

The University of Dublin

Trinity College

Minutes of Audit Committee, Monday 30 November 2009

Present Mr J Collins (Chairman), Professor J McGilp, Professor J O'Hagan, Professor B McGing

Apologies: Mr P O'Reilly

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

In Attendance Ms M Thompson

The Treasurer, Financial Accountant and Mr R Hobson from KPMG attended for item AD/09-10/32.

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

AD/09-10/25 Minutes The Minutes of the meeting held on 12 November 2009 were approved, subject to a minor amendment.

AD/09-10/26 Call-over The Committee noted the actions which had been implemented since the previous meeting and those that remained outstanding. The Chairman advised the Committee that, along with the Internal Auditor, he will be meeting the Provost to discuss certain outstanding issues, including those arising in respect of inter-institutional ventures.

AD/09-10/27 Matter Arising There were no matters arising.

SECTION A - POLICY ISSUES

AD/09-10/28 Consideration of Draft Annual Report to Board
XXX The Chairman, introducing the item, invited the Committee's attention to a memorandum from the Internal Auditor, which had been circulated, together with the draft Annual Report of the Committee for 2009. The Committee noted that the final version of the Report will be considered by Board at its meeting of 8 December 2009. The Chairman also invited the Committee's attention to the Chairman's statement on the Annual Report, which had been tabled. The Committee noted that, while the document must be a report of record, it should also invite Board's attention to key strategic issues facing the College and the Audit Committee's recommendations in relation to same.

In the course of a detailed discussion of the Draft Report, a number of issues were raised and the Committee agreed that the Internal Auditor would finalise the Report taking account of those issues. Noting the proximity of the circulation date for Board papers, the Committee also agreed that the final version of the Report would be circulated to Committee members by email for comment prior to its circulation to Board.

Action

28.1 The Internal Auditor to finalise the Report and email it to Committee members for final approval and the Final Report to be presented to Board on 8 December 2009.

AD/09-10/29 **Opinion on Internal Control**
XXX

The Chairman drew the Committee's attention to a memorandum from the Internal Auditor dated 25 November 2009 which had been circulated and invited the Internal Auditor to give an overview of this item. The Internal Auditor advised that the memorandum sets out his overall opinion on internal control, which he is required by the Internal Audit Charter to prepare annually. Referring to previous discussions by the Committee, he outlined the reasons for the type of opinion given and invited the Committee to consider whether its own opinion to be relayed to Board, as set out in the Annual Report, should be similar.

The Committee noted and approved the Internal Auditor's opinion on Internal Control and agreed that its own opinion to Board would be identical.

Action

The Internal Auditor to incorporate the Committee's opinion on internal control into the Annual Report.

AD/09-10/30 **Audit Tender**

The Internal Auditor, invited the Committee's attention to a memorandum dated 24 November 2009, which had been circulated in which he outlined proposals for the Tender for Audit Services and a draft timetable. He advised the Committee of recent discussions he had with the College Procurement Officer on the process.

The Committee discussed the tender proposals and agreed that an Evaluation Panel would be established comprising two members of the Audit Committee, two representatives from the Treasurer's Office, the Internal Auditor and the Secretary to the College. The Evaluation Panel is to short-list applications at each stage of the process and to make a final recommendation to the Audit Committee. The Committee also agreed evaluation criteria and rankings to be used to evaluate submissions received.

Action

The Internal Auditor to prepare final Tender proposal for consideration at the next meeting of the Audit Committee on 13 January 2009.

AD/09-10/31 **Consideration of the Internal Audit Work Plan**

The Internal Auditor, invited the Committee's attention to a memorandum dated 23 November 2009 outlining progress to date on the Internal Audit Work Plan, as proposed in the 2008 Report. The Internal Auditor advised the Committee that most items on the work schedule had been completed or were on target for completion.

Drawing the Committee's attention to the areas proposed for future work, as set out in the 2009 Annual Report, he advised that when the updated College Risk Register becomes available in January the Committee would be invited to consider how the work programme should be prioritised in response to the risks identified and that a more focussed work plan can then be prepared. In the course of a brief discussion on this item, the

Committee stressed the importance of maintaining an appropriate balance between its audit work and considering issues of broader concern.

The Committee noted and approved the Internal Audit Work Plan.

SECTION B - IMPLEMENTATION ISSUES

- AD/09-10/32** **Consideration of key judgements and provisioning planned for Audit of the 2008/09 Funding Statements**
XXX
- The Treasurer, present by invitation, invited the Committee's attention to a paper that had been tabled, outlining key areas in which judgements and provisions will be made in the preparation of the Funding Statements for 2008/09. The Treasurer advised that the expected outturn for the year is €9.7m which offsets the accumulated deficit brought forward of €9.8m. He advised that a number of factors contributed to the result for the year, including expenditure savings of €8m made in response to a reduction in the State grant of €7m and the non-utilisation of a contingency provision of €3m but that the main contributors were the release back to income of almost €19m from the provision for Fixed Term Workers and the allocation to capital expenditure of €13m. He also advised the Committee that the Accounting Policies being applied in the preparation of the Funding Statements for 2008/09 are the same as those in the previous year and that the format of the Funding Statements had been approved by the HEA on 21 September 2009.
- The Treasurer invited the Committee's attention to judgements and provisions which have been made in the Funding Statements in relation to the following issues:
- (i) Fixed Term Workers Act Reversal
 - (ii) Income - Supplementary Grant for 2009
 - (iii) Provisions
 - General Research Bad Debt Provisions
 - Legal Provisions
 - Bad Debt Provision Debtors

The Treasurer highlighted significant issues associated with the Funding Statements and in the course of a discussion, the Treasurer and Mr Hobson from KPMG, also present by invitation, clarified a number of technical queries. The Committee commented that it is important that the College is not disadvantaged in the sector due its prudent financial management and the Treasurer confirmed that when presenting the Funding Statements he will ensure certain issues are highlighted.

Mr Hobson advised the Committee that KPMG were satisfied that the judgements and provisions had been correctly stated in the Funding Statements and that there were no other issues that they wished to bring to the attention of the Committee.

The Chairman thanked the Treasurer and KPMG for their presentation to the Committee.

SECTION C - ITEMS FOR NOTING

- AD/09-10/33** **Correspondence from the C&AG**
- The Committee noted the C&AG letter of 10 November 2009 which had been circulated.