



Minutes of Audit Committee, Tuesday 28 April

The meeting was conducted remotely

Present Mr D McCarthy (Chair), Professor A Burke, Ms B Collins

Apologies Professor L Hogan, Professor R Reilly

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

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

The Vice-Provost/Chief Academic Officer and the Quality Officer attended for item AD/19-20/52

The Vice Provost/Chief Academic Officer, the Chief Operating Officer and the Chief Financial Officer attended for item AD/19-20/53

Mr B Gartlan and Mr A Gobind of BDO attended for item AD/19-20/54

The Chief Risk Officer attended for item AD/19-20/55

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

AD/19-20/49 Statements of Interest

The Chair invited members to declare any potential conflict of interest they may have in relation to items on the Agenda. None was made.

AD/19-20/50 Minutes

The draft Minutes of the meeting held on 10 March 2020 were approved.

AD/19-20/51 Call-over

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

The Secretary to the College joined the meeting by invitation

SECTION A and B
Policy & Implementation Issues

AD/19-20/52 Update from the Vice-Provost/Chief Academic Officer

XXX Referring to the recent Internal Audit report on Quality Oversight Compliance, which had been considered at the last meeting of the Committee, the Chair reminded members that it had been agreed to invite the Vice-Provost/Chief Academic Officer to the meeting because of the impression that could be formed by the management responses that were received and to seek assurance that action will be taken to address the issues identified within the report. The Chair also referred to the Institutional Quality Review scheduled to take place in 2020. He advised that the Quality Officer would also join the meeting to discuss her proposal for members of Audit Committee to be invited to participate in the Institutional Review.

Ms Cooney briefed the Committee on the background to the Institutional Review, noting that in other institutions Audit Committees were not requested to engage in the review process by the reviewers and outlined the issues that needed to be considered if Trinity were to propose such an approach.

Following a brief discussion, the Chair welcomed the Vice-Provost/Chief Academic Officer and the Quality Officer to the meeting. He advised the Vice-Provost/CAO and Quality Officer of the the objectives of the discussion and commented that Quality matters are now of even greater importance to the University with teaching moving on-line.

The Vice-Provost/CAO informed the Committee that he welcomed the report and had agreed with the findings and recommendations. Commenting that it was his first appearance before the Committee as Vice-Provost/CAO, he referred to former senior roles he has held in the University, and that he is very aware of the challenges and strengths of Trinity's devolved structure. He acknowledged that implementation of oversight and compliance controls is a weakness and that there is a need to strengthen elements of governance and management. He assured the Committee that he takes the issues highlighted in the report seriously, while noting that issues of implementation are not unique to the Quality function.

Acknowledging the need to strengthen and embed Quality processes in the University, he advised that the upcoming Institutional Review, is very important and that the focus of work at present is to prepare for the Review. In response to a query regarding the potential impact of the Covid-19 crisis on the timing of the Institutional Review, the Vice-Provost/CAO advised that there was no indication yet that the Review will not take place as scheduled in November 2020 but agreed that there may be a deferral. He observed that, from a Review perspective, self-identification of weaknesses in current processes is a positive indicator but that a failure to address them in a reasonable time frame would be the opposite. He agreed that, should there be a delay in the timing of the Review, that the opportunity would be taken to make faster progress on strengthening the quality processes.

Regarding specific recommendations contained in the Internal Audit Report, the Vice-Provost/CAO welcomed in particular the recommendations that there should be an Annual Quality Report to Board and Council, as well as a mechanism or log to comprehensively track outstanding Quality issues and agreed that the Terms of the Reference of the Quality Committee need to be reviewed

Commenting on the issues, the Quality Officer agreed with the Vice-Provost/CAO's comments, noting that the burden of reporting in schools is high and that an integrated response is needed in order to have a robust Quality culture.

In response to a query regarding international bench marking and international accreditation, the Vice-Provost/Chief Academic Officer advised that in the 2012 Review, it was recommended to take greater account of international best practice. The Quality Officer also informed the Committee that the Quality Office is working with Schools to support international accreditation.

The Committee emphasised the importance of having a streamlined framework to assist Schools and not unnecessarily add to the burden of reporting.

