

THE UNIVERSITY OF DUBLIN  
TRINITY COLLEGE

AUDIT COMMITTEE

Terms of Reference

Updated and approved by the Audit Committee:  
08 June 2021

Approved by the Board:  
16 June 2021

## **1. Objectives**

- 1.1. The Audit Committee is a Principal Committee of the Board. Its main objective is to assist Board fulfil its functions by providing independent and timely advice to Board on areas within its remit.
- 1.2. The main function of the Audit Committee is to review the significant financial reporting issues and judgements made in connection with the College's financial statements and reports, and to review the scope and effectiveness of the College's internal controls, including financial, operational and compliance controls (including systems established by management to identify, assess, manage and monitor key risks, both financial and operational, taking account of the key objectives of the College as contained in the Strategic Plan).

## **2. Membership**

- 2.1. Every reasonable effort will be made to ensure that no more than 60% of the Committee will be of any one gender, and the gender balance of the Committee will be monitored annually.
- 2.2. The Committee, which shall be appointed by the Board, shall comprise not less than four members as follows:
  - One Board Member
  - One Member of College Staff
  - One former Senior Annual Officer
  - Three External Members

In attendance: Internal Auditor  
Secretary to the College
- 2.3. The Chairperson of the Committee shall be an External Member.
- 2.4. Membership of the Committee shall be structured to achieve an appropriate balance of recent and relevant experience taking account of the full range of the Committee's activities.
- 2.5. Membership of the Committee shall be reviewed each year by the Provost and the Registrar who shall consult with the Chairperson of the Audit Committee and changes as required shall be recommended to the Board at that time.
- 2.6. Membership of the Committee shall normally be for an initial term of three years, with the possibility of an extension of a further three years. The general aim is to change the membership from time to time to ensure an appropriate balance between continuity and fresh perspectives.
- 2.7. The Internal Auditor shall act as secretary to the Committee and be responsible for the preparation and distribution of agenda, papers, minutes and reports following consultation with the Chairperson of the Committee.

- 2.8 The Secretary to the Committee will circulate all relevant documentation to the Chief Risk Officer, who will regularly attend meetings of the Committee as agreed by the Chair.
- 2.9 The Secretary to the Committee will liaise with the Chief Risk Officer for suggested items within the remit of the Committee to be included on the Committee Agenda.

### **3. Meetings and Quorum**

- 3.1. The Committee shall meet on at least four occasions per annum. Other meetings as required shall be convened by the Chairperson.
- 3.2. The quorum for meetings shall be 50% of the membership plus one. At least one external and one internal member is required for the quorum to be satisfied.
- 3.3. Other College Officers shall attend meetings by invitation for specific agenda items. The Committee may also invite any Officer of the College, or other person to attend any meeting(s) of the Committee, as it may from time to time consider desirable, to assist the Committee in the attainment of its objectives. The Committee shall meet College Officers responsible for the risk assessment and management system.
- 3.4. The External Auditors shall attend meetings by invitation for agenda items when the financial accounts and issues in relation to the conduct of their audit are being considered, or at their request for other items, bar the approval of the minutes.

#### **Existing**

- 3.5. The Committee may meet privately and shall arrange for a programme of separate and joint meetings with the Internal Auditor and the External Auditors. The Committee shall also meet with the Vice-Provost/Chief Academic Officer, the Chief Operating Officer and Chief Risk Officer, or such other persons as it sees fit, in the discharge of its duties in relation to reviewing the effectiveness of risk management.
- 3.6. The Chairperson shall present a written report to the Board, prior to the submission of the annual financial statements to the Board, summarising the work of the Committee in the previous year. Additionally, the Chairperson shall report to the Board the Committee's views in relation to the audited financial accounts. The External Auditors shall attend the Board when the audited financial statements are being considered.
- 3.7. The draft minutes of the Audit Committee shall be circulated to the Board as soon as possible for noting and/or discussion as necessary. The Board representative on the Committee shall be available to report orally to the Board on key aspects of the proceedings of the Committee as required.

