



Audit Committee, Wednesday 14 March 2023

The meeting was held in the Trinity Board Room

- Present* Mr D McCarthy (Chair), Ms B Collins, Ms M Fulton, Professor P Murphy (By Zoom)
- Apologies* Professor R Reilly, Professor R A Kenny
- (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 G Fernandes of BDO attended for item AD/22-23/46

The Chief Financial Officer (Mr P Reynolds), Deputy Chief Financial Officer (Ms L Ryan), together with Mr P O'Connor, Ms R Jasper and Ms J Rodgers of PwC and Mr P Kinsley and Mr M Mulvihill of the Office of the Comptroller and Auditor General (C&AG) attended for item AD/22-23/47

The Chief Financial Officer (Mr P Reynolds), Deputy Chief Financial Officer (Ms L Ryan), together with Mr P O'Connor, Ms R Jasper and Ms J Rodgers of PwC attended for items AD/22-23/48

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

AD/22-23/42 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/22-23/43 Minutes

The draft minutes of 14 February 2023 were approved.

AD/22-23/44 Call-over

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

The Audit Committee members noted the recent decision by Government in relation

to the Immigrant Investor Programme following the previous meeting. The Internal Auditor advised that management confirmed that they will provide additional information at the June Audit Committee meeting on the operation of this Programme by the University after the Audit of Immigration Investor Programme Management report that was considered by the Audit Committee in February 2022.

AD/22-23/45 Matters Arising

The Internal Auditor briefed members on developments relating to a recent non-audit assignment.

The Internal Auditor advised that it will be necessary to re-schedule the June Committee meeting. The Internal Auditor briefed the Committee on possible alternate dates for the meeting. Following a brief discussion, the Committee agreed that Wednesday 07 June at 3pm would appear to be the best date for the members present.

Action:

45.1 The Internal Auditor to email confirmation of new June Committee meeting date to members following the meeting.

Section A and Section B – Policy and Implementation Issues

AD/22-23/46 Audit of Social Media Management

The Chair welcomed Mr B Gartlan and Mr G Fernandes of BDO to the meeting for consideration of the Audit of Social Media Management Report, which had been circulated for consideration. Noting the topical nature of the Audit in the current environment, the Chair invited Mr Gartlan and Mr Fernandes to brief the Committee on the Report's findings and recommendations.

Introducing the Report, Mr Gartlan noted that social media is a powerful tool that brings significant benefits to the University but also introduces potentially significant risks including brand and reputational damage and cyber security risks. The Committee noted that a balance must be achieved between managing these risks and protecting Academic Freedom, a fundamental principle and core value of the University.

Mr Gartlan advised that, as part of the audit, they undertook research of social media engagement on the platform used by Trinity and compared this with other universities. Mr Gartlan reported that Trinity compares favourably against the other universities examined and is in a strong position.

Mr Fernandes advised that social media within the University is managed and co-ordinated by a small Social Media Team within the Office of Public Affairs and Communications. He advised that the main purpose of the audit was to assess the adequacy and effectiveness of the internal control framework in place to manage the

risks to the University associated with the management of social media and consider whether reasonable assurance can be provided to the Committee.

Mr Fernandes advised that the social media model adopted by the University is a hybrid model which contains elements from both centralised and decentralised models. The Committee noted that the social media team act as the centralised designated team responsible for creating and managing the central social media accounts, and they also provide guidance and support to areas and schools across the University who are responsible for managing their own Trinity affiliated social media accounts.

Commenting on the audit's recommendations, Mr Fernandes advised that there while there are a number of controls in place to manage social media in Trinity, the audit identified some opportunities for improvement. He noted that the report contained six Audit Recommendations, four of which are medium and two of low priority. Mr Fernandes advised that management had positively engaged with the audit and agreed with all recommendations.

In particular, he advised that whilst there are best practice guidelines in place, the social media team does not have any documented policies and procedures for internal processes which creates a key person dependency. Mr Fernandes advised that there is currently no assurance that the social media team has full visibility of all the University's affiliated social media accounts, and the Report recommends that an exercise by the social media team to identify all University affiliated accounts should be completed as a matter of priority.

During a detailed discussion, Mr Gartlan and Mr Fernandes responded to a number of queries from members in relation to the Report's findings. The Committee noted concerns raised by some organisations / countries in relation to engagement with social media platforms and Mr Gartlan confirmed that he would consult with BDO expert partners and revert with specific advice / information on this matter.

In conclusion, the Committee noted the Report.

The Chair noted that this was the final engagement under the current contract with BDO for the provision of Internal Audit services and thanked Mr Gartlan and Mr Fernandes for their work on the Report and all previous engagements, and they withdrew from the meeting.

Action:

46.1: The Internal Auditor to liaise with BDO to provide additional information in response to a query in relation to the general security profile of individual social media platforms.

