



## Minutes of Audit Committee, Tuesday 27 April 2021

*The meeting was conducted remotely by Zoom*

*Present* Mr D McCarthy (Chair), Ms M Fulton, Professor A Burke, Professor R Reilly  
Ms B Collins (from AD/20-21/85)

*(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

Ms Regina McCarrick, Assistant Internal Auditor attended for item AD/20-21/85

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

### **AD/20-21/78 Statements of Interest**

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

### **AD/20-21/79 Minutes**

The draft minutes of 09 March 2021 were approved.

### **AD/20-21/80 Call-over**

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

In response to a query, the Internal Auditor confirmed that the previously deferred Audit of Risk Management is scheduled to commence in June.

### **AD/20-21/81 Matters Arising**

The Chair confirmed to members that the Audit Committee Annual Report 2020 / 2021 had been considered by Board at its meeting on 24 March 2021. He advised members that there was a good discussion of the Annual Report at the Board meeting particularly in relation to the external audit process and outstanding Audit Recommendations. In particular, he advised that some Board members expressed concern at the age of some of the Outstanding Recommendations on the Audit Recommendations Log.

## **Section A and Section B – Policy and Implementation Issues**

### **AD/20-21/82 Review of Completed & Risk Accepted Recommendations**

Introducing the Review of Completed & Risk Accepted items which had been circulated, the Internal Auditor advised that the scope of the review includes Complete and Risk Accepted recommendations reported by Divisional Heads to the Audit Committee in the period from November 2020 to February 2021.

The Committee noted that in this period there was a total of 13 recommendations removed from the Recommendations Log and classified as Complete. There was no Recommendation classified as Risk Accepted.

The Internal Auditor informed the Committee that for this review, a sample of 8 recommendations classified as Complete, representing 62% of total recommendations classified as Complete in the period, was selected for detailed examination. She advised that in 7 out of 8 cases, Internal Audit were satisfied that appropriate action had been taken to justify the recommendations as Complete. The Internal Auditor advised that in 1 case, Internal Audit found that the recommended actions or alternate actions have not been taken in full by management and therefore recommends it be re-instated on the Log until complete or classified as Risk Accepted by management if appropriate.

During a subsequent discussion, the Committee expressed concern that there is still a significant number of recommendations outstanding for more than one year and reiterated the importance of clearing these from the Log. In response to a query from a member, the Internal Auditor noted that while it is possible to conduct a full verification, the objective of the Review is to validate the update provided by the Divisional Heads and encourage engagement from management. The Committee agreed that the verification process is tailored to the number of outstanding recommendations.

In conclusion the Committee noted the Review of Completed & Risk Accepted Recommendations report as presented. The Committee noted that the next management update by the Divisional Heads will take place in at the October 2021 meeting.

### **AD/20-21/83 Outstanding Recommendations**

The Chair drew the Committee's attention to a draft memorandum to Board in relation to outstanding recommendations, which had been circulated for consideration. The Chair advised that this memorandum was drafted as a result of discussions that arose at the presentation of the Audit Committee Annual Report to Board, where members indicated concern at the number of recommendations outstanding for more than one year.

The Internal Auditor confirmed to the Committee that, following recent discussions in relation to the age of recommendations on the Audit Recommendations Log, Internal Audit had initiated a once off engagement with management to pro-actively consider the status of all recommendations over one year. She advised that the intention was to ensure that only relevant actionable recommendations are considered as part of the Audit Recommendations Log process going forward.

Following confirmation from the Secretary to the College that the request for additional information was not specifically noted in the minutes of the Board meeting, the Committee noted the value of the information and agreed no requirement to forward to Board. The Committee also noted the nature of the queries raised at Board and that these could be considered in drafting the next Audit Committee Annual Report.

*Ms Regina McCarrick, Assistant Internal Auditor joined the meeting*

**AD/20-21/84 Audit of Accounts Payable**

The Chair welcomed Ms McCarrick to the meeting for consideration of the Audit of Accounts Payable Report, which had been circulated.

Introducing the Report, Ms McCarrick advised that the purpose of the audit was to assess the adequacy and effectiveness of Accounts Payable processes in place as at August 2020 and whether reasonable assurance can be provided to the Audit Committee in respect of same.

Ms McCarrick advised that the results of the audit have identified a number of areas where improvements are necessary to strengthen processes and controls in order to reduce the potential for inappropriate payments and increase the likelihood of timely identification of same. In particular, Ms McCarrick reported of a slight weakening of an approved control for manual payments due to the impact of the pandemic and that the audit recommends that this be reviewed. Ms McCarrick advised that management have accepted the recommendations arising from the audit.

During a subsequent discussion, Ms McCarrick and the Internal Auditor clarified a number queries from members in relation to the audit's findings.

In conclusion, the Committee noted the findings and recommendations of the Audit of Accounts Payable. The Chair thanked Ms McCarrick for her presentation and Ms McCarrick withdrew from them meeting.