In response to a query from the Chair regarding the advisability of proposing the Audit Committee participate in the upcoming Institutional Review, the Quality Officer advised that it is proposed that all Principal Committees of Board and Council would be invited to participate. The Quality Officer observed that in her opinion, it is important the Review captures as wide a range of views as possible. Referring to the important role of the Audit Committee in the governance framework and assessment of effectiveness of internal controls in the University, she proposed that the Audit Committee should be put forward as an area with which the reviewers would be invited to engage. The Vice-Provost/CAO reiterated the importance of the University taking a self-reflective and self-critical approach to the Review and that he considers the participation of the Audit Committee would be beneficial.

In conclusion, the Committee welcomed the helpful discussion and the commitment of the Vice-Provost/Chief Academic Officer to implementing actions to address the report findings. The Committee agreed that it will consider the participation of the Audit Committee in the Institutional Review in light of the discussions at its next meeting.

The Chair thanked the Quality Officer for attending the meeting and she withdrew from the meeting.

The Vice-Provost/Chief Academic Officer remained for consideration of the Audit Committee Recommendations Log.

Action:

The Audit Committee to consider at its next meeting its participation in the Institutional Review and to invite the Quality Officer to give her presentation on the review process to the next meeting.

AD/19-20/53 Audit Committee Recommendations Log

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The Chair welcomed the Chief Financial Officer and the Chief Operating Officer to the meeting for consideration of the Audit Committee Recommendations Log.

Prior to considering the Log in detail, the Chair invited each of the Divisional Heads to brief the Committee on the impact of the Covid-19 Pandemic and actions being taken by the University to mitigate the risks and address the challenges. The Divisional Heads summarised actions taken to-date to manage the crisis in their respective areas. In particular, the Vice-Provost/Chief Academic Officer informed the Committee that teaching was now fully-on line and is working well with the focus now on scenario planning for the next academic year and the re-opening of the University. The Chief Operating Officer advised that IT Services had worked hard to enable the successful transfer to on-line learning and noted that there has been a significant impact on commercial revenue with a need to identify different revenue opportunities. Noting that the situation is evolving rapidly, the Chief Financial Officer briefed the Committee on the financial position and future financial planning. He also assured the Committee the University's financial systems are continuing to operate fully with all staff working remotely. The Chair thanked the Officers for their updates, commenting that the challenges are very significant and that the Committee aims to support management where possible.

Introducing the Audit Committee Recommendations Log, the Chief Operating Officer drew the Committee's attention to a short presentation on the Log, which had been circulated in advance together with the Log itself and summarised the main changes in the Log since it was last considered by the Committee in December 2019. The Committee noted that there were 38 outstanding items on the Log in December 2019 and the latest iteration contained 48 outstanding items. The Chief Operating Officer briefed the Committee on the outstanding items in her division, with reference to the Academic Registry and Human Resources.

The Vice-Provost/Chief Academic Officer briefly summarised the outstanding items in his division, of which there are 9. In particular, he advised that the Dean of Research is monitoring the sustainability of research institutes.

The Chief Financial Officer advised that of the 6 outstanding items in his division, 4 related to FIS and the FIS Enhancement Programme and he expects these to be addressed prior to the end of the current financial year.

The Secretary to the College advised the Committee of actions being taken to address a number of outstanding items in his remit, including Related Bodies, Data Protection and Policy Management.

During a brief discussion, the Committee welcomed the update to the Audit Recommendations Log, reiterating the importance of completing outstanding items in a timely manner. The Committee noted that, in line with usual process, Internal Audit will conduct a review of a sample items that had been removed to assure the accuracy of the Log.

The Chair thanked the Divisional Heads for their update and contributions to discussions, upon which they withdrew from the meeting.

AD/19-20/54 Business Continuity Management and Disaster Recovery

XXX The Chair welcomed Mr Gartlan and Mr Gobind of BDO to the meeting for consideration of the Internal Audit report on Business Continuity Management and Disaster Recovery Report, which had been circulated.

The Deputy Internal Auditor Ms McAuliffe briefed the Committee on the background to the Audit. Ms McAuliffe reminded the Committee that the audit was prompted by previous Cyber Security Risk Assessments and the slow progress in mitigating risks meant that a high level of resilience is very important. She also that the audit had been planned and undertaken well in advance of the current Covid-19 Pandemic which occurred during the finalisation of the work but further emphasised the importance of business continuity planning.

