

The University of Dublin

Trinity College

Minutes of Audit Committee, Wednesday 17 October 2001

Present Mr David Kingston (Chairman), Dr M J Carroll, Professor F Neelamkavil,
Professor J McGilp

(ex officio) Internal Auditor, Assistant Secretary

Mr Paul O'Connor and Mr D Byrne of PricewaterhouseCoopers attended for item 2001/17.

The Chairman welcomed Professor McGilp to his first meeting as a member of the Committee.

2001/16 Minutes The Minutes of the meeting of 28 May 2001 were approved and signed subject to the following amendment:

2001/11 Progress Report on Work Plan The last sentence of the minute was deleted and replaced with 'The Committee recognising that Information Systems Services software activities are out-sourced, recommended that consideration be given from time to time to the external procurement of other Information Systems Services' activities.'

2001/17 Audit issues Mr P O'Connor and Mr D Byrne of PricewaterhouseCoopers attended for this item and advised the Committee of the approach they intend to take to their audit of the College's financial statements which, in addition to examining the financial statements, will focus on the controls in place to address key risk exposures taking account of materiality. The Auditors invited the Committee's attention to divergences between the harmonised basis and the Generally Accepted Accounting Principals (GAAP) pointing out areas of possible concern should there be developments to move the harmonisation basis closer to GAAP .

In response to queries, the Auditors confirmed that the agreed sectoral harmonisation basis for the presentation of accounts is appropriate for College and that their report is made on the basis of financial statements prepared in accordance with that approach. The Committee agreed that the accounting bases should continue to reflect rather than drive the activities of the College.

The Auditors also invited the Committee's attention to issues associated with the Prompt Payment of Accounts Act 1997.

In response to queries from Committee members, Mr O'Connor and Mr Byrne advised the Committee that, in their opinion, the main impact of the 11 September 2001 atrocity on the College's finances would be most likely to occur in the pension and other investment funds areas. The Auditors advised the Committee that their main concern in the information technology area relates to the integrity of the College's financial systems which they noted are subject to strict control through the examination of monthly and quarterly accounts for all cost centres.

The Auditors also invited the Committee's attention to the audit time-scale and deliverables. It was agreed that the Auditors would advise the Audit Committee of areas of concern which they might encounter in carrying out the audit of the College accounts and that the Committee would be available to them in the course of their audit should the need arise. A post-audit meeting will be held with the Audit Committee prior to the accounts being submitted to the Board for consideration on 23 January 2002. The review of controls submitted to the Secretary to the College by the auditors, will be sent also to the Audit Committee.

2001/18 Annual Report to Board The Internal Auditor invited the Committee's attention to the following issues in the draft outline of the Annual Report to Board which had been circulated, noting that the full report will be considered by Board at its meeting on 12 December 2001:

- (i) an introduction to the work of the Audit Committee
- (ii) an overview of risk management and the approach being adopted in College
- (iii) a description of internal audit projects undertaken in the past year
- (iv) a follow-up of the Audit Committee's recommendations in its report for 2000
- (v) proposals for future work

The Internal Auditor invited the Committee's attention to a pilot risk assessment exercise which had been carried out in the Statistics Department the outcome of which suggested that many of the relevant issues were similar to those considered in the course of the quality review of the department. The Committee, recording its appreciation to the Statistics Department for volunteering for the study, agreed that the Internal Auditor should explore with the Quality Officer the possibility of integrating risk assessments in academic areas with the academic quality assurance work programme, noting that such an approach would avoid unnecessary duplication of effort by staff in academic departments.

2001/19 Committee Membership The secretary advised the Committee that the Board had agreed that the membership of its Principal Committee would remain unchanged from those in office in 2000/2001 until the new Board, which took office on 10 September 2001, had an opportunity to make the necessary appointments.

2001/20 Late notification of the College's Recurrent Grant The Committee noting (a) a letter from the Chairman of the Audit Committee to the Board of the College concerning the late notification of the College's recurrent grant for 2001 and (b) related correspondence between the Secretary to the College and the HEA and the Department of Education and Science, agreed that the issue would be kept under review with regard to the 2002 budget and that further action would be taken if required.

2001/21 Comptroller and Auditor General's Audit The Committee noted a memorandum from the Treasurer, dated 14 June 2001 which invited attention to the following correspondence in relation to the Comptroller and Auditor General's Audit of the College's Accounts:

- (i) the Report of the Comptroller and Auditor General on the Financial Statements of the College for the year to 30 September 2000; and
- (ii) a letter from the Treasurer to the Director of Audit in the Comptroller and Auditor General's Office clarifying issues in relation to Departmental Accounts and Investments.

The Committee noted that the late notification of the recurrent grant by the HEA in recent years has impacted directly on the relatively high level of balances in departmental accounts at the end of the financial period, further noting that should a timely notification of the grant be given in 2002, the Deans' Committee should be in a position to process the allocation quickly so as to allow departments make the necessary expenditures in a more timely fashion.

2001/19 Staff Retention Under Other Business the Chairman invited the Committee's attention to a memorandum from the Staff Secretary proposing an external study to gather data necessary for the development of policies on staff retention, outlining the terms of reference, methodology, time-table and resources required. The Committee agreed in principle to fund the study on the terms proposed, agreeing that any detailed comments on the proposal should be forwarded to the secretary of the Committee.

2001/20 Dates of Future Meetings The Committee noted the following dates of future meetings:

Monday 26 November 2001 at 9.00am
Wednesday 16 January 2002 at 2.00pm
Tuesday 30 April 2002 at 2.00pm.