

MINUTES OF THE FIFTY EIGHTH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA VIDEO CONFERENCE ON 26 MAY 2021, COMMENCING 1150.

PRESENT:

Mr S Gillespie, Committee Chair
Ms M Breslin
Mr G Killeen
Prof M O'Neill (from 1205)
Mrs L Taggart

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)
Mr D Conliffe (DfE)
Ms K Beattie (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.

58.1 WELCOME & APOLOGIES

The Committee Chair welcomed everyone to the meeting. Apologies were received from Mr P Canavan.

58.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

58.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 8 FEBRUARY 2021**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 8 February 2021

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

58.3.1 MATTERS ARISING – February 2021 Committee Meeting

There were no matters arising from the February 2021 Committee meeting.

58.4 COMMITTEE CHAIR'S BUSINESS**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

- Report 1 Actions from Self-Assessment Exercise June 2020
- Report 2 Whistleblowing Policy – April 2021
- Report 3 Self Assessment Exercise 2020/21

The Committee Chair indicated he would take this agenda item at the end of the meeting. A Governor suggested changing the title of the Whistleblowing Policy to a more neutral term such as a 'Freedom to Speak Openly Policy'. It was noted that some public bodies have renamed the Policy to a 'Raising Concerns Policy'.

AGREED ACTION; It was agreed that the Governance Secretary to check the Sector position.

The Committee Chair invited Mr P McKeown, Director of Finance & Economic Engagement to present his report to members.

58.5 MANAGEMENT REPORT, Mr P McKeown, Director of Finance & Economic Engagement**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

- Report 1 Risk Management Group Report 2, 2020/21
- Report 2 Direct Award Contracts Report
- Report 3 Prompt Payment – verbal report

The Director of Finance & Economic Engagement referred to the Risk Management Group Report 2, 2020/21. All risks were reviewed in February 2021 and updated to reflect relevant developments including the ongoing impact of COVID-19. There have been no significant changes. In relation to Risk 7, 'Failure to Maintain Financial Stability' currently a low risk, the Department (DfE) have corresponded with the College on 30 April 2021 outlining the opening indicative resources allocation for 2021/22. The total DEL Resource Budget is £28.4m. The Director explained that the Budget looks reduced on last year (£30.1m 2020/21), however the difference mainly relates to the one-off COVID payments to March 2021.

The Director provided updated figures on Risk 9, 'COVID-19'. The Principal reported on the introduction of a voluntary, Lateral Flow Self Testing programme to the College to facilitate face-to-face learning in line with the DfE Framework for Safe Resumption. To move to Stage 5 the College will participate in a pilot as an Assisted Testing Centre. This will involve planning in terms of infrastructure, surgical waste etc.

The Director reported that the only change to the Risk Register was to Risk 5, 'The Quality of Curriculum Delivery not meeting required Benchmarks'. The inherent risk/potential risk has been increased - the impact score being changed for 2 to 3. The Corporate Risk Register now has four red and five amber risks.

Risk 6, 'Business Continuity Plan/Disaster Recovery', the matter of Cyber Security falls within this risk and this is currently being looked at and will require additional investment and resource.

AGREED ACTION; The Committee Chair agreed to pass on details to the Director on a training workshop facilitated by the National Cyber Security Centre.

Following on, the Director referred to the outstanding matters from Internal Audit Recommendations for 2018/19 from the Internal Auditor at the time, Grant Thornton. Implementation dates were extended due to the COVID situation however, work will continue to get these outstanding matters closed off. In terms of the outstanding Audit Recommendations for 2021/21 from RSM, items are all complete or ongoing and the implementation dates have not yet been reached.

Items outstanding from the External Audit 2019/20 were all complete.

The Director indicated that it might be beneficial to refresh the Risk Model that has been in place since the College merger. He will complete a piece of work on this and bring it back to the Committee early in the next academic year. The Sector have agreed to participate in a Sector workshop.

AGREED ACTION; To include the Risk Model on the Agenda for the next academic year.

In concluding his report the Director of Finance & Economic Engagement stated that there was no Direct Award Contracts. The prompt payment figure for the 30 days to 30 April 2021 was 93% and for the year to date was 88%.

