

MINUTES OF THE SIXTY FOURTH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA MICROSOFT TEAMS ON 8 NOVEMBER 2022, COMMENCING 1130.

PRESENT:

Mr P Canavan, Committee Chair
Ms M Breslin
Mrs M Gormley
Prof M Ó Néill
Mrs C Shongo
Mr F Smyth

IN ATTENDANCE;

Mr P McKeown (Finance Director)
Mr I McCartney (Internal Auditor, RSM)
Ms H Sampson (DfE)
Ms A Stafford (NIAO)
Mrs É Doherty (Secretary to the Governing Body)

64.1 WELCOME & APOLOGIES

The Committee Chair welcomed everyone to the meeting. No apologies were received.

64.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

There was no conflict of interest declarations. The Committee Chair indicated he had another item to discuss under Any Other Business (Item 64.9). This related to matters arising from the recent training some Committee members attended.

64.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 20 SEPTEMBER 2022**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 20 September 2022

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

PROPOSED, Mrs C Shongo

SECONDED, Ms M Breslin

64.3.1 MATTERS ARISING – September 2022 Committee Meeting

63.0 The Finance Director reported that the Risk Management Group will consider placing Cyber Security as a standalone risk on the College's Risk Register when they meet again to review the Risk Register in early 2023.

63.4 Approval was received at the Governing Body Meeting held on 5 October 2022 for the Committee's Terms of Reference.

63.6 The additional Internal Audit review on Lost Learning was included in the updated Audit Plan 2022/23.

63.6 It has been noted that an Internal Audit review on Cyber Security will take place during 2023-24.

64.4 COMMITTEE CHAIR'S BUSINESS, Mr P Canavan

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Audit & Risk Committee's Annual Report to the Governing Body

The Committee Chair brought members through the Annual Report. The Internal Audit Service reported that for the 12 months ended 31 July 2022 the Head of Internal Audit opinion for the North West Regional College was satisfactory. The Auditor is recommending the 2021-22 Financial Statements with an unqualified audit opinion, without modification.

Member of the Committee were content to accept the Report.

64.5 MANAGEMENT REPORT, Mr P McKeown, Finance Director

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Annual Report & Financial Statements Year Ended 31 July 2022

Report 2 Student Council Report & Financial Statements Year Ended 31 July 2022

Report 3 Risk Management Group Report 1, 2022/23

Report 4 Direct Awards Contract - nil return

Report 5 Prompt Payment – verbal report

Report 1 Annual Report & Financial Statements Year Ended 31 July 2022

The Finance Director thanked Ms Stafford and her colleagues in NIAO for the timely manner in which the audit was conducted. The Finance Director reported that there will be a few amendments to Report 1. These will have no material impact on the figures and narrative statements. As reported in the Report To Those Charged With Governance, an adjustment was identified in the Draft Accounts. This related to the revaluation of assets. The net effect of adjustment was £129K with the impact on the Financial Position of (£129K).

The Committee Chair noted the summary of the College highlights for 2021-2022.

Approval was postponed of the Annual Report & Financial Statements until the External Auditor had presented her report, item 64.7.

Report 2 Student Council Report & Financial Statements Year Ended 31 July 2022. An independent auditor prepared the Accounts.

PROPOSED; Mr P Canavan

SECONDED; Mrs M Gormley

Report 3 Risk Management Group Report 1, 2022/23

The Finance Director noted the recent changes to the members of the Risk Management Group. There are currently two high risks on the register. In relation to Risk 3, 'Compliance with Work Based Learning Regulations and Procedures', currently a high risk given the current issues with the new TAMS system. This issue has impacted on a number of other risks on the register. Ms M Breslin, Governor and Staff member (Head of Compliance and Admissions) provided background to this matter which relates to the function of the recent rollout of the Trainee Apprenticeship Management System (TAMS). This is the Departments (DfE) system. On the finance side a workaround process has been implemented to manage the payments due to the employers. Manual records are being maintained. DfE have advised that all TAMS claims from Colleges will be honoured when the system is fully operational again and the Department have placed relaxations in place in terms of compliance requirements. This is a Sector issue and a Sector operational Resolution Group has been set up.

Following members questions the Committee Chair wished to acknowledge and thank the teams involved in managing the extra work that has been created due to these issues.

Risk 7, 'Failure to Maintain Financial Stability'

The scoring of this risk has been reduced to a low risk to reflect the financial position in the current year. The Department are indicating that the Sector will have to make significant savings in 2023/24.

Risk 9 (COVID 19)

The scoring of this risk has been reduced from a high to a medium.

