
MINUTES OF THE FIFTIETH MEETING OF THE AUDIT & RISK COMMITTEE HELD IN THE BOARDROOM, STRAND ROAD CAMPUS ON TUESDAY, 11 JUNE 2019, COMMENCING 1717.

PRESENT:

Mrs R Dougherty (Committee Vice Chair)
Dr N Hand (from 1724)
Mr G Killeen (from 1709)
Mr L Murphy (Principal & Chief Executive)
Dr M O'Neill (from 1717)

IN ATTENDANCE;

Mr P McKeown (Director of Finance & Economic Engagement)
Mr N Taylor (Internal Auditor, Grant Thornton)
Mr J McCallion (Manager, External Auditor, PwC)
Ms L Paterson (Engagement Leader, External Auditor, PwC)
Mr D Conliffe (DfE) – via video conference
Mrs É Doherty (Governance Secretary)

Mrs Dougherty, Vice Chair informed members that she had agreed to preside over the meeting in the absence of the Chair, Mr P Laughlin who had tendered his apologies. She welcomed everyone and a round of self-introductions took place.

50.1 WELCOME & APOLOGIES

Apologies were received from Mrs C McFarland and Mr P Laughlin.

50.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

There was no conflict of interest declarations. The Director indicated she had one item of any other business to discuss.

50.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 19 FEBRUARY 2019**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 19 February 2019

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

PROPOSED: Mr G Killeen

SECONDED: Mr R Dougherty

50.3.1 MATTERS ARISING – February 2019 Committee Meeting

There were no matters arising from the February 2019 Committee meeting.

50.4 CHAIR'S BUSINESS**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Self-Assessment Exercise 2019

The Vice Chair indicated she would take this agenda item at the end of the meeting and then invited Mr McKeown, Director of Finance & Economic Engagement to provide his report to the Committee.

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

Report 1	Risk Management Group Report 2, 2018/19
Report 2	Direct Award Contract Report
Report 3	Prompt Payment – verbal

The Director of Finance & Economic Engagement advised that Mrs D McElwee, Acting Vice Principal of Curriculum & Information Services was now a member on the Risk Management Group, replacing Mrs S Traynor.

The Director went on to report the adjustments to the Risk Register since the last report presented to the Audit & Risk Committee in November 2018. The risk titled, 'Data Integrity of Combined Systems' had been reinstated onto the register. The Director provided explanations to this action. The risk titled, 'Failure to Maintain Financial Stability' scoring had been decreased from 6 to 3. The Department have indicated that there may be potential funding to cover the budget challenges including the pay pressures that the College faces. In answer to a member's question in relation to the risk of CPD and PD Processes the Director confirmed that this matter is ongoing.

The Director brought members through the outstanding matters from Internal Audit. It was agreed that going forward any Internal Audit recommendations should be reported through the relevant Committees.

Matters outstanding from External Audit 2017/18 recommendations have been completed. There were no Direct Award Contracts and prompt payment for 30 days to 31 May 2019 was 91% and the accumulative figure for the year to date was 93%.

Dr N Hand arrived to the meeting during this item.

The Vice Chair thanked Mr McKeown and invited Mr Taylor to present the Internal Audit report to members.

50.6 INTERNAL AUDIT**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Audit Progress Report 2018/19	
Report 1	Payroll

In reference to the Internal Audit Progress Report 2018/19, Mr Taylor apologised that the Committee had only received one Audit Report for this meeting. The Data Protection (GDPR) and the IT Security audit reviews had been completed but the reports were still in draft. The Sector Wide Review of Hardship, Care to Learn and ASF Funds was also due for reporting at this Committee meeting but was also still in draft.

The Vice Chair stated that it was very disappointing for the end of year (academic) meeting for the Committee not to receive the Audit Reports together with the Follow Up and Annual Assurance Report to close off the 2018/19 Internal Audit Timetable.

The Internal Auditor reported that a 'Satisfactory' assurance was awarded to the appropriateness and effectiveness of the payroll processes and controls in the College with a one Priority 3 recommendation. The College does follow the Departmental guidance on

Governor Remuneration however it was recommended that the College also formally documents this process.

Mr Conliffe highlighted some inaccuracies within the Report relating to the Governing Body payroll.

The Committee Vice Chair thanked Mr Taylor, Internal Auditor and invited Ms Paterson, External Auditor to report to the Committee.

50.7 EXTERNAL AUDIT

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Correspondence from NIAO to Principal, June 2019

Report 2 Audit Strategy 2018-2019

Ms Paterson referred to the correspondence which pertained to the audit fee for 2018-2019 which will increase to £23,500 (£20,000, 2007-18). This increase resulted from the tendering exercise to contract out some audits to external firms.

The External Auditor then brought members through the 2018/19 Audit Strategy which included the intended approach, the materiality thresholds, significant risks and the audit timetable and the audit engagement team.

The Vice Chair asked members were they in agreement with the actions required of the Audit Committee. Members confirmed they were content.

The Chair thanked Ms Paterson for her report.

50.8 SCHEDULE OF MEETINGS 2019/20

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Draft Schedule of Committee Meetings 2018/19

Members noted the Schedule.

50.9 CORRESPONDENCE

As noted above 50.7 (Report 1).

50.10 ANY OTHER BUSINESS

The Director brought to the Committee's attention a suspected fraud which is currently being investigated. The Committee will receive an update once the investigation is complete. The Department have been informed in line with the Fraud Policy.

The Committee Vice Chair brought this part of the meeting to an end, she thanked everyone for their attendance and requested those not required for the remaining item to leave the room at this juncture.

Mr P McKeown, Mr N Taylor, Mr J McCallion, Ms L Paterson and Mr L Murphy left the room. Mr D Conliffe ended the video conference link.

The Vice Chair then took agenda item 50.4 next.

50.4 CHAIR'S BUSINESS**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Self Assessment Exercise 2019

The Committee went through the Effectiveness Checklist and completed each section. It was agreed to pass a query to the Director of Finance for further clarification.

AGREED ACTIONS;

- **The Governance Secretary to pass the query to the Director of Finance and Economic Engagement.**
- **The Governance Secretary to prepare a final draft of the Checklist and forward to Committee members.**
- **Internal Audit recommendations should be reported through the relevant Committees.**

DATE OF NEXT MEETING – 17 September 2019

The Chair thanked everyone for their attendance and closed the meeting at 18.07.

Signed: _____ **Chair**
Mr S Gillespie

Date: 17 September 2019