



Minutes of Audit Committee, Thursday 10 March 2022

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

The Chief Financial Officer (Mr P Reynolds), Deputy Chief Financial Officer (Ms L Ryan), together with Mr P O'Connor, Ms R Jasper and Mr V Morozov of PwC and Mr P Kinsley of the Office of the Comptroller and Auditor General (C&AG) attended for item AD/21-22/47

The Chief Financial Officer (Mr P Reynolds), Deputy Chief Financial Officer (Ms L Ryan), together with Mr P O'Connor, Ms R Jasper and Mr V Morozov of PwC attended for items AD/21-22/47 and AD/21-22/48

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

AD/21-22/43 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/21-22/44 Minutes

The draft minutes of 01 March 2022 were approved.

AD/21-22/45 Call-over

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

AD/21-22/46 Matters Arising

The Internal Auditor provided an update on recent developments on matters previously discussed with the Committee.

Section A and Section B – Policy and Implementation Issues

AD/21-22/47 Audit of the Consolidated Financial Statements for 2020/2021

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The Committee noted the following documents, which had been circulated for consideration as follows:

- Presentation on the Consolidated Financial Statements 2020/2021
- Memorandum from the Chief Financial Officer and Deputy Chief Financial Officer dated 03 March 2022
- Draft Consolidated Financial Statements for the year ended 30 September 2021
- PwC Report to the Audit Committee – Audit Findings for the year ended 30 September 2021
- Draft Letter of Representation to PwC re the Audit of Consolidated Financial Statements for the year ended 30 September 2021
- Report from the Office of the Comptroller & Auditor General
- Draft Letter of Representation to the Office of the Comptroller & Auditor General re the Audit of the Consolidated Financial Statements for the year ended 30 September 2021
- Draft Audit Certificate for 2020/2021
- Draft Management Letter from the Office of the Comptroller & Auditor General
- Extract from PwC Audit Findings Report dated 17 February 2022
- PwC IT General Control Audit year ended 30 September 2021

The Chair welcomed the PwC team, Mr O'Connor, Ms Jasper and Mr Morozov to the meeting, together with Mr Kinsley of the C&AG and the Chief Financial Officer and Deputy Chief Financial Officer. The Committee noted the apologies of Ms Fennell of the C&AG.

At the invitation of the Chair, the Chief Financial Officer presented the draft Consolidated Financial Statements for the year end 30 September 2021.

Referring to a presentation, which had been circulated, the CFO advised that Finance Committee had noted the draft Consolidated Financial Statements on 03 March 2022 and, subject to recommendation by the Audit Committee, advised that they would be forwarded to Board for approval. Noting it was the first audit conducted by PwC since their appointment in August 2021, the CFO advised the Committee that the audit had run smoothly, all audit deadlines were met and there were no material delays in the audit process.

The CFO drew the Committee's attention to key highlights and trends and to the figures in the Balance Sheet. In particular, he reported that the University is reporting a surplus of €20.7m for 2020/2021, which included unrealised gains on investments relating to the University's Endowment Fund. He advised that the University has an underlying deficit of €13.0m which compares to a deficit of €16.4m in the previous year. The CFO advised that the Covid-19 pandemic had a significant impact on the University's income streams together with additional costs incurred specific to Covid-19. The Committee noted that commercial revenue remained below 2019 levels but this is in process of being reversed.

At the invitation of the Chair, Mr O'Connor presented in detail the PwC Audit Report, drawing particular attention to some key areas of focus they had considered during the audit as follows:-

- Risk of Fraud due to Management Override of Controls
- Risk of Fraud in Revenue Recognition
- Accounting for Pension Asset and Liability
- Going Concern Risk – Assessment and Covid-19

Mr O'Connor advised the Committee that the PwC audit was substantially complete subject to normal conditions: approval of the Consolidated Financial Statements and Letter of Representation by Board and their review of any post balance sheet events.

Mr O'Connor and Ms Jasper presented the PwC Report and confirmed that PwC had no significant additional audit issues to bring to the attention of the Committee and confirmed that the audit had run smoothly.

Mr Morozov briefed the Committee on the approach taken by PwC in their review of the IT Control environment. He advised that the objective of the IT audit performed was to assess if reliance could be placed on the in-scope IT General Controls ("ITGC"s) as part of the financial statements audit, as well as to assess the quality of the pervasive controls that help ensure the integrity of data and effective operation of IT systems. Mr Morozov summarized the key observations and recommendations arising from the IT audit work.

Mr O'Connor confirmed that PwC have considered the treatment of the pension asset under accounting standards and their opinion is that the treatment within the Consolidated Financial Statements by management is appropriate, taking a different interpretation on the matter to the previous external auditors. Mr O'Connor confirmed that the PwC Audit Report will therefore contain an unqualified opinion on the Consolidated Financial Statements.

At the invitation of the Chair, Mr Kinsley of the C&AG briefed the Committee on the C&AG audit, which he confirmed is now complete subject to approval of the accounts and Letter of Representation. He advised that the C&AG rely on the work of PwC but continue to carry out additional work on regularity and propriety according to their remit. Mr Kinsley advised that the C&AG had reviewed the going concern assessment due to the impact of Covid-19 and were satisfied with the assumptions made by University management, together with the assessment of revenue recognition and management override of controls.

