

The University of Dublin

Trinity College

Minutes of Audit Committee, Thursday 6 November 2008

*Present* Mr T Forsyth (Chairman), Mr J Collins, Professor J O'Hagan, Mr P O'Reilly,  
Professor J McGilp \*

*(ex officio)* Internal Auditor, College Secretary (Acting)

*In Attendance* Ms S Mac Bride

*Apologies* Professor B McGing

The Vice-Provost/Chief Academic Officer and the Chief Operating Officer attended for minute AD/08-09/18

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

**AD/08-09/15 Minutes** The minutes of the meeting held on 15 October 2008 were approved and signed.

**AD/08-09/16 Call-over** The Committee noted the actions which had been implemented since the previous meeting and those which remained outstanding.

**SECTION A - Policy Issues**

**AD/08-09/17 Review of Compliance with College Tendering Procedures** The Chairman invited the Committee's attention to the Memorandum from the Internal Auditor dated 29 October 2008 and to the Report from the Internal Auditor on the Review of Compliance with College Tendering Procedures, which had been circulated.

At the invitation of the Chairman, the Internal Auditor outlined the findings, noting that although some control issues were identified, the overall audit conclusion was generally a satisfactory one and requested the Committee to approve the proposal to forward the Report to the Chief Operating Officer for consideration of the recommendations made.

In the course of a discussion, the Committee agreed that while there is wide devolution to units across College, rather than a centralised tendering procedure, it is noteworthy that College policy has been complied with in the main. The Committee further noted, however, that there remains room for improvement in the documentation of decisions, especially in cases of the use of a sole supplier. The Committee also agreed that if there were management processes to record and monitor compliance, which could be audited, the College could obtain greater assurance of continuous compliance and that the merits of this, as recommended in the report, should be assessed and a decision made. The Committee also noted the importance of the training provided by the Treasurer's Office in order to maintain a satisfactory level of compliance with College procedures and agreed that the report, along with the views of the Committee, should be forwarded to the Chief Operating Officer and Vice-Provost/Chief Academic Officer for consideration of the recommendations.

\* Present for item AD/08-09/18

Action

- 17.1 The secretary to forward the Report on the Review of Compliance with College Tendering Procedures to the Chief Operating Officer and Vice-Provost/Chief Academic Officer, along with the views of the Committee, for consideration of the recommendations made.
- 17.2 The Internal Auditor to liaise with the Treasurer (Acting) in relation to the provision of training.

AD/08-09/18  
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**Update on College Governance - Annual Officers and Committees**

The Chairman welcomed Professor Prendergast, Vice-Provost/Chief Academic Officer and Mr Lyons, Chief Operating Officer to the meeting. Introducing the item, the Chairman drew the attention of the Committee to the documents which had been circulated and, referring to the previous involvement of the Committee with regard to the role of Principal Committees in the governance of College, invited the Vice-Provost/Chief Academic Officer and the Chief Operating Officer, to outline how they envisaged the new structures and in particular how the roles of Officers, Committees and the plans for administrative restructuring will evolve.

The Chief Operating Officer, outlining his areas of responsibility and the management arrangements now in place, advised the Committee of his initial observations of the administrative structures. He noted, in particular, that in his view strategic planning provides the foundation for the effective operational management of the College. Accordingly, there is a need to establish structures to deliver the key objectives and this will require a greater degree of coordination between administrative areas. He advised that ultimately administrative units should be reporting on delivering the Strategic Plan rather than reporting as entities. He also advised that a key element in the evolution of governance structures will be a more distinct separation of oversight from delivery and more co-ordination of input to Principal Committees, citing developments with regard to the formation of the Strategic Estates Group as an example.

In response to queries and a suggestion that service agreements between units in College could bring benefits, the Chief Operating Officer clarified that:

- (i) the Strategic Estates Group is a strategic management group with real managerial functions, not a new Committee, that will provide co-ordinated input to the Site and Facilities Committee and, by taking clearer responsibility for implementation aspects, will allow the Site and Facilities Committee to concentrate on policy issues; and
- (ii) having noted the very positive atmosphere that exists in College and the willingness to be flexible and take ownership of issues his advice is that, while service agreements can bring benefits, caution is required in considering their application in College.

During the course of a discussion the Committee noted that, in order for the Strategic Plan to be implemented, it must be supported by a flexible implementation policy capable of being adjusted according to the funding available. The Chief Operating Officer stated that it is intended to review the Committee Process and that a robust Strategic Plan would be dependant on the establishment of clearly structured Management Teams to deliver key strategic objectives.

In response to queries on how detailed policy will be developed under the new structures, such as how to deal with possible budget cuts and the various possible actions College could take, the Vice-Provost/Chief Academic Officer informed the Committee that a Funding Group has been established, of which he is chairman. The Funding Group will report to the Executive Officers' Group on the projected financial position of the College for the next five years, and will take account of different scenarios, developed in considerable detail, to inform the formulation of a flexible implementation policy for the College's Strategic Plan. In response to a query, he confirmed that risk assessments will be carried out on the possible scenarios and that this is an important element of the planning process.

