



**Trinity College Dublin**  
Coláiste na Tríonóide, Baile Átha Cliath  
The University of Dublin

Updated: December 2017

**HANDBOOK  
FOR  
AUDIT COMMITTEE MEMBERS**

## TABLE OF CONTENTS

<b>1. INTRODUCTION</b> .....	<b>1</b>
Purpose of Handbook .....	1
How to use this Handbook and Access to Further Information .....	1
Acronyms in common use .....	2
<b>2. THE UNIVERSITY OF DUBLIN, TRINITY COLLEGE</b> .....	<b>2</b>
<b>3. AUDIT COMMITTEE</b> .....	<b>2</b>
Terms of Reference .....	2
Objective of the Audit Committee .....	3
Membership .....	3
Meetings & Papers .....	3
Annual Report .....	4
Relationship to College Assurance Framework.....	4
Self-Review of Performance .....	4
<b>4. INTERNAL AUDIT</b> .....	<b>5</b>
Internal Audit .....	5
Internal Audit Charter .....	5
Annual Internal Audit Cycle.....	5
Internal Audit Process .....	5
<b>5. EXTERNAL AUDIT</b> .....	<b>6</b>
<b>6. GOVERNANCE</b> .....	<b>7</b>
Statutes and Letter Patent .....	7
Universities Act.....	7
College Code of Governance.....	8
Board Statement on Governance and Internal Control .....	8
College Assurance Framework.....	8
Listing of Legislation.....	9
Listing of Policies .....	9
<b>7. COLLEGE STRATEGIC PLAN 2014/19</b> .....	<b>9</b>
<b>8. RISK MANAGEMENT</b> .....	<b>10</b>
<b>9. ORGANISATION STRUCTURE</b> .....	<b>10</b>
College Structure.....	10
Board.....	11

Principal Committees.....	12
University Council.....	12
Provost.....	12
Executive Management.....	12
Annual Officers.....	13
Administrative & Support.....	13
Academic Faculties.....	13
Academic Schools and Departments.....	13
Trinity Research Institutes.....	13
SFI National Centres.....	14
Relationships with External Bodies.....	15
<b>10. FINANCIAL STATEMENTS.....</b>	<b>17</b>
Consolidated Financial Statements.....	17
US GAAP Accounts.....	17
Endowment Funds.....	18
Trinity Foundation.....	18

# 1. INTRODUCTION

## Purpose of Handbook

This Handbook is intended to assist with the induction and orientation of new members appointed to the Audit Committee and to function as a reference source for all members.

This Handbook highlights key issues of relevance to Audit Committee members that are specific to TCD. The Audit Committee Institute has published the [Audit Committee Handbook](#) (2017) which provides a more general guidance to Audit Committee members on their role within the governance of an organisation and achieving objectives of the committee.

The Audit Committee is a Principal Committee of Board. Its main functions are to review significant financial reporting issues and to review the scope and effectiveness of the College's internal controls, including its risk management systems.

Along with the Handbook, all new appointees to the Audit Committee receive a letter from the Secretary to the Audit Committee setting out the term of the appointment, estimated time commitment per annum, a brief narrative on the collective responsibility of the Audit Committee, the importance of confidentiality and a reference to the College insurance arrangements for Directors and Officers.

Any comments or queries should be sent to the Secretary to the Audit Committee (Francis Sheeran): email: [francis.sheeran@tcd.ie](mailto:francis.sheeran@tcd.ie)

## How to use this Handbook and Access to Further Information

Where information is available on the College website, links are provided in this Handbook to the relevant pages. Please advise the Secretary to the Audit Committee of broken links or suggestions to update the Handbook. This Handbook will be updated periodically as necessary.

