

The University of Dublin

Trinity College

Minutes of Audit Committee, Thursday 10 November 2011

Present Mr J Collins (Chairman), Mr P O'Reilly, Ms J O'Neill, Professor J McGilp, Professor J O'Hagan

(ex officio) Internal Auditor (secretary), Secretary to the College

Apologies Professor J Horne

In Attendance Ms M Thompson

Ms A Quigley, Assistant Internal Auditor attended for item AD/11-12/23
Mr B McGee, Assistant Internal Auditor attended for items AD/11-12/25 to AD/11-12/28

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

AD/11-12/20 Minutes
The Minutes of the meeting held on 5 October were approved subject to a minor change.

AD/11-12/21 Call-over
The Committee noted the actions which had been implemented since the previous meeting and those that remained outstanding.

AD/11-12/22 Matters Arising
There were no matters arising.

SECTION A - POLICY ISSUES

AD/11-12/23 Report on GeneSIS, Student Administration Project
XXX The Chairman invited the Committee's attention to a number of documents that had been circulated, with particular reference to the Internal Audit Report, dated November 2011:

- Memorandum from the Internal Auditor dated 7 November 2011
- Internal Audit Report on GeneSIS dated November 2011
- GeneSIS Project Status Report from Project Sponsor to Executive Officers dated 16 October 2011
- Internal Audit report on Student Project dated June 2010
- Review of SAS Student Administration System dated 22 June 2007
- Presentation to Board on SAS dated 4 July 2007

Commenting that the replacement of the current student administration system is a critical and significant project for the College, he outlined the history of the first SAS Project, and the subsequent interest by the Committee in the latest student project under e-Strategy, now known as GeneSIS. He reminded members that the Committee has considered the project on a number of occasions in the past because of the high risk factors and advised that he had previously informed the Provost that this was a key area which was being reviewed by the Committee. He referred, in particular, to the lessons and recommendations that were highlighted by the Committee in its report to Board in July 2007, the adoption of which the Committee had requested the Internal Auditor to consider in the current

review of GeneSIS. He invited the Committee to review the recommendations and conclusions of the current Internal Audit Report.

The Internal Auditor advised the Committee that there had been wide consultation in the preparation of report and that prior to its submission to the Committee he had consulted with the Chief Operating Officer and the Project Sponsor and he invited the Committee's attention to their responses which had been included in the report.

He advised members that the approach to date has been unusual in that it relied on the vendor to produce an acceptable implementation plan for the project and that this has been significantly delayed but the latest proposed plan, which was received at the end of October, is now being evaluated by the Project Team. Reporting that the vendor advised that it is their first time to attempt this approach, he expressed reservation about describing the status of the document received as more than a template or proposal for a plan until it has been fully vetted and committed to by those who will need to deliver the component parts. He advised that it is important that all areas are consulted and contribute to the planning process and realistic timescales are scheduled before proceeding.

He advised that that learning from previous experience/reports had not been as successful as it should have been and that the risk level continues to be high and could be reduced. Advising that, in the absence of a detailed plan, there is no assurance as to the current status of the project, he also drew the Committee's attention to: the focus of the quality assurance; the size of the Project Board; and the current context of recently initiated major projects placing demands on scarce staff resources. He advised that, notwithstanding the issues raised in the report, it was important to note that the project outcome can be influenced by actions that can still be taken to mitigate and manage the risks involved.

During a detailed discussion of the risks and issues outlined in the Report, members stressed that: -

- large groups are not suited to implementation projects
- it is imperative that there be absolute clarity of project ownership
- greater engagement take place with all parties crucial to its delivery to finalise a detailed Implementation Plan
- the finalised Plan is needed to prevent scope creep
- some of the same issues that beset SAS are echoed in the current project posing increased risks

Members also recognised the hard work of all those involved and the enthusiasm for the project but also stressed the importance of the Committee's role to highlight risks from a College perspective.

Members, noting that the importance of the topic in the Committee's work plan had been previously advised to the Provost, agreed that, in order to communicate their concerns in the most effective way possible, an update should be provided by the Chairman to the Provost in a summary form. The Committee also agreed that the outcome of the review should be included in the Annual Report to Board.

In conclusion, the Chairman emphasised the Committee's strong and unanimous endorsement of the conclusions of the report, recommending that swift and immediate action be taken to mitigate risks and ensure the full and successful implementation and that the recommendations in the report should be seriously considered in that process.

Action: The Chairman to bring the Committee's significant concerns to the attention of Provost at the earliest opportunity.

The Internal Auditor to include the results of the review in the draft Annual Report to Board for consideration by the Committee at its next meeting.

