



Minutes of Audit Committee, Tuesday 5 October 2021

The meeting was conducted remotely by Zoom

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

(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

The Vice-Provost/Chief Academic Officer (Professor O Sheils), Chief Operating Officer (Ms O Cunningham) and Chief Financial Officer (Mr P Reynolds) attended for item AD/21-22/05

Mr P Kinsley and Mr A Fennell of the Office of the Comptroller and Auditor General and Mr P O'Connor, Ms R Jasper and Ms A Fitzgerald of PwC attended for item AD/21-22/06 together with the Chief Financial Officer (Mr P Reynolds) and the Deputy Chief Financial Officer (Ms L Ryan)

Senior Internal Auditor (Ms Y Coutts) attended for items AD/21-22/08 and AD/21-22/09

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

AD/21-22/01 Statements of Interest

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

AD/21-22/02 Minutes

The draft minutes of 8 June 2021 were approved.

AD/21-22/03 Call-over

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

AD/21-22/04 Matters Arising

The Chair advised members that the name of the Committee's new internal member will be submitted to the Board meeting of 6 October 2021 for approval, and that subject to Board approval, the Committee's membership will return to full capacity.

In relation to the format of Committee meetings for the coming year, the members discussed preferences for in-person or virtual meetings and agreed that a blended approach would be appropriate. The Committee agreed to meet in-person for the meeting scheduled for Wednesday 8 December, and to consider the format of

future meetings nearer the scheduled dates.

Section A and Section B – Policy and Implementation Issues

AD/21-22/05 Audit Recommendations Log

The Vice-Provost/CAO, the Chief Financial Officer and the Interim Chief Operating Officer joined the meeting for consideration of the Audit Recommendations Log, which had been circulated. The Chair welcomed the three Divisional Heads to the meeting, and in particular congratulated Professor Sheils on her recent appointment as Vice-Provost/Chief Academic Officer.

Introducing the item, the Chair advised that the bi-annual consideration of the Audit Recommendations Log by the Committee is an important and useful exercise. Noting the concern expressed by the Committee in the past at the number of long-standing recommendations, the Chair advised that Internal Audit undertook a once-off exercise to engage with management in relation to the older recommendations. The Chair advised that following the conclusion of engagement and consideration of the information provided by management, Internal Audit identified a number of recommendations for classification as complete and the results of the exercise are reflected in the management update. The Committee also noted that the focus on action dates in the Log will make the bi-annual review more meaningful for members.

The Internal Auditor drew the Committee's attention to proposed changes to the administration of the Audit Recommendations Log process to ensure its efficiency and effectiveness. The Internal Auditor advised that management have confirmed their full support for the revised process and that irrespective of the proposed changes the ownership and responsibility for the implementation of recommendations remains with relevant management. In response to a query from the College Secretary, the Chair confirmed that the bi-annual update would be provided by the Reporting Officers identified and any additional information from individual areas could subsequently be requested by the Committee if necessary. The Committee noted and approved the proposed changes to process as presented.

Noting the presentation on the Log and summary table which had been circulated, the Committee noted that there were 60 outstanding items on the Log as at September 2021 compared with 71 as at February 2020. The Chair invited the Divisional Heads to brief the Committee on the status of items in their respective areas.

The Vice-Provost/Chief Academic Officer summarised the outstanding items in her division, of which there are 5 in total. She advised the Committee that work is ongoing in relation to the financial sustainability of TRIs, that it is quite a complex area and it may be useful to divide the item into two strands. The Committee noted that with a new Dean of Research now in office, it is expected that there will be greater clarity and progress on this item over the coming months.

The Vice-Provost/Chief Academic Officer advised completion of the outstanding recommendations in relation to Quality Compliance Oversight are being addressed as part of preparation for the postponed Institutional Review which is now scheduled to take place in March 2022.