AD/22-23/47 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 2021/2022
- Memorandum from the Chief Financial Officer and Deputy Chief Financial Officer dated 09 March 2023
- Draft Annual Report and Consolidated Financial Statements for the year ended 30 September 2022
- PwC Presentation to the Audit Committee – Year End Audit 30 September 2022
- Draft Letter of Representation to PwC re the Audit of Consolidated Financial Statements for the year ended 30 September 2022
- 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 2022
- Draft Audit Certificate for 2021/2022
- Draft Management Letter from the Office of the Comptroller & Auditor General
- PwC IT General Control Audit – year ended 30 September 2022
- Extract from Draft PwC Audit Findings Report dated 16 December 2022

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

At the invitation of the Chair, the Chief Financial Officer presented the Draft Consolidated Financial Statements for the year end 30 September 2022.

Referring to a presentation, which had been circulated, the CFO advised that Finance Committee had noted the draft Consolidated Financial Statements on 09 March 2023 and, subject to recommendation by the Audit Committee, advised that they would be forwarded to Board for approval. Noting it is the second 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 reported that the audit of the University's subsidiary undertakings has also been completed and approved by their respective Boards and are included in the meeting papers for noting.

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 deficit of €0.2m for 2021/2022. He advised that the University has an underlying deficit of €11.7m which compares to a deficit of €13.0m in the previous year.

The CFO advised that the Covid-19 pandemic continues to have a residual impact on the University's financial statements.

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

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, noting that it had been a very successful second audit for PwC. Ms Rodgers provided a brief overview of observations in relation to controls and confirmed that there was no material impact.

Mr O'Connor briefed the Committee on the approach taken by PwC in their review of the IT Control environment. Mr O'Connor summarized the key observations and recommendations arising from their IT audit work.

Mr O'Connor advised 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 and he confirmed that the PwC Audit Report, will contain an unqualified opinion on the Consolidated Financial Statements, as was the case last year.

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 substantially 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 the Committee that the C&AG expects to issue an unqualified audit opinion. The Committee noted that the audit cert in previous years had included 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. Mr Kinsley advised, that following a review by the C&AG, he has decided that an emphasis of matter is no longer required in the audit cert.

Mr Kinsley then drew the Committee's attention to significant audit findings they had identified during their audit, some of which echoed those reported by PwC.

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, and recommended that the Consolidated Financial Statements together with the Letters of Representation be forwarded to Board for approval.

The Chair thanked Mr Kinsley and Mr Mulvihill of the C&AG for their contribution to discussion and they withdrew from the meeting.

AD/22-23/48 Trinity Endowment Fund Financial Statements for the year ended 30 September

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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 2021/2022
- Memorandum from the Chief Financial Officer and Deputy Chief Financial Officer dated 09 March 2023
- Draft Trinity Endowment Fund Annual Report and Financial Statements for the year ended 30 September 2022
- Draft Letter of Representation to PwC re the Trinity Endowment Fund – Audit for the year ended 30 September 2022

The Deputy Chief Financial Officer advised the Committee that Finance Committee noted the Trinity Endowment Fund Financial Statements on 09 March 2023 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/22-23/49 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 Ms Rodgers for their valuable contributions to discussions and they then withdrew from the meeting.

In conclusion, the Committee 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 Annual Report and Consolidated Financial Statements for the year ended 30 September 2022 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 Annual Report and Financial Statements for the year ended 30 September 2022 and the Letter of Representation to be forwarded to Board with a recommendation that they be approved and signed.

AD/22-23/50 Review of Completed & Risk Accepted Recommendations

Introducing the Review, the Internal Auditor advised that the scope of this Review included Completed and Risk Accepted recommendations as assessed and reported by the Reporting Officers to the Audit Committee in February 2023. The Committee noted that in this period, there was a total of 12 recommendations removed from the Open Log and classified as Complete.

The Internal Auditor advised that for the purpose of the Review, a sample of 8 recommendations classified as Complete were selected for detailed examination, representing 67% of total recommendations classified as Complete in the period. Members noted that in all cases, Internal Auditor were satisfied that appropriate action had been taken to justify classifying the recommendations as complete.

The Committee welcomed the improvement in reporting completed recommendations, particularly that no recommendations were required to be reinstated, and noted the Review of Completed & Risk Accepted Recommendations report.

The Secretary to the College was not present for the following Agenda item

AD/22-23/51 Audit Committee Annual Report 2022 / 2023

Introducing the topic, the Chair drew Committee's attention to the Draft Annual Report for 2022/2023, which had been circulated.

The Chair invited members to 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 during discussions on the matter at its meeting on 14 February 2023.

Following a brief 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 29 March 2023. 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:

51.1 The Chair and Internal Auditor to finalise the Draft Annual Report for 2022/2023 and forward it to Board for consideration at its meeting on 29 March 2023.

Section C – For Noting

AD/22-23/52 Subsidiary Undertakings

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

- Ghala Limited Financial Statements for the year ended 30 September 2022
- Trinity Online Services Limited Financial Statements for the year ended 30 September 2022
- Trinity Brand Commercial Services Limited Financial Statements for the year ended 30 September 2022
- Trinity Asia Services Limited Financial Statements for the year ended 30 September 2022
- Trinity Foundation Financial Statements for the year ended 30 September 2022

AD/22-23/53 Board Papers

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