AD/11-12/24 Draft Audit Committee 2011 Annual Report to Board - Part I

The Chairman, introducing the item, invited the Committee's attention to the draft outline of Part I of the 2011 Annual Report, which had been circulated, together with Part 1 of the 2010 Annual Report for reference. The Committee, noting that the final version will be considered by Board at its meeting on 7 December 2011, noted that the Annual Report is in two main parts: one inviting Board's attention to key strategic issues facing the College and the Audit Committee's recommendations in relation to same and the other being a report of record for the year. The Chairman invited the Committee to review the draft outline of Part I of the Annual Report and advise of any issues they wish to include in the final draft.

In the course of a discussion of the draft outline a number of issues were discussed and the Committee agreed that the Internal Auditor would include these in a final draft to be considered at the Audit Committee meeting of 24 November. In particular, members emphasised the importance of aligning funding to strategic planning and the importance of strategic resource allocation in the current difficult economic climate. The Committee, also agreeing to include a number of other comments, approved the overall outline of the report as presented and requested that it be finalised as discussed for consideration at the next meeting of the Committee.

Action: The Internal Auditor to finalise the Annual Report and present it to the Audit Committee for final approval on 24 November.

AD/11-12/25 Compliance with Tendering

Introducing the item, the Chairman invited Mr McGee, Assistant Internal Auditor to summarise the Report on Compliance with Tendering in the Director of Buildings area, which had been circulated. Mr McGee advised that the findings of the audit review were satisfactory and that for the period under review compliance with College Policy on tendering was good and that the tendering process had been conducted in a transparent manner and properly documented. The Committee noted and welcomed the findings of Report.

AD/11-12/26 Management of Risk: Student Risks

The Chairman drew the Committee's attention to a Report on the Management of Student Risks, which had been circulated and invited Mr McGee to brief the Committee on the report. Mr McGee summarised the three sub-risks under the heading of Student Risks as they were identified in the College High Level Risk Register. He advised the Committee that the actions, as outlined in the High Level Risk Register, have already been taken to mitigate risks in this area but that further actions might be needed. The Committee noted that the recent appointment of the Vice-Provost for Global Relations will be a significant contributor to the future management of the risk of failing to meet the expected increase in international student numbers.

AD/11-12/27 Management of Risk: Inter-Institutional Arrangements

Mr McGee outlined the findings and conclusions of the report. He advised that the management of this risk relies on College receiving the required information from the relevant institutions. In this regard, the Secretary to College advised of new arrangements in place by which the College nominees of such entities will be required to report to Board twice a year. The Secretary confirmed that the nominees have been provided with a template outlining the information required of them by Board. The

Committee welcomed this development, commenting that time will determine the effectiveness of this arrangement in the management of risk.

AD/11-12/28 Update on Space Utilisation

The Chairman drew the Committee's attention to the Update on Space Utilisation, which had been circulated. Mr McGee advised that the main points that emerged from the update were that the actual use of space is not monitored and that there is a need to reconcile the teaching space recorded in the booking system to the Space Atlas when it is updated. During a brief discussion, members commented that there may be considerable scope for greater efficiencies and cost savings in managing space in College and, as aid to their understanding of the issues involved, commented that they would welcome a presentation by the Director of Buildings on this topic at a future meeting. The Chairman thanked Mr McGee for his work on this report and earlier topics discussed.

Action: The Director of Buildings to be invited to a future meeting to give an information briefing to members.

SECTION C - ITEMS FOR NOTING

AD/11-12/29 US GAAP Financial Statements

The Committee noted the memoranda from the Internal Auditor and the Treasurer, both dated 3 November 2011, which had been circulated. The Internal Auditor advised that under recently enacted US government legislation in relation to foreign institutions in receipt of Federal Student Aid Program grants, the College will be required to submit accounts prepared in accordance with US GAAP once every 3 years. The Internal Auditor drew the Committee's attention to a number of issues in the memorandum from the Treasurer and advised that clarification is currently being sought on a number of them. The Committee requested that an update on this topic be presented to the Committee as soon as the situation is clearer.

Action: The topic to be included on the agenda for a future meeting.

AD/11-12/30 KPMG Qualification on GAAP Financial Statements

Introducing the item, the Internal Auditor drew the Committee's attention to a memorandum from the Treasurer dated 3 November 2011, which had been circulated. The Committee noted that the Treasurer has raised the issue of the ongoing KPMG qualification on the GAAP accounts with the HEA on a number of occasions and that at a sectoral level the IUA is pursuing the issue but a response is still awaited. During a brief discussion on this matter, the Committee expressed concern about the implications of continuing to have a qualified audit opinion in the College accounts, even if the matter is a technical one.

AD/11-12/31 Current Developments and Practices in Audit

The Committee noted the KPMG 2011 Public Company Audit Survey, which had been circulated.

AD/11-12/32 Orientation and Training - Audit Committee Members

The Committee noted details of a forthcoming seminar on the role and responsibilities of Audit Committee members in relation to risk management, which had been circulated.

AD/11-12/33 Board Papers

The Committee noted the Agendas and Minutes, which had been circulated.