The Interim Chief Operating Officer briefed the Committee on significant progress to date in relation to the outstanding recommendations within the CSD division, with particular reference to the Audit of Business Continuity Risk together with recommendations in the areas of Estates and Facilities and Human Resources. The Committee noted there are 25 outstanding recommendations for CSD.

The Secretary to the College provided an update to the Committee in relation to actions being taken to address the outstanding recommendations within the Provosts Directorate, including a complete review of Policy management and a review of the Fraud Policy. The Committee noted there are 17 outstanding recommendations for the Provosts Directorate.

The Chief Financial Officer advised that of the 13 outstanding items in his division, 6 relate to the recent Audit of Procurement and 5 to Accounts Payable. He assured the Committee that a detailed work-plan is in place to resolve and complete the outstanding recommendations in the FSD.

During a brief discussion, the Committee welcomed the management update on the Audit Recommendations Log. The Committee raised some queries on actions being taken to address the outstanding recommendations particularly in relation to Data Protection. The Committee reiterated the importance of completing outstanding items in a timely manner.

In conclusion, the Committee noted that, in line with the agreed process, Internal Audit will conduct a Review of Completed and Risk Accepted Recommendations.

During subsequent discussions in the absence of management, in response to a comment from a member in relation to the content of the management presentation, the Internal Auditor confirmed the presentations are the remit of management and comments would be considered in preparing the next management update.

The Chair thanked the Vice-Provost/Chief Academic Officer and the Interim Chief Operating Officer for their work on the Log and they withdrew from the meeting.

The Chief Financial Officer remained for the next Agenda item.

AD/21-22/06 Plan for the Audit of the 2020/2021 Financial Statements

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The Chair drew the Committee's attention to the following documents which had been circulated for consideration under this item:

- PwC Audit Plan for the year ended 30 September 2021
- Audit Planning Memorandum from the Office of the Comptroller and Auditor General for the ended 05 October 2021

The Chair welcomed the Chief Financial Officer, the Deputy Chief Financial Officer together with Mr O'Connor, Ms Jasper and Ms Fitzgerald of PwC and Mr Kinsley and Ms Fennell of the Office of the Comptroller and Auditor General to the meeting for consideration of the Audit Plan for the 2020/2021 financial statements.

In particular, the Chair welcomed the team from PwC to their first Audit Committee meeting since their recent appointment as the University's external auditors.

The Chair invited Mr Kinsley and Ms Fennell of the Office of the Comptroller and Auditor General to comment on the Audit Plan and their Audit Planning memorandum, which had been circulated. Mr Kinsley advised the Committee that the C&AG relies on the audit work performed by PwC to the greatest extent possible but will also carry out additional propriety and regularity work in line with their specific remit.

Mr Kinsley also drew the Committee's attention to a number of high-level risks that the C&AG expect to focus on during the audit, commenting that these will be updated as part of the C&AG planning once PwC have completed their work and their papers reviewed. Mr Kinsley advised that, in light of Covid-19, the C&AG will review going concern assessment and documentation and evaluate the assessment and support for any assumptions.

Mr Kinsley advised that in as in previous years, the C&AG do not issue a qualification in regard to recognition of a pension asset and will treat it as an "emphasis of matter".

The Chair then invited Mr O'Connor and his team to present the highlights of the PwC Audit Plan. Introducing the Plan, Ms Jasper outlined in general the approach PwC intend to take in their audit of the University's 2020/2021 financial statements and outlined timelines and reporting arrangements. The Committee noted that PwC have completed a full review of the previous external auditors' papers and letters of engagement have all been signed.

Mr O'Connor drew the Committee's attention to key audit risks and areas of audit focus as follows:

- Fraud Risk in respect of Management Override of Controls
- Fraud Risk in respect of Revenue Recognition
- Pensions
- Going Concern – areas of audit focus
- Fixed Asset Expenditure; Capital Grants & Other Funding Arrangements
- Payroll and related Costs
- Research Grant Accounts

In particular, Mr O'Connor drew the Committee's attention to the impact of the Covid-19 Pandemic on the assessment of the University as going concern. The Committee noted that this remains a relative concern.

