Minutes of Audit Committee, Tuesday 8 June 2021

The meeting was conducted remotely by Zoom

Present	Mr D McCarthy (Chair), Ms M Fulton, Professor A Burke, Ms B Collins, Professor P Murphy
Apologies	Professor R Reilly
(ex officio)	Internal Auditor/Secretary (Ms F McAuliffe), Secretary to the College (Mr J Coman)
In Attendance	Deputy Internal Auditor (Ms A Cooney), Ms M Thompson

Mr B Gartlan and Mr A Gobind of BDO attended for items AD/20-21/97 to AD/20-21/98

The Director of IT Services (Mr P Magee) and the Chief Operating Officer (Ms O Cunningham) together with the Chief Risk Officer (Ms J Carmichael) attended for item AD/20-21/99

The Chief Risk Officer attended for item AD/20-21/100

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

The Chair welcomed new member, Professor P Murphy to her first Audit Committee meeting.

AD/20-21/92 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.

AD/20-21/93 Minutes

The draft minutes of 27 April 2021 were approved.

AD/20-21/94 Call-over

The Committee noted the actions which had been implemented since the previous meeting and those that remained outstanding. The Internal Auditor advised that the planned Audit of Risk Management will commence shortly.

AD/20-21/95 **Matters Arising**

The Chair advised members that initial membership terms of the Audit Committee for Professor Burke and Professor Reilly are due to conclude in September 2021. He thanked Professor Burke and Professor Reilly for their service to the Committee, noting the Committee valued the experience and input brought to the Committee's work during their tenure.

Section A and Section B – Policy and Implementation Issues

AD/20-21/96 **Communication received by the Chair**

The Chair briefed the Committee on a development in relation to the Communication received by the Chair, advising members that the University has received correspondence from the HEA on the matter. The Chair drew the Committee's attention to a proposed draft response from the Audit Committee to the HEA, which had been circulated for consideration together with the correspondence from the HEA.

Following a discussion, the Committee agreed that the response of the Audit Committee would need to be separately identifiable to that of University management. The Committee agreed that its response would be communicated by the Chair to the Provost for inclusion as an attachment to the response provided by the University to the HEA. The Committee approved the text of the proposed response subject to minor amendment.

Action:

The Chair and the Internal Auditor to arrange for communication of the Audit Committees response to the Provost.

The Secretary to the College withdrew from the meeting by invitation for consideration of the Audit of the GDPR Framework

AD/20-21/97 **Audit of the GDPR Framework**
XXX   The Chair welcomed Mr B Gartlan and Mr A Gobind of BDO to the meeting for consideration of the Audit of the GPPR Framework and the Audit of IT Security, both of which had been circulated for consideration.

At the invitation of the Chair, Mr Gobind briefed the Committee on the objectives and findings of the Audit of the GDPR Framework. Mr Gobind advised that the purpose of the audit was to assess the adequacy and effectiveness of controls and processes in place within the University to ensure compliance with GDPR and whether reasonable assurance could be provided to the Audit Committee. In particular, he advised that the audit sought to identify any issues and/or limitations of process that could potentially result in non-compliance with the GDPR. He advised that the scope of this audit included controls, processes and procedures established in the University to ensure compliance with GDPR as of April 2021.

Commenting on the findings, Mr Gobind advised that the control environment in Trinity to ensure compliance with GDPR is adequately designed and operating effectively but there are opportunities for improvement in some areas.

In particular, Mr Gobind advised that the most recent training completion report by the DPO, indicates a completion rate of 75% within the University by relevant staff. The Committee noted that in the event of an inspection by the Data Protection Commissioner, evidence of a training and awareness programme will be a key indicator to demonstrate compliance. In relation to the other findings, Mr Gobind noted that the University's Record Management Policy should be updated and a formal programme of third-party oversight and management should be implemented. The Committee noted that the recommendations within the report have been accepted by management.

During a detailed discussion, Mr Gobind and Mr Gartlan clarified several queries from members in relation to the findings of the audit. In particular, the Committee emphasized that a high completion rate in relation to GDPR training is important given the volume and nature of data processed by the University. The Internal Auditor agreed to convey the concerns of the Audit Committee in relation to GDPR training compliance to management.

Following a subsequent discussion, the Committee also agreed an amendment to clarify comment in relation to engagement with third-party providers.

In conclusion, the Committee noted and approved, subject to the agreed amendment, the Audit of the GDPR Framework report.

Actions:

97.1   The Internal Auditor to convey the concerns of the Audit Committee in relation to the level of GDPR training compliance to management.