#### **4. Duties**

In pursuance of its objectives, the Committee shall have regard to:

##### **Financial Reporting**

- 4.1. Reviewing and challenging where necessary, the actions and judgements of management in relation to the annual financial statements before submission to the Board, taking account of the results of the annual audit and any advice and information supplied by the External Auditors.

##### **Internal Control and Risk Management**

- 4.2. Subject to the available resources, to review, on an annual basis, at a high level, the College's internal controls, including financial, operational and compliance controls and including systems established by management to identify, assess, manage and monitor key risks, both financial and non-financial which might have significant implications for the College and report to Board accordingly.
- 4.3. Reviewing the findings of any third party reports on the governance of the College or regulatory examinations.
- 4.4. Within the resources available, to give consideration at a high level to the effectiveness of the systems put in place to achieve value for money.

##### **Compliance**

- 4.5. Reviewing arrangements established by management for compliance with legislative and regulatory requirements and Board policies. Reviewing and advising the Board, where appropriate, in its consideration of any compliance statement required.

##### **Internal Audit**

- 4.6. Reviewing and approving the internal audit annual plan, including the degree of co-ordination with the external audit plan.
- 4.7. Reviewing internal audit reports and findings and the implementation by management of significant recommendations.
- 4.8. Reviewing the External Auditors' Management Letter and responses from management.
- 4.9. Monitoring and reviewing, at least annually, the effectiveness of the Internal Audit function and advising on the necessary level of resources and seeking to ensure that it is independent and free from management or other restrictions.

##### **External Auditors**

- 4.10. Making recommendations to the Board on the appointment, re-appointment and removal of the External Auditors.
- 4.11. Approving, following input it deems appropriate from management, the remuneration and terms of engagement of the External Auditors in respect of the provision of audit services to the College and its subsidiaries.

- 4.12. Reviewing with the External Auditors their plan for their audit of the College's financial statements.
- 4.13. Reviewing the results of the external audit, including:
- any problems which may have been encountered by the External Auditors and the degree of co-operation received
  - significant recommendations to management in the management letters and management's response. Monitoring the performance and quality of the services provided by the External Auditors. Reviewing their qualifications, independence and objectivity annually, taking into consideration all relationships between the College and the External Auditors.
- 4.14. Monitoring the engagement of the External Auditors to supply non-audit services taking into account relevant legal requirements and guidance regarding the provision of non-audit services by the External Auditors and the provision of audit related services by other audit firms, considering their expertise and value for money.
- 4.15. Monitoring the External Auditors' compliance with relevant statutory or regulatory requirements.

#### **Comptroller and Auditor General**

- 4.16. Considering the C&AG's annual Letter of Engagement along with issues which the Treasurer's Office may wish to bring to its attention, and, if necessary, advising the Board of its opinion in relation to the issues raised.
- 4.17. Considering the C&AG's report to the Oireachtas on completion of his audit, together with management's response to any issues raised by the C&AG in course of his audit and advising Board accordingly.

### **5. Authority**

- 5.1. The Committee shall operate under delegated authority from the Board, which is ultimately responsible for all matters relating to the presentation of financial accounts and all issues arising from internal and external audits in the College. The Audit Committee will have devolved authority to:
- Approve the internal audit annual plan
  - Approve the remuneration and terms of engagement of the External Auditors in respect of the provision of audit services to the College and its subsidiaries and approve the selection process to be followed
  - Approve the carrying out of non-audit services by the External Auditors
  - Co-opt temporary additional members to provide specialist skills
- 5.2. The Committee shall act as a channel of communication between the Board, management and the External Auditors and shall report to the Board with its recommendations, where it considers action or improvement is needed in any area under its remit.
- 5.3. The Committee may investigate any matter falling within its terms of reference, calling on whatever resources and information it considers necessary to so do.

- 5.4. The Committee is authorised to seek any information it requires from any employee of the College to enable it discharge its responsibilities and shall have made available to it on a timely basis all information requested from any employee in a clear, concise and well organised manner.

## **6. Performance Evaluation**

- 6.1. The Committee shall, at least once a year, arrange for the review its performance and its terms of reference and shall report its conclusions and recommend any changes it considers necessary to the Board.