Mr O'Connor advised that the objective of their IT audit work will be to assess if reliance can be placed on the in-scope IT General Controls (ITGC's).

Mr O'Connor informed the Committee that the materiality for the financial statements has been set at a slightly higher level than KPMG but they consider it appropriate and are comfortable with the level set.

Mr O'Connor reported that PwC have carried out detailed planning with FSD and assured the Committee that should any significant issues arise during the audit they would be brought to the attention of the Chief Financial Officer and the Chair of the Audit Committee on a timely basis.

Mr O'Connor confirmed that PwC will make their papers available to C&AG as was the case in previous years. Mr O'Connor then briefed the Committee on areas of audit risk in detail and the proposed audit approach associated with them.

Ms Fitzgerald briefed the Committee on the audit of the University's subsidiaries and advised that the audit is going smoothly to-date and that there no issues of concern to bring to the Committee's attention.

The Chief Financial Officer advised that the FSD are satisfied with the Audit Plan and agreed timelines. He advised the Committee that he expects the audit to be completed in line with agreed timelines. He also assured the Committee that the transition to the new auditors has gone smoothly and he does not anticipate any issues with the audit. Whilst acknowledging the tight timelines, the Chief Financial Advisor reported that the engagement across the University has been very strong and the audit is proceeding smoothly. Commenting on the impact of Covid-19, the Chief Financial Officer advised that there has been a significant increase in student registrations and increased activity in commercial revenue, which will hopefully move the University back to a healthier financial position.

During a subsequent discussion, the external auditors responded to a number of technical queries from members.

In conclusion, the Committee welcomed the comprehensive nature of the Audit Plans presented. The Committee stressed that should any issues arise during the audit, they should be brought to the attention of the Audit Committee on a timely basis.

The Chair thanked the teams from the C&AG and PwC, as well as the Chief Financial Officer and Deputy Chief Financial Officer, for their contribution and they withdrew from the meeting.

AD/20-21/07 Audit of Academic Registry – Student Fees

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The Chair invited the Deputy Internal Auditor to brief the Committee on the Audit of the Academic Registry – Students Fees, which had been circulated for consideration.

The Internal Auditor noted that the area of Academic Registry has come to the Committee's attention in recent years for various reasons and, as part of the annual planning process, two individual processes within the area were selected for inclusion in the Internal Audit Annual Plan.

Ms Cooney advised that the purpose of the Audit was to assess the adequacy and effectiveness of the control framework in place for the generation and receipt of student fees and the processing of payments to students through the Academic Registry and whether reasonable assurance can be provided to the Committee on the operation on these controls. Ms Cooney had advised that the area has a wide remit with many complex processes within strict timelines and advised that the area adapted well to the move to remote working and showed flexibility in dealing with the additional issues and workload posed by the Pandemic.

Ms Cooney advised that a number of areas for improvement were identified during the audit, all of which management have fully accepted. Ms Cooney reported that 2 of the 3 medium recommendations highlighted in Report have already been implemented. In conclusion, Ms Cooney advised that the audit had gone very smoothly with good engagement from management.

The Committee agreed the Audit of the Academic Registry – Student Fees report and welcomed management’s acceptance of all its recommendations.

AD/21-22/08 Audit of Academic Registry – Student Admissions

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The Chair welcomed Senior Internal Auditor, Ms Coutts to the meeting and invited her to brief the Committee on the Audit of Academic Registry – Student Admissions.

Introducing the Audit, Ms Coutts advised that admissions is a very complex process and the remit of the team in the Academic Registry covers the day-to-day management and administration of applications across the undergraduate, postgraduate, study abroad and Erasmus programmes. The Committee noted that the system for the management of student information used by the Academic Registrar is the Student Information System (SITS).

