
MINUTES OF THE FIFTY SECOND MEETING OF THE AUDIT & RISK COMMITTEE HELD IN THE BOARDROOM, STRAND ROAD CAMPUS ON TUESDAY, 5 NOVEMBER 2019, COMMENCING 1136.

PRESENT:

Mr S Gillespie, Temporary Committee Chair
Mr P Canavan
Mrs L Taggart

IN ATTENDANCE;

Mr P McKeown (Director of Finance & Economic Engagement)
Mr L Murphy (Principal & Chief Executive)
Mr N Taylor (Internal Auditor, Grant Thornton) until 1215
Ms K Doey (NIAO) until 1218
Ms L Paterson (PwC) until 1218
Mr D Conliffe (DfE) until 1218
Mrs É Doherty (Governance Secretary)

The Governance Secretary referred to previous reporting in relation to the eligibility of Chair to the Committee. The Department had received the College's request to consider a temporary change to the College Articles of Government to manage this issue. Members were in agreement that Mr Gillespie should preside as temporary Chair to the Committee. The Department were aware of this arrangement.

52.1 WELCOME & APOLOGIES

Apologies were received from Mrs C McFarland, Mr J McCallion (PwC) and Mr T Wilkinson (NIAO).

52.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

52.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 17 SEPTEMBER 2019**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 17 September 2019

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

PROPOSED: Mrs L Taggart

SECONDED: Mr P Canavan

52.3.1 MATTERS ARISING – September 2019 Committee Meeting

- 51.4 Committee Chair – matter reported on at the beginning of the meeting. Recommendation to the Governing Body to approve the Committee’s Terms of Reference.
Update: The Governing Body approved the Terms of Reference at their meeting held on 25 September 2019.
- 51.6 Internal Audit – Final GDPR Review Report to be presented at the November 2019 Committee meeting.
Update: Actioned
 - The Annual Audit Plan 2019/20 to be finalised and presented at the November 2019 Committee meeting.
Update: Actioned
 - The KPI’s for 2019/2020 to be reviewed and presented to the Committee
Update: Ongoing

52.4 COMMITTEE CHAIR’S BUSINESS➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Audit & Risk’s Committee’s Annual Report to the Governing Body 2018/19

AGREED ACTION; Members agreed to recommend to the Governing Body acceptance of the Committee’s Report

PROPOSED; Mr P Canavan

SECONDED; Mrs L Taggart

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

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

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| Report 1 | Risk Management Group Report 1, 2019/20 |
| Report 2 | Annual Report & Financial Statements Year Ended 31 July 2019 |
| Report 3 | Direct Award Contracts Report |
| Report 4 | Student Council Report & Financial Statements Year Ended 31 July 2019 |
| Report 5 | Prompt payment – verbal |

The Director reported that Mr G McCole, IT Services Manager will join the Risk Management Group, replacing Mrs K Duffy. The adjustments to the College Risk Register since the Report was last presented to the Committee in June 2019 were; Risk 5 – The Quality of Curriculum Delivery not meeting required Benchmarks – the scoring on this risk had been increased from 2 to 3. In reference to Risk no 8 the Director advised that a Business Case had been completed and a sub-committee

established to progress an exit from the CPD framework. A proposed date for the changeover to a new framework is April 2021.

Items relating to outstanding matters from Internal and External Audit for 2018/19 were listed. Several items have still not reached the implementation dates. The Director added that further detail on these matters will be taken later in the Agenda from the Internal/External Auditors. Concluding the Risk Management Report, in matters of Health & Safety during 2018/19, 94 accidents/incidents were reported. This was a slight reduction on 2017/18 with a total of 105 reported accidents/incidents. One accident under RIDDOR was reported. The Springtown Redevelopment Project is ongoing and is a 'live' site. It is closely monitored to ensure that it continues to be a safe environment for College activities. To date there have been no incidents/accidents reported.

The Director reported that there were no Direct Award Contracts.

