

# **AUDIT PLANNING DOCUMENT FOR YEAR ENDED SEPT' 2019**

## **Objective**

To have a full set of unaudited financial statements for the year ended 30 September 2019 made available to the C&AG by 31 January 2020 and a set available for KPMG before they commence their final audit visit here around the end of January 2019.

## **Background**

In respect of the 2019 financial year accounts, the C&AG require a set of financial statements by 31 January 2020. UCD have committed to complying with that date. The financial statements do not need to have a signed audit report attached nor do they require to be approved by the Governing Authority, but they must be of sufficient quality that will require no significant audit changes.

The Financial Reporting unit extracts a trial balance from the eFinancials software which is primarily set up and geared toward facilitating a set of Outturns for the FRAMC and the Funding Statement required by the HEA. In order to be GAAP compliant, approximately 100 journals need to be prepared by various units within the Bursar's office and uploaded to a detailed GAAP spreadsheet along with workings for various ancillary and subsidiary operations in order to produce figures in the format that is required for the University's consolidated financial statements. Several of these journals require extensive analysis work based on what transactions are recorded within eFinancials and can take weeks to prepare. As a result, it is important that all transactions that are required to be entered to eFinancials are done so promptly in order that the necessary analysis and reclassification work can be carried out in a timely fashion to meet the required audit deadlines imposed by the C&AG and KPMG. Detailed audit files are also prepared in advance of the visit of the external auditors showing the reconciliation from the extracted trial balance to the figures to be disclosed in the financial statements.

## **Main planning/processing issues**

The target date for the close off of period 13 for 2019 is roughly the same as in previous years as the deadlines for the auditors remain very tight with the same volume of complex work to be completed before their arrival.

KPMG will pay an interim visit at the end of November 2019. This visit will be used to carry out compliance testing such as enquiry of processes and controls currently in place. KPMG will evaluate such information and then carry out specific testing on the relevant controls.

In addition, they will review some elements of the year end related work which are complete at the time of their interim visit. These areas will be agreed with them at an audit planning meeting. It is imperative that the agreed audit files are complete and accurate as any amendments have to be carried over for review at the final audit stage, slowing up that process.

It is important that all deadlines are achieved especially as to the completeness of entries posted to period 13. We will be required to provide KPMG with a trial balance from eFinancials at the beginning of the interim audit along with a complete datafile of all transactions for the full financial year on which KPMG can then carry out their data analytics analysis.

Late journals in the past had to be included as new GAAP journals and a reconciliation was needed to show KPMG the current eFinancials position versus the original produced and the impact on the GAAP accounts. Late journals also meant that certain GAAP journals from previous years had to be identified and reversed. In addition, late journals had a significant impact on the GAAP journals prepared as part of the consolidation workings as these journals needed to be reviewed to assess and correct the impact of the late journals. All this caused undue delay in getting clearance from KPMG as they needed to understand and verify what we were processing.

The consolidation process will be substantiated by KPMG when they returned for their final visit at the end of January 2020. In order for the consolidation process to be completed on time all intercompany trading details will need to be submitted by 20 December 2019.

A list of files and a list of "prepared by client" points normally generated by KPMG each showing the targeted deadline date to facilitate the audit process will be circulated. Again, items received after the deadline slow up the process and require a review of other known impact areas, so completion by the deadline is imperative to keep the whole process on track.

This year, we will be asking KPMG again to audit the US GAAP accounts in conjunction with the Irish GAAP accounts. We are under pressure from the US Department of Education to file audited US GAAP accounts within a very tight timeframe. The draft US GAAP accounts are based on the Irish GAAP version submitted for audit subject to a number of journals to account for the differing GAAP regulations as between the two codes. Any subsequent amendments to Irish GAAP can be mirror imaged in the US GAAP accounts during the audit clearance process.

## Key Deadlines

6 <sup>th</sup> September 2019	Fee Income Adjustment to be submitted to FPMA, having been agree with UCD Registry.
6 <sup>th</sup> September 2019	FPMA to populate default 19/20 Operational Budgets on PBCS
9 <sup>th</sup> September 2019	PBCS will be opened to allow for the amendment of Operational Budgets for 19/20 by FMs.
23 <sup>rd</sup> September 2019	Input of operational budget to be completed.
27 September 2019	Payments team to complete processing
30 September 2019	Financial year end
01 October 2019	Run all relevant reports from Banner for fees audit
04 October 2019	General Ledger unit will close off period 12
11 October 2019	Finance Managers post any remaining local transactions that affect Fee-Related Expenditure
16 October 2019	FPMA calculate and post Performance Based Funding journals
18 October 2019	Close off period 13 for Finance Managers- All journals, accruals, prepayments, committed funds transfers <sup>1</sup> and final NDE reserve transfers to be submitted
25 October 2019	Close off period 13 – run all reports for GAAP journals analysis and identification purposes
25 <sup>th</sup> October 2019	PBCS University Budget will be opened to allow for adjustments to be made in respect of Committed Funds and other <b>agreed</b> changes.
29 <sup>th</sup> October 2019	PBCS University Budget will be closed at 5pm, no further adjustment can be processed.
31 <sup>st</sup> October 2019	PBCS will be closed to allow for roll forward of System to the 20/21 year.
11 November 2019	Subsidiaries audits visit by KPMG  Commencement of Q4 2019 Outturn Meetings (11 <sup>th</sup> to 13 <sup>th</sup> November)
15 November 2019	Completion of agreed audit files for KPMG interim visit on UCD main audit
25 November 2019	Interim visit by KPMG on UCD main audit

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<sup>1</sup> A worksheet for Committed Funds Transfers will be provided to Finance Managers. This will enable them to enter details of the transfers and the workbook will create the transactions to be posted. Finance Managers will post the Actuals and Budget transactions.

25 November 2019	Run trial balance for KPMG and use this TB as starting point for GAAP accounts.
20 December 2019	Completion of GAAP journals
20 December 2020	All subsidiary and ancillary schedules for consolidation purposes to be submitted
10 January 2020	Completion of remaining audit files for KPMG final visit on UCD main audit
17 January 2020	Completion of all consolidation journals
24 January 2020	Completion of unaudited financial statements for YE 30 Sept 2019 including all detailed notes to the accounts
27 January 2020	Final visit by KPMG on main UCD audit
31 January 2020	Submission of complete unaudited financial statements to the C&AG to comply with imposed deadline
31 January 2020	Completion of audit file and draft accounts for audit re US GAAP
02 April 2020	Audit committee meeting where Irish and US GAAP accounts to be discussed
01 April 2020	FRAMC meeting where Irish and US GAAP accounts to be discussed
14 May 2020	Governing Authority Meeting where accounts will be approved