There is a lot of information available on the Audit Committee webpages with links to Board and other Principal Committees, including minutes of past meetings at: -

<http://www.tcd.ie/committeepapers/audit/papers/>

There is also further information on Internal Audit, including this Handbook, on the Internal Audit webpages at: -

[http://www.tcd.ie/Internal\\_Audit/](http://www.tcd.ie/Internal_Audit/)

The home page for Trinity is at: -

<http://www.tcd.ie>

The College Calendar is a useful source of information and is accessible at: <https://www.tcd.ie/calendar/>

### **Acronyms in common use**

A list of acronyms in common use is available at:-

<https://www.tcd.ie/internalaudit/assets/pdf/Acronyms.pdfh>

## **2. THE UNIVERSITY OF DUBLIN, TRINITY COLLEGE**

The legal nature and foundation for TCD is complex and caused a great deal of difficulty to those drafting the Universities Bill, which was enacted in 1997. It is a corporate body, legally it is “the Provost, Fellows, Foundation Scholars and the other members of Board, of the College of the Holy and Undivided Trinity of Queen Elizabeth near Dublin’

In simple non-legal terms, as expressed by Internal Audit, Trinity College was founded in 1592 by Royal Charter granted by Queen Elizabeth I as the “mother of a university”. Trinity College was intended to be one of a number of constituent colleges making up the university. With subsequent monarchs, the College did not pursue founding other colleges for fear of having the powers it enjoyed to make its own laws revoked. As a result, it is both a university and a college, hence the title University of Dublin, Trinity College. The University of Dublin, governed by a Senate, presided over by the Chancellor, confers degrees and has other academic duties and roles. Council governs the College for academic matters but in reality the Board ultimately governs the College in all matters and the University is only a figurehead.

## **3. AUDIT COMMITTEE**

### **Terms of Reference**

The Terms of Reference for the Audit Committee set out the objectives of the committee, membership details, meetings arrangements, its duties in pursuance of its objectives, its authority and highlights the importance of monitoring its own performance on an annual basis.

The main functions of the Audit Committee are: -

- To review the significant financial reporting issues and judgements made in connection with the College’s financial statements and reports,
- To review the scope and effectiveness of the College’s internal controls including financial, operational and compliance controls (including systems established by management to identify, assess, manage and monitor key risks, both financial and operational, taking account of the key objectives of the College as contained in the Strategic Plan)

The full Terms of Reference are available at:-

<https://www.tcd.ie/committeepapers/audit/papers/>

## **Objective of the Audit Committee**

The Audit Committee is a Principal Committee of the Board. Its main objective is to assist Board fulfil its functions by providing independent and timely advice to Board on areas within its remit.

## **Membership**

There shall be not less than four members of the Committee, at least one of whom shall be an external member. The Chairperson of the Audit Committee shall be an external member. The three College members are comprised of one Board member, one member of the College staff and one former Senior Annual Officer.

Current Membership is detailed at:-

<https://www.tcd.ie/committeepapers/audit/membership/>

External members will be granted visitor status. This entitles them to a TCD email address and ID card with physical access and library borrowing rights for the duration of their service. Members can elect to have Committee related emails sent to their TCD address.

As a Principal Committee of Board, members are required to exercise high standards of professional and ethical conduct in the interests of the Committee and the College as a whole.

The Code of Conduct for members of Principal Committees is detailed in Section 3.2 of the College Code of Governance.

## **Meetings & Papers**

The current schedule of meetings is available at: -

<https://www.tcd.ie/committeepapers/audit/schedule/>

Papers for Audit Committee meetings are circulated electronically by the Secretary (Internal Auditor), where possible one week in advance of each meeting, via BoardPad. BoardPad is a software application that allows for paperless distribution of relevant documents and is accessed via secure log-in.

Audit Committee members can access the papers for meetings online, or offline once downloaded, from any location from an authorised iPad. Members will receive an email advising when the papers have been uploaded to BoardPad and are available. Members are able to annotate the documents in a number of ways for the meeting but need to be aware that the annotations will be lost if the document is subsequently revised. This is a very rare occurrence and to retain access to annotations on the first document the revised document is uploaded with a different title.

Occasionally, a supplementary circulation may be necessary, in which case members are again advised by email when an additional or revised item is uploaded to BoardPad. Members will need to log in online for BoardPad to update the papers automatically. Also on occasion, members may be circulated by email with a supplementary informal document or explanatory note on an agenda item which does not form part of the record.

## **Annual Report**

The Audit Committee Annual Report to the Board is presented to Board in March. This report is normally in two parts: -

- Part 1 provides Board with an outline of the key issues the Committee wishes to bring to the attention of Board.
- Part 2 is a report of record, setting out a summary of the detailed work carried out in the year. Part 2 provides the context for the Committee's opinion on internal control, and is part of the overall assurance that Board receives in considering the statement that it is required to make under the Code of Governance.

