



Minutes of Audit Committee, Tuesday 16 February 2021

The meeting was conducted remotely by Zoom

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

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

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

Ms. Marie Collins, Chair of the Trinity Foundation Audit & Risk Committee (TFARC) attended for item AD/20-21/58

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

The Chair welcomed new member, Ms. Mary Fulton, to her first Audit Committee meeting.

The Chair advised that Ms Fulton, due to a prior commitment, will be unable to attend the next Committee meeting on Tuesday 9 March. In considering whether it would be possible to reschedule the meeting, the Committee noted that this may not be possible given the number of external visitors due to attend the March meeting. The Acting Internal Auditor agreed to investigate options following the meeting.

AD/20-21/54 Statements of Interest

The Chair invited members to declare any potential conflict of interest they may have in relation to items on the Agenda. There were no conflicts of interest declared by members.

The Secretary to the College joined the meeting by invitation

AD/20-21/55 Minutes

The draft minutes of 26 January 2021 were approved subject to a minor amendment.

AD/20-21/56 Call-over

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

AD/20-21/57 Matters Arising

The Chair briefed the Committee on a development in relation to a Communication received by the Audit Committee.

AD/20-21/58 Report from Trinity Foundation Audit & Risk Committee

The Chair welcomed Ms Marie Collins, Chair of the Trinity Foundation Audit & Risk Committee (TFARC) to the meeting for consideration of their Report for 2019/2020, which had been circulated for consideration.

The Committee noted that there is a memorandum of understanding in place with the Foundation, whereby it has its own Audit Committee and commissions its own internal audit work but that the Trinity Audit Committee retains a right to carry out further work if it deems it necessary. As part of the agreed process, the Chair of the Foundation's Audit & Risk Committee provides annual updates to the Trinity Audit Committee. In the context of the forthcoming External Audit Procurement Process for the University, the Committee noted the MOU requires the Foundation and TCD to employ the same firm to conduct the annual audit of their financial statements.

Noting that the objective of the Report is to advise the Trinity Audit Committee (TCDAC) on activities during the past year and in particular to highlight issues which may of specific interest to the TCDAC, the Chair invited Ms Collins to brief the Committee on the work of TFARC and in particular the impact of the Covid-19 Pandemic on the Trinity Foundation.

Ms Collins advised that the Foundation has adapted well and continues its work without travel and has found new ways of engaging with stakeholders and alumni. Ms Collins assured members that despite the circumstances, 2020 was a balanced year and staff are working successfully remotely. Ms Collins advised that a significant amount of work has been carried out by the Director of Advancement and the Foundation are optimistic that they will meet their campaign targets by mid-year.

Ms Collins advised that in accordance with its Terms of Reference the TFARC focuses on four broad areas as follows:

- External Audit
- Risk Management and Internal Audit
- Governance
- Policy Development

Ms Collins briefed members on changes in membership to the TFARC since her last Report to the TCDAC in February 2020 and reported that the TFARC had met four times during 2020.

Ms Collins advised that the TFARC reviewed the audited Financial Statements for 2019/2020 at its meeting on 15 December 2020. The Committee noted that KPMG's audit partner, Ms C Mullen had attended the meeting and reported that the 2019/2020 had been conducted very smoothly. Ms Collins advised that the TFARC had no issues of concern in relation to the audit and advised that the financial statements were approved by the Foundation's Trustees at its meeting on 27 January 2021.

Ms Collins reminded members that in 2018, BDO were selected as the Foundation's internal audit providers following a procurement process. Ms Collins advised that in 2019/2020, three internal audits were conducted by BDO as follows:

- Internal Financial Control Review (December 2019)
- Compliance with Charities Governance Code (March 2020)
- External and Internal Penetration Testing of TDA's IT networks and systems (November 2020) in conjunction with Trinity's IT Services (to be finalised)

Commenting on the audit by BDO of the Foundation's compliance with the Charities Governance Code, Ms Collins confirmed the results of the audit were positive and compliance with the Code was declared in the audited financial statements for 2019/20.

Ms Collins advised that the Foundation had received a request from the Charities Regulator in 2020 further to a fraud perpetrated on the Foundation in 2017. The Committee noted that the TDA issued a detailed response to all the queries raised by the Regulator. The Committee noted the Regulator welcomed the assurances provided and had confirmed that the Trustees had fulfilled their obligations under Section 59 of the 2009 Act and had concluded their examination of the matter. The Secretary to the College noted the significance of this positive outcome and reflected well on the work of the previous Internal Auditor and the Audit Committee in relation to the fraud.

