



Trinity College Dublin

Coláiste na Tríonóide, Baile Átha Cliath

The University of Dublin

Minutes of Audit Committee, Tuesday 29 September 2020

The meeting was conducted remotely by Zoom

Present Mr D McCarthy (Chair), Ms B Collins, Professor L Hogan, Professor R Reilly, Professor A Burke

(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 Interim Chief Risk Register will attend for item AD/20-21/XX

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

AD/20-21/01 Statements of Interest

The Chair invited members to declare any potential conflict of interest they may have in relation to items on the Agenda. The Chair advised that Professor Hogan had declared a potential conflict of interest in regard item 4 on Agenda “Communication received by Chair” and would join the meeting following consideration of this item.

AD/20-21/02 Communication received by the Chair

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

Action:

The Internal Auditor to proceed as instructed by the Committee

Professor Hogan joined the meeting

The Secretary to the College joined the meeting by invitation

AD/20-21/03 Minutes

The draft minutes of 9 June 2020 were approved.

The Committee noted that, in general, going forward the views of Committee members would be anonymised in the minutes in line with standard University practice.

AD/20-21/04 Call-over

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

AD/20-21/05 Matters Arising

The Deputy Internal Auditor reminded members that the contract with the University's current external auditors is due to expire following the completion of the current audit and that a tender process for the appointment of external auditors will be initiated at the end of the year. Members noted that a sub-section of the Audit Committee will be formed to evaluate the tenders. The Committee also noted that the tender will be conducted in accordance with OGP frameworks.

The Deputy Internal Auditor informed the Committee that Equality, Diversity and Unconscious Bias training will be rolled out to all University Committees by the end 2020, details of training to be forwarded to Committee members in due course. During a subsequent discussion, members considered the value of specialised financial training for members and agreed such training would be beneficial to the Committee. The Deputy Internal Auditor agreed to research suitable training and the Committee agreed to consider the topic at a future meeting.

Action:

The Committee to consider options for suitable financial training for members at a future meeting.

Professor Burke joined the meeting

AD/20-21/06 Report on Operational Matters

The Deputy Internal Auditor reminded members that a number of operational matters had been identified by the Audit Committee during consideration of correspondence received from a party external to the University and a report had been prepared to bring these operational matters to the attention of management and agree action plans. The Deputy Internal Auditor briefed the Committee on the Report's findings and recommendations and advised that these had been agreed with the Secretary's Office who would have responsibility for the implementation of recommendations.

The Committee noted the Report on Operational Matters and welcomed the actions being undertaken by the Secretary's Office to address the operational issues highlighted.

AD/20-21/07 Audit of Procurement

Introducing the Audit of Procurement Report, the Chair stressed that it is an important area and that any weaknesses in Procurement processes can give rise to potential financial and reputational risks. In particular, he reminded members that procurement has been the focus of recent audits of public bodies by the Office of the Comptroller and Auditor General.

At the invitation of the Chair, the Deputy Internal Auditor briefed members on the main findings and recommendations arising from the Audit of Procurement. The Deputy Internal Auditor advised that the purpose of this audit was to assess the adequacy and effectiveness of the processes and controls over procurement activity across the University and whether reasonable assurance can be provided to the Audit Committee on the effective operation of the controls within the processes.

The Deputy Internal Auditor acknowledged that achieving full compliance is challenging, given that there are a significant number of users across the University, noting that it is vital that users are equipped with the up to date information and have adequate training.

Commenting on the findings, the Deputy Internal Auditor advised that there is a need for improvement in training and that there needs to be a full review and update of procurement policies, procedures and documentation to ensure users have accurate and up to date information to support compliance spend across the University. The Committee noted that the procurement processes must have robust controls and oversight and monitoring and that the audit also identified potential for improvements in this area. The Deputy Internal Auditor also advised that there needs to be a process around non-compliant expenditure. The Committee noted that non-compliant spend accounted for 1.5% of tenderable expenditure in the 2018/2019 financial statements.

During a discussion, the Committee noted that certain automated controls in the procurement process present a ready-made control tool. The Committee agreed that the Financial Services Division (FSD) should be encouraged to utilise these automated tools appropriately. The Committee emphasised the importance of having an agile procurement process that allows the University to get the best value possible, whilst adhering to government procurement guidelines. The Committee also considered the value for money aspect of procurement and the implications for the University, whilst noting that the University must adhere to government procurement guidelines.

The Deputy Internal Auditor responded to several queries from members regarding the detailed findings of the Audit.

The Committee welcomed the Audit of Procurement, noting that it appears that the issues highlighted in the audit are within the control and capacity of the University to resolve quickly.

In conclusion, the Committee noted the findings and recommendations of the Audit of Procurement.

AD/20-21/08 Annual Assurance Framework

XXX

The Committee noted the memorandum from the Deputy Internal Auditor dated 22 September 2020, which had been circulated.

Introducing the item, the Deputy Internal Auditor briefed the Committee on the historical background to the Annual Assurance process. The Committee noted that since its introduction, the Code of Governance requires Board to make a statement in the Statement of Governance and Internal Control (SGIC) confirming that its annual review of the effectiveness of internal controls has been carried out.