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

Prof M O'Neill joined the meeting during this item.

58.6 INTERNAL AUDIT

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

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| Report 1 | Internal Audit Progress Report 2020/21 |
| Report 2 | Internal Audit Review Report – Human Resources |
| Report 3 | Internal Audit Review Report – Student Engagement |
| Report 4 | Annual Internal Audit Report & Opinion (Draft) 2020/21 |
| Report 5 | Enhancing the Control Framework |

The Internal Auditor referred to the Internal Audit Progress Report 2020/21. Work was completed for the year with the final reports coming to the meeting today. The Report included a summary of the work completed to date with nine low priority issues and four medium priority issues. There were no changes to the agreed 2020/21 Audit Plan to date. The KPI's targets were all achieved.

The Review Report on Human Resources achieved a Satisfactory assurance opinion with three low priority actions. The Review on Student Engagement also received a Satisfactory assurance opinion with no actions raised. Areas of good practice were included within the Report. The Principal and the Governor (Academic staff member) acknowledged the very positive result and wished to recognise the work of all the staff in the support they have been providing to students in a very difficult year.

The Internal Auditor referred to the Annual Internal Audit Report & Opinion (Draft) 2020/21, the final report will come to the next Committee meeting. For the 12 months ended 31 July 2021, the draft Head of Internal Audit opinion for the College was Satisfactory, noting there was a satisfactory system of governance, risk management and control. The report summarised the profile of work undertaken throughout the year and included a number of leadership papers issued for added value to Committee members and Senior Management Team in a variety of work areas. This included Report 5, 'Enhancing the Control Framework' Report, a review of the Internal Audit high priority management actions with educational clients in 2019/20. This may assist planning the key themes for the Audit Plan for 2021/22.

The Committee Chair stated it was encouraging to receive this level of assurance. He thanked RSM staff in their first year in providing audit services to the College. This was a difficult year with remote working. The Committee Chair then invited the External Auditor to report to the Committee.

58.7 EXTERNAL AUDIT

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Audit Strategy 2020/21

The External Auditors brought members through a brief overview of the Audit Strategy 2020/21 that included the key messages, materiality thresholds significant audit risks, the audit team and fee the audit timetable and the actions required of the Audit Committee.

The External Auditor advised that discussions were taking place with the Department (DfE) on the appropriate accounting treatment on the student payments under the Study Disruption Payment Scheme as a result of COVID -19. Internal Audit will undertake a review on this scheme in July 2021.

Further detail was provided on the other risks factors including COVID-19, CPD, NILGOSC Pension and Cyber Security.

Discussion took place on the dates of the External Audit Timetable 2021 to allow timely receipt of the RTTCWG to the Committee and Governing Body meetings. It was agreed that further discussions take place with the External Auditor, PwC on this matter.

58.8 SCHEDULE OF COMMITTEE MEETINGS 2021/22**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 58.8 Schedule of Committee Meetings 2021/22

Members noted the schedule.

58.9 CORRESPONDENCE

Reference was made to the correspondence from the Department (DfE) addressed to the Principal on the COVID-19 Study Disruption Scheme funding and audit requirements that was previously discussed under item 58.7.

58.10 ANY OTHER BUSINESS

The Committee Chair thanked everyone and closed the meeting. He invited those required to leave the meeting to do so at this time.

Mr I McCartney, Internal Auditor, RSM, Mr G Parr (PwC), Mr D Conliffe (DfE) and Ms K Beattie (NIAO) left the meeting at this juncture.

The Committee Chair returned to Agenda item 58.4.

58.4 COMMITTEE CHAIR'S BUSINESS**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Actions from Self Assessment Exercise June 2020
Report 2 Whistleblowing Policy – April 2021
Report 3 Self-Assessment Exercise 2020/21

The Committee went through the Self Assessment Exercise. The Committee considered it was performing effectively. A few actions were noted and the final report will be issued to all members.

The meeting ended at 1256.

DATE OF NEXT MEETING – 14 September 2021

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

Date; 14 September 2021