

The University of Dublin

Trinity College

Minutes of Audit Committee, Thursday 28 February 2008

*Present:* Mr T Forsyth (Chairman), Mr J Collins, Professor J O'Hagan, Professor B McGing\*, Dr D O'Donovan,

*(ex officio)* Internal Auditor, Assistant Secretary.

*Apologies:*

(present for) \* AD/07-08/43-45

The Senior Lecturer attended for item AD/07-08/45

The Director of IS Services (Acting) and the Deputy Director of IS Services (Acting) attended for item AD/07-08/46

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

**AD/07-08/43 Minutes** The Minutes of the meeting held on 10 January 2008 were approved and signed.

**AD/07-08/44 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.

**SECTION A - Policy Issues**

**AD/07-08/45 Risk Management in College** The Chairman welcomed the Senior Lecturer to the meeting. The Senior Lecturer introducing the topic, advised the Committee that the risk management process to date, and the role of the Audit Committee, had been very constructive and that Executive Officers had decided, to include in this year's Estimates exercise, funds to create a new position to coordinate and manage risk in all areas of the College. He invited the Committee's attention to a memorandum dated 20 February 2008 which had been circulated together with the High Level Academic Risk Register. The Committee noted that the administrative and academic aspects of the College's 2006 High Level Risk Register had been considered by the Heads' Committee on 18 December and had subsequently been reviewed by Executive Officers in January 2008.

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The Senior Lecturer invited the Committee's attention to the additional risks which had been identified by the Heads' Committee and which had been included in the revised Risk Register.

In response to queries, the Senior Lecturer clarified a number of technical issues associated with specific risks and outlined the actions which the College is taking to ameliorate them.

In the course of a discussion the following points were made by Committee

members:

- (i) the risks, as identified, appear to be more concerned with external risks and concerns and do not address the internal academic risks, the resolution of which is within the control of the College;
- (ii) there is a need for clear ownership of the management of individual risks, otherwise the risk register becomes a list of aspirations rather than a management tool with identifiable milestones and achievements; it was noted that the person appointed to the planned risk management position can only be a facilitator and not a 'risk-owner';
- (iii) the usefulness of the existing register as a management tool remains limited because of the absence of raw and residual risk levels for each identified risk; it was noted that the High Level Academic Risks identified in May 2006 had included these measures;
- (iv) there is a need to identify risks at School and Discipline levels and manage them in a controlled manner; these locally identified risks should feed in to the preparation of the high-level registers;
- (v) the research risks which had been identified, and which were recorded as not having changed since May 2006, were considered to be good examples of academic risks which can be managed and ameliorated by the College;
- (vi) as recommended in the Audit Committee's memorandum to Board dated 16 January 2008 in relation to the High Level Administrative Register, the preparation of the current High Level Academic Risk Register could possibly have benefited from the involvement of external consultants expert in the area of risk management.

The Senior Lecturer stated that it was hoped to progress the embedding of risk management within management processes, with the support of the additional resources, by learning from the experiences in other institutions in Ireland and abroad. He also expressed concern that the College's Risk Management Policy might not be sufficiently clear in its allocation of responsibilities between different College Officers.

The Committee, welcoming the allocation of resources to support risk management in College, recommended that the new position's role and function be very clearly defined in the context of the College's Risk Management Policy.

The Chairman, in conclusion, stated that the Audit Committee would forward the Academic High Level Risk Register to the Board with an accompanying memorandum in which progress to date would be noted and which would include recommendations on the future use of the Register as a tool in the management of academic risk.

The Committee thanked the Senior Lecturer for his contribution to the meeting. The Senior Lecturer then withdrew.

The Committee discussed the issues which would be included in the memorandum to Board, including the view that, while the current Risk Management Policy may require amendment following the appointment of the new staff member, it is sufficiently clear in its current form to enable the preparation of the College's complete High Level College Risk Register.

#### Action

The Internal Auditor to prepare a draft memorandum on which the views of the Committee will be sought prior to its circulation for the Board meeting on 2 April 2008.

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Internal Auditor invited the Committee's attention to the draft policy which had been circulated initially for the meeting held on 27 November 2007 (minute AD/07-08/24 refers) and to the points raised subsequently by Committee members.

The Chairman welcomed the Director of IS Services (Acting) and the Deputy Director of IS Services (Acting) to the meeting.

The Acting Director and Acting Deputy Director invited the Committee's attention to a document, which had been circulated, addressing a number of the issues raised in the draft policy. They welcomed the move to bring more control to the management of major IT projects, noting that such projects can have a large number of stakeholders whose involvement in the development and implementation of projects needs to be clarified at the outset. As the scale of projects can be difficult to define it was suggested that the principles put forward for major projects should also apply to smaller projects. The Committee noted that the policy will need to address all IT projects, not only those which involve the development of information systems and also noted that due to the technical nature of IT projects there is a strong case for Project Managers to come from the IT area.

The roles and expertise of the Chair of the Steering Committee, the Project Manager and the Owner/Sponsor were discussed in detail by members of the Committee and the representatives of IS Services.

*Project Manager:* It was agreed that, while there may be occasions when external Project Managers are required for large and complex projects, the development of project management skills among existing staff should continue, thereby creating a pool of relevant expertise within the College. The possible delay caused by the recruitment of external Project Managers was noted. It was agreed that in order for a project to be successful, the ultimate 'owner' of a project must have a good working relationship with the Project Management team.

