
MINUTES OF THE SIXTY SIXTH MEETING OF THE AUDIT & RISK COMMITTEE HELD IN THE BOARDROOM, NORTHLAND BUILDING COMMENCING 1136

PRESENT:

Mr P Canavan, Committee Chair
Ms M Breslin
Mrs M Gormley
Mrs C Shongo

REMOTE ATTENDANCE:

Prof M Ó Néill (from 1153)
Mr F Smyth (from 1138)

PRESENT ATTENDEES:

Mr P McKeown, Finance Director
Mr A Mulcahy, Head of Finance (for training session only)
Mrs É Doherty, Secretary to the Governing Body

REMOTE ATTENDANCE – ATTENDEES

Mr L Murphy, Principal & Chief Executive (from 11:50)
Mr I McCartney (Internal Auditor, RSM)
Mr D Conliffe (DfE)
Mr B O' Neill (NIAO)

66.1 WELCOME & APOLOGIES

The Committee Chair welcomed everyone to the meeting. The meeting had full attendance.

66.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

There was no conflict of interest declarations. There were no declarations of any other business.

66.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 28 FEBRUARY 2023**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 28 February 2023

The Draft Minutes were taken as read and agreed as a true and accurate record of the meeting.

PROPOSED, Ms M Breslin

SECONDED, Mrs M Gormley

66.3.1 MATTERS ARISING – February 2023 Committee Meeting

65.4 Articles and Instrument of Government – The proposed changes were approved at the Governing Body meeting held on 8 March 2023 and subsequently signed off by the Department (DfE). These documents are available to members on Decision Time.

65.5, Report 3 – Conflict of Interest Policy – Approved at the Governing Body meeting held on 8 March 2023.

65.5, Report 4 – A Budget briefing paper was provided at the Governing Body, Reserved Business meeting held on 8 March 2023 (Ref GB RB 98.3).

The Finance Director updated the Committee that the 2023/24 Budget Letter had not been received. This letter was expected on 19 May 2023.

65.8 Correspondence NIAO - Mr D Conliffe advised that the Department (DfE) was waiting on the Group Audit Instructions in respect to the External Audit for year end March 2023. Mr B O’Neill (NIAO) stated he would report further on this matter under Agenda item 66.7. The Committee Chair agreed to this.

66.4 COMMITTEE CHAIR’S BUSINESS, Mr P Canavan**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

- Report 1 Chair to the Committee
- Report 2 Self-Assessment Exercise 2022/23
- Report 2.2 Comments received through the Self-Assessment Exercise
- Report 2.3 Summary Report – Responses Received Scoring of 1

Report 1 Chair to the Committee

The Committee Chair notified members that his term of office will complete in June 2023. Following an expression of interest exercise, he was happy to report that Mrs C Shongo will take on the role as Chair of the Committee. The Committee Chair wished Mrs Shongo well in her new post.

Report 2 Self-Assessment Exercise 2022/23

The Self-Assessment Exercise 2022/23 was taken at the end of the meeting.

66.5 MANAGEMENT REPORT, Mr P McKeown, Finance Director**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Risk Management Group Report 2, 2022/23
Report 2	Fraud Policy (including Anti-Fraud) – December 2022
Report 3	Direct Award Contracts
Report 4	Prompt Payment – verbal report
Report 5	National Fraud Initiative Exercise 2022/23
Report 6	Corporate Risk Register – May 2023

Report 1 Risk Management Group Report 2, 2022/23

The Finance Director reported that the vacant post of Compliance Officer/Data Protection Officer has now been filled. The appointee will join the Risk Management Group in due course.

The College Corporate Risk Register currently has nine risks. A new risk titled; 'Cyber Security' has been added. (Risk 8).

Risk 3, 'Compliance with Work Based Learning Regulations & Procedures' – the Department (DfE) have assigned new personnel to support with managing the challenges associated with TAMS. The Department (DfE) have placed arrangements with Colleges to claim output related funding. There are still some challenges and ongoing concerns however Ms M Breslin, Staff Governor and Compliance and Admissions Manager reported that meetings and communications with the Department (DfE) are working well. The Sector has strongly communicated to the Department (DfE) that the system needs to be fully functional before the next academic year.

Risk 7 'Failure to Maintain Financial Stability' – the residual scoring on this risk has been increased to reflect the financial position in the current year.

Risk 9 – 'COVID 19' – title has been updated to 'Impact of COVID 19 Pandemic' and the scoring has been reduced.

The Finance Director added that a new piece of software (4Risk) has been procured through RSM and will be trialled for one year. This will replace the current manual Risk Register.

Mr F Smyth stated that consideration should be given to place, 'staffing issues' on the Risk Register, particularly the challenges in recruiting staff. The Finance Director reported that these risks are included within the Curriculum Departments' Risk Registers. This was also discussed at the Risk Management Group meeting and it was decided for now, not to place 'staffing issues' as a standalone risk on the Corporate Risk Register. It was agreed to discuss this matter further in the training session to follow the Committee meeting. **The Finance Director agreed to raise the matter at the Risk Management Group and with senior colleagues.**

The outstanding matter from Internal Audit 2018/19 (Grant Thornton) is now complete. Matters outstanding from the Internal Audit Review on Safeguarding 2021/22 (RSM) are now complete. The outstanding matters on the review on the Learner Management Systems are complete/ongoing or the target date had not yet been reached. The outstanding matters from Internal Audit 2022/23 (RSM) are mainly complete.

Mr Murphy and Prof M Ó Néill joined the meeting during this item.