In order to assist in satisfying this requirement, a process was proposed by the Audit Committee to Board who referred the process to EOG as an operational matter. A process was introduced in 2009 which was audited by the C&AG when it was implemented. The Deputy Internal Auditor advised that the process has lapsed over time and it would now appear that the process has not been completed for several years.

The Deputy Internal Auditor informed the Committee that the absence of a formal reporting process to support the annual assurance process has been highlighted to the Secretary's Office. The Committee noted that the Secretary's Office, in conjunction with the Financial Services Division (FSD) are responsible for the compilation of the information contained in the SGIC. The Deputy Internal Auditor advised the Committee that the Secretary's Office has agreed to undertake and review the process and Internal Audit will conduct a review of the process once it has been implemented.

In response to a query, the Secretary to the College confirmed that the process is now underway, and a number of improvements will be made.

During a subsequent discussion, the Committee stressed the importance of a robust Annual Assurance Process and agreed that it is critical that the process be re-activated. In implementing the process, the Committee stressed that it should not become another bureaucratic burden for Heads of Schools and Research Institutes and that clear guidance be given to staff to allow them to engage in the process in a meaningful way. Noting the cyclical nature of the Heads of Schools' role, the Committee noted the role of School Administrators and Managers in supporting the process.

In conclusion, the Committee welcomed the reactivation and implementation of the Annual Assurance process and agreed to consider the matter again should any issues arise from the process.

AD/20-21/09 Update on Internal Audit Work Schedule

The Deputy Internal Auditor drew the Committee's attention to the update on Internal Audit Work schedule, which had been agreed by the Committee. The Deputy Internal Auditor briefed members on the status of audit assignments as at September 2020. The Committee noted that although there were some delays in audits, the work schedule was broadly on target and in line with timelines agreed by the Committee.

The Committee noted the update on the Audit Work Schedule, noting the significant impact of Covid-19 interruption and the potential for ongoing delays.

AD/20-21/10 Audit Committee Self-Evaluation and Terms of Reference

Introducing the item, the Chair drew the Committee's attention to a memorandum from the Deputy Internal Auditor dated 22 September which had been circulated. He invited members to consider if they are happy to continue with the self-evaluation questionnaire and process used in the past and advise if they wished to make any amendments to the process.

The Chair also invited members to reflect on the Committee's Terms of Reference and reminded members that a sub-group of Board was charged with revising the Trinity Code of Governance in light of the updated sectoral Code. He advised that the Internal Auditor had previously prepared a detailed paper on the changes required, which was presented to and discussed with the sub-group in May by the Chair and Internal Auditor in May 2020. While noting that the work of sub-group is not yet complete, he advised that it is for the Audit Committee to recommend any changes in its Terms of Reference that it considers appropriate.

During a subsequent discussion, the Committee raised several points relating to its Terms of Reference including the composition of the membership of the Committee and the role of the Committee in relation to the financial statements.

In conclusion, the Committee agreed that the Self-Evaluation questionnaire be circulated to members for completion and agreed to consider the Terms of Reference in greater depth at a future meeting with the benefit of the results of the Self-Evaluation exercise.

Action:

10.1 The Self-Evaluation questionnaire to be forwarded to members for completion following the meeting

10.2 The Committee to consider the results of the Self-Evaluation exercise at future meeting.

Section C - For Noting

The Secretary to the College withdrew from the meeting due to another diary commitment.

Prior to the Secretary's withdrawal from the meeting, the Chair reminded members that the Internal Auditor is attending his last meeting prior to retiring from the University after almost 20 years' service. The Secretary to the College paid tribute to the work of the Internal Auditor and his team and wished him a long and happy retirement.

AD/20-21/11 College Risk Register

XXX

The Chair welcomed the Interim Chief Risk Officer to the meeting and invited him to give a presentation to the Committee on the updated College Risk Register, which had been circulated to the Committee for noting.

The Interim Chief Risk Officer summarised the College Risk Register and highlighted key risks. During a subsequent discussion, the Interim Risk Officer clarified a number of queries for members and agreed to take their comments into account when drafting future iterations of the College Risk Register.

In conclusion, the Committee noted the Risk Register as requested prior to its onward circulation to Board for approval. The Committee noted that Internal Audit is scheduled to conduct a Review of the Risk Management process in 2021 and that following that review, the Committee expects to have a more substantive engagement with the process.

AD/20-21/12 Risk Management Policy

XXX The Committee noted the memorandum and the updated Risk Management Policy from the Interim Chief Risk Officer.

The Chair thanked the Interim Chief Risk Officer for his presentation, and he withdrew from the meeting.

AD/20-21/13 Annual Assurance Statement

The Committee noted the Annual Assurance Statement, which had been circulated for noting.

AD/20-21/14 Board Papers

The Committee noted the Board Agendas and minutes which had been circulated for noting.

AD/20-21/15 Any other Business

Under any other business, the Committee paid tribute to Mr Sheeran and thanked him for his dedication and commitment as Internal Auditor during 20 years' service. In particular, the Committee noted that the role requires a strong sense of mission as well as technical expertise and the University had been well served by Mr Sheeran. The Committee expressed their appreciation to Mr Sheeran for his loyal service and wished him a long and happy retirement.