Mr Kinsley confirmed that the C&AG audit opinion will, as in previous years, include an emphasis of matter in relation to the recognition of the portion of the deferred pension funding asset relating to the Model Scheme and Pension Supplementation.

In relation to the C&AG Audit Cert, Mr Kinsley advised that University management had suggested some minor wording changes, which have been forward to the C&AG for consideration. In response to a query, Mr Kinsley advised that the final version of the Audit Cert would be ready when the C&AG has opportunity to consider and sign it, but he expects it will be forwarded to the University before the Board meeting of 23 March.

He also advised that a draft management letter had been issued for management responses but that there was nothing additional to draw to the Committee's attention in terms of recommending the accounts to Board for approval.

During a subsequent discussion, the FSD team and external auditors answered a number of technical queries from members on the financial statements.

In relation to the Letters of Representation, both PwC and the C&AG confirmed that they were standard letters of representation and had nothing additional to bring to the attention of the Committee.

In conclusion, the Committee thanked the auditors and FSD, welcoming the successful completion of the audit to schedule in a challenging year, and recommended that the Consolidated Financial Statements together with the Letters of Representation be forwarded to Board for approval.

The Chair thanked Mr Kinsley of the C&AG for his contribution to discussion and he withdrew from the meeting.

**AD/21-22/48 Trinity Endowment Fund Financial Statements for the year ended 30 September 2021
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The Committee noted the following documents, which had been circulated for consideration under this item:

- Presentation on the Trinity Endowment Fund Financial Statements 2020/2021
- Memorandum from the Chief Financial Officer and Deputy Chief Financial Officer dated 03 March 2022
- Draft Trinity Endowment Fund Financial Statements for the year ended 30 September 2021
- Draft Letter of Representation to PwC re the Trinity Endowment Fund – Audit for the year ended 30 September 2021

The Deputy Chief Financial Officer advised the Committee that Finance Committee noted the Trinity Endowment Fund Financial Statements on 03 March 2022 and, subject to recommendation by the Audit Committee, they would be forwarded to Board for approval.

Mr O'Connor advised the Committee that PwC had completed their audit and expect to issue an unqualified audit opinion, subject to approval of the Financial Statements by Board and receipt of the Letter of Representation and advised that there were no matters to bring to the attention of the Committee arising from their audit.

During a subsequent discussion, the Deputy CFO answered a number of technical queries from members on the Trinity Endowment Fund Financial Statements.

In conclusion, the Committee recommended that the Trinity Endowment Fund Financial Statements together with the Letters of Representation be forwarded to Board for approval.

AD/21-22/49 Conduct of the Audits

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The Chair advised members that, as in previous years and in accordance with good practice, visitor arrangements were designed to afford FSD, PwC and the C&AG each time by themselves with the Committee should they wish to raise any issues alone with the Committee. He advised the Committee that PwC had confirmed they wished to avail of the opportunity, but the FSD and C&AG team had advised they did not require time alone with the Committee.

The Chair thanked the CFO and Deputy CFO for their hard work in preparing the financial statements and they withdrew from the meeting.

Following a private discussion between the PwC audit team and the Audit Committee, the Chair thanked Mr O'Connor, Ms Jasper and Mr Morozov for their valuable contributions to discussions and they then withdrew from the meeting.

In conclusion, the Committee noted that there may be minor amendments in the wording of the C&AG Audit Cert and agreed that both sets of Financial Statements and the Letters of Representation should be forwarded to Board with recommendation for approval.

Actions:

- 49.1 The Consolidated Financial Statements for the year ended 30 September 2021 and the Letter of Representation to be forwarded to Board with a recommendation that they be approved and signed.
- 49.2 The Trinity Endowment Fund Financial Statements for the year ended 30 September 2021 and the Letter of Representation to be forwarded to Board with a recommendation that they be approved and signed.

AD/21-22/50 Audit Committee Annual Report 2021 / 2022

Introducing the topic, the Chair drew Committee's attention to the Draft Annual Report for 2021/2022, which had been circulated.

The Chair invited members to reflect on the Draft Report and advise if they had any comments on the overall message it conveys, and to confirm if the Report captures all the points raised by members at its meeting on 15 February and on 01 March.

Following a discussion, the Committee agreed that they were satisfied with the Draft Annual Report to Board as presented and had no further amendments to make to the text. The Committee recommended that the Annual Report be forwarded to Board for consideration at its meeting on 23 March 2022. The Committee noted that the report includes a summary of work carried out during the year and key observations of the Committee together with the Committee's overall opinion on the effectiveness of Internal Control.

Action:

- 50.1** The Chair and Internal Auditor to finalise the Draft Annual Report for 2021/2022 and forward it to Board for consideration at its meeting on 23 March 2022.

Section C – For Noting

AD/21-22/51 Subsidiary Undertakings

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

- Ghala Limited Financial Statements for the year ended 30 September 2021
- Trinity Online Services Limited Financial Statements for the year ended 30 September 2021
- Trinity Brand Commercial Services Limited Financial Statements for the year ended 30 September 2021
- Trinity Asia Services Limited Financial Statements for the year ended 30 September 2021
- Trinity Foundation Financial Statements for the year ended 30 September 2021

AD/20-21/52 Board Papers

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