for their time and input. He indicated that he would progress the recommendations of the Audit & Risk Committee to the Governing Body with the assistance of the VPs Corporate Affairs.</p>
3.	<p><u>AOB:</u></p> <p>There being no other business to attend to the Chairperson thanked all and closed the meeting.</p>

Approved: 3.10.2023