

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee held on 5 February 2024 on MS Teams commencing at 4.00pm.

At the request of the NIAO, Governing Body members of the Audit & Risk Committee met with representatives from NIAO at 4.00pm, prior to the full Committee meeting which commenced at 5.00pm.

The Internal Audit representative joined the meeting at 4.45pm.

Mr Wade suggested that a date of 1 March might be possible for the next meeting to receive the Draft Report To Those Charged With Governance and would confirm this with Mr Laverty.

Present: Mrs P Martin (Chair), Mr B Devlin, Dr P Graham, Mr D Small

In Attendance: Mr D Conliffe (DfE), Mrs K Costley (NIAO), Ms D Kearney, Mr M Higgins, Mr S Laverty, Mr I McCartney (RSM NI), Mr S Wade (NIAO)

Mrs K Wallace (Secretary)

79.1 Welcome/Apologies

Mrs Martin welcomed Ms Kearney to her first meeting of Committee as Acting Head of Finance.

Apologies were noted for Mrs Crilly and Mr MacAuley.

79.2 Declaration of Interests

None.

79.3 Minutes of the Last Meeting

The draft minutes of meeting on 27 September 2023 were approved.

Proposed: Mr Small Seconded: Dr Graham

79.4 Matters Arising

Members noted that development of a sector wide data classification system would be a lengthy process, especially given the current economic environment and would require to be progressed the sector.

Action: Mr Laverty would speak with Mr McCartney on the best way to deal with this item and bring a recommendation back to the next meeting of Committee given that it was unlikely this recommendation could be progressed without sector wide involvement.

79.5 Chair's Communication / Correspondence

The updated Committee membership in the appendix to the Audit & Risk Committee Terms of Reference was noted.

Committee read the NAO Self-Assessment Summary Report and noted training as the key issue. Mr Small highlighted comments in the feedback reflecting uncertainty on some issues. The Principal clarified that any issues reflected in the survey would be picked up through the year and supplemented with provision of key documents.

The following correspondence was noted:

- Managing Public Money report. **Action: Mr Laverty would ensure this report is circulated to appropriate people in the College.**
- Financial Audit Findings. In response to a query from Mr Small, Mrs Costley clarified the reason for the higher percentage of public sector accounts qualified as compared to that of the private sector.

79.6 Internal Audit

Mr McCartney presented the Progress Report. Members noted that the Health & Safety report would be presented to the next meeting of Committee with others scheduled for March/June time.

Consideration was given to the FE Emerging Issues and Emerging Risk