Board considers the Audit Committee Annual Report and opinion on internal control before the are presented with the Audited Financial Statements for approval.

The Committee also advises Board on other financial statements that are presented for approval and on the risk management system when the Risk Register is presented to Board.

## **Relationship to College Assurance Framework**

The Audit Committee is one of three primary sources of assurance relied on by the Board when making the annual Statement of Governance and Internal Control.

The results of the audit process, including the work of the Audit Committee, the Internal Audit function and the External Auditors, are reported to the Board annually via Audit Committee Annual Report and External Auditor reports.

## **Self-Review of Performance**

The Audit Committee undertakes an annual self-review of its performance. This review considers the performance of the committee and its terms of reference. The Audit Committee reports its conclusions and recommends any changes it considers necessary to the Board and implements any actions to improve effectiveness that are identified in the evaluation process.

## 4. INTERNAL AUDIT

### Internal Audit

The Institute of Internal Auditors defines Internal Audit as ‘*an independent, objective assurance and consulting activity designed to add value and improve an organisations operations*’. Internal Audit supports the Audit Committee in fulfilling its terms of reference to which it reports directly on all professional matters and is attached to the Office of the Secretary for administrative purposes only.

### Internal Audit Charter

The Internal Audit Charter sets out the role and responsibility of Internal Audit in providing an independent appraisal of the governance and control environment in College.

The Charter outlines the mission of the function, the scope of the work of Internal Audit, its authority and access rights, its independence and objectivity, its approach to work and its reporting duties. Internal Audit has direct access to the Provost. It also has direct access to the Board, normally exercised through the Audit Committee. It derives its authority from the Board and has right of enquiry into all of the University’s activities, including subsidiary undertaking controlled by College, as it considers necessary. Its scope of work extends to all activities, however funded, and is not confined to financial matters. Internal Audit is to be afforded the full co-operation of all employees and agents of the university in carrying out its duties.

The Internal Audit Charter is available at:-

<http://www.tcd.ie/internalaudit/assets/pdf/FinalIACharter.pdfh>

### Annual Internal Audit Cycle

The internal audit year starts in April and works to a rolling risk-based Audit Plan which is regularly updated by the Internal Auditor and approved by the Audit Committee.

Work proceeds during the year according to the Audit Plan with all completed audit reports presented to the Audit Committee for approval. It finishes in March with the presentation of the Audit Committee Annual Report to Board.

### Internal Audit Process

Each internal audit assignment is subject to detailed planning and risk assessment prior to undertaking fieldwork. The results of this fieldwork are documented in Internal Audit reports that are provided, in draft, to relevant management to confirm the factual accuracy of the findings and obtain responses to the recommendations. The final Internal Audit Report, incorporating management responses, is presented to the Audit Committee for approval.

The Chief Operating Officer is responsible for co-ordinating a bi-annual log reporting on the status of implementation of all Audit Committee recommendations. Responsibility for reporting on the log lies with the three Divisional Heads, whose authority encompasses all areas of College:

- The Vice-Provost/Chief Academic Officer (VP/CAO) for the Academic Services Division (ASD). The VP/CAO has a co-ordinating role with the three Deans of Faculty for recommendations relating to academic areas.
- The Chief Financial Officer (CFO) for the Financial Services Division (FSD).
- The Chief Operating Officer (COO) for the Corporate Services Division (CSD).

The three Officers present the log to Audit Committee normally in October/November and February/March. The Audit Committee includes the latest log available as an appendix to its Annual Report to Board in March.

Internal Audit is responsible for reviewing the validity of the removal of recommendations by management on the basis that they have been completed and to report on this to the Audit Committee in the period following presentation of the latest log to the Committee.

## 5. EXTERNAL AUDIT

The College is subject to audits by both the statutory auditors and by Board appointed auditors. The statutory auditor for the College is the Comptroller & Auditor General (C&AG) whose role is provided for in the Universities Act, 1997. The Board appointed auditors are selected by a periodic public tender process undertaken by the Audit Committee on behalf of the Board.

The role of the Audit Committee in relation to auditors is set out in the Audit Committee Terms of Reference at:-

<https://www.tcd.ie/committeepapers/audit/terms/>

Sections 4.10 to 4.16 relate to the Board appointed auditor and Sections 4.17 to 4.18 relate to the Comptroller and Auditor General.

