

MINUTES OF THE SIXTY SECOND MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA MICROSOFT TEAMS ON 24 MAY 2022, COMMENCING 1130.

PRESENT:

Mr S Gillespie, Committee Chair
Ms M Breslin
Mr P Canavan
Mrs M Gormley
Mr G Killeen
Prof M Ó Néill
Mrs C Shongo

IN ATTENDANCE;

Mr P McKeown (Interim Principal & Chief Executive)
Mr A Mulcahy (Head of Finance)
Mr I McCartney (Internal Auditor, RSM)
Mr D Conliffe (DfE)
Ms S Murphy (NIAO)
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.

62.1 WELCOME & APOLOGIES

The Committee Chair welcomed everyone to the meeting. He welcomed the new members to the Committee, Mrs M Gormley and Mrs C Shongo. Mr A Mulcahy, Head of Finance was in attendance for his first Audit & Risk Committee meeting. The meeting had full attendance.

62.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

62.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 8 FEBRUARY 2022**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 8 February 2022

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

PROPOSED, Mr P Canavan

SECONDED, Ms M Breslin

62.3.1 MATTERS ARISING – February 2022 Committee Meeting

61.5 The Governing Body approved the Risk Management Policy at the meeting held on 23 February 2022.

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

Report 1 Self-Assessment Exercise 2021/22

The Committee Chair indicated he would take this agenda item at the end of the meeting. He then invited Mr A Mulcahy, Head of Finance to present his report to members.

62.5 MANAGEMENT REPORT, Mr A Mulcahy, Head of Finance**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Risk Management Group Report 2, 2021/22

Report 2 Direct Awards Contract Report

Report 3 Prompt Payment – verbal report

Referring to the Risk Management Group Report (Report 1) the Head of Finance reported that there are currently nine risks on the Corporate Risk Register. Updates on the Risk Register since it last came to the Committee were highlighted. Risk 1, 'Data Integrity of College Systems', it was noted that the commissioned INTERSECT server performance review report was completed on 9 May 2022 and is currently being reviewed by Colleges.

Risk 7, 'Failure to maintain Financial Stability' – The scoring on this risk has been increased (3 – 6). The Department (DfE) has not confirmed the budget for 2022/23. A budget cut is likely. The Interim Principal & Chief Executive added that significant pressures have been identified in energy and pay together with other general inflationary rises. Cuts have been made within Estates and IT. This matter will be discussed at the June Resources Committee and Board meetings.

Risk 8, 'Risk of CPD & PD Processes' - The scoring of this risk has been reduced (6-3). A new contractor has been appointed that is directly managed by the College. CPD is no longer involved in the day to day management of works.

Risk 9, 'COVID -19' – Restrictions have been relaxed however staff and students are advised to continue with good practice.

The Finance Manager answered questions on the risks. The Staff Governor reported that there have been no recent issues with the EBS system (Risk 1) and hopefully that will continue during the peak enrolment period.

Following on the Head of Finance referred to the outstanding recommendations from Internal Auditor (Grant Thornton) for 2018/19. The target dates have been revised. The delay in closing off these matters was partially due to the IT resources been diverted to help manage the COVID situation within the College.

The Head of Finance provided updates on the outstanding Internal Audit Recommendations from the Internal Auditor (RSM) for 2020/21 and 2021/22. In respect to 2020/21 the two outstanding matters were ongoing with the target dates being revised. The actions from 2021/22, seven actions were complete, one was ongoing with the target date revised and one where the target date was not yet due.

In concluding his report, the Head of Finance stated that there were no Direct Award Contracts. The Prompt Payment figure for the 30 days to April 2022 was 98% and for the year to date was 97%.

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

62.6 INTERNAL AUDIT

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

- Report 1 Internal Audit Progress Report 2021/22
- Report 1.1 Internal Audit Follow Up Final Report
- Report 2 Internal Audit Review Report – Learner Management System – verbal report
- Report 3 Internal Audit Review Report – Academic Framework Governance
- Report 4 Benchmarking of Internal Audit Findings 2020/21
- Report 5 External Quality Assessment Outcomes – RSM Jan 2022

The Internal Auditor referred to the Internal Audit Progress Report 2021/22 (Report 1). Work has been completed for the year against Plan with the exception of the Learner Management System final report. A draft report has been issued. This is a Sector advisory review. The Internal Auditor intends to include any key issues across the Sector in the final report. The final report will come through the September 2022 Committee meeting.

The Internal Audit Follow Up Report (Report 1.1) noted the progress made by the College to implement previously agreed actions. 19 Management actions considered from these reviews comprised of 6 'Medium' and 13 'Low' priority actions. It was considered that the College had demonstrated reasonable progress in implementing the agreed management actions.

The Review Report on Academic Framework Governance (Report 3) achieved a satisfactory assurance opinion with three low priority actions. Areas of good practice were reported. The Committee Chair indicated that Report 4, Benchmarking of Internal Audit findings 2020/21 for the Sector was a useful report for the Committee.

Following the Internal Auditor's verbal report to the Committee in February 2022 (Ref 61.6) the External Quality Assessment Outcomes (Report 5) was now issued to the Committee. This report confirms that RSM have complied with the IIA's (Institute of Internal Auditors) and the PSIAS (Public Sector Internal Audit Standards) professional standards.

The Committee Chair thanked Mr I McCartney and invited Ms S Murphy (NIAO), to report to the Committee.

62.7 EXTERNAL AUDIT

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Audit Strategy 2021/22

The External Auditor brought members through a brief overview of the Audit Strategy 2021/22. This included the key messages, materiality thresholds, presumed significant audit risks. The actions required of the Audit & Risk Committee were highlighted. There are no significant changes in the financial reporting guidance in preparation of the financial statements. Other risk factor areas identified were funding pressures, the impact of the COVID-19 pandemic, the economic impact of the war in Ukraine, Cyber Security and the NIGOSC Pension estimates to value the pension liability. The audit team, fee and timetable were noted.

The Committee Chair thanked Ms Murphy for her report.

62.8 SCHEDULE OF COMMITTEE MEETINGS 2022/23

Members noted the schedule of meetings.

62.9 CORRESPONDENCE

There was no correspondence to note.

62.10 ANY OTHER BUSINESS

The Committee wished to pass on their sympathy to Committee member Mrs M Gormley on the recent sad passing of her mother.

The Committee Chair indicated that this was Mr Killeen's last Committee meeting as his term of office completes shortly. He thanked him for his years' service to the Committee. Mr Killeen thanked everyone involved in the Committee work, the College staff and the external representatives who attend the meetings.

The External Auditor wished to notify the Committee that the NAO had recently issued a revised Self-Assessment Checklist (May 2022) and was happy to share this with the Committee.

The Committee agreed to proceed with the Self-Assessment Exercise (version November 2017) and going forward to adopt the May 2022 version.

Mr I Mc Cartney and Ms S Murphy left the meeting at this juncture.

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

Report 1 Self-Assessment Exercise 2021/22

The Committee went through the Self-Assessment Exercise. The Committee considered it was performing effectively. A few actions were noted. **The Governance Secretary will issue the final draft to members.**

62.11 RESERVED BUSINESS

Taken separately.

The Committee Chair thanked everyone and the meeting went into private session.

DATE OF NEXT MEETING – 20 September 2022

Signed: _____
Mr P Canavan, Committee Chair

Date: 20 September 2022

APPROVED