

The University of Dublin

Trinity College

Minutes of Audit Committee, Thursday 21 November

Present Ms J O'Neill (Chair), Professor J Barry, Professor R Byrne, Ms A Duffy, Professor J McGilp, Mr P O'Reilly.

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

In Attendance Ms M Thompson

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

SECTION A and B - Policy & Implementation Issues

AD/13-14/24 Data Protection

XXX

The Chair invited the Internal Auditor to update the Committee on the Data Protection review dated October 2013, which had been deferred from the last meeting. Tabling the management responses to its findings, the Internal Auditor advised of a number of significant issues identified by the review. In particular, he drew the Committee's attention to the College Records Management Policy, which had been approved by Board in 2005 and advised that a number of actions contained in the policy have not been implemented and he outlined to the Committee the consequent difficulties in ensuring full compliance with the legislation. The Committee also noted the widespread use of public cloud computing services and the large number of ancillary IT systems in use that are operated outside of IS Services which pose additional challenges to ensure compliance.

During a detailed discussion, the Committee stressed the potential reputational and financial risks that may arise and also noted the unique nature of personal data obtained for research purposes. The Committee acknowledged the challenges posed by the rapid pace of change in the IT sector but stressed the need for action to mitigate the risks. In particular, the Committee stressed the importance of completing the development of the proposed private cloud computing service and the need to complete the security review of ancillary IT systems as well as action in regard to updating and implementing the records management policy. The Committee agreed that in the meantime it may be opportune to introduce more robust guidelines for the use of public cloud computing services as well as engaging proactively with the Data Protection Commissioner on the issues identified in the report.

In conclusion, the Committee recommended that the issues raised by the review be emphasised in the Committee's Annual Report to Board. The Committee agreed to consider the topic again at a

future meeting.

Action:

The Committee to reconsider Data Protection at a future meeting.

AD/13-14/25 Research Governance

The Chair invited the Internal Auditor to update the Committee on the Research Governance report dated October 2013, which had been deferred from the last meeting. Noting the management responses, he advised that while good progress has been made in updating the Policy on Good Research Practice, there remains a need to ensure that awareness and training is universal and that staff have easy access to information and guidelines to support them. The Committee noted the large number of research staff and projects in College, many of which are conducted in collaboration with others outside College and of the challenges this poses. In conclusion, the Committee welcomed the work of the Dean of Research to improve governance in this area and, noting the management responses on future action, agreed to revisit the topic at a future meeting.

Action:

The Committee to reconsider Research Governance at a future meeting.

AD/13-14/26 HR and Remuneration Issues

XXX

Introducing the item, which had been deferred from the last meeting, the Internal Auditor reminded the Committee of a number of issues that had arisen in 2012 in regard to appointments and remuneration and which had been highlighted in last year's Annual Report to Board. Noting that the Committee had recommended that governance processes be strengthened, he advised that a HR strategy had been developed and was approved by Board in June 2013. During a detailed discussion, the Committee noted that the HR strategy is a high level statement of objectives and aspirations that still needs to be implemented and it remains to be seen if the issues will be addressed adequately by that process. The Committee agreed that reputational risks remain a concern in this regard and that problems may arise again in the future. The Committee agreed to emphasise the matter in the Annual Report to Board and return to the topic at a future meeting.

Action:

The Committee to reconsider HR and Remuneration at a future meeting.

AD/13-14/27 Casual Payroll - Update

XXX

The Chair invited the Internal Auditor to brief the Committee on the update on Casual Payroll dated October 2013, which had been deferred from the last meeting. He advised that there is no requirement to maintain formal documentation for employees paid through casual payroll and for which HR have no involvement and that there is no analysis of the significant number of forms processed through casual payroll to facilitate central monitoring of the

activity. During a discussion, the Committee noted that there is a risk that the casual payroll could be used to circumvent employment and pay restrictions and that with the passing of time employment rights could inadvertently be conferred on some casual employees. The Committee agreed to emphasise in the upcoming Annual Report the need for greater oversight and monitoring of casual payroll and the introduction of a policy on its use.

AD/13-14/28 Annual Report to Board

At the invitation of the Chair, the Internal Auditor invited the Committee's attention to the Draft Annual Report to Board which had been circulated, noting that the final version of the report will be considered by Board at its meeting on 11 December 2013. The Committee noted that while Part 2 of the Annual Report is a report of record for the year, Part I invites Board's attention to key issues of concern to the Committee and its recommendations in relation to same. The Internal Auditor also drew attention to the requirement in the Committee's terms of reference to review on an annual basis at a high level the College's internal controls and the requirement in the Internal Audit Charter for the Internal Auditor to issue an annual opinion on the effectiveness of internal control. He outlined to the Committee his opinion, which is based on the work described in Part 2 of the draft Annual Report. He proposed to repeat that opinion in Section 10 of the final draft of the Committee's Annual Report and the Committee agreed that the approach taken also reflected its views.

In the course of a detailed discussion, several issues were raised by members and the Committee agreed that the Internal Auditor would take account of those issues when finalising the report. Noting the proximity of the circulation date for Board papers, the Committee agreed that the Annual Report be finalised by the Internal Auditor and Chair as discussed and that the final draft be emailed to members for approval, after which the final version will be forwarded to Board for consideration.

Action:

The Internal Auditor to finalise the Annual Report as discussed and forward a final draft by email to Committee members for approval, after which it will be forward to Board for consideration at its meeting on 11 December.

AD/13-14/29 Self-Evaluation

Introducing the topic, the Internal Auditor drew the Committee's attention to his memorandum dated 3 November 2013 and the self-evaluation form, consideration of which had been deferred since the last meeting. He invited the Committee to reflect on the self-evaluation process and consider if they wished to make any changes to the process of self-evaluation this year. He also advised that, in March 2012, Board had included an assessment of the Committee in its own evaluation process and that the results had been positive. During a discussion, the Committee discussed various measures to strengthen effectiveness including the possibility of peer or external review.

The Committee also stressed the need to ensure that the reports and recommendations are communicated effectively to College management and that the Committee is kept informed of their status. The Committee agreed to reflect on a number of options that were discussed to improve effectiveness in this regard and to discuss the matter again at the next meeting.

In conclusion, the Chair noting that two new members had recently joined the Committee, suggested that the Committee reflect further on the process before finalising the approach to self-evaluation in the new year.

Action:

29.1 The Committee to consider the reporting and monitoring of recommendations at the next meeting.

29.2 The process for evaluation of the Committee to be considered at a future meeting.

AD/13-14/30 AOB

Under AOB, Mr P O'Reilly enquired as to the current status of the EIB loan and discussions with the HEA. The Internal Auditor clarified the current position in regard to the EIB loan. The Committee, noting the update and that the matter is still in progress, agreed to discuss it at a future meeting.

Action:

The Committee to discuss the EIB loan at a future meeting.

Section C - Items for Noting

AD/13-14/31 Academic Risks

The Committee noted the memorandum from the Assistant Internal Auditor dated 20 November 2012, which had been circulated, confirming that the outstanding information sought from a School had been received and that the results were consistent with the other five Schools.

AD/13-14/32 Strategic Plan 2014-2019

The Committee noted the memorandum from the Chair of the Audit Committee to the Provost, which had been circulated, in regard to including risk management in the planning process for development of the Strategic Plan 2014-2019.

AD/13-14/33 FRS 12 - Audit Qualification

The Committee noted the email correspondence between the Chief Financial Officer and Ms M Kerr of the Higher Education Authority in regard to the on-going pension qualification, which had been circulated.