The Audit Committee has agreed procedures with the C&AG and the Board appointed auditors in relation to their audits. The C&AG audits the Consolidated Financial Statements only. In reaching an audit opinion, the C&AG relies on audit work done by the Board appointed auditors and gets access to their files. The agreed procedures also allow for communication and input into the audit planning process by the C&AG. Typically the C&AG audit will extend into areas not normally covered in the financial audit by the Board appointed auditors to address regularity and probity.

The Board appointed auditors audit the Consolidated Financial Statements. They also audit all of the subsidiary undertakings of the University. The contract for audit services is normally for four to five years with an option to annually extend the period by up to two additional years in exceptional circumstances.

To ensure that the auditors remain independent in the fulfilment of their duties the Audit Committee has developed a policy on Auditor Rotation, in the event of an incumbent winning the tender.

The Audit Committee has also developed a policy on the provision of non-audit services by the external auditors.

These policies are available at [http://www.tcd.ie/Internal\\_Audit/](http://www.tcd.ie/Internal_Audit/)

## 6. GOVERNANCE

### Statutes and Letter Patent

The Statutes are the basic law of the College and the University, governing the activities of the College, and were the subject of a comprehensive update in 2010 with a number of amendments since then. They are available at: <https://www.tcd.ie/registrar/statutes/>

The Royal Charter establishing Trinity in 1592 granted power to the College to make its own laws, as encapsulated in the College Statutes. This power was later repealed and the Statutes replaced by Letter of Patent and the power retained by the English Crown to amend them. The power to amend the Statues was returned to the College in the early 20<sup>th</sup> century but the Charters and Letters Patent, as royal acts, have force of law equivalent to that of legislation, and can now only be amended by Act of the Oireachtas. To the extent that they have not been repealed, they continue to have full force and effect and stand superior to the Statutes.

### Universities Act

The College must comply with the Universities Act, 1997, the principal requirements of which are contained in section 1 of the Code of Governance.

The Universities Act, 1997 prescribes a framework of accountability for the effective governance of universities.

It is the primary piece of legislation governing universities and imposes considerable governance requirements.

The most relevant sections of the Act for the Audit Committee are: -

Part 111	
Chapter I	Objects and Functions of a university
Chapter II	Governance - Governing Authority
Chapter III	Staff of University*
Chapter VII	Planning and Evaluation
Chapter VIII	Finance, Property and Reporting**

\* - The role of Chief Officer is significant

\*\* - Section 39(2) refers to the keeping of accounts and records and the role of the Comptroller and Auditor General in auditing the financial statements.

## College Code of Governance

The College Code of Governance adds to the requirements set out in the legislation and takes account of developments in governance issues in the public and private sectors. The College Code of Governance is based on a template for the sector agreed by the Higher Education Authority and the Irish Universities Association.

Section 1 of the Code sets out the regulatory requirements specific to the university sector with which College must comply. College is required to adhere to the requirements of section 2 of the Code of Governance or explain a departure. Section 3 of the Code of Governance contains guidelines on good practice that should be taken into account but are not mandatory.

The latest Code of Governance, approved by Board in 2013, is available at [https://www.tcd.ie/about/content/pdf/TCD\\_Code\\_of\\_Governance\\_2013.pdf](https://www.tcd.ie/about/content/pdf/TCD_Code_of_Governance_2013.pdf)

The most relevant sections for the Audit Committee within Part 2 are: -

Section 2.3	Internal Control and Risk Management
Section 2.4	Audit Committee
Section 2.5	Internal Audit Functions
Section 2.11	Reporting Arrangements*

\* Particularly 2.11.1 which requires a Board statement on internal control to be included in the annual financial statements

The Code is in the process of being updated following the issue of the 2016 Code of Practice for the Governance of State Bodies.

## Board Statement on Governance and Internal Control

The most recent statement is included in the financial statements available at [http://www.tcd.ie/financial-services/gen\\_finstats.php](http://www.tcd.ie/financial-services/gen_finstats.php)

The Statement acknowledges the responsibility of the Board for all internal controls including financial, operational and compliance controls and the risk management system that support the achievement of the College's objectives.

The statement outlines the processes and procedures in College to ensure that there is a proper control environment and confirms that they were in place in the financial year and that no weaknesses in internal control have been identified which have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.

