

MINUTES OF THE FIFTY SEVENTH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA VIDEO CONFERENCE ON 8 FEBRUARY 2021, COMMENCING 1130.

PRESENT:

Mr S Gillespie, Committee Chair
Ms M Breslin
Mr P Canavan (from 1140)
Mr G Killeen
Mrs L Taggart (from 1140)

IN ATTENDANCE;

Mr L Murphy (Principal & Chief Executive)
Mr P McKeown (Director of Finance & Economic Engagement)
Mr I McCartney (Internal Auditor, RSM)
Mr G Parr (PwC)
Ms H Sampson (DfE)
Mr B O'Neill (NIAO)
Mrs C McGovern (Boardroom Apprentice)
Mrs É Doherty (Governance Secretary)

Due to restrictions associated with the COVID-19 pandemic all members and attendees were joining the meeting via video conference.

57.1 WELCOME & APOLOGIES

The Committee Chair welcomed everyone to the meeting. No apologies were received.

57.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

57.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 3 NOVEMBER 2020**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 3 November 2020

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

PROPOSED; Mr G Killeen

SECONDED; Ms M Breslin

57.3.1 MATTERS ARISING – November 2020 Committee Meeting

56.4 Approval was received at the Governing Body meeting held on 11 November 2020 for the Student Council Report & Financial Statements to 31 July 2020.

Following further updates on Reports, final approval was received at the Special Governing Body meeting that was called for on

16 December 2020 for the following;

- Audit & Risk Committee's Annual Report to the Governing Body
- Annual Report & Financial Statements Year Ended 31 July 2020
- Report To Those Charged with Governance

56.6 The Department (DfE) will provide feedback to the Sector following completion of RSM Risk Management audits.

57.4 COMMITTEE CHAIR'S BUSINESS

The Committee Chair had no further business to discuss under this item and invited Mr P McKeown, Director of Finance & Economic Engagement to present his report to members.

57.5 MANAGEMENT REPORT, Mr P McKeown, Director of Finance & Economic Engagement

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

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|----------|--------------------------------|
| Report 1 | Direct Award Contracts Report |
| Report 2 | Prompt Payment – verbal report |

The Director of Finance & Economic Engagement reported that there was no Direct Award Contracts. The prompt payment figure for the 30 days to 31 January 2021 was 93% and for the year to date was 94%.

The Committee Chair thanked Mr P McKeown and invited Mr I McCartney, Internal Auditor to report to the Committee.

57.6 INTERNAL AUDIT

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

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|----------|---|
| Report 1 | Further Education Benchmarking of Internal Audit Findings 2019/20 |
| Report 2 | Internal Audit Progress Report 2020/21 |
| Report 3 | Internal Audit Review Report – Cyber Security |
| Report 4 | Internal Audit Review Report – Appeals & Complaints |

The Internal Auditor referred to the FE Benchmarking Report of the Internal Audit Findings 2019/20 that the Committee may find useful. He highlighted that the defined Internal Audit Assurance levels referred to in the paper are those used by non-NI Internal Audit FE clients. He added the three audit reviews that have taken place to date have all received satisfactory assurance ratings. These were well aligned with the benchmarking data within the report.

In relation to the Internal Audit Progress Report 2020/21, two reviews have been issued for this meeting. Reviews on Human Resources, Student Engagement and the Follow Up Review will now take place and reports issued for the next Committee meeting in May 2021. There has been no change to the agreed Audit Plan 2020/21 to date.

The Audit Review on Cyber Security was carried out by the RSM Specialist Technology Risk Assurance Team and received a satisfactory assurance opinion with four medium priority actions. The Internal Auditor provided detail on these four actions. As part of the review, an online survey took place with some College staff. The survey results suggested a good level of awareness on the key aspects of cyber security risk and control. Attention was drawn to three key findings suggesting further staff training may be required.

The Audit Review on Complaints & Appeals received a satisfactory assurance opinion with four low priority actions. The Internal Auditor provided detail on these actions.

The Committee Chair thanked Mr I McCartney, Internal Auditor and invited the External Auditor to report to the Committee.

Mr P Canavan and Mrs L Taggart arrived to the meeting during this item.

57.7 EXTERNAL AUDIT

The External Auditor reported on the closing of the 2019/20 Financial Statements and Accounts and stated he was hopeful this would be completed this week. The Financial Statements and Accounts will then be laid before the NI Assembly to be certified.

The Committee Chair expressed his concern in the delay with this matter. The Director of Finance and Economic Engagement and the Principal also expressed their disappointment with the lengthy process. The Director of Finance & Economic Engagement added the Board had signed off the Financial Statements & Accounts for 31 July 2020 at their Board meeting in November 2020. At this time the Board was aware of the outstanding issues. He was now keen to ensure that the full Board would receive the final report for the Board meeting to be held on 23 February 2021. Mr G Parr, PwC stated their internal process on these matters did take some time to resolve but assured the Committee that the matter will be completed in time for the Board meeting. The Governance Secretary requested that the Reports be issued to the College on or before 15 February 2021 to allow Board members to receive the report in a timely manner in advance of the Board meeting. Mr Parr noted this request.

57.8 CORRESPONDENCE

There was no correspondence to report on.

57.9 ANY OTHER BUSINESS

The Director of Finance & Economic Engagement reported that the fraud matter previously reported to the Committee (Sept 2020) has been closed. A Case Closure Summary has been submitted to the Department (DfE).

The College are dealing with another matter that may lead to a Fraud Notification Form being submitted to the Department (DfE). The Director will bring updates through the Committee.

The Committee Chair thanked everyone and closed the meeting at 1205.

DATE OF NEXT MEETING – 26 May 2021

Signed: _____ **Committee Chair**
Mr S Gillespie

Date: 26 May 2021

APPROVED