The Committee noted the IT Audit, commenting on its possible synergy with the Audit of IT Security currently being undertaken by BDO on behalf of Trinity. The Acting Internal Auditor advised that the University audit is wider in scope, but relevant information from the Foundation audit will be leveraged where relevant.

During a subsequent discussion, Ms Collins responded to a number of queries from members in relation to the Report. In response to a query, Ms Collins confirmed that the TFARC are satisfied that there is now a high level of compliance with the Donor Disbursement Policy.

In conclusion, the Committee welcomed the report and the update, commenting that significant progress has made since the Fraud incident in 2017.

The Chair thanked Ms Collins for her valuable contribution to discussions and she withdrew from the meeting.

AD/20-21/59 External Audit Procurement Process

The Chair drew the Committee's attention to a memorandum from the Acting Internal Auditor dated 09 February 2020, which had been circulated.

The Acting Internal Auditor reminded members that the Audit Committee has responsibility for the evaluation of submissions for the provision of External Audit Services and to make a recommendation to Board for their appointment. The Committee noted that it is proposed that a sub-set of the Audit Committee members be selected as an Evaluation team for the purpose of evaluating and scoring submissions received.

The Acting Internal Auditor outlined the expected timetable for the procurement process and in particular advised members that the evaluation of submissions by the Evaluation Team will require a minimum of two full days in April.

Following a discussion, the Committee considered and agreed the composition of the Evaluation Team, noting the proposed dates in April for the Evaluation and Clarification meetings. The Committee also noted that representatives of the FSD and Trinity Foundation as well as Internal Audit may attend meetings solely in an observational capacity.

During a subsequent discussion, the Acting Internal Auditor answered a number of queries in relation to the procurement process. In response to a query in relation to the Clarification meeting, the Acting Internal Auditor advised that its purpose is to invite oral presentations from bidders in order to verify information within their submissions. She noted that presentations will not be evaluated and while bidders' scores may be decreased, they cannot be increased at this stage. The Committee noted that these arrangements are in line with the guidance from the Office of Government Procurement (OGP).

In conclusion, the Committee agreed the composition of the Evaluation Team as discussed, noting the proposed dates for the Evaluation and Clarification meetings.

AD/20-21/60 Internal Audit Annual Report

The Chair invited the Acting Internal Auditor to brief the Committee on the Internal Audit Annual Report for 2020, which had been circulated. The Acting Internal Auditor advised the Internal Audit Annual Report is a factual summary of work undertaken by Internal Audit in 2020 and is provided to the Committee for information. During a brief discussion, the Committee noted the Report, commenting that it is a useful summary of work and trends identified over time from this report will benefit the work of the Committee.

Professor Richard Reilly withdrew from the meeting

AD/20-21/61 Covid-19 Impact Questionnaire

The Chair invited the Deputy Internal Auditor to brief the Committee on the Covid-19 Impact Questionnaire, noting that a summary table of its results had been circulated for the information of the Committee.

The Deputy Internal Auditor advised members that the information contained in the table had been collated by the Secretary's Office, following enquiries made of a number of key University Officers/Managers in relation to the effect of Covid-19 on the operation of the internal control environment in their respective areas. The Deputy Internal Auditor advised that the purpose of the questions was to assess the impact, if any, at a high level that Covid-19 has had on the University's internal control environment. The Committee noted that the information provided is intended as an additional source of management assurance to the Committee this year to assist in their consideration of the Annual Governance Statements.

Commenting on the Questionnaire, the Secretary to the College noted that it has been a traumatic year for the University resulting in a huge amount of change and a tremendous efforts has been made by staff to meet the challenges imposed by the Pandemic. As reflected in some of the Questionnaire's answers, he acknowledged that there is still scope for improvements, that there continue to be risks and that the response to the pandemic is necessarily a work in progress.

In response to a query from the Chair, the Secretary to the College confirmed that experiences and learnings are shared at IUA level with the other Universities.

The Secretary to the College advised the Committee that Trinity expects to receive a share on at least a pro rata basis of the budget allocated to the third-level sector by the government.