The Statement is reviewed by both the statutory auditors and the Board appointed auditors in the course of their work.

## College Assurance Framework

The Board relies on assurances in relation to the effectiveness of the College's internal control system in order for it to prepare the annual Statement of

Governance and Internal Control as required under 2.11 of the Code of Governance.

The three primary sources of assurance relied upon by Board when making the statement are: -

- The **Provost**, supported by the **Executive Officers' Group**, in respect of issues arising across the academic and administrative functions following written assurances from all Heads of Area.
- The Board Representatives in respect of issues arising at **Principal Committees**
- The **Audit Committee** in respect of issues arising through its work via Internal and External Audit and its opinion on internal control as reported in the Annual Report to Board.

There is a process to channel assurances upward to these primary sources to enable them to provide assurance to Board annually on a formal basis. This is timed to coincide with the Board's consideration of its annual governance and internal control statements, and are set out in the policy document: Assurance Framework Policy. This is available at:-

<http://www.tcd.ie/internalaudit/assets/pdf/Assurance%20Framework.pdf>.

### **Listing of Legislation**

The legislation considered to be most relevant to College is listed at <https://www.tcd.ie/about/legislation/>.

In addition a short summary of legislation of particular relevance to staff and students of the College is available at:- <https://www.tcd.ie/about/legislation/summary/>

### **Listing of Policies**

Information on College policies is available at:-

<https://www.tcd.ie/about/policies/>

## **7. COLLEGE STRATEGIC PLAN 2014/19**

An understanding of the Strategic Plan is important for Audit Committee members in order to understand the vision and mission of the College and in aligning its work with the University.

The Strategic Plan sets out specific goals to be achieved and the key supports to be in place to enable the strategy.

The Strategic Plan is available at <https://www.tcd.ie/strategy/>

## 8. RISK MANAGEMENT

The Risk Management Policy was approved by the Board in June 2015 and is available at:-

<https://www.tcd.ie/about/policies/assets/pdf/Risk-Management-Policy-Jun2015.pdf>

There is a specific reference to the role of the Audit Committee as follows:-

*The Audit Committee should review and monitor at a high level the effectiveness of processes for managing risk. The Committee should have risk management as a periodic standing agenda item at its meetings and should exchange information with the Board, Internal Audit and the Chief Risk Officer regarding the effectiveness of the risk management system. The Audit Committee should:*

- *Review and monitor the effectiveness of the system of risk management*
- *Approve the Risk Based Internal Audit Plan*
- *Provide guidance to the Internal Audit function focusing on key areas for review*

There is a specific reference to the role of Internal Audit as follows:

*Internal Audit should, subject to the resources available to it,*

- *Provide objective assurance to the Audit Committee and Board on the effectiveness of the organisation risk management system*
- *Assess if key business risks are being managed appropriately and that the system of internal control is operating effectively*

The requirement for a robust system of risk management in College is set out explicitly in the Code of Governance Section 2.3.

Currently, the risk management process is undergoing revision and development and, as a result, the Audit Committee and Internal Audit must rely mainly on own assessments of risk in developing the risk-based Audit Plan.

## 9. ORGANISATION STRUCTURE

### College Structure

The College is a large complex organisation with many varied academic and administrative activities.

The principles of collegiality and being academic-led, which underpin College's governance, enable widespread participation by members of the College community in the College's decision-making.

The Universities Act, 1997 specifically stipulates that the College should have a governing authority (Board) and an Academic Council. It describes in broad terms the functions of the Board and also provides for Board to delegate some of its function to Committees.

The College structure is divided into Academic and Administrative & Support areas with appropriate Executive and Governance structures in place to support delivery of College objectives.

The diagram below outlines the main features of the organisation structure:-

<b>Academic</b>	Faculty of Arts, Humanities & Social Sciences	Faculty of Engineering, Mathematics & Science	Faculty of Health Sciences	SFI National Centres and Trinity Research Institutes
<b>Administrative &amp; Support</b>	Provost's Directorate	Academic Services Division	Financial Services Division	Corporate Services Division
<b>Executive</b>	Provost & President	Executive Officers	Management Groups	Faculty Executive Committees
<b>Governance</b>	Board & Council	Principal Committees of Board	Academic Committees of Council	Compliance Committees of Board & Council

Executive Officers includes senior management representation from all areas of the College.

The *Academic* structure of the College is comprised of three Faculties and also includes SFI National Centres and Trinity Research Institutes. The three Deans have overall responsibility for academic areas and are members of the Executive Officers Group.

The *Administrative & Support* structure of the College is comprised of three support Divisions and also includes the Provost's Directorate. The Heads of Division and then College Secretary are members of the Executive Officers Group.

Further detail on each of the elements listed above in the diagram is available by clicking on each element at: -

<http://www.tcd.ie/provost/trinity-structure/>

## **Board**

Board has the ultimate authority in College and is accountable to all the College's stakeholders. In order to allow the Board to focus on high level policy development and on the future direction of the College, in accordance with good governance practice, the Board has agreed that decision-making should be delegated, within defined parameters, to Principal Committees.

Management of the College and implementation of Board decisions is the responsibility of designated individuals including the Provost, Executive Officers and Annual Officers.

### **Principal Committees**

Other than where specific powers are devolved to them and included in their terms of reference, Principal Committees generally do not have a management or implementation role but instead monitor the implementation of policy decisions on behalf of Board.

All Principal Committees, once a year, are expected to review their own performance and terms of reference and report their findings and any recommendations for change to the Board.

A list of Committees and links to information are available at:-

<http://www.tcd.ie/committeepapers/>

### **University Council**

The University Council is the highest Academic Committee of the University. The College Statutes outline its function and the composition of its membership. Council “shall superintend and regulate the academic business of the University”. Council sets policy and makes decisions on behalf of Board on such measures as are necessary for the promotion and encouragement of teaching, scholarship and research. (Statutes, Chapter XIII). The University Council meets monthly in term time.

### **Provost**

The Provost is the Chief Officer of the College and Chairman of the Board. As Chief Officer he is responsible for the executive management of the College and its day-to-day direction. The responsibilities of the Provost in relation to Board business include implementing the decisions of the Board or ensuring that they are implemented through the senior management team. The Provost is also the Chief Accounting Officer for the purposes of accountability for public funds.

The Provost is elected by the academic community from a panel of applicants following a public advertisement and shortlisting process. The Provost holds office for a maximum term of ten years.

### **Executive Management**

The Executive Officers Group is the senior management team, chaired by the Provost whose members include the Vice-Provost/Chief Academic Officer, Chief Operating Officer, Chief Financial Officer, Deans, and certain Heads of Administration.

The Chief Officers Group is a more informal group that meets weekly is chaired by the Provost and comprises the Vice-Provost/Chief Academic Officer, The Chief Financial Officer and The Chief Operating Officer.

## **Annual Officers**

Annual Officers are nominated by the Provost and their appointment is approved by the Board. Annual Officers are re-affirmed each year, normally for three years, after which they resume their teaching and research duties. A full list of current Annual Officers is available at:-

<https://www.tcd.ie/provost/college-officers/annual/>

## **Administrative & Support**

The administrative and support services are grouped into the Provost's Secretariat and three divisions - Academic Services, Financial Services and Corporate Services. The Heads of Division have budgetary responsibility for administrative areas in their division. The Head of the Corporate Services Division also has budgetary responsibility for the Provost's Directorate.

## **Academic Faculties**

There are three Academic Faculties as listed above under which the Schools are grouped. Each Faculty is headed up by a Dean who has budgetary responsibility for the Faculty.

## **Academic Schools and Departments**

There are 24 Schools each with a Head of School. Schools incorporate varying numbers of departments engaged with different academic disciplines.

## **Trinity Research Institutes**

Within the Academic structure of the College, there are five Trinity Research Institutes (TRIs) as follows:-

- Centre for Research on Adaptive Nanostructure and Nanodevices- CRANN
- Trinity College Institute of Neuroscience- TCIN
- Institute for International Integration Studies - IIS
- Trinity Long Room Hub - TLRH
- Trinity Biomedical Sciences Institute - TBSI

In addition the College has a joint institute with St James Hospital - Trinity St James Cancer Institute.

TRIs are research groupings that focus on strategic priorities of the College and are recognised as long-term strategic initiatives.

TRIs occupy substantial space, have significant administration and technical staffing levels and approach the scale of a School. To be granted TRI status the research programme will have been endorsed by an external independent evaluation in an international context. Though closely related with one or more Schools, TRIs enjoy a semi-autonomous status in College outside of the normal School and Faculty governance structure.

College policy is that TRIs are expected to be self-financing and supported by appropriate governance structures. The Board of a TRI must present an Annual Report, including a financial statement, to the Research and Finance Committees for onward communication to the Board of the College. TRIs and affiliated Schools are expected to develop mutually beneficial relationships by negotiating agreements in relation to sharing finance and staff appointments.

## **SFI National Centres**

Science Foundation Ireland (SFI) has a relatively recent policy to develop research centres collaborating across academia and industry in major initiatives and to brand them as SFI Centres. In other respects they are similar to TRIs.

There are currently three SFI National Centres based in TCD engaged in major research:

AMBER See: <http://ambercentre.ie>

ADAPT See: <https://www.adaptcentre.ie>

CONNECT See: <https://ctvr.ie>

Currently there are 16 SFI National Centres based in Third Level Institutions and Hospitals. See: <http://www.sfi.ie/sfi-research-centres/>

TCD is a partner in the majority of the Centres and other institutions are partners in the Centres based in TCD.

## **Subsidiary Undertakings**

The current subsidiary undertakings, which are all wholly owned or controlled by the College, are as follows: -

- **Trinity Endowment Funds (Registered charity)**

The Trinity Endowment Fund is a collection of individual funds, each of which represents a benefaction to the University. Total investment income for the year ended 30/09/16 was €6.5m and total assets were €181m.

- **Ghala DAC**

The activity is the periodic construction and refurbishment of certain University properties where the university can avail of tax based funding under the Finance Acts. Currently the company is actively developing two buildings and turnover for the year ended 30/09/16 was €4.7m.

- **Trinity Online Services Limited**

Principal activity is the advancement of education through the development and provision of a range of online courses. Turnover for year ended 30/09/16 was €1m.

- **Trinity Asia Services PTE Limited (Republic of Singapore)**

This a newly incorporated entity engaged with teaching of students in Singapore. The projected turnover is €2m.

- **Trinity Foundation**

Trinity Foundation is an independent charity in the Republic of Ireland, it is a charitable trust. The principal activity is to support the development (fundraising) and alumni relations activities of Trinity. The Foundation operates under the name Trinity Development & Alumni (TDA) and will be the spearhead in a major philanthropic campaign planned for 2018, with a target to raise circa €400m by 2021 to fund strategic projects and strategies critical to the future development of TCD.

See: <https://www.tcd.ie/development/>

- **Trinity College Dublin Academy of Dramatic Art Company Limited**

The principal activities are to establish and operate an Academy for the provision of educational services, training and research in relation to dramatic art. It operates as The Lir. The turnover is approximately €2m .

- **Trinity Brand Commercial Services Limited**

This company was incorporated in July 2016. The activity is to deliver on the commercial internationalisation of the Trinity Brand.

## **Relationships with External Bodies**

External Bodies in which the College has a specific interest or is engaged in a special relationship include:-

### Molecular Medicine Ireland (MMI)

TCD interest is 20%. The strategic mission of MMI is to mobilise the strengths of the five partner institutions and their associated hospitals to build a sustainable national system to co-ordinate support and promote translational and clinical research aimed at realising benefits at patient care level.

### National Digital Research Centre (NDRC)

TCD interest is 20%. As an investor in digital innovations based on research, NDRC's investment programmes are tailored to enable innovators, entrepreneurs, researchers and companies to translate ideas into income generating products and high growth companies.

#### The National Institute for Bioprocessing Research and Training (NIBRT)

TCD interest is 25%. The objectives of the company are to establish and operate a national institute of international excellence in bioprocessing research and training located in Dublin, to provide training and education to the bioprocessing industry and to carry out scientific research of value to the biotechnology/bioprocessing and biopharmaceutical sector.

#### The Haughton Institute for Graduate Education and Training in the Health Sciences Limited.

TCD interest is 33%. The principal activity of the company is to promote and assist in the provision, organisation and co-ordination of graduate education, training, research and consultancy work in the health sciences.

#### Economic and Social Research Institute (ESRI)

Strategic partnership which enables both institutions to build collaborative and complementary strengths in the social sciences and provide opportunities for developing joint research projects and for training graduate students and other researchers in the associated methodologies.

#### Marino Institute of Education

College is a co- Trustee with the Christian Brothers of the Marino Institute. The College accredits the teacher education programmes run by the Marino Institute and has responsibility for quality assurance over these programmes.

#### Church of Ireland College of Education

College accredits the teacher education programmes run by the Church of Ireland College of Education and has responsibility for quality assurance over these programmes.

#### Royal Irish Academy of Music

Associated College of Education.

#### DIT Conservatory of Music and Drama

Associated College of Education.

#### Milltown Institute of Theology and Philosophy

A strategic alliance with the Milltown Institute of Theology and Philosophy that established an Institute of Catholic Theology.

#### St James's Hospital

#### The Adelaide and Meath Hospital, Dublin incorporating the National Children's Hospital (AMNCH) (Tallaght)

The above are the two main teaching hospitals affiliated with the School of Medicine in College. The full list of affiliated hospitals is set out at:-

<https://www.tcd.ie/medicine/about/teaching-hospitals/>

## **10. FINANCIAL STATEMENTS**

### **Consolidated Financial Statements**

The Consolidated Financial Statements are prepared based on FRS 102 and the SORP Accounting for Further and Higher Education, 2015 and report all activities of the College and its subsidiary undertakings in the Income and Expenditure account and Balance Sheet. They are akin to statements published by commercial entities. All Universities are required to prepare accounts on this basis in respect of financial reporting periods since 2002/03.

In addition to the Consolidated Financial Statements prepared under FRS102, the College also prepares Funding Statements on an agreed harmonised basis approved by the HEA. The Funding Statements only report the core teaching and research activity in the Income and Expenditure Account. All of the Irish Universities prepare Funding Statements on a common basis. This HEA Funding Statement - along with a reconciliation between the surplus/deficit in the Funding Statement and the Consolidated Financial Statements - is required to be included as part of the submission of the financial statements to the HEA. A true and fair audit opinion is not required for the HEA Funding Statements. However, an opinion is required on their preparation in accordance with the accounting policies and their proper extraction from the books and records.

The latest Consolidated Financial Statements are available at:-

[http://www.tcd.ie/financial-services/gen\\_finstats.php](http://www.tcd.ie/financial-services/gen_finstats.php)

### **US GAAP Accounts**

The College is obliged to prepare US GAAP financial statements as a consequence of its involvement with the US Federal Student Aid Program since the enactment of legislation by the US Government in 2011.

These financial statements are prepared only for the purpose of satisfying the requirements of the US Department of Education and are not made available to other parties.

The financial statements are an amended version of the Consolidated Financial Statements to take account of different accounting treatments of certain issues and the reconciling items between the two are brought to the attention of the Audit Committee prior to approval by Board.

There is an obligation to prepare these every third year only and there is no requirement for comparative figures.

## **Endowment Funds**

The Endowment Funds comprise a collection of individual permanent funds intended to provide financial support to specific College activities in perpetuity. The Trustees are the Provost, Fellows and Scholars of Trinity College and the Funds are governed by a Trust Deed and managed by the Investment Committee on behalf of Board.

The Endowment Funds were not incorporated into the Consolidated GAAP Accounts up to the year ended 30 September 2011. The College determined, with effect from 1 October 2011, to adopt the Statement of Recommended Practice (“SORP”) Accounting for Further and Higher Education (2007) in full resulting in the recognition of endowment fund assets in the College’s Consolidated Accounts.

## **Trinity Foundation**

Trinity Foundation was established as an independent charity in 1994 to support the College’s funding priorities and is charged with philanthropic fund raising. It is formed under a Trust Deed and governed by Trustees separately from the College. It has its own Audit Committee and outsources its Internal Audit service. A memorandum of understanding governs the relationship between the TCD Audit Committee and that of the Foundation, providing for reporting to the TCD Audit Committee by the Foundation. The TCD Audit Committee has the right to conduct internal audits in the Foundation at its discretion.

As with the Endowment Funds, the College did not include Trinity Foundation in its Consolidated GAAP Accounts up to the year ended 30 September 2011. The College determined, with effect from 1 October 2011, to adopt the Statement of Recommended Practice (“SORP”) - Accounting for Further and Higher Education (2007) in full, resulting in the consolidation of Trinity Foundation. The Audit Committee has drawn up a memorandum of understanding with Trinity Foundation Board and its Audit Committee governing audit arrangements.