The Finance Director stated that Management had received training on the Risk Register process delivered by RSM UK Risk Assurance Services. This training was very informative. Regarding fraud awareness the Finance Director informed members that this will form part of the LMT agenda on a quarterly basis and that it is now part of induction for new staff.

Members of the Audit & Risk Committee also received training facilitated by the Department (DfE). The Committee Chair asked would it be considered for 'Fraud' to be a standing item on the Risk Register. **In response the Finance Director agreed he would look into this.**

Discussion took place on the involvement of Governors in taking a more proactive approach in their responsibilities of risk.

- **It was agreed that a Risk Workshop be arranged with the members of the Audit & Risk Committee.**
- **It was agreed that the Board be involved in work relating to the risk appetite attached to the individual risks.**
- **It was agreed that details be provided on the progress made to date on the Internal Audit Recommendations where the target date has not yet been reached.**

The Health & Safety Annual report was issued. During 2021/22, 72 accidents/incidents were reported. Two serious injuries were required to be reported to the Health & Safety Executive under the requirement of the RIDDOR regulations.

Report 5 Prompt Payment – verbal report
Prompt payment figure for 30 days to September 2022 was 97% and for the year to date was 96%.

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

64.6 INTERNAL AUDIT – Mr I McCartney, RSM

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Internal Audit Progress Report – Nov 2022

Report 2 Maximising Your Impact, Managing Risks and Building Resilience

Report 1 Internal Audit Progress Report – Nov 2022

Field work for the review of Repairs & Maintenance commenced in October 2022. Fieldwork for the review of Financial Controls inc Payroll commenced on 28 November 2022. The Review reports will come to the February Committee.

Report 2 Maximising Your Impact, Managing Risks and Building Resilience

The paper was a summary seeking to understand the key risks faced by the NI and wider UK education clients by analysing the contents of the risk registers of the six FE Colleges in N Ireland. The Internal Auditor added the College risks appears to be aligned with others in the report. In response to Mrs Gormley's question on the areas across education where risks are emerging, the Internal Auditor stated that for the area of Environmental, Social and Governance (ESG) an advisory review to help develop a ESG Strategy could be considered for the next three year Internal Audit Plan.

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

64.7 EXTERNAL AUDIT, Ms A Stafford, NIAO**➤ PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1** Draft Report To Those Charged With Governance

Ms Stafford thanked the Director of Finance and the Team for their support throughout the audit both with the quality of the working papers and the priority to responses to the Audit Team.

The Audit is substantially complete. The Draft Report To Those Charged With Governance is proposing an unqualified audit opinion. There was one minor Financial adjustment as discussed under item 64.5, Report 1 which related to the revaluation of fixed assets.

The Audit Committee reviewed the findings set out in the report, including the Draft Letter of Representation and the Audit Certificate. The Committee were content with the report.

Following this, the Committee Chair returned to the Annual Report & Financial Statements Year Ended 31 July 2021 (64.5, Report 1) for approval.

PROPOSED; Mr P Canavan

SECONDED; Mrs C Shongo

64.8 CORRESPONDENCE

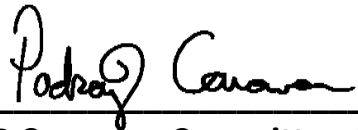
There was no correspondence.

64.9 ANY OTHER BUSINESS

The Committee Chair referred to the recent Audit Committee training facilitated by the Department.

- The Committee were asked if they were content with the number of Committee meetings currently at four per academic year. The Committee considered four Committee meetings were adequate and it was noted that at any time a Special Committee meeting can be called.
- The Secretary to the Governing Body reported that a Skills Audit will be conducted for the whole Board before the end of the academic year.
- **It was agreed that going forward the Governing Body Secretary include the agreed actions from the meetings as an appendix.**
- The Committee Chair thanked everyone and the meeting ended at 1232.

DATE OF NEXT MEETING – 28 February 2023

Signed 
Mr P Canavan, Committee Chair

Date 28 February 2023

APPROVED

Appendix 1

SUMMARY OF AGREED ACTION FROM THE NOVEMBER 2022 MEETING -

NO	MINUTE REF	TITLE OF REPORT	ACTION	OWNER
1	64.5 Report 3	Risk Management Group Report	Suggestion for 'Fraud' to be a standing item on the Risk Register	PMCK ED
2			A Risk Workshop be arranged for Committee members	PMCK ED
3			The Board be involved in work relating to the risk appetite attached to the individual risks	PMCK ED
4			It was agreed that details to be provided on the progress made to date on the Internal Audit Recommendations where the target dates have not yet been reached	PMCK ED
5	64.9	Any Other Business	Skills Audit will be conducted for the whole Board before the end of the academic year	ED