97.2   The Internal Auditor to include amendment in the final Audit of GDPR Framework.

AD/20-21/98   Audit of IT Security

XXX   At the invitation of the Chair, Mr Gobind of BDO presented the highlights and key findings arising from the Audit of IT Security. Mr Gobind advised that the baseline for the audit was the NIST (National Institute of Standards and Technology) cybersecurity framework which is a recognised international benchmark of good practice in the area of IT security. Mr Gobind advised that the audit also examined the impact of Covid-19 and considered the increased risks posed by staff working remotely.

Commenting on the overall findings of the Audit, Mr Gobind advised that many IT security processes and procedures are adequately designed and operating effectively, but the audit found there are areas for improvement that would enhance controls and increase the level of assurance to the Board.

Mr Gobind advised that there is currently inadequate governance of IT Security at University level and this is rated a High within the report. He advised that while IT Services are responsible for much of the University's IT infrastructure and security, there are areas within the University that manage their autonomous networks and there is no integrated approach from a University perspective.

During a subsequent discussion, Mr Gobind and Mr Gartlan clarified a number of queries from members in relation to the findings of audit. In response to a query from a member, Mr Gartlan confirmed that Trinity is not unique in the challenges it faces and advised that other educational institutions were considered during the audit.

Mr Gartlan advised that the lack of full oversight of IT activities may lead to IT security risks not being identified and, as a result, vulnerabilities may be inadvertently introduced into the University network. The Internal Auditor clarified that there may be valid reasons for autonomous networks, but oversight is required to mitigate the risks.

The Committee expressed concern at the lack of an overarching governance structure for IT security and endorsed the recommendations of the audit in this regard. The Committee noted that the recommendations within the report have been accepted by management.

In conclusion, the Committee noted and approved the Audit of IT Security, commenting that it is an important and timely Report.

The Chair thanked Mr Gartlan and Mr Gobind of BDO for their work and contribution to discussions and they withdrew from meeting.

AD/20-21/99   **Cyber Security**

XXX   The Chair welcomed the Director of IT Services, the Chief Operating Officer and the Chief Risk Officer to the meeting.

The Chair advised that given the recent Cyber attack on the HSE and the Audit of IT Security before the Committee today, it was deemed timely to invite and update from the Director of IT Services on the current landscape of Cyber Security in the University.

Referring to a presentation which had been circulated, the Director of IT Services drew the Committee's attention to the key highlights. He advised that the initial slides provide a general overview of the threat landscape with a particular focus on risks for the education sector in general. He advised that the later slides are Trinity specific and outline current threats/malware mitigations, residual and emerging risks, actions the University are currently undertaking together with an overview of further actions that may be necessary.

The Director of IT Services advised of an increase in suspicious activity for both the University and the wider international sector in recent months, noting that IT Services are on high alert. He advised members that the threat landscape is changing rapidly, with Ransomware being the most significant risk to IT security. Referring to the recent Cyber attack on HSE, he stressed that this is not an isolated incident and is a growing trend worldwide.

In particular, the Director of IT Services drew the Committee's attention to actions to manage the cyber risks including continuous education and communications to the Trinity community, including phishing awareness reminders and regular External network scans. He advised that the current elevated level of risk is expected to become the norm and the University must be proactive in its management of the risks. The Committee noted that this may involve additional monitoring and response as well as continuous education and awareness campaigns.

The Chair thanked the Director of IT Services for his presentation. Commenting on the content of presentation, the Chair noted it had highlighted a number of issues discussed by the Committee during its consideration of the Audit of IT Security report earlier in the meeting.

During a detailed discussion, the Director of IT Services clarified a number of queries from members particularly in relation to governance and resourcing. He confirmed that all aspects are being reviewed with proposals on additional measures to be considered by University management.

Following the presentation, the Chief Operating Officer acknowledged the great work done by the Director of IT Services and his team, with limited resources. The Chief Operating Officer noted changes will be needed to address the challenges now being faced. She noted that these changes may impact the design and architecture of IT Security controls and involve departure from existing practice.

The Director of IT Services advised that Ernst & Young will be conducting an IT Cyber Security maturity risk assessment against the University's peers shortly.

In conclusion, the Committee welcomed the update by the Director of IT Services, noting that the University is focused on strengthening defences in relation to Cyber Security. Members expressed their strong support for the efforts currently underway and emphasised the importance of maintaining momentum and increasing capacity in this area.

The Chair thanked the Director of IT Services and the Chief Operating Officer for their contributions to discussions and they withdrew from the meeting

Action:
The Chair and the Internal Auditor to prepare a memorandum for Board communicating the importance the Audit Committee attaches to IT Security for the effective operation of the University.

The Secretary to the College withdrew from the meeting.

AD/20-21/100 College Risk Register

XXX   The Chair invited the Chief Risk Register to brief the Committee on the latest iteration of the College Risk Register, which had been circulated.

Referring to a presentation which had also been circulated, the Chief Risk Officer advised that the College Risk Register 2020-2021 is the result of a long process of engagement and has been reviewed in detail by the Faculty Deans, Heads of School, Chief Officers and Heads of Directorates. The Committee noted that, in line with process, the Risk Register is subject to challenge and approval by the Risk Management Group and the Executive Officers Group. The Chief Risk Officer advised that the general College Risk Register provides details of the level and nature of the risks identified including the impact of Covid-19 on the University during the period.

The Chief Risk Officer drew the Committee's attention to the top six high rated risks identified by management following the process. The Chief Risk Officer advised that the impact of Covid-19 is monitored by the Covid-19 Working Group with financial risks managed by the Emergency Planning Group.

During a subsequent discussion, the Chief Risk Officer clarified several queries from members. In particular, the Committee noted the top six high rated risks and expressed surprise that Cyber Security was not identified as one of the top high rated risks. The Chief Risk Officer advised that the Risk Register was finalised in April prior to the current HSE Cyber attack and more information is now available. The Chief Risk Officer acknowledged the Committee's comments and advised that the rating of this risk will be reviewed, in light of these comments, with management before the Risk Register is forwarded to Board for approval.

In conclusion, the Committee noted the College Risk Register as presented, commenting that it was useful for the Committee to have an overview in advance of the upcoming Audit of Risk Management.

The Chair thanked the Chief Risk Officer for her contributions to discussion and she withdrew from the meeting.

AD/20-21/101 External Audit Procurement Process

The Internal Auditor advised that, as agreed by the Committee, a memorandum from the Chair was circulated to Board with the recommendation that PwC be appointed as the University's external auditors. The Committee noted that the recommendation was approved by Board on 19 May and PwC have been awarded the contract for the provision of external audit services for a four-year period.

AD/20-21/102   Update on Internal Audit Annual Plan

The Internal Auditor drew the Committee's attention to the update on the Internal Audit Annual Plan, which had been circulated and briefed the Committee on progress against the approved Plan. During a brief discussion, the Internal Auditor clarified several points for members. In conclusion, the Committee noted the update on the Internal Audit Annual Plan.

AD/20-21/103   Audit Committee Meeting Schedule 2021 / 2022

The Internal Auditor drew the Committee's attention to a draft meeting schedule for 2021-2022, which had been circulated. The Internal Auditor reminded members, while there is some flexibility, the dates are synchronised with the meeting and circulation dates of Board, Council and Finance Committees and the approval cycles of the financial statements. She invited members to consider the schedule and advise if they had difficulties with any of the dates.

Following a brief discussion, it was agreed to re-schedule the proposed December date to 8 December 2021 due to a diary clash for one member. It was also noted by members that teaching schedules are not yet available so the dates may need to be reviewed when teaching schedules are confirmed in the autumn. In the interim, members were asked to note the dates in their diaries.

The Committee agreed that they would continue to meet via Zoom but noted that as activities resume on campus, perhaps a combination of Zoom/in-person meetings could be adopted.

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Section C – For Noting

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AD/20-21/104   Management Letters

The Committee noted the management letters from KPMG and the C&AG in relation to the financial statements for the year ended 30 September 2020, which had been circulated.

AD/20-21/105   International Partnerships

The Committee noted the document which had been circulated in relation to International Partnerships.

AD/20-21/106   Board Papers

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

AD/20-21/107 Any Other Business

The Chair advised members that he and the Internal Auditor had attended a meeting of the Board sub-group on the Code of Governance in June 2020, to discuss the potential requirement for changes in relation to the Audit Committee arising from the Code. The Chair drew the Committee's attention to a draft revised Audit Committee Terms of Reference which had been circulated for consideration under Any Other Business with proposed changes highlighted. The Chair advised that the proposed changes related to the title of the Committee and the inclusion of clauses in relation to the Committee's relationship with the Chief Risk Officer.

The Internal Auditor noted that the proposed changes in relation to engagement with the Chief Risk Officer were not requirements of the Code but rather a formalisation of current arrangements with the Chief Risk Officer.

Following a detailed discussion during which members expressed varying opinions, the Committee approved the proposed changes within the Terms of Reference but agreed that the proposed change in title would be premature in the absence of the University simultaneously defining the governance structure of risk management. The Committee considered that further deliberation should be given to the appropriate oversight of risk management in the University. The Chair agreed to convey the Committee's views to the Registrar, Chair of the Board Sub-Group on the Code of Governance.