



Audit Committee, Wednesday 14 February 2023

The meeting was held in the Trinity Board Room

Present Mr D McCarthy(Chair), Ms B Collins, Ms M Fulton, Professor R A Kenny (joined by Zoom)

Apologies Professor R Reilly, Professor P Murphy

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

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

Ms M Collins (outgoing Chair of the Trinity Foundation Audit & Risk Committee) and Ms C Conroy (incoming Chair of the Trinity Foundation Audit & Risk Committee) attended for item TCD/22-23/33

The Vice-Provost/Chief Academic Officer (Professor O Sheils), the Chief Operating Officer (Ms O Cunningham) and the Chief Financial Officer (Mr P Reynolds) attended for item TCD/22-23/34

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

AD/22-23/29 Statements of Interest

The Chair invited members to declare any potential conflict of interest they may have in relation to items on the Agenda. There were no conflicts of interest declared by members.

AD/22-23/30 Minutes

The draft minutes of 7 December 2022 were approved subject to a minor amendment.

AD/22-23/31 Call-over

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

AD/22-23/32 Matters Arising

The Internal Auditor briefed members on developments relating to a recent non-audit assignment.

The Secretary to the College advised the Committee that he had informed the Provost and Board that he plans to retire from the end of October 2023. The Committee congratulated the Secretary on his decision and wished him well.

Section A and Section B – Policy and Implementation Issues

AD/22-23/33 Report from Trinity Foundation Audit and Risk Committee

The Chair welcomed Ms M Collins and Ms C Conroy to the meeting for consideration of the Report from the Trinity Foundation Audit and Risk Committee (TFARC), which had been circulated.

The Committee noted 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 (TCDAC) retains a right to carry out further work if it deems it necessary. As part of the agreed process, the Chair of the TFARC provides annual updates to the Trinity Audit Committee.

Introducing the Report, Ms Collins advised that she is acting as Chair of the Trinity Foundation Trustees from January 2023 and will be replaced as Chair of the Trinity Audit and Risk Committee by Ms Conroy.

Ms Collins also informed the Committee, with deep sadness of the untimely passing of Mr Declan Sheehan, Chair of the Trinity Foundation Trustees and member of the TFARC in March 2022.

Ms Collins briefed members on changes to the membership of the TFARC since her last Report to the TCDAC in February 2022 and reported that the TFARC had met four times during 2021/2022.

Noting 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 invited Ms Conroy to brief the Committee on the work of TFARC during the year.

Ms Conroy advised that in accordance with its Terms of Reference the TFARC focuses on four broad areas as follows:

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

Ms Conroy advised that the TFARC reviewed the audited Financial Statements for 2021/22 at its meeting on 14 December 2022. The Committee noted that the annual audit of Trinity Foundation's Financial Statements is included within the scope of services provided by PricewaterhouseCoopers (PwC) as external auditors for the University, and that this was their second year acting as statutory auditors.

Ms Conroy advised that Ms A Fitzgerald and Ms N Shetty from PwC attended the TFARC meeting on 14 December 2022 and reported that the 2021/22 audit had been conducted very smoothly. Ms A Fitzgerald of PwC advised the TFARC that no issues of concern had been identified in the course of the audit and, subject to final audit completion procedures and the approval of the financial statements and letter of representation by the Trustees, it would issue an unqualified audit report. The Committee noted that the Trinity Foundation Trustees approved the financial statements at their meeting on 9 February 2023.

Ms Collins advised that one of the focuses of the TFARC's work during 2021/22 continues to be monitoring TDA's risk management, internal controls and compliance, including an annual review of TDA's Risk Policy and Risk Appetite Statement. The Committee also noted that Cybersecurity risks continue to be an area of focus.

Ms Conroy advised that the previous Internal Audit Services Agreement with BDO concluded in December 2022 and that following the appropriate procurement process, Mazars were selected as internal auditors for the three years with an option for a one-year extension. Ms Collins advised that the TFARC will meet with Mazars in March 2023 to agree a 12-18 month workplan.

During a subsequent discussion, Ms Collins responded to a number of questions from members in relation to the Report. Ms Collins also discussed with the Committee the current philanthropic environment and the operation of the Immigrant Investor Programme. The Committee noted that it would be beneficial to have some additional information in respect of this programme.

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

The Committee extended its sympathy to Ms Collins, Ms Conroy and their colleagues in the Foundation on the untimely passing of Mr Declan Sheehan in March 2022.

The Chair thanked Ms Collins and Ms Conroy for their valuable contribution to discussions and they withdrew from the meeting.

Action

- 33.1.** The Internal Auditor to engage with management and provide the Committee with additional information on the Immigrant Investor Programme subsequent to the audit previously conducted.

AD/22-23/35 Divisional Update & Audit Recommendations Log

The Chair welcomed the Vice-Provost/Chief Academic Officer, the Chief Operating Officer and the Chief Financial Officer to the meeting for the divisional update on the Audit Recommendations Log.

Noting the Management Update on the Audit Recommendations Log which had been circulated, the Committee noted that there were 48 outstanding items on the Log as of February 2023 compared with 38 as of October 2022. The Chair invited the Divisional Heads, and the College Secretary to brief the Committee on the status of open recommendations and any other pertinent matters in their respective areas.

The Chief Operating Officer briefed the Committee on progress to date in relation to the outstanding recommendations within the CSD directorate. In particular, the Chief Operating Officer advised members that current recruitment challenges has impacted the University's ability to implement some recommendations in relation to Business Continuity Management. The Chief Operating Officer advised members that the recommendation in relation to the audit of IT Security is on target for completion. The Committee noted there are currently 10 outstanding recommendations in the CSD directorate.

The Vice-Provost/CAO briefed the Committee on progress to date in relation to the outstanding recommendations within the ASD directorate, of which there are currently 5 outstanding recommendations. In particular, the Vice-Provost/CAO advised members that the recommendation in relation to the Audit of Faculty Financial Responsibilities is expected be addressed next week. The Vice-Provost/CAO also briefed the Committee on work and timelines to complete the 4 recommendations relating to the Audit of Quality Compliance Oversight.

The Chief Financial Officer advised that of the 15 outstanding items in the FSD directorate, 4 are rated as high, 9 as medium and 2 as low, noting that the high rated items relate to Procurement, the audit of the Asset Register Management and the audit of the University / Student Union financial relationship. The Chief Financial Officer briefed members on work and timelines to complete recommendations in the FSD directorate.

The Secretary to the College provided an update to the Committee in relation to actions being taken to address the outstanding recommendations within the Provosts directorate, of which they are 18 outstanding. In particular, the Secretary to the College advised of planned work to complete recommendations in Risk Management, Data Protection and the follow-up review of externally contracted services.

During a detailed discussion, the Committee welcomed the management update on the Audit Recommendations Log, noting the improvements to and positive engagement with the process.

In conclusion, the Committee noted that in line with the agreed process, Internal Audit will conduct a Review of Completed and Risk Accepted Recommendations.

The Chair thanked the Vice-Provost/CAO, the Chief Operating Officer and the Chief Financial Officer for their work on the Log and they withdrew from the meeting.

AD/22-23/36 Internal Audit Annual Report

The Chair invited the Internal Auditor to brief the Committee on the Internal Audit Annual Report for 2022, which had been circulated.

The Internal Auditor advised members that the purpose of the Internal Audit Annual Report was to provide the Committee with a summary of the activities of the Internal Audit function during the year. The Committee noted that vacancies for an Assistant Internal Auditor and a Senior Internal Auditor were filled in February 2022 and in November 2022 respectively and the unit now as a full complement of staff.

During a brief discussion, the Internal Auditor responded to a number of queries from members in relation to Report. The Internal Auditor advised that all comments and feedback from the members would be considered in drafting next year's iteration of the Report.

The Committee noted the Internal Audit Annual Report for 2022.

AD/22-23/37 Governance Statements

The Committee noted the memorandum from the Internal Auditor dated 07 February 2023, together with the Draft Statement of Governance and Internal Control (SGIC) and the Draft Annual Governance Statement, which had been circulated.

Noting the differences between the two statements, the Internal Auditor advised that the Draft Statement of Governance and Internal Control (SGIC) is prepared by FSD in conjunction with the College Secretary's Office on behalf of Board and will form part of the Financial Statements for the year ended 30 September 2022 to be presented to Board for approval in March 2023. The Committee noted that the draft Annual Governance Statement for the same period is prepared by the College Secretary's Office for submission to the Higher Education Authority (HEA).

The Internal Auditor invited members to consider and note the Draft Statements as circulated and to ensure that there is no direct inconsistency between the Statements presented and any information that the Audit Committee has been made aware of during the year.

The Internal Auditor advised that both statements are in draft form and are intended to provide an overview of the system of internal control within the University. The Committee noted that there is significant overlap in the scope and context of both statements. The Committee also noted that Internal Audit have identified several minor amendments which would be advised to management following the meeting.

The Secretary to the College briefed members on some recent changes introduced by the HEA in relation to the Annual Governance Statement. The Committee noted that some statements within the draft Annual Governance Statement were broad and absolute in nature and that management would need to be prudent in their response.

The Committee discussed the Draft Statement of Governance & Internal Control (SGIC), together with the Draft Annual Governance Statement, noting that final SGIC will be circulated to the Committee in March as part of the University's Financial Statements.

AD/22-23/38 Protected Disclosure

The Committee noted Memorandum from the College Secretary dated 03 February 2023 which has been circulated.

The Secretary to the College withdrew from the meeting by invitation

AD/22-23/39 Audit Committee Annual Report 2022/2023

Introducing the topic, the Chair drew the Committee's attention to an initial draft of the Committee's Annual Report for 2022/23, which had been circulated. The Chair invited members for its views on the Draft Report as circulated and in particular to consider if it incorporates the key messages they wish to impart to Board. The Chair also briefed the Committee on comments he received from Professor Murphy, who had given apologies for the meeting.

The Committee noted that the Appendices to the Report set out a summary of work conducted during the year, as reported in the Committee minutes.

The Committee considered the overall message it wishes to convey in its Annual Report. The Committee expressed satisfaction, in general, with the tone and content of the Draft Report as presented, commenting that it is well written and succinct.

In addition, the Committee discussed the draft proposals in relation to the reform of Principal Committees as circulated and the extent to which this consideration should be reflected within the Annual Report. Following a detailed discussion, members identified some clarifications and additions to the text of the Annual Report.

In conclusion, the Committee welcomed the Draft Audit Committee Annual Report as presented and agreed that a revised draft of the report, taking account of the points discussed, would be considered at its next meeting.

Action

- 39.1.** The Chair and Internal Auditor to finalise the Draft of the Committee's Annual Report to Board for 2022/2023 for consideration at the next meeting of the Committee

Section C – For Noting

AD/22-23/40 Annual Assurance Statement

The Committee noted the memorandum to the College Secretary dated 06 January 2023, which had been circulated.

AD/22-23/41 Board Papers

The Committee noted the Board Agendas and minutes which had been circulated.