*Owner/Sponsor:* It was noted that the role of the Owner/Sponsor will need to be clarified in the policy document. It was suggested that Owners/Sponsors should be responsible for the management of the risk associated with projects and it was stressed that in order to ensure the ultimate success of the implementation and use of a project's output, Owners/Sponsors should be involved in all stages of its development. The potential value of Owners/Sponsors having dedicated staff member(s) working alongside the Project Manager was noted, although it was agreed that this should not in any way undermine the authority of the Project Manager.

*Chair of the Steering Committee:* It was agreed that, in large and complex projects, there may be value in having an external Chair of the Steering Committee. In other cases, consideration should be given to the Owner/Sponsor fulfilling this role. The possible difficulty of identifying appropriate senior people from within the College who have the time to Chair such Steering Committees was noted. The Committee's attention was drawn to the reporting arrangements from Steering Committees to the Information Policy Committee and Board. The importance of not undermining and/or distancing projects' Owners/Sponsors from the development and implementation of projects was stressed, as were the benefits of having small, tightly-knit Steering Committees.

The Committee noted that in order to progress the management of IT projects, best practise templates are now being introduced under the aegis of the Information Policy Committee, at the initiation and implementation stages of all

IT projects.

The need to adapt the College's policy on the management of IT projects when the College is involved in external inter-institutional projects was noted.

In concluding the discussion, the Committee agreed that the Acting Director and Acting Deputy Director would liaise with the Internal Auditor to finalise the policy document with a view to presenting it to the Information Policy Committee for approval in due course.

The Chairman advised that, as requested by the Board, the Audit Committee will bring forward high level policy proposals on the management of all major projects over the coming months.

The Acting Director advised the Committee that, further to the Audit Committee's correspondence in relation to IT Disaster Recovery, he had advised the Secretary to the College of the infrastructural risks associated with the business continuity and disaster recovery.

Actions:

- 46.1 IS Services, in consultation with the Internal Auditor, to finalise the Policy on the Management of Major IT Projects and to progress it through the appropriate College channels
- 46.2 The Internal Auditor to bring forward high level policy proposals on the management of all major projects for consideration by the Audit Committee in due course

**AD/07-08/47 Self-evaluation of the Audit Committee** The Chairman invited the Committee's attention to a memorandum which had been circulated detailing the results of the self-evaluation of the Committee which had been undertaken by the members of the Committee, the Internal Auditor, the External Auditors, and the secretary to the Committee. The Chairman drew attention to the separate presentation of KPMG's scores and comments.

The Committee noted that, overall the self-evaluation exercise indicated that there was a high level of satisfaction with the Committee and how it conducts its business. The Chairman invited the Committee's attention to a number of areas which the evaluation had suggested could be improved.

The Committee agreed the following actions to address specific areas of concern:

- (i) consideration would be given to seeking additional resources for the Internal Audit function to enable it to meet the College's requirements in relation to the testing of internal controls;
- (ii) opportunities would be sought to limit the number of scheduled committees to six per year;
- (iii) the Internal Auditor and Chairman will be more pro-active in providing appropriate briefing/orientation for new members of the Committee, particularly for external members and those who have not previously been College Officers;
- (iv) opportunities for the on-going education of Committee members will be sought for those who wish to avail of such training; it was agreed that an opportunity would be sought to invite an expert in risk management in the university sector to meet with the Committee;
- (v) the balance of Committee time spent on financial and non-financial matters will be reviewed and more time will be allocated at future meetings to the consideration of academic issues; it was noted that the absence of an adequate academic risk register may cause difficulties in

this regard.

In the course of the discussion concern was expressed at the on-going delay in the recruitment of a Treasurer, and the Committee agreed that, notwithstanding the College's view that this post may not be filled until a Chief Operating Officer has been identified, its concerns in this regard should be communicated to the Secretary to the College.

Actions:

- 47.1 The secretary and the Chairman to ensure that agreed actions for improvement are implemented;
- 47.2 The secretary to write to the Secretary to the College expressing the Committee's concern at the delay in replacing the former Treasurer.

**AD/07-08/48 Quality Reviews** Under Other Business, the Committee noted that, as is the case with the College's external auditors, the Committee may have access to reports arising from reviews of College areas and functions. The Committee requested that it receive a copy of the 2007 review of the Treasurer's Office in which the Chairman and the Internal Auditor participated.

Action:

The secretary to circulate the 2007 review of the Treasurer's Office to the Committee.

**AD/07-08/49 Future Meetings** Under Other Business, the Committee, having reviewed the meeting schedule for the rest of the academic year, agreed that the meetings scheduled to take place on 13 May and 10 June would be replaced by one meeting to take place towards the end of May. It was noted that, should the audited consolidated financial statements for 2006/2007 come forward for review, that an additional meeting would be scheduled.

**SECTION B - Implementation Issues**

There were no items under this heading.

**SECTION C - Items for Noting**

**AD/07-08/50 Board Papers** The Committee noted the documents which had been circulated and agreed that Agenda for meetings for which Minutes were available would not be circulated to the Committee in future.

Signed: .....

Date: .....