In the course of a discussion, the Committee agreed that the process of policy evolution should be closely linked between the Executive Officers' Group, the Principal Committees and Board and that it should be capable of dealing with issues expeditiously. It was noted that the need for changes to existing processes and structures to deliver the Strategic Plan depends on an assessment of the capacity of current structures to deliver and the role of the faculty structure and key personnel. The Committee expressed concern that any decisions under consideration, which had significant financial implications, should take account of the possible future consequences so as to allow a degree of financial flexibility to be retained to enable College respond to future developments, especially considering the high proportion of expenditure on largely fixed costs, such as pay. The Vice-Provost/Chief Academic Officer advised the Committee that the establishment of three Faculty Deans had created a new environment that will facilitate implementing necessary actions. The appointment of academic staff and the coordination of faculty actions now fall within his remit as Chief Academic Officer. He also advised that Board has recently approved the establishment of a Committee Review Group, of which he is the chair, to complete the review of the Committee structures and that a meeting with the Audit Committee at a later stage when all of the recently commenced developments are more advanced might be of benefit. The Committee confirmed it would welcome such a meeting.

In response to a query, the Chief Operating Officer advised the Committee that he is working on a composite document for College risks. The Committee, while noting that the recently approved Board policy on Risk identifies the Vice-Provost/Chief Academic Officer and the Chief Operating Officer, working with their respective Management Groups as being responsible for advising the Executive Officers' Group of College Level risks, also noted that the Provost retains overall responsibility to bring reports to Board from the Executive Officers' Group.

The Committee, noting the developments outlined by both the Vice-Provost/Chief Academic Officer and the Chief Operating Officer, welcomed the potential for improvement in the governance of the College which they had identified and, expressing support for their initiatives, thanked them for their presentations and, before they withdrew from the meeting, invited them to return to the Committee at a later stage when appropriate progress has been made.

In the course of a subsequent discussion, the Committee noted that the role of Board should be addressed and clearly defined in the new structures and that it is vital that the process for Strategic Planning is robust and appropriate. The Committee agreed to review the Strategic Planning process at a future meeting.

### Action

The secretary to circulate a paper on the process adopted by College to develop the Strategic Plan.

#### **AD/08-09/19 Consideration of allocation of Audit Committee time**

The Internal Auditor invited the Committee's attention to a Memorandum, dated 30 October 2008, which had been circulated setting out a number of issues raised by members at a previous meeting. Referring to the need to ensure an appropriate balance in the allocation of the Committee's time between the financial audits and other areas of broader concern within the Committee's remit, he noted there is a difficulty in achieving a greater number of meetings, or extending the duration of meetings, due to the already heavy workload of the Committee. He also noted that while the necessity to deal with two different sets of accounts at different times added to the demand on the Committee's time, some streamlining of the handling of the financial audits may result in a more efficient use of the Committee's time and yield time savings that can be applied to issues of broader concern to members. In the course of a discussion, the Committee, while confirming the importance of the financial audits, agreed that there is also a need to focus greater effort on the broader issues but re-affirmed that the Committee must continue to make available the necessary amount of time to fully discharge its duties should major issues emerge from the audits. In an effort to make more effective use of available time, the Committee agreed with a proposal that the Chairman meet the Treasurer (Acting) and the External Auditors to identify possible changes to the way information is presented to the Committee. It was also agreed that, to ensure clarity, the Chairman should also review with them the Committee's requirements for assurances and information and that they continue to highlight to the Committee any significant points of concern outside of the financial accounts. The Committee also agreed that the issue of financial flexibility should be discussed at the 19 December meeting and that an additional meeting, to address some of the governance issues, should be accommodated in early 2009.

### Action

- 19.1 The Chairman to liaise with the Treasurer (Acting) and the External Auditors in relation to the presentation of the College's audited financial statements to the Committee.
- 19.2 The secretary to include the consideration of financial flexibility on the agenda for the meeting of 19 December 2008 and to schedule an additional Committee meeting in early 2009.

## **SECTION B - Implementation Issues**

- AD/08-09/20 Proposed self-evaluation of the effectiveness of the Audit Committee**  
The Chairman, noting that some revisions had been incorporated into the self-evaluation forms requested that completed self-evaluation forms be returned to him by 17 November.

### Action

All Audit Committee members, Internal Auditor and College Secretary (Acting) to return self-evaluation forms to the Chairman by 17 November.

AD/08-09/21 **Audit Committee Mid-Term Report to Board** The Chairman invited the  
XXX Committee's attention to a Memorandum from the Secretary of the  
Executive Officers' Group to the Audit Committee dated 31 October 2008,  
which had been circulated, setting out the actions being taken by College  
to address the recommendations made in the Committee's Mid-Term Report  
to Board. The Committee noted and welcomed the actions being taken by  
College, the associated timetable and the identification of persons  
responsible. The Committee agreed that, when completing its 2008 Annual  
Report to Board, it will re-consider the issues it raised in the Mid-Term  
Report taking account of the response received from Executive Officers.

**SECTION C - Items for Noting**

AD/08-09/22 **Code of Governance** The Committee noted the Memorandum from the  
Acting College Secretary dated 9 October 2008 and the Trinity College Code  
of Governance, which had been circulated.

AD/08-09/23 **Meeting Schedule 2008/2009** The Committee noted and approved the  
Meeting Schedule for 2008/2009.

Signed: .....

Date: .....