**AD/20-21/85 Audit of Research Audit Management**

The Committee noted the Audit of Research Audit Management Report, which had been circulated.

Introducing the item, the Internal Auditor advised that research grants and contracts account for a significant amount of the University's income, noting that research in Trinity is funded from a variety of sources. The Committee noted that external funding sponsors generally have the right to audit or request an audit of a research project to ensure it is meeting the conditions as laid out in the research contract. The Internal Auditor advised members that the Project Accounting Team in FSD are responsible for managing and co-ordinating research audits from external parties. The Internal Auditor advised that the purpose of the audit was to assess the adequacy and effectiveness of structures and processes put in place by the University to ensure research audits undertaken by external parties are managed appropriately and whether reasonable assurance can be provided to the Audit Committee.

Commenting on the audit findings, the Internal Auditor advised members that processes in place for managing external research audits are designed effectively and operating well. The Committee noted that the audit identified two areas for improvement that would enhance the control framework and increase level of assurance. The Internal Auditor advised that the recommendation in this regard has been agreed by management. The Committee welcomed the Report, commenting on the excellent work by the Project Accounting Team in this regard.

In conclusion, the Committee noted the findings and recommendation contained in the Audit of Research Audit Management Report.

*Ms B Collins joined the meeting*

**AD/20-21/86 External Audit Procurement Process**

**XXX**

The Chair briefed Committee members on the outcome of the recent process undertaken for the procurement of external audit services.

He reminded members that the Committee had previously approved the contract term, evaluation criteria and scoring methodology for the procurement process and had selected a sub-set of Audit Committee members as the Evaluation Committee for the purpose of evaluating and scoring the submissions received. The Committee noted the Evaluation Committee comprised the Chair and Professor R Reilly, and were supported in the process by external member, Ms M Fulton.

He advised members that following the deadline for submission of tenders on 26 March, the three submissions received were reviewed and evaluated at meeting of the Evaluation Committee on 14 April, together with observers from Internal Audit and the Financial Services Division. He advised that each of the submissions were provisionally scored for each of the award criteria and queries and issues for clarification were identified.

The Chair reported that clarification meetings with each of the individual professional firms were held on 26 April. He advised that the Evaluation Team had finalised its scoring following the clarification meetings and a successful bidder was determined. The Chair advised members of the successful bidder following conclusion of the procurement process.

The Chair invited the Committee to formally approve the proposal of the Evaluation Committee, together with a draft memorandum to Board recommending the appointment of the successful bidder as the University's external auditors for a period of four years.

During a subsequent discussion, the Chair clarified a number of points in relation to the evaluation process. In response to a query, the Chair reminded members that it is the role of the Audit Committee to make a recommendation to Board in relation to the appointment of the University external auditors.

In conclusion, the Committee approved the proposal of the Evaluation Committee and the submission of the Memorandum to Board recommending the appointment of the successful bidder

**Action:**

Internal Auditor to submit the Memorandum to Board recommending the appointment of the successful bidder for the Board meeting of 19 May 2021.

**AD/20-21/87 Payroll Transition to Shared Services Centre**

Introducing the item, the Internal Auditor briefed the Committee on the background to plans for a Shared Services Centre. The Department of Education under the mandate of the Public Services Reform Plan 2014-16 established the Education Shared Business Services Centre to centralise processing of key activities such as payroll, HR, Finance, and IT for the higher education sector. The Internal Auditor advised members that payroll is the first activity selected to be migrated and a Pilot Project is currently underway. The Internal Auditor advised that, while Trinity had initially been included within the first phase of the project, there are no immediate plans to transition payroll to the Shared Services Centre, pending the outcome of discussions with staff representatives and a Labour Court decision.

The Internal Auditor advised members that Internal Audit will continue to engage with HR on the status of the Project and will update the Audit Committee accordingly. The Committee noted the update and agreed to consider the matter again when there is greater clarity on the potential transition of Payroll to Shared Services Centre.

**Section C – For Noting**

**AD/20-21/88 Audit Committee Annual Report**

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

- Audit Committee Annual Report to Board 2020/2021
- Draft Board Minute re Annual Report – 24 March 2021
- Audit Committee Annual Report 2019/2020 – EOG Response to Board
- Draft Board Minute re EOG Response – 24 March 2021

**AD/20-21/89 Annual Governance Statement**

The Committee noted the Annual Governance Statement for the year ended 30 September 2020 which been circulated.

**AD/20-21/90 Board Papers**

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

**AD/20-21/91 Code of Governance**

The Committee noted the memorandum from the Internal Auditor dated 24 March 2020, which had been re-circulated for reference.

The Chair advised members that he had recently been requested to attend a meeting of the Code of Governance Board Sub-Group. He reminded members that this Sub-Group had been established in 2020, and that he had attended a meeting in 2020 together with Internal Auditor to discuss the role of the Audit Committee.

The Chair advised that the Code of Governance Board Sub-Group is to meet over the coming weeks and that the Chair will provide an update to the Committee following that meeting.

The Committee noted the update from the Chair.