Proceeding on, the Director referred to the Annual Report & Financial Statements Year Ended 31 July 2019. He indicated two further narratives to pages 9 and 58 had been added in regards to FRS17, NILGOSC pension liability. There were no further changes to the figures. Before requesting approval for the Financial Statements the External Auditor was invited to present the Draft Report to Those Charged with Governance 2018/19.

52.7 EXTERNAL AUDIT

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 2 Draft Report to Those Charged with Governance 2018/19

Ms L Paterson (PwC) on behalf of the External Auditor reported on the key matters from the audit. Following the completion of the audit the 2018-2019 Financial Statements will receive an unqualified audit opinion without modification. There were no adjusted or unadjusted misstatements identified during the audit process. No priority one recommendations were made. A priority 3 recommendation was made in respect to Deferred Income & Debtor Balances – Student Loans Company. This finding had been raised previously in 2018-19 and the College had contacted the Students Loan Company. However a recommendation was made for the College to continue to liaise to close this matter off.

In concluding her report Ms Paterson wished to thank the Director and his staff for their assistance during the audit process.

Members recommended approval to the Governing Body of the Annual Report & Financial Statements Year Ended 31 July 2019

PROPOSED; Mr P Canavan

SECONDED; Mrs L Taggart

The Committee Chair thanked Ms Paterson, (PwC) and invited Mr McKeown, Director of Finance & Economic Engagement to continue with his report. The

Director reported the Prompt Payment figures for the 30 days to 31 October 2019 was 90% and for the year to date was 87%.

Members were content to recommend approval of the Student Council Report & Financial Statements Year Ended 31 July 2019 to the Governing Body.

PROPOSED: Mrs L Taggart

SECONDED: Mr P Canavan

The Committee Chair thanked Mr McKeown and invited Mr Taylor, Grant Thornton to present the Internal Audit reports to members.

52.6 INTERNAL AUDIT

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

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| Report 1 | Internal Audit Progress Report 2018/19 |
| Report 2 | Annual Audit Plan draft 2019/20 |
| Report 3 | GDPR Review Report |
| Report 4 | Health & Safety Review |

The Internal Auditor referred to the Annual Audit Plan 2019/20 and confirmed that the dates had now been included in the Audit Timetable. The Audit areas for 2019/20 were also listed with a total estimate of 40 days. This was a reduction of 10 days following the College's requests to remove the Review of the Funding Model. The Director added that he was comfortable with this reduction. Mr Clonliffe (DfE) supported this. The Director added that the Key Performance Indicators for 2019/20 were still in draft and will be reviewed and brought back to the Committee for approval – they are currently being reviewed by NI Finance Officer's Network (NIFON).

In reference to the Audit reviews that took place the Internal Auditor reported that the review of Data Protection (GDPR) had received a satisfactory level of assurance with two priority 2 recommendations and four priority 3 recommendations. The Review on Health & Safety was awarded a satisfactory level of assurance with two priority 3 recommendations.

Members recommend approval of the Internal Audit Plan & Timetable

PROPOSED: Mr P Canavan

SECONDED: Mrs L Taggart

AGREED ACTIONS; Final KPI's to be brought back to the Committee.

The Committee Chair thanked the Mr Taylor for his report.

Mr Taylor, Internal Auditor left the meeting at this juncture.

52.7 EXTERNAL AUDIT

Already reported on.

52.8 CORRESPONDENCE

There was no correspondence received.

52.9 ANY OTHER BUSINESS

There was no any other business to discuss.

Ms K Doey, Ms L Paterson and Mr D Clonliffe left the meeting at this juncture and the meeting went into private session.

52.10 RESERVED BUSINESS

Taken separately.

DATE OF NEXT MEETING – 10 February 2020

The Committee Chair thanked everyone for their attendance and closed the meeting at 1218.

Signed: _____ Committee Chair
Mr S Gillespie

Date: 10 February 2020