

## ***Audit Committee of Governing Body***

### ***Minutes of 14<sup>th</sup> February, 2017***

**Present:** Dr Fionnuala Anderson, Kieron Connolly

**In Attendance:** Dr Annie Doona, Bernard Mullarkey, Conor Logan, Elaine Dominguez  
(Minute-taker)

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Due to no Chairperson having been appointed to the Audit Committee at the time of the meeting, Kieron Connolly proposed that Dr Fionnuala Anderson act as Chairperson for the meeting.

#### **1. Adoption of Agenda**

The meeting Agenda was adopted as circulated, with 'Membership of Audit Committee' being included under A.O.B.

Proposer: FA

Secunder: KC

#### **2. Adoption of Minutes of the Meeting of 14<sup>th</sup> December, 2016**

The Minutes were adopted as circulated.

Proposer: KC

Secunder: FA

#### **3. Matters Arising**

**3.1 Revised Code of Practise for the Governance of State Bodies** – It was reported that a Working Group was established to analyse the differences between the existing and new Code of Practise for the Governance of State Bodies. An update will be provided to Audit members at the next meeting.

**3.2 Read/Write Access of HR Staff to CORE Payroll Function** – It was reported that it is hoped to go 'live' with the new CORE system at the end of March. Once this is achieved, an assessment will be carried out as to the access needs of all relevant staff members. It was noted that there are significant controls in place in relation to the access of CORE by staff members.

**3.3 Legal Services Contract** – it was reported that the Institute will engage with the Office of Government Procurement in relation to a tender process for the procurement of legal services. It was noted that, in the interim, the Institute may engage with legal advisors on a case-by-case basis.

#### **4. Draft Financial Statements for year ended 31<sup>st</sup> August, 2016**

The Audit Committee members were briefed on the financial statements for the year ended 31<sup>st</sup> August, 2016 as circulated. It was noted that auditors from the Office of the Comptroller & Auditor General will visit the Institute in the coming weeks to carry

out an audit of the financial Statements. It was reported that been significant changes have been made to the layout of the Financial Statements, in particular in relation to Notes 1 'Significant Accounting Policies', and Note 7 'Staff Costs'; resulting from the adoption of Financial Reporting Standard FRS102.

## 5. **Draft Report on the Internal Audit Review of Internal Financial Controls (Accounts Payable)**

Mike Sullivan [Partner, PricewaterhouseCoopers (PwC)] and Philip Beyers (Manager, PwC) joined the meeting. An updated draft Report on the Internal Audit Review of Internal Financial Controls was circulated to the Audit Committee members which contained minor changes to the one previously circulated. The Committee members were briefed on the report and it was noted that a number of good working practices were found to be in place in the Finance Office. It was noted that 8 matters in total were identified, with 2 being considered 'Substantial', 5 as 'Moderate' and 1 as 'Minor'. No critical matters were identified.

The two 'Substantial' findings were as follows:

- (i) **User Access Reviews to relevant Accounts Payable systems and Network Folders not performed** – this issue was rated as being 'Substantial' due to the nature of the risk rather than any findings. It was noted that the Institute accepts the need for quarterly reviews of the User Access to the Accounts Payable systems. It was also noted that general access rights are deleted when a staff member leaves the Institute.
- (ii) **Limited Controls in place with respect to Supplier Master Data Changes** – it was noted that the Institute accepts the recommendation to develop a procedure document detailing the process for updating the supplier master data. It was also noted that only four staff members are authorised to make changes to the supplier master data. However, the Institute does not consider it necessary for the Finance Manager to approve all Master File changes in advance.

On completion of the briefing by Mike Sullivan, AD, BM, CL and ED left the Boardroom.

Following a discussion between the Audit Sub-Committee members and the representatives from PwC, AD, BM, CL and ED returned to the Boardroom. It was reported that the Sub-Committee members were satisfied that there were no further issues that would warrant review or consideration by the Audit Sub-Committee.

## 6. **A.O.B.**

- 6.1 **Membership of Audit Committee** – it was reported that the Chairperson of Governing Body has consulted with various Governing Body members regarding their potential membership of the Audit Committee.

**Next Meeting:** Wednesday, 31<sup>st</sup> May, 2017 at 9.30am

Signed:   
Chairperson

Date: 24/5/17