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**MINUTES OF THE FIFTY FIFTH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA VIDEO CONFERENCE ON 15 SEPTEMBER 2020, COMMENCING 1130.**

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**PRESENT:**

Mr S Gillespie, Committee Chair  
Mr P Canavan  
Mr G Killeen  
Dr M O'Neill  
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 A Sarwar (PwC)  
Mr D Clonliffe (DfE)  
Mr A King (NIAO)  
Mr G McCole (IT Services Manager - for presentation item only)  
Mrs É Doherty (Governance Secretary)

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

The Committee invited Mr G McCole, IT Services Manager to present his report on Cyber Security – Risk Management to the Committee. With the aid of a PowerPoint presentation Mr McCole provided members with an informative update including details on the profile and activity of Office 365 College users; protections in place against cyber-attacks; the cybersecurity enhancements made since February 2020 and the specific challenges the team had to manage over the lockdown period.

The contract for the firewall licence and support was renewed in August 2020 for a further three years. At that stage it will be the end of support and will require renewal. The IT Manager stated that following a recommendation from an Internal Audit Review on IT Security the IT Team carried out a successful pilot on a monitoring system that provides an extra layer of visibility to the IT Team, the College would now use this system.

A question and answer session followed.

The Committee Chair and the Principal thanked Mr McCole for his presentation and paid tribute to the IT Team for their work during such challenging times.

*Mr McCole left the meeting at this juncture.*

**55.1 WELCOME & APOLOGIES**

The Committee Chair welcomed everyone back for the new academic year, to the new members and attendees to the meeting. The Committee had full attendance.

**55.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS**

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

**55.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 2 JUNE 2020****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 2 June 2020

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

**PROPOSED;** Mr P Canavan

**SECONDED;** Mrs L Taggart

**55.3.1 MATTERS ARISING – June 2020 Committee Meeting**

The Governance Secretary brought members through the matters arising from the previous meeting. All items were complete, the Director of Finance & Economic Engagement updated members on the suggestion at the previous meeting to consider a separate Risk Register relating to COVID-19 risks only. The Director stated that the College would continue to report all risks in the Corporate Risk Register; the Principal will provide a full report to the Governing Body on the Risks relating to COVID-19. The member confirmed he was content with this. The Committee Chair added he agreed it would be beneficial that the whole Board be briefed as stated. The Director and the Principal provided updates on some of the significant work that took place and which is continuing in managing the COVID risks. The College is currently looking to recruit a COVID Compliance Officer and a member of staff is taking on this role in the interim. The Director added there are financial risks associated with the COVID crisis, there have been additional costs and also easements. The Department (DfE) have been supportive to date and additional funding has been received. The Director stated that DfE would be requesting an update on the financial position in late September/early October.

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

Report 1 Self-Assessment Exercise June 2020 – agreed actions

Report 2 Review of the Committee's Terms of Reference

The Committee Chair brought members through the action plan from the Self-Assessment Exercise in June 2020.

Members were content to approve the Committee's Terms of Reference

**PROPOSED;** Mr P Canavan

**SECONDED;** Mr G Killeen

Members were content to approve that Ms M Breslin, recently appointed staff Governor to serve on the Audit & Risk Committee.

**PROPOSED;** Mr G Killeen

**SECONDED;** Mr P Canavan

Members were content to approve that Ms C McGovern, Boardroom Apprentice be in attendance at the Audit & Risk Committee meetings for this academic year.

**PROPOSED;** Mr G Killeen

**SECONDED;** Mrs L Taggart

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

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

### ➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Draft Annual Report & Financial Statements to 31 July 2020

Report 2 Direct Award Contracts Report – nil return

Report 3 Prompt Payment – verbal report

Referring to the Annual Report & Financial Statements Year Ended 31 July 2020 the Director stated that these were in draft form. The final draft will be submitted to the Department (DfE) on 25 September 2020. The Financial Statements have been prepared in accordance with the Accounts Direction and relevant accounting standards.

PwC, the External Auditors on behalf of the NIAO are due to commence the Audit of the Financial Statements and Accounts for the Year Ended 31 July 2020, week commencing 21 September 2020. This Audit will take place remotely.

The Director drew members' attention to a few items within the Financial Statements and Accounts which related to a Balance Sheet book entry for the NILGOSC Pension Reserves Valuation which was showing a substantial increase in the pension liability from £7.3m in 2019 to £21.5m in 2020 – partly explained by changes to the assumptions made by the actuaries. The Director added that in recent years the employer contributions have increased substantially.

A further item reported was concerning Note 25 of the Financial Statements in respect to a contingent liability for holiday pay. This was also reported as a contingent liability in last year's Financial Statements. The Sector Finance Directors consider a contingent liability note is still sufficient at this stage; however this matter will be discussed further with the External Auditors.

There was no Direct Award Contracts to report. Prompt payment figure for 30 days to 31 August 2020 was 93%. The Director provided background in achieving this figure.

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

## 55.6 INTERNAL AUDIT

### ➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Internal Audit Strategy 2020-21 – 2022/23

The Internal Auditor referred to the papers and brought members through the Internal Audit Strategy 2020/21 – 2022/23, the Audit Plan for 2020-21 and the Internal Audit Charter.

**Members were content to approve the Internal Audit Strategy, Annual Plan for 2020/21 (subject to an amendment on the reviews planned for 2020/21). The amended report will be brought to the Governing Body meeting.**

**PROPOSED;** Mrs L Taggart

**SECONDED;** Mr G Killeen

The Committee Chair thanked Mr I McCartney and invited Mr A King to report on the External Audit matters.

## 55.7 EXTERNAL AUDIT

### ➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Audit Strategy 2019/20 Revised Timetable

The External Auditor reported that the Audit Timetable presented to members at the June 2020 meeting had been revised to ensure that the Draft Report to Those Charged with Governance would be available for the November Audit & Risk Committee meeting.

## 55.8 CORRESPONDENCE

There was no correspondence to report on.

## 55.9 ANY OTHER BUSINESS

The Director of Finance & Economic Engagement advised that a case of fraud by a staff member had been logged with the Department. Due to lockdown there has been a delay in progressing this case however, the HR Department and the Head of Department are currently proceeding with it.

The Director provided detail on the current procedure for the reporting of suspected or actual fraud. It was clarified that the Department will notify the external auditor accordingly.

For information, the Director provided an update on the review of the financial process on the alignment of the different accounting year-ends. This has been deferred to the 2022/23 year.

The Committee Chair ended the meeting at 1232 and thanked everyone.

**DATE OF NEXT MEETING – 3 November 2020.**

**Signed: \_\_\_\_\_ Committee Chair**  
**Mr S Gillespie**

**Date: 03 November 2020**

**APPROVED**