

The University of Dublin

Trinity College

Minutes of Audit Committee, Wednesday 16 January 2002

Present Mr David Kingston (Chairman), Dr M J Carroll, Dr S Allwright, Professor J McGilp
(ex officio) Internal Auditor, Assistant Secretary

The Treasurer, the Deputy Treasurer, Mr P O'Connor and Mr D Byrne of PricewaterhouseCoopers attended for specific parts of item 2002/1.

2002/1 Presentation of Financial Accounts and matters arising from the Audit The Chairman invited the Committee's attention to the documentation circulated for the meeting: the Financial Statements for the year ended 30 September 2001, Additional Financial Information for the same year, Trust Funds (Benefactions) Financial Statements for the year ended 30 June 2001, financial statements for Ghala Limited for the period from 13 February to 30 September 2001, the Finance Committee minutes from its meeting on 17 December 2001, reports from PricewaterhouseCoopers and the Comptroller and Auditor General relating to the Prompt Payment of Accounts Act 1997 for each of the years 1998, 1999 and 2000 and a report from PricewaterhouseCoopers to the Audit Committee which had been circulated together with the relevant draft minutes from the Board meeting on 12 December 2001 which had been tabled. The Chairman drew the Committee's particular attention to the request from the Board that a management letter from the external auditors addressing audit-related issues should accompany the Committee's report to Board on the audit.

The Treasurer and the Deputy Treasurer joined the meeting and advised the Committee of the processes which had been adopted in the conduct of the audit, noting that there had been on-going interaction and discussion with the external auditors and that the audit had been finished within the very tight deadline of 4 December 2001. The Treasurer expressed satisfaction that an unqualified audit report had been issued.

Mr P O'Connor and Mr D Byrne of PricewaterhouseCoopers then joined the meeting.

The Treasurer and Deputy Treasurer made a presentation highlighting trends and issues arising from the Financial Statements including a breakdown of income and expenditure, pay:non-pay ratios, research expenditure levels and initiatives and the financing of capital developments. The Treasurer also reported on ten-year trends along with the consequences arising therefrom indicating issues to be addressed by the College in the context of its strategic plan.

In the discussion which followed the Treasurer and Mr O'Connor, in response to a query from Professor McGilp who queried whether the audit should include a detailed analysis of the College's pay costs, clarified issues in relation to the pay:non-pay ratio and the Treasurer agreed to examine the feasibility of preparing a detailed analysis of the components of the College's pay costs. In response to a query from the Chairman, the Treasurer and Mr O'Connor advised that there is an on-going difference of opinion between the Comptroller and Auditor General and the College's legal advisors with regard to the interpretation of the Prompt Payment of Accounts Act 1997 in relation to materiality, noting that the external auditors are in agreement with the College's approach in this regard. In response to a query from Dr Carroll, the Treasurer advised the Committee that the contribution to research overheads has not been commensurate with the increased levels of research income.

Mr O'Connor and Mr Byrne of PricewaterhouseCoopers introducing their report on the audit advised the Committee that they had issued an unqualified report which required no adjustments to the financial statements as presented by the Treasurer, noting that the financial statements were presented in accordance with the format set out in the Agreement on Harmonisation of Accounts, 1998 and that there were no new accounting policies introduced this year.

They invited the Committee's attention to issues on accounting, reporting and other matters identified in the course of their audit as well as observations on the internal control systems as operated by the College, which were detailed in their report to the Audit Committee, dated 7 January 2002, which had been circulated. Following a discussion on points raised by PWC and their observations on possible future events and the business of College, the Committee expressed satisfaction that the issues raised are being considered and managed by the College, noting that the Committee will continue to monitor and report on their outcome. The Committee concluded that there were not any audit issues of concern which should be brought to the attention of Board when considering the approval of the financial statements for the year under review.

It was agreed that the external auditors, in accordance with the instructions of the Board, would send a management letter to the Chairman of the Audit Committee dealing with the outcome of their audit of the financial statements. This letter would then be forwarded to Board as part of the Committee's report on the audit of the financial statements being presented for Board's approval.

The Treasurer and the Deputy Treasurer then withdrew.

In response to queries from members of the Committee the auditors advised that they were satisfied with the conduct and outcome of the audit.

The Chairman thanked the Mr O'Connor and Mr Byrne for their contributions.

2002/2 Minutes The Minutes of the meeting of 26 November 2001 were approved and signed.

2002/3 Audit Report to Board The Chairman invited the Committee's attention to a draft report to Board on the Audit which had been tabled. The Committee agreed that the report, with some suggested amendments, be submitted to Board together with the forthcoming management letter from PricewaterhouseCoopers.

2002/4 Fraud Policy The Internal Auditor invited the Committee's attention to the Fraud Policy which had been approved by the Board on 12 December 2001 a copy of which had been circulated. The Committee welcomed the adoption of the policy noting that it is restricted to financial and asset related fraud and that this will form the first part of a more all-encompassing policy covering academic and other fraud related matters.

2002/5 Annual Report to Board The Chairman, thanking Professor McGilp for presenting the Committee's annual report to Board, invited the Committee's attention to the minute of the discussion which had been tabled.

2002/6 Date of next meeting 30 April 2002 at 2.00pm

Signed

Date