In response to a query in relation to any increase in Cyber security incidents during the Pandemic, the Secretary to the College advised he was not aware of any specific incidents. He also reported a decrease in the number of Data Protection breaches in 2020. The Acting Internal Auditor advised that some of the risks / matters in relation to IT Security referenced within the responses to the questionnaire, would have existed prior to the onset of the pandemic. The Committee noted that the Audit of IT Security currently being undertaken by BDO will investigate IT controls and governance including systems that are outside the control of IT Services.

In conclusion, the Committee noted the responses to the Covid-19 Impact Questionnaire.

AD/20-21/62 Governance Statements

Introducing the topic, the Chair drew the Committee's attention to the memorandum from the Acting Internal Auditor dated 09 February 2021, together with the Draft Statement of Governance and Internal Control (SGIC) and the Draft Annual Assurance Statement, which had been circulated. Commenting that it is a complex landscape of assurance, he invited the Acting Internal Auditor to brief the Committee.

The Acting Internal Auditor reminded members that the Draft SGIC is prepared by the Financial Services Division (FSD), in conjunction with the Secretary's Office, on behalf of Board and will form part of the financial statements for 2019/2020 to be presented to Board for approval in March. The Committee noted that the Draft Annual Governance Statement is prepared by the Secretary's Office for submission to the HEA.

The Acting Internal Auditor advised that the both statements are in draft form and are intended to provide an overview of the system of internal control with the University. The Committee noted that there is significant overlap in the scope and context of both statements. The Acting Internal Auditor advised that Internal Audit have identified several minor amendments.

The Acting Internal Auditor invited the Committee to consider and note the draft statements as presented and ensure there are no inconsistencies between the statements, or with any information that may have come to attention of the Committee.

Referring to the Draft Annual Assurance Statement, the Secretary to the College highlighted key sections for the benefit of members. In particular, he drew the Committee's attention to a suggestion by the HEA that the Statement include a list of Internal Audit Reports completed during the year, which management, in conjunction with the Acting Internal Auditor, determined it was inappropriate to include. The Acting Internal Auditor advised that this was because the inclusion of this level of detail would place undue emphasis on these areas when the Statement is intended to provide an overview of the complete system of internal control. The Committee suggested that, as an alternative, the text in relation to Internal Audit within the Statement could be enhanced. The Acting Internal Auditor agreed to liaise with the Secretary's Office to agree appropriate wording.

In conclusion, the Committee noted the Draft Governance Statements as presented.

Action:

62.1 The Acting Internal Auditor to liaise with management in relation to proposed amendments to the Governance Statements

The Secretary to the College withdrew from the meeting by invitation

AD/20-21/63 Audit Committee Annual Report 2020/2021

Introducing the topic, the Chair drew the Committee's attention to a memorandum from the Acting Internal Auditor dated 09 February 2021 which had been circulated to provide a framework for the discussion on the Audit Committee Annual Report.

The Chair invited members to consider the themes and issues it wishes to highlight in Part I of the Report, which is a high-level overview and contains the Committee's overall message to Board. He reminded members Part II of Report is a report of record for the year, setting out a summary of work carried out during the year together with the Committee's overall opinion on the effectiveness of Internal Control. The Chair stressed that the Annual Report is an important platform for the Committee, and its message should be carefully considered and reflect the experience of the Committee.

During a detailed discussion, the Committee considered themes it may wish to highlight in the Annual Report, together with a range of topics for inclusion. In particular, the Committee stressed that the impact of Covid-19 and the University's response to the Pandemic, should be a key topic in this year's Annual Report.

Members stressed that the Report, as well as highlighting issues of concern, should also highlight sources of strength and agility. The Committee acknowledged the robust and comprehensive response of the University to the Pandemic, noting the importance of learnings from the experience.

In concluding the discussion, the Committee agreed that the Chair and Acting Internal Auditor prepare a draft Annual Report and circulate to members for comment in advance of the next Committee meeting.

Action:

- 63.1** The Chair and Acting Internal Auditor to circulate draft Audit Committee Annual Report 2020/2021 to members for comment in advance of the next meeting

Section C – For Noting

AD/20-21/64 Audit Committee / Internal Audit Documentation

The Committee noted the following documents, which had been circulated for noting:

- Revised Audit Committee Terms of Reference dated December 2020
- Revised Internal Audit Charter dated December 2020
- Final Internal Audit Strategy dated December 2020

AD/20-21/65 Board Papers

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