

**MINUTES OF THE SIXTIETH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA MICROSOFT TEAMS ON 2 NOVEMBER 2021, COMMENCING 1130.**

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**PRESENT:**

Mr S Gillespie, Committee Chair  
Ms M Breslin  
Mr G Killeen  
Prof M Ó Néill

**IN ATTENDANCE;**

Mr L Murphy (Principal & Chief Executive)  
Mr P McKeown (Finance Director)  
Mr I McCartney (Internal Auditor, RSM)  
Mr G Parr (PwC)  
Ms H Sampson (DfE)  
Ms K Beattie (NIAO)  
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.

**60.1 WELCOME & APOLOGIES**

The Committee Chair welcomed everyone to the meeting. Apologies were received from Mr P Canavan and Mrs L Taggart.

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

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

**60.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 14 SEPTEMBER 2021****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 14 September 2021

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

**PROPOSED,** Mr G Killeen

**SECONDED,** Ms M Breslin

**60.3.1 MATTERS ARISING – September 2021 Committee Meeting**

The two matters outstanding from the September 2021 meeting are ongoing.

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

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

Members agreed to recommend acceptance of the Committee's Report to the Governing Body

**PROPOSED**, Ms M Breslin

**SECONDED**, Mr S Gillespie

The Committee Chair wished to acknowledge that it was Mr G Killeen's and Mrs L Taggart's last Committee meeting. On behalf of the Committee, he wished them well and thanked them for their contribution to the Committee over the preceding years.

The Committee Chair then invited Mr P McKeown, Finance Director to present his report to members.

**60.5 MANAGEMENT REPORT, Mr P McKeown, Finance Director****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Risk Management Group Report 1, 2021/22

Report 2 Annual Report & Financial Statements Year Ended 31 July 2021

Report 3 Student Council Report & Financial Statements Year Ended 31 July 2021

Report 4 Direct Award Contract Report – nil return

Report 5 Prompt Payment – verbal report

Report 6 Policies

Report 6.1 Fraud Policy

Report 6.1.1 Summary of changes made to the Fraud Policy

Report 6.1.2 Bribery Policy

Report 6.1.3 Gifts, Benefactions and Donations Policy

The Finance Director referred to the Risk Management Group Report 1, 2021/22. He stated that Mr A Mulcahy, recently appointed Head of Finance had joined the Group. The scoring of the risks had remained the same since last reported to the Committee in May 2021.

The Finance Director highlighted some key points. The title of Risk 1 has been updated to 'Data Integrity of College Systems'. Risk 2, 'Impact of Reduced Enrolment Numbers', the Finance Director stated that ongoing challenges continue around the impact of reduced enrolment numbers. There has been a substantial drop in full-time FE and HE enrolments over recent years. In relation to Risk 7, 'Failure to Maintain Financial Stability' the Finance Director stated that whilst student numbers have substantially reduced over recent years the budget has not. There is a likelihood that grant income may reduce in the coming years.

The Finance Director stated that going forward the Risk Register Summary report may be presented in landscape format for ease of reading. Work is ongoing with the Internal Auditor to develop a risk appetite approach that can be integrated into the College Risk Management process. A Sector workshop has been arranged for 16 November 2021 on Risk Management. An agenda item will include risk appetite development and application. Risk 8, 'Risk of CPD and PD Processes', this risk remains on the Risk Register to allow time for the new contract to establish.

The Committee Chair stated the importance of managing and monitoring Risk 2, 'Impact of Reduced Enrolment Numbers'.

Outstanding matters from Internal Audit from 2018/19 (Grant Thornton) were ongoing with extended implementation dates. The Finance Director assured members these items will be closed off within the revised dates. The 2020/21 Internal Audit recommendations (RSM) were complete except for one matter. This matter related to Risk Appetite which was referred to earlier in the meeting.

In reporting on health and safety during 2020/21, 34 accidents/incidents were reported. This is a reduction on last year's total of 74. These results reflect the COVID-19 pandemic circumstances when College operations were impacted. The College did record three serious injuries two of which were reported under the requirements of the RIDDOR regulations.

The Annual Report & Financial Statements Year Ended 31 July 2021 were updated following the draft presented to the Committee in September 2021. This matter was identified during the audit process and related to a book entry on the revaluation of fixed assets. The Audit was complete and will be discussed further under item 60.7. The Finance Director thanked the External Auditors and their team for their work.

**Members were content to recommend approval of the Student Council Report & Financial Statements to 31 July 2021. An independent auditor prepared the Accounts.**

**PROPOSED**, Mr S Gillespie

**SECONDED**, Mr G Killeen

The Finance Director reported on the College policies that had recently been reviewed and updated. Members discussed the policies. Ms H Sampson (DfE) suggested an amendment to the Gifts, Benefactions and Donations Policy. Members were content with this.

**Fraud Policy**

**Bribery Policy**

**Gifts, Benefactions and Donations Policy – with agreed amendment referencing the Departments (DfE) delegated limits**

**PROPOSED**, Mr G Killeen

**SECONDED**, Prof M Ó Néill

Continuing, the Director of Finance reported that there were no Direct Award Contracts. Prompt Payment figure for 30 days to September 2021 was 96% and for the year to date was 97%.

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

## 60.6 INTERNAL AUDIT

### ➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Internal Audit Progress Report 2021/22  
Report 2 Review - COVID 19 Student Funding Initiatives

The Internal Auditor referred to the Internal Audit Progress Report 2021/22 which provided an update on the progress against the Audit Plan and work done to date. The audit review on Procurement & Contract Management will commence later this month and will be reported to the next Committee meeting. The Internal Auditor provided the Committee with an article on some of the pressing technology linked questions currently facing the FE sector.

The review on COVID-19 Student Funding Initiatives received a satisfactory assurance rating with one low priority issue. This issue related to those students who did not submit their bank details to the College before the deadline and did not receive the £500 Disruption Scheme payments. Discussion followed and it was agreed that the Finance Director liaise with the Department (DfE) to try to resolve this matter.

The Committee Chair thanked Mr I McCartney and welcomed Ms K Beattie (NIAO), and Mr G Parr (PwC) to report to the Committee.

## 60.7 EXTERNAL AUDIT

### ➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Draft Report To Those Charged With Governance 2020/21

Ms K Beattie confirmed the Audit was complete and it is proposed to issue an unqualified audit opinion. Mr G Parr reported that the auditors (PwC) were still awaiting bank confirmation responses. No instances of fraud were identified in relation to the significant risks identified in the Audit Strategy in the Management Override of Controls and in the Risk of Fraud in Revenue Recognition.

The Audit Committee reviewed the findings set out in the report, including the draft Letter of Representation and the Audit Certificate. The Committee also noted no uncorrected misstatements were identified.

The Principal and Committee Chair thanked everyone involved in the audit process both internally and externally.

Following on the Committee Chair referred to the Annual Report and Financial Statements that could now be considered for approval.

**Members were content to recommend approval to the Governing Body of the Annual Report & Financial Statements Year Ended 31 July 2021.**

**PROPOSED**, Ms M Breslin

**SECONDED**, Mr G Killeen

**60.8 CORRESPONDENCE**

There was no correspondence to note.

**60.9 ANY OTHER BUSINESS**

There was no any other business to discuss.

The Committee Chair thanked everyone and the meeting ended at 1200.

**DATE OF NEXT MEETING** – 8 February 2022

**Signed:** \_\_\_\_\_



**Mr S Gillespie, Committee Chair**

**Date;** 8 February 2022