Ms Coutts advised that the purpose of the Audit was to assess the adequacy and effectiveness of the control framework in place for the processing of student admissions, that appropriate monitoring and oversight is in place, and whether reasonable assurance can be provided to the Committee on the operation of these controls. Ms Coutts advised that the audit also considered the appropriateness of measures put in place to ensure student admissions were not affected by the Pandemic.

Ms Coutts reported that the Audit had identified a number of areas for improvement particularly in relation to retaining evidence of control operation, which would improve transparency and increase the level of assurance that applications are being completely and accurately processed. Ms Coutts advised that one of the key risks in relation to admissions is the approval of applications and admission of students who do not meet the admissions criteria or that an application is not processed correctly or inadvertently omitted. Ms Coutts advised that controls are in place but are not being documented adequately.

Ms Coutts advised that all recommendations within the report have been accepted by Management and work is underway for their implementation.

The Committee agreed the Audit of the Academic Registry – Student Admissions report and welcomed management’s acceptance of all its recommendations.

AD/21-22/09 Covid Return to Work Protocols

The Chair invited the Senior Internal Auditor to provide an update on the work undertaken in relation to Covid Return to Work Protocols. Ms Coutts drew the Committee’s attention to the memorandum which had been circulated and advised that the purpose of the memo is to provide the Committee with an overview of the current government advice and outline how the measures being put in place by Trinity are aligned with public health guidance.

Ms Coutts advised that in response to the public health guidance, the University has outlined a two phased approach for the re-opening of the campus together a comprehensive range of measures to reduce the risk of the spread of Covid-19. Ms Coutts advised that Internal Audit undertook an exercise to map each of the requirements per the public health guidance against the University plans, information on the Trinity Covid-19 information hub and information provided by the Head of Safety. The Committee noted that the Data Protection Officer had confirmed that the data protection implications have been considered and appropriate measures put in place.

Ms Coutts reported that no significant gaps were identified, and Internal Audit is satisfied that the measures implemented by the University are aligned with the prevailing requirements of public health guidance.

The Committee noted the update on the Covid Return Work Protocols.

The Chair thanked Ms Coutts for her presentations on the Audit of the Academic Registry – Student Admissions and the Covid Return to Work Protocols and Ms Coutts withdrew from the meeting.

AD/21-22/10 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. The Internal Auditor reminded members that the Plan had been approved by the Committee in January 2021 and briefed the Committee on the status of audit assignments as of October 2021. The Committee noted that due to a current vacancy, arising as a result of internal promotion, a slight delay in the delivery of two audit assignments is anticipated. The Internal Auditor noted that a recruitment process was underway to fill the vacancy.

The Internal Auditor advised that she is satisfied that progress to-date on the Annual Plan is reasonable in the current environment and in line with the schedule agreed by the Audit Committee. She also noted that the annual planning process for 2022 is underway and that members of the Committee, as significant stakeholders for Internal Audit, would be circulated for the input in the risk-based planning process.

The Committee noted the Update on the Internal Audit Annual Plan.

Section C – For Noting

AD/21-22/11 Letters of Engagement – Audit of the 2020 / 2021 Financial Statements

The Committee noted the following Letters of Engagement which had been circulated:

- Letter of Engagement from PwC re Trinity College Dublin dated 11 August 2021
- Letter of Engagement from PwC re Trinity Endowment Fund dated 11 August 2021
- Letter of Engagement from PwC re Trinity – Other Entities dated 11 August 2021
- Letter of Engagement from the Office of the Comptroller and Auditor General re Audit of the Financial Statements 2020 / 2021 dated 01 October 2021

AD/21-22/12 Communication Received

The Committee noted the Response to the HEA dated 22 June 2021 which had been circulated.

AD/21-22/13 IT Security Arrangements

The Committee noted the memorandum to Board re IT Security Arrangements dated 09 June 2021, which had been circulated.

AD/21-22/14 Board Papers

The Committee noted the Board Agendas and Board Minutes, which had been circulated.