Introducing the Report, Mr Gartlan advised that the purpose of the audit was twofold: to assess the effectiveness of business continuity planning; and to assess IT disaster recovery processes and controls in place stressing that these are two distinct, though related, processes.

As part of the audit, Mr Gartlan advised they had discussions with Faculties, Schools, Library, Human Resources, Financial Services Division and Estates and Facilities. He informed the Committee that the baseline for the business continuity audit is the ISO 22301 standard which is a recognised international benchmark.

Regarding business continuity, Mr Gartlan advised there is currently no business continuity planning in place, noting that emergency response plans have a different purpose and are not a substitute. He advised that there is a need to develop a Plan and this should include:

- Ownership and Governance over business continuity;
- Formal business continuity planning and training;
- Business Continuity testing

Regarding Disaster Recovery, Mr Gobind advised that IT Services have a comprehensive IT Disaster Recovery plan in place which covers all IT infrastructure under the responsibility of IT Services. Mr Gobind advised that the audit identified one minor area for improvement and that the overall picture was positive in relation to IT Disaster Recovery.

During a subsequent discussion, the Committee considered the findings of Report in light of the ongoing Covid-19 pandemic. The Committee noted that the Report was timely considering the current circumstances.

The Committee also noted Mr Gobind's advice that there has been a significant rise in cyber-attacks for both organisations and individual in the current environment and that this continues to pose a threat in terms of business continuity.

In conclusion, the Committee noted and approved the Report as presented.

The Chair thanked Mr Gartlan and Mr Gobind for attending the meeting and they withdrew from the meeting.

AD/19-20/55 College Risk Register

Introducing the item, the Chair advised members that as the updated College Risk Register was not available in time for the meeting, it had been agreed to invite the Chief Risk Officer to the meeting to provide a verbal update on where matters stand.

The Chair welcomed the Chief Risk Officer to the meeting. Noting the current difficult circumstances are impacting meeting deadlines and in the absence of Risk Register document, the Chair advised that the Committee would welcome a verbal update on Risk Management, focusing on functions and processes.

The Chief Risk Officer advised that she has been significantly involved in the response to Covid-19 and also is working on the development of a Business Continuity Plan and is making progress in this area.

The Chief Risk Officer advised the Committee that a website and secure portal had been developed and will be launched at the end of the month together with automated processes for the population and updating of individual risk registers. The Chief Risk Officer also advised that resources for the function are being scaled up with an additional administrative officer in place and the recruitment of a Risk Manager in addition to replacement for CRO to cover for upcoming leave.

Noting that the risk management process has been underway since 2018, the Committee agreed that a review of the process is needed to both identify any potential improvements and to give assurance to the Committee on the effectiveness of the process. The Internal Auditor advised that the audit has been delayed at the request of the Chief Risk Officer to allow her further time to develop and embed the process and is currently scheduled for later in the year with a report to the Audit Committee in January 2021. Noting the update of the Chief Risk Officer, he enquired whether realistically the audit could now be undertaken in her absence. After a brief discussion, it was agreed that the possibility of auditing the automated process be considered, but that the effectiveness audit of the full process would need to be further deferred.

In conclusion, the Committee welcomed the update from the Chief Risk Officer albeit in the absence of an updated College Risk Register. The Chief Risk Officer undertook to circulate the College Risk Register by email as soon as completed.

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

Action:

55.1 The Chief Risk Officer to arrange the circulation of the updated College Risk Register to the Committee by email.

55.2 The Internal Auditor to discuss with the Chief Risk Officer whether it would be worthwhile auditing the automated process pending an evaluation of the full risk management process when the Chief Risk Officer returns from leave.

AD/19-20/56 Trinity Code of Governance

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The Chair drew the Committee's attention to a memorandum from the Internal Auditor dated 24 March 2020, which had been circulated for consideration and invited the Internal Auditor to brief the Committee.

The Internal Auditor advised that a sub-group had been established by Board to translate the Sectoral Code that was adopted by Board into a Trinity specific Code, that he had been invited to make a submission to the sub-group and that the Committee had expressed an interest in making an input to his submission.

The Internal Auditor advised that there have been many misleading statements that there is an increased focus on audit and risk in the new Sectoral Code, pointing out that while this is true in comparing the old and new State Codes, it does not apply to the Sectoral Code which has remained significantly ahead of the State Codes in terms of audit and risk. He advised that no significant changes had been identified by the IUA working group when updating the Sectoral Code for audit and risk. He drew attention to Appendix 1 of his submission, which mapped in detail each element of the new Sectoral Code against the existing Trinity Code, which identified only three minor issues, confirming that the updating process in regard to the chapter on audit and risk requires little change to the existing Trinity Code.

In addition, he advised the Committee that the question of an "Audit and Risk Management Committee", and whether there should be a separate risk committee (issues which the Committee had previously considered last year), were raised again in the invitation from the sub-group. The Committee noted that the professional advice it previously received was that it is already performing the functions on an Audit and Risk Committee, although the audit of the risk management system has been further delayed and which is needed to form a basis for the Committee to give more assurance and support to Board and contribute to enhancing the system.

The Internal Auditor advised that there is a widespread and fundamental lack of understanding as to the proper role of an Audit Committee in the risk management process, confusing its role to provide independent advice to Board with a need for management to strengthen its 2nd line defences, including the risk management system. He advised that the Code of Governance does not conflate the two and instead gives great emphasis to the need to maintain independent reporting to Board by an Audit and/or Audit and Risk Committee, or whatever name is assigned to it. On the separate question of a destination for the management aspects of the work of the risk function, as was raised by the previous Chair in light of the apparent lack of a clear organisational hierarchy and destination for the output from the risk function, he advised that the need remains to be addressed but unfortunately continues to be confused with the role of an Audit and /or Audit and Risk Committee. The Committee noted that, as outlined in the Risk Policy, the Chief Risk Officer is in

the position of both being the risk function and chairing the Risk Management Group, which is charged with guiding and directing the risk function. In addition, the policy says EOG directs the risk function yet the Chief Risk Officer chairs the Risk Management Group which is a subset of EOG.

The Committee, noting it has previously agreed that a name change will not alter the role and work of the Committee but could potentially cause more misunderstanding, agreed that the question of a re-naming as the Audit & Risk Committee would be considered as part of the annual review of its terms of reference.

In conclusion, the Committee thanked the Internal Auditor for his comprehensive review of the Code and agreed that the submission be forwarded to the governance sub-group as presented.

Action:

- 56.1 The IA to forward his submission to the governance sub-group as presented.
- 56.2 The Committee to consider its title as part of its planned review of its terms of reference.

AD/19-20/57 Update on Internal Audit Work-Plan

The Deputy Internal Auditor briefed the Committee on the status of audit assignments contained in the Work-Plan as of April 2020. Ms McAuliffe advised that progress to-date on the Audit Work Schedule for 2020-2021 is satisfactory and is in line with the Schedule agreed with the Committee. Ms Auliffe advised that there were slight delays with the Audit of Business Continuity Management & Disaster Recovery and the Audit of Procurement primarily due to the Covid-19 crisis. The Committee noted the potential for further delays due to the ongoing Covid-19 crisis.

The Committee noted the update to the Audit Work-Plan as presented and in light of the potential deferral of a number of planned audit assignments agreed to consider the Audit Work-Plan in further detail at the next meeting

AD/19-20/57 Internal Audit Risk Register

The Committee noted the memorandum from the Deputy Internal Auditor dated 28 April 2020 together with the updated Audit Function Risk Register, which had been circulated. Ms McAuliffe advised the Committee that, other than additional risks included due to the Covid-19 pandemic, the majority of risks have not changed since the last iteration of the Register. Following a brief discussion, the Committee agreed that the Risk Register should separate the risks of the Internal Audit function from the risks of the Audit Committee.

Action:

The Internal Audit Risk Register to be reviewed to separate risks of the Internal Audit function from the risks of the Audit Committee.

The Secretary to the College withdrew from meeting

AD/19/20/58 Communication received by the Chair

The Committee discussed developments in regard to the item and agreed how to proceed.

Action:

The Internal Auditor to proceed as instructed by the Committee

Section C - For Noting

AD/19-20/59 Board Papers

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