

MINUTES OF THE SIXTY THIRD MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA MICROSOFT TEAMS ON 20 SEPTEMBER 2022, COMMENCING 1130.

PRESENT:

Mr P Canavan, Committee Chair
Ms M Breslin
Mrs M Gormley
Prof M Ó Néill (from 1144)
Mrs C Shongo
Mr F Smyth

IN ATTENDANCE;

Mr P McKeown (Interim Principal & Chief Executive)
Mr A Mulcahy (Head of Finance)
Mr I McCartney (Internal Auditor, RSM)
Ms H Sampson (DfE)
Ms R Porter (NIAO)
Mr G McCole, (IT Services Manager) for item 63.0 only
Mrs É Doherty (Secretary to the Governing Body)

63.0 PRESENTATION – Mr G McCole, IT Services Manager

The IT Services Manager reported to members on the Cyber Security work within the College. This included an overview on the users and computer profile. There are currently 6.5K active users on Microsoft 365, an increase of 60% from September 2020 – September 2022. For the same period there was a 400% increase on Microsoft Teams activity. The College Firewall licence expires in August 2023. A procurement for a Firewall upgrade is currently underway. Statistics were provided showing the number of attacks prevented by the Firewall system. The IT Services Manager provided the Committee with details on the various cybersecurity enhancements since September 2020.

A question and answer session followed. It was suggested that Cyber Security should be considered as a standalone risk within the College Risk Register rather than included within the risk area of 'Data Integrity of Combined Systems'.

The Committee Chair thanked Mr McCole for his presentation.

Mr McCole left the meeting at this juncture. Prof M Ó Néill joined the meeting during this item.

63.1 WELCOME & APOLOGIES

The Committee Chair welcomed everyone to the meeting. He extended a warm welcome to Mr F Smyth who was attending his first Committee meeting. No apologies were received.

63.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

63.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 24 MAY 2022**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 24 May 2022

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

PROPOSED, Ms M Breslin

SECONDED, Mrs C Shongo

63.3.1 MATTERS ARISING – May 2022 Committee Meeting

62.1 The External Auditor forwarded the revised NAO Self-Assessment Checklist.

62.4 The Governance Secretary completed the Self-Assessment Exercise and forwarded it to Committee members on 2 July 2022.

62.6 The Learner Management System Review Report was provided for the September Committee meeting (Ref 63.6, Report 1).

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

Report 1 DfE Correspondence – Withdrawal of the FE Audit Code

Report 2 Review of Committee's Terms of Reference

Report 3 Vice Chair to the Committee

Ms H Sampson (DfE) provided details on the Department's correspondence on the withdrawal of the FE Audit Code. The Colleges' Audit & Risk Committees should now use the Department of Finance manual as their primary reference guide. The Governance Secretary reported that the Review of the Committee's Terms of Reference has now been modelled on the Terms of Reference within the DoF Audit & Risk Assurance Committee Handbook. Members were content with the amended Terms of Reference.

PROPOSED, Mrs C Shongo

SECONDED, Mrs M Gormley

The Committee Chair thanked Mrs M Gormely who had agreed to take on the position as Vice Chair to the Committee. The Committee Chair invited Mr A Mulcahy, Head of Finance to present his report to members.

63.5 MANAGEMENT REPORT, Mr A Mulcahy, Head of Finance**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

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| Report 1 | Draft Annual Report & Accounts to 31 July 2022 |
| Report 2 | Direct Awards Contract Report |
| Report 3 | Prompt Payment – verbal report |

The Head of Finance reported that the Annual Report & Accounts Year Ended 31 July 2022 were in draft form. The final draft is due to be submitted to the Department (DfE) by 30 September 2022. The College will submit the Accounts on 23 September 2022. The external audit of the Accounts will commence on 26 September 2022.

The Head of Finance confirmed that the Financial Statements have been prepared in accordance with the Accounts Direction and relevant account Standards. The Financial Statements will also be presented to the Resources Committee for review.

Referring to the Statement of Comprehensive Income & Expenditure for the Year Ended 31 July 2022 which was showing £18.2m profit. This was represented by book entries relating to an actuarial gain in respect of the NILGOSC pension scheme of £15.6m. The NI Teachers Pension Scheme costs are not included in this figure. Additionally, there is an unrealised surplus of £6.6m related to a revaluation of land and buildings by the Land and Property Services (LPS) as at 31 July 2022. This now leaves a deficit for the year of £3.9m. This mainly relates to depreciation of £3.6m. The final Draft of the Financial Statements will be presented to the Committee at the November 2022 meeting.

The Interim Principal provided the Committee with an update on the provision on the Accounts in relation to the Holiday Pay provision.

There were no Direct Award Contracts. Prompt payment figure for the 30 days to 31 August 2022 was 96% and for the year ending 31 July 2022 was 96%.

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

63.6 INTERNAL AUDIT – Mr I McCartney, RSM**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

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| Report 1 | Internal Audit Review Report – Learner Management System |
| Report 2 | Internal Audit Report & Opinion Year Ended 31 July 2022 |
| Report 3 | Internal Audit Strategy 2020/21 -2022/23 (Including the Internal Audit Plan 2022/23) |

The Internal Auditor referred to the Review Report on the Learner Management System. This was an advisory report and did not provide a level of assurance but did provide three key findings, one low and two medium level.

The Internal Auditor referred to the Annual Internal Audit Report & Opinion – Year Ended 31 July 2022 and confirmed that this was the final report. This report stated that overall, there is a satisfactory system of governance, risk management and control within the College. Actions agreed to address previous years' internal audit findings shows that the College has made reasonable progress in implementing these.

The Department (DfE) has made a request for an Internal Audit review to take place during 2022/23 for Lost Learning. This would now replace the planned review for Business Continuity Planning & Disaster Recovery.

Members discussed this proposed change and agreed that the review on Business Continuity Planning and Disaster Recovery should remain in the Audit Plan for 2022/23 and to include the review on Lost Learning as an additional piece of Internal Audit work.

PROPOSED; Mrs C Shongo

SECONDED; Mr F Smyth

The Committee Chair referred to discussions during the Cyber Security presentation (Ref 63.0) and proposed an Internal Audit review on Cyber Security be included in the Audit Plan 2023/24. He also suggested that this area be reviewed biennially thereafter.

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

63.7 EXTERNAL AUDIT - Ms R Porter, NIAO

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 NIAO Board Effectiveness – A Good Practice Guide June 2022

The External Auditor reported that the revised guide replaces the 2016 version. The refreshed version aims to build on this by offering new recommendation and reviewing the progress that had been made on key issues. As a result of the COVID-19 pandemic the use of technology was highlighted as a positive change on how boards have reacted wholeheartedly to the changes.

63.8 CORRESPONDENCE

Other than the correspondence already noted in 63.4, Report 1 there was no other correspondence.

63.9 ANY OTHER BUSINESS

There was no any other business to discuss.

Mr I Mc Cartney and Ms R Porter left the meeting at this juncture.

63.10 RESERVED BUSINESS

Taken separately.

The Committee Chair thanked everyone and the meeting went into private session.
This part of the meeting ended at 1250.

DATE OF NEXT MEETING – 8 November 2022



Signed _____

Mr P Canavan, Committee Chair

Date 8 November 2022

APPROVED