



Minutes of Audit Committee, Tuesday 18 February 2020

Present Mr D McCarthy (Chair), Professor A Burke, Ms B Collins Professor L Hogan, Professor R Reilly,

(ex officio) Internal Auditor/Secretary (Mr F Sheeran), Secretary to the College (Mr J Coman)

In Attendance Deputy Internal Auditor (Ms F McAuliffe), Deputy Internal Auditor (Ms A Cooney), Ms M Thompson

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

AD/19-20/28 Statements of Interest

The Chair invited members to declare any potential conflict of interest they may have in relation to items on the Agenda. Professor Hogan declared a potential for a perceived conflict of interest in relation to Agenda Item 9 - Communication received by Chair, which was noted.

AD/19-20/29 Minutes

The draft Minutes of the meeting held on 28 January were approved, subject to three minor amendments. The draft Minutes of the meeting held on 31 January were approved.

AD/19-20/30 Call-over

The Committee noted the actions that had been implemented since the previous meeting and those that remained outstanding.

SECTION A and B - Policy & Implementation Issues

AD/19-20/31 Audit Function Risk Register

The Committee noted the memorandum from the Deputy Internal Auditor dated 11 February 2020, together with the updated Audit Function (Audit Committee/Internal Audit combined) Risk Register, which had been circulated. The Deputy Internal Auditor confirmed that the register reflects the amendments proposed at the meeting of 18 February.

The Committee approved the updated Audit Function Risk Register.

AD/19-20/32 Report from the Trinity Foundation Audit and Risk Committee

XXX Introducing the item, the Deputy Internal Auditor reminded the Committee that following the Internal Audit report investigating the fraud incidents in April 2017, a review of implementation of the remedial Trinity Foundation's Action Plan was undertaken in early 2019. Referring to that review, Ms McAuliffe advised that an exception had been identified in the application of one of the revised and important procedures to a small sample examined.

Due to the importance of ensuring that the new procedure in question is fully implemented, Internal Audit revisited the Foundation to review compliance in advance of the annual Report of the Trinity Foundation's Audit & Risk Committee (TFARC) to the Trinity Audit Committee (TCDAC). Ms Auliffe advised that, unlike 2019, no exception had been found in a sample tested.

The Committee noted that the acceptance of gifts is being managed under the draft Ethical Fundraising Policy, which is in draft, awaiting the formation of the University Gift Acceptance Committee. Ms Auliffe also advised of a number of findings in less significant aspects of the control framework, which the Committee noted.

As background to this agenda item, the Internal Auditor reminded the Committee that there is a memorandum of understanding in place with the Foundation, whereby it has its own Audit Committee and commissions its own internal audit work but that the Trinity Audit Committee retains a right to carry out further work if it deems it necessary. As part of the agreed process, the Chair of the Foundation's Audit Committee provides annual updates to the Trinity Audit Committee.

The Chair welcomed Ms Marie Collins, Chair of TFARC to the meeting for consideration of her report.

On behalf of the TFARC and the Board of Trustees, Ms Collins expressed condolences to the family and colleagues of Oliver Cussen, Chair of the TCDAC, who had sadly passed away in October.

Tabling a summary document, Ms Collins outlined the current membership of the TFARC, commenting that the objective of the Report is to advise the TCDAC on activities during the past year and in particular to highlight issues which may of specific interest to the TCDAC.

Ms Collins advised that TF operates in accordance with the three lines of defence model and the TFARC focuses on four broad areas as follows:

- External Audit
- Risk Management and Internal Audit
- Governance
- Policy Development

Ms Collins advised that the TFARC reviewed the audited Financial Statements for 2018/19 at its meeting on 16 December 2019 and confirmed that no issues of concern had been identified in the course of the audit.

Ms Collins advised that following a procurement process, BDO has been appointed as TF's internal auditors. The Committee noted that BDO has conducted two internal audits within Trinity Foundation to date - a GDPR implementation review and an Internal Financial Control review. Ms Collins advised that the findings of these audits have been incorporated into control documents and new policies.

Regarding risk management, Ms Collins advised that both a revised

Risk Policy and a Risk Appetite Statement were approved by the Trustees in 2019. The TFARC is advised of high-rated risks following a bi-annual review by TF's senior management team.

Nothing the launch of the Charities Governance Code in November 2018 by the Charities Regulator, Ms Collins advised that charities will be expected to comply with the new Code from 2020 and that TF is working towards and expects to meet this deadline.

During a subsequent discussion, Ms Collins responded to a number of queries from members. In response to a query on the establishment of the University Gift Acceptance Committee, Ms Collins advised that the Committee is still in formation. Noting the complexity of issues surrounding gift acceptance, particularly in the current climate, the Committee considered that it be would be prudent to finalise the establishment of this Committee as a matter of priority. Noting the importance of this area, the Committee noted that this may be due to timing and the College Secretary agreed to follow up with management to establish the position.

In conclusion, the Committee welcomed the report and the update received.

The Chair thanked Ms Collins for her valuable contribution to discussions and she withdrew from the meeting.

The Secretary to the College was invited to withdraw from the meeting for the remaining items.

Action:

The Secretary to the College to follow up with management in relation to the establishment of the University Gift Acceptance Committee

AD/19-20/33 Review of Completed and Risk Accepted Items

Introducing the item, the Deputy Internal Auditor advised that the scope of the Review included Completed and Risk Accepted recommendations in the period May to December 2019 reported by the Divisional Heads to the Audit Committee. She advised the Committee that there were 19 recommendations classified as completed in the period.

The Deputy Internal Auditor advised that, as per the normal procedure, the appropriateness of the classification of these recommendations was reviewed. A sample of 13 of the 19 were subjected to a verification review and it was found that 9 recommendations were appropriately classified. However, during the verification management advised that 2 recommendations had been reported as complete in error and the review identified a further 2 recommendations that were not yet complete.

The Committee agreed with the recommendation that in the 4 cases where the classification as complete was not appropriate that the recommendations be re-instated in the Log and expressed concern at the continuation of inaccurate reporting to it by management. Noting that 6 recommendations classified as complete had not been examined in the sample, the Committee requested that the Heads of Division, who will present the next bi-annual update of the Log at the

next meeting on 10 March, should review those 6 to ensure they have been appropriately removed from the Log and should assure the Committee at that meeting as to the accuracy of their status.

Action:

The Deputy Internal Auditor to advise management that they should satisfy themselves that the classification of the 6 items removed from the Log, which were not subject to review, is appropriate and that the Heads confirm this at the next management update of the Log.

AD/19-20/34 Draft Annual Report to Board 2019/20

Introducing the topic, the Chair drew the Committee's attention to a draft outline of topics for the Annual Report, which had been circulated by email to members for discussion. The Chair stressed the importance of the Annual Report in giving the Committee an opportunity to highlight issues and convey its views to Board. The Internal Auditor advised that, following input from members at the meeting, a full draft would be completed and circulated to members by email with a view to having a final working draft for the meeting on 10 March 2020.

The Chair invited members to reflect on the overall message it wishes to convey to Board in its Annual Report.

During a discussion, members considered in detail several of the possible topics for inclusion in the Annual Report. In particular, members agreed that in conveying its views to Board, the Committee should give a high-level overview. The Committee agreed that it is reasonable and within its remit to highlight issues of concern to Board but that it should refrain from making recommendations on issues which are properly matters for University management. The Committee noted that there is a tendency to view the Committee as responsible for risk analysis and members stressed that it should be clarified in the Annual Report that it is the responsibility of management to carry out comprehensive risk analysis.

The Committee also considered a number of other points for inclusion in the draft Annual Report, including the following: -

- Management information and processes for reporting
- Ambition of Strategy and the challenges it imposes
- Highlighting systemic issues where appropriate
- Coronavirus
- Change technology

In conclusion, the Committee reflected that its role is akin to "holding up a mirror" to College management in the discharge of their responsibilities; to highlight issues of which it is aware but which may not be all the risks. It was agreed that the Committee should not offer solutions, as it is a management role to consider the full risks and devise comprehensive solutions, but that the Committee should point to where it sees there are matters that require attention.

The Committee agreed that the Internal Auditor finalise and circulate a working draft of the Annual Report for discussion at its next meeting on 10 March.

Action:

The Internal Auditor to finalise a working draft of the Annual Report for discussion at the next meeting of 10 March 2020.

As agreed, Professor Hogan withdrew from the meeting for the following item due to the potential for a perceived conflict of interest.

AD/19-20/35 Communication Received by Chair

The Chair welcomed Ms Michelle Ní Longáin of ByrneWallace Solicitors to the meeting for this item.

The Committee discussed developments in regard to the item and agreed how to proceed.

Action:

The Internal Auditor to proceed as instructed by the Committee.

Section C - For Noting

AD/19-20/36 Board Papers

The Committee noted the Board Agenda and Minutes which had been circulated for noting.