

The University of Dublin

Trinity College

Minutes of Audit Committee, Wednesday 18 April 2007

Present Mr T Forsyth (Chairman), Professor J McGilp, Professor B McGing, Dr D O'Donovan,
Apologies Mr J Collins
(ex officio) Internal Auditor, Assistant Secretary

Ms L Gallagher from KPMG and the Treasurer and the Deputy Treasurer attended for AD/06-07/51

(Items of specific interest to the Board are denoted **XXX**)

AD/06-07/47 Minutes

- (i) The Minutes of the meeting held on 12 February 2007 were approved and signed subject to a number of editorial amendments.
- (ii) The Minutes of the meeting held on 27 February 2007 were approved and signed.

AD/06-07/48 Call-over The Committee noted the actions which had been implemented since the last meeting and those which remained out-standing and which would be addressed in due course.

AD/06-07/49 Consideration of Comptroller and Auditor General (C&AG) Correspondence (see minute AD/06-07/46 of 27 February 2007) The Chairman advised the Committee that following initial discussions with the Treasurer and Ms Gallagher from KPMG on the development of procedures for interacting with the C&AG in the future, he would circulate proposals for consideration over the next few weeks.

Action

The Chairman to prepare a discussion document on future interaction with the C&AG for consideration by the Audit Committee.

SECTION A – POLICY ISSUES

AD/06-07/50 Sub-Committee on Business and Industry The Internal Auditor invited the Committee's attention to a report, dated, April 2007, on the Research Committee and the Business and Industry Committee, which had been circulated. He invited the Committee's attention to developments since March 2006 in relation to the operation of the Business and Industry Committee, and its relationship with the Research Committee. He stated that, in response to the Governance Working Group's recommendation that Principal Committees receive the minutes of their sub-committees, abridged minutes of the Business and Industry Committee had been received by the Research Committee on three occasions in the period March – June 2006. The Audit Committee noted that this approach had been adopted to address the confidential and commercially sensitive nature of much of the material considered by the Business and Industry Committee.

The Internal Auditor advised the Committee that the Research Committee had decided on 19 October 2006 that the Business and Industry Committee would be put into abeyance pending the appointment of a restructured committee. He noted that the Research Committee had agreed that any issues relevant to the Business and Industry Committee would be brought directly to the Research Committee and that a strategy committee would be put in place to develop terms of reference for the new Business and Industry Committee and to identify possible members.

He noted that to the best of his knowledge no new campus companies had been formed since the suspension of the Business and Industry Committee and that the activities of the Research and Innovations Office had been reported to the Research Committee by the Director of that Office during the year. The Committee noted that a functioning Business and Industry Committee is expected to be in place by July 2007.

In the course of a discussion on the issues raised, Committee members noted that, while the College did not appear to have suffered loss in the period since the Business and Industry Committee had been in abeyance, there is a potential risk to the College arising from the suspension of any Committee or sub-committee without its replacement being immediately available if that committee or sub-committee still has a function to fulfill. The Committee, noting that the terms of reference of sub-committees are the responsibility of their Principal Committees, agreed that secretaries of Principal Committees should be advised that, where there is an identified need for a sub-committee to deal with specific business, there should normally be no break in the operation of sub-committees whenever changes in terms of reference and/or membership were being considered.

Action

The secretary to write to the Secretary to the College with the recommendation that secretaries of Principal Committees should be advised that unless there is no identified need for a sub-committee to continue to exist, there should normally be no break in the operation of sub-committees whenever changes in terms of reference and/or membership were being considered

SECTION B – IMPLEMENTATION ISSUES

AD/06-07/51 **Preparation of Consolidated Accounts for 2005/2006** The Treasurer, the Deputy Treasurer and Ms Gallagher from KPMG, present by invitation, attended for this item. **XXX** The Treasurer invited the Committee's attention to the draft minute *FN/06-07/61 Consolidated Financial Statements for the year ended 30.09.2006* from the Finance Committee meeting of 11 April 2007. She advised the Committee that arising from ongoing discussions with the HEA Pensions Working Group (in relation to FTWA and pension fund deficits) the issue of the full application within the income and expenditure account and balance sheet of FRS17 has become an issue. The Committee noted that the HEA, the Department of Education and Science and Department of Finance officials had indicated that the outcomes of the Pensions Working Group's deliberations were very close to finalisation and, in that context, the Universities should not finalise Consolidated Financial Statements for the year ended 30 September 2006 until such time as clarity had been brought to the matter. The Treasurer invited the Committee's attention to the Finance's Committee's decision that, in light of the position as outlined its meeting on 11 April 2007, the planned audit of the Financial Statements should be deferred.

Ms Gallagher advised the Committee that she concurred with the Finance Committee's decision, noting the benefits of maintaining a common sectoral approach in this regard.

In response to a query, the Treasurer invited the Committee's attention to possible timing difficulties which might arise in her Office arising from the deferral at this time of the audit of the 2005/2006 consolidated accounts. The Deputy Treasurer advised the Committee that most of preparatory work for the audit had been completed and would be available for KPMG in due course.

Following a discussion of the issues raised, the Committee expressed its support for the deferral of the audit until such time as the issues in relation to the FTWA and the outstanding pension issues were clarified.

Action

The secretary to make the draft minute of the discussion available for consideration by the Board at its meeting on 25 April 2007.

AD/06-07/52 Charter for Internal Audit and Terms of Reference The Chairman invited the Committee's attention to the following documents which had been circulated:

- (i) Proposed revised Terms of Reference
- (ii) Report on Code of Governance Requirements for Audit Committees
- (iii) Memo from the Internal Auditor dated 11 April 2007 and attached Draft Charter for Internal Audit

The Committee, noting that all Principal Committees had been asked by the Secretary to the College to review their Terms of Reference according to an agreed template, considered the proposed changes. The Internal Auditor also invited the Committee's attention to the Code of Governance requirements for Audit Committees and to a consequent limited number of proposed amendments to the Committee's Terms of Reference.

Following a discussion of the proposals, the Committee approved the Terms of Reference, subject to a number of editorial amendments and agreed that they should be submitted to the Board for approval as part of the Board's overall review of Principal Committees' Terms of Reference.

The Committee also reviewed the Draft Charter for Internal Audit and following consideration of its consistency with the revised Terms of Reference, agreed that subject to a number of editorial amendments it should be submitted to Board for approval following Board's approval of the Committee's terms of reference.

Actions

- 52.1 The secretary to submit the revised Terms of Reference to Board for approval
- 52.2 The secretary to submit the Charter for Internal Audit to the Board for approval in due course.

SECTION C – ITEMS FOR NOTING

AD/06-07/53 Minute of Board discussion on the Code of Governance for the University Sector The Committee noted the minute of Board discussion on the Code of Governance for the University Sector on 4 April 2007, which had been tabled.

AD/06-07/54 Email from the Bursar, dated 14 December 2006, concerning budgets for administrative and support areas The Committee noted the email from the Bursar, dated 14 December 2006, concerning budgets for administrative and support areas. This document had been previously circulated by email to the Committee.

AD/06-07/55 Letter from the Provost, dated 7 March 2007, to the Chief Executive of the HEA advising of the Estimates for 2007 & 2008 The Committee noted the letter from the Provost, dated 7 March 2007, to the Chief Executive of the HEA advising of the Estimates for 2007 & 2008.

AD/06-07/56 Memorandum from the secretary to the Audit Committee to Board and Revised

Explanatory Statements to accompany audited accounts for 2002/2003 and 2003/2004 as approved by Board on 4 April 2007 The Committee noted the Memorandum from the secretary to the Audit Committee to Board and Revised Explanatory Statements to accompany audited accounts for 2002/2003 and 2003/2004 as approved by Board on 4 April 2007.

Signed:

Date: