



Audit Committee, Wednesday 07 June 2023

The meeting was held in the Trinity Board Room

Present Mr D McCarthy (Chair), Ms B Collins, Professor R Reilly, Professor P Murphy

Apologies Professor R A Kenny, Ms M Fulton

(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 S J Donnelly, Assistant Internal Auditor attended for item AD/22-23/59

The Chief Risk Officer (Ms J Carmichael) attended for item AD/22-23/61

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

AD/22-23/54 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/22-23/55 Minutes

The draft minutes of 14 March 2023 were approved.

AD/22-23/56 Call-over

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

The Internal Auditor drew the attention of the Committee to additional information in relation to funding programme provided by management and included in the papers for noting.

In response to a query raised at previous meeting in relation to the general security profile of individual social media platforms, the Internal Auditor briefed members on the response from BDO and confirmed that these comments had also been communicated to Public Affairs & Communications. In particular, the Committee noted the widespread use of social media by students and stressed the importance of balancing the benefits against any potential risks.

AD/22-23/57 Matters Arising

The Internal Auditor briefed the Committee on developments relating to two recent non-audit assignments and noted that relevant reports would be circulated as appropriate.

Section A and Section B – Policy and Implementation Issues

The Secretary to the College was not present for the discussion of the following Agenda item.

AD/22-23/58 Audit of Oversight of Externally Contracted Services

At the invitation of the Chair, the Internal Auditor briefed the Committee on the status of the Audit of Oversight of Externally Contracted Services, noting that the Report is substantially complete subject to the receipt of management responses. The Internal Auditor outlined the purpose and scope of the audit and summarised the main findings and recommendations emerging from the audit. Noting that the Report is expected to be completed shortly, and given the interval until the October Committee meeting, the Committee agreed to consider and agree the final Report by written procedure.

Action:

58.1 The Internal Auditor to circulate the Audit of Oversight of Externally Contracted Services Report to the Committee for consideration and agreement by written procedure.

AD/22-23/59 Audit of Department of Sport & Recreation

The Chair welcomed Assistant Internal Auditor, Ms Donnelly to the meeting for consideration of the Audit of the Department of Sport & Recreation, which had been circulated for consideration.

Introducing the Report, the Internal Auditor informed members that Trinity Sport is the umbrella identity for both the Department and Trinity Sport Union (“Sport Union”) (previously known as DUCAC) and invited Ms Donnelly to present the main findings for the audit.

Ms Donnelly advised that the purpose of this audit was to assess the adequacy and effectiveness of the Department of Sport and Recreation and to consider the level of assurance that could be provided to the Audit Committee. Ms Donnelly drew the Committee's attention to the eight recommendations contained in the Report, noting that all of the recommendations have been accepted by management.

In particular, Ms Donnelly advised that there is a close relationship between the Department of Sport and the Student Union, due to a shared strategy and objectives. However, she advised that there is no Service Agreement (SLA) in place governing the transactions between them, and that a comprehensive SLA supported by documentation of processes for interactions would increase transparency and accountability.

During a discussion, the Internal Auditor and Ms Donnelly responded to a number of queries from members.

In conclusion, the Committee welcomed the Report, commenting that it is a clear Report in a complex environment.

The Chair thanked Ms Donnelly for her work on Report and Ms Donnelly withdrew from the meeting.

AD/22-23/60 Audit of Occasional Staff & Casual Payroll

At the invitation of the Chair, the Internal Auditor briefed the Committee on the status of the Audit of Occasional Staff & Casual Payroll and advised the Committee the Report is substantially complete. The Deputy Internal Auditor outlined the main findings and recommendations emerging from the Audit, noting that the findings echo findings of a HR review conducted in 2022. The Internal Auditor advised that the recommendations have been accepted by HR management.

Noting that the Report is expected to be completed shortly, and given the gap until the October meeting, the Committee agreed to consider and agree the final Report by written procedure.

Action:

60.1 The Internal Auditor to circulate the Audit of Occasional Staff & Casual Payroll Report to the Committee for consideration and agreement by written procedure.

AD/22-23/61 Risk Management Policy

The Chair welcomed the Chief Risk Officer to the meeting for an update on the Risk Management Policy.

The Chief Risk Officer informed the Committee that the annual review of the Risk Management Policy has been completed to ensure it remains fit for purpose and reflects the current governance requirements of the University. The Committee noted that the review required the updating of the entire policy in compliance with the Trinity Policy Management Framework and involved the reformatting of the policy document. The Chief Risk Officer advised that the material changes to the policy include the description of the roles and responsibilities of the stakeholders named within the policy.

During a brief discussion, the Chief Risk Officer responded to a number of queries from members. The Audit Committee noted the revised Risk Management Policy and observed that the establishment of a proposed Risk & Compliance Committee would necessitate a further review and update of the Policy to appropriately reflect the role and responsibility of such a Committee.

The Chair thanked the Chief Risk Officer for the update, and she withdrew from the meeting.

AD/22-23/62 Update on Internal Audit Annual Plan

The Internal Auditor drew the Committee's attention to the update on the Internal Audit Annual Plan, which had been circulated. Noting that the Annual Plan had been approved by the Committee in December 2022, the Internal Auditor briefed the Committee on the status of audit assignments as of June 2023.

The Internal Auditor advised members that the Plan is on track to be completed by the end of the year as planned, although it may be impacted by time devoted to recent non-audit work. In particular, the Internal Auditor drew the Committee's attention highlighted key themes identified during the work of Internal Audit over the period covered by the Plan.

The Internal Auditor reminded the Committee, that as with all plans, the Internal Audit Annual Plan is fluid and dynamic. The Internal Auditor advised that as part of the update, Internal Audit had considered the appropriateness of assignments and potential emerging risks, and this would be continue to be assessed on an ongoing basis.

The Internal Auditor advised that she is satisfied with progress on the Audit Annual Plan to-date for 2023 and progress is in line with the schedule agreed with the Audit Committee.

The Committee noted the update on the Audit Annual Plan for 2023.

AD/22-23/63 Audit Committee Self-Evaluation

The Chair drew the Committee's attention to the results of the Committee's recent Self-Evaluation exercise, which had been circulated. The Chair thanked members for taking the time to engage with the self-evaluation process and noted that members' overall assessment of the performance of the Committee is reasonably positive and in line with previous self-evaluation exercises. Due to the small number of respondents, the Committee noted that a single score can have a significant impact on the overall rating and consequently care needs to be taken in comparing results.

In considering the detailed responses within the report, the Committee noted that there are some areas where scope for improvement has been identified by individual members.

In conclusion, the Committee noted the results of the self-evaluation process.

AD/22-23/64 Non-Audit Services Policy

The Internal Auditor drew the Committee's attention to a draft Non-Audit Services Policy together with a draft procedures document for the implementation of this Policy, which had been circulated.

The Internal Auditor reminded members that the previous Policy on the Provision of Non-Audit Services by External Auditors was approved in June 2014. The Committee noted that this Policy has now been reviewed and updated under the Policy Management Framework of the University. The Internal Auditor advised that FSD, as significant stakeholders of the Policy, were consulted as part of this review, and their valuable feedback has been incorporated. The Committee noted that the objective of the Policy is to ensure that the University's External Auditors remain independent, and the Policy defines which services the External Auditors may and may not be engaged to provide.

The Internal Auditor advised that the Draft Procedures for the Approval of Non-Audit Services sets out the steps required to obtain Audit Committee approval for the provision of non-Audit Services by the External Auditors. The Committee noted that following consideration and approval by the Audit Committee, the draft Non-Audit Services Policy will be submitted to Board for approval in line with the Policy Management Framework.

Following a brief discussion, the Committee agreed to consider and revert with any comments or feedback on the draft Policy and the Internal Auditor will bring final version of the Policy to the next Audit Committee meeting for approval.

AD/22-23/65 Audit Committee Terms of Reference and Internal Audit Charter

Introducing the item, the Internal Auditor drew the Committee's attention to the Audit Committee Terms of Reference and Internal Audit Charter as approved by Board in September 2022, which had been circulated for reference. The Internal Auditor reminded members that the Audit Committee Terms of Reference are reviewed annually, and any proposed changes deemed necessary by the Committee shall be recommended to Board for approval. The Committee also noted that the Internal Audit Charter is also reviewed annually by Committee and any changes deemed necessary are to be approved by the Audit Committee.

The Committee noted that there are significant governance changes in progress for the University following the introduction of the HEA legislation in 2022, together with proposals to restructure Principal Committees of Board. In particular, members noted the proposed establishment of a Risk and Compliance Committee.

The Committee noted that to facilitate good governance for the University, there will need to be comprehensive clarification of responsibilities for both the Audit Committee and the proposed Risk & Compliance Committee with respective Terms of Reference for each Committee to outline how both Committees' will interact and share information. The Committee agreed that the Audit Committee Terms of Reference and the Internal Audit Charter would be reviewed later in the year to allow for the appropriate recognition of the proposed Risk & Compliance Committee and its responsibilities, once established.

The Internal Auditor invited members to consider, in addition to the appropriate recognition of the proposed Risk & Compliance Committee, any potential required updates to the Audit Committee Terms of Reference and Internal Audit Charter.

AD/22-23/66 Audit Committee Schedule

The Internal Auditor drew the Committee's attention to a draft meeting schedule for 2023-2024, which had been circulated. The Internal Auditor reminded members, that while there is some flexibility, the dates are synchronised with the meeting and circulation dates of Board, Council and Finance Committees and the approval cycles of the financial statements. The Internal Auditor invited members to consider the schedule and advise if they had difficulties with any of the dates. The Committee noted that due to diary clash for one member, it was proposed to move the December meeting to 06 December 2023.

Following a brief discussion, it was agreed that a final meeting schedule be circulated following the meeting. In the interim, members were asked to note the dates in their diaries.

Action:

66.1 Internal Auditor to circulate a final Committee meeting schedule for 2023/2024 to members for noting in their diaries following the meeting.

Section C – For Noting

AD/22-23/67 Audit Committee Annual Report 2022 / 2023

The Committee noted the Audit Committee Annual Report 2022/2023, which had been circulated, noting that the Report was presented to Board at its meeting on 29 March 2023.

AD/22-23/68 Management Letters

The Committee noted the PwC and C&AG Management Letters for the year ended 30 September 2022, which had been circulated for noting.

AD/22-23/69 Non-Audit Services Engagement

The Committee noted the memorandum from the Deputy Chief Financial Officer dated 26 May 2023, which had been circulated for noting.

AD/22-23/70 Funding Programme

The Committee noted the memorandum from the Head of Corporate Operations TBCSL dated 30 May 2023, which had been circulated for noting.

AD/22-23/71 Board Papers

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

AD/22-23/72 Any Other Business

Under Any Other Business, the Committee extended its deep appreciation to Mr Dermot McCarthy, who was attending his last Committee meeting after six years on the Committee, four of which he served as Chair of the Committee. In particular, members thanked him for steering the Committee through unprecedented times and for his very significant and unstinting work in support of the Audit Committee and the significant contribution he made over that period to both the Committee and to Trinity. The Committee wished Mr McCarthy well for the future.