Report 2 Fraud Policy (including Anti-Fraud) – December 2022

Members were content to recommend the Fraud Policy to the Governing Body.

PROPOSED, Mrs C Shongo

SECONDED, Ms M Breslin

Report 3 Direct Awards Contract

There were no Direct Award Contracts to report on.

Report 4 Prompt Payment – verbal report

Prompt payment figure for 30 days to 30 April 2023 was 96% and for the year to date was 95%.

Report 5 National Fraud Initiative Exercise 2022/23

For the benefit of new members, the Finance Director provided background to this biennial exercise. The College received a report of 257 data matches for the NFI 2022/23 exercise. No new issues were identified by the matches.

Report 6 Corporate Risk Register – May 2023

The Finance Director reported that the Risk Register was now presented in its new format, (4Risk). Further modifications will take place to refine the content.

The Committee Chair thanked Mr McKeown for his report and invited Mr McCartney to present the Internal Audit Report to the Committee.

66.6 INTERNAL AUDIT – Mr I McCartney, RSM

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Internal Audit Progress Report 2022/23

Report 2 Internal Audit Review – Compliance with Legal and Regulatory Requirements: Fraud, Whistleblowing and Bribery

Report 3 Internal Audit Review – Business Continuity Planning & Disaster Recovery

Report 1 Internal Audit Progress Report 2022/23

The Internal Auditor reported that two Review Reports have been completed. Good progress has been made on agreed actions as reported under 66.5, Report 1. All work has been completed against the Audit Plan for the year and the final assurance report will be available for the next Committee meeting.

Report 2 Internal Audit Review – Compliance with Legal and Regulatory Requirements: Fraud, Whistleblowing and Bribery

The Review received a satisfactory assurance rating with five low priority findings. Areas of good practice were identified.

Report 3 Internal Audit Review – Business Continuity Planning & Disaster Recovery

The Review received a satisfactory assurance rating with one medium priority and three low priority findings. The medium priority finding relates to the critical system testing of JANEHR. This is not a contractual obligation of the supplier. It was agreed that management will liaise with Sector colleagues through the HR Working Group to arrange a DR Testing Plan for JANEHR.

The Committee Chair thanked Mr I McCartney (RSM) and invited Mr B O’Neill (NIAO), to report to the Committee.

66.7 EXTERNAL AUDIT - Mr B O’ Neill, NIAO**➤ PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1 Audit Strategy 2022/23**

The External Auditor brought members through a brief overview of the Audit Strategy 2022/23. This included the key messages, materiality thresholds, presumed significant audit risks. The actions required of the Audit & Risk Committee were highlighted. The Audit Fee is estimated at £34K. The increased fees are reflected in the changes to the financial reporting standard.

The External Auditor advised that NIAO will not charge the College for the work required on behalf of the Department (DfE) on the Accounts as at 31 March 2023. Other risk factor areas identified were management override of controls due to fraud and risk of fraud in revenue recognition. The audit team, fee and timetable were noted.

The Finance Director asked would the external audit work taking place for the 31 March 2023 accounts for the Department (DfE) have a positive impact on the work and associated fee for the College Accounts for year end 31 July 2023. The External Auditor replied the fee will be reviewed once the audit has been completed.

It was highlighted that the timetable dates within the Strategy for the issue of the Report To Those Charged With Governance (RTTCWG) need to align with the Committee's Schedule of Committee Meetings (Paper 66.9). The External Auditor replied they would work with the College to accommodate these deadlines.

The Committee Chair thanked Mr O'Neill for his report.

66.8 CORRESPONDENCE

No correspondence was received.

66.9 SCHEDULE OF COMMITTEE MEETINGS 2023/24

Member noted the schedule.

66.10 ANY OTHER BUSINESS

The Principal reported that this was the last Committee meeting for Mr P Canavan to Chair. His term of office completes in June 2023. Thanks were passed to Mr Canavan for taking on the role as Chair to the Committee and for his commitment to the Committee. The Finance Director mirrored the Principal's sentiments.

The Committee Chair thanked everyone and the meeting ended at 1412.

DATE OF NEXT MEETING – 12 September 2023

Mr I McCartney, Mr B O' Neill, Mr D Conliffe and Mr L Murphy left the meeting at this juncture.

The Committee Chair returned to item 66.4

66.4 COMMITTEE CHAIR'S BUSINESS - Mr P Canavan

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 2.1 Self-Assessment Exercise 2022/23

Report 2.2 Comments received through the Self-Assessment Exercise

Report 2.3 Summary Report – Responses Received Scoring of 1

Referring to Report 2.2 members noted the positive comments.

Report 2.3, The Committee Chair and Governing Body Secretary brought members through the report, providing further detail and clarification to Governors.

The Committee went through the Self-Assessment Exercise. The Committee considered it was performing effectively. A few actions were noted and will be followed up.

A training session followed for Committee members facilitated by the Finance Director and the Head of Finance.

Signed *Charlene Shongo.*
Ms C Shongo, Committee Chair

Date: 12 September 2023

APPROVED

Appendix 1

SUMMARY OF AGREED ACTIONS FROM THE MAY 2023 COMMITTEE MEETING

NO	MINUTE REF	TITLE OF REPORT	ACTION	OWNER
1	66.5 Report 1	Risk Management Group Report	'Staffing issues' to be placed on the Risk Register – to be discussed further at the training session	PMCK/ed
2	66.5 Report 2	Fraud Policy	To recommend approval of the Policy to the Governing Body	PC/ed
3	66.4	Self-Assessment Exercise 2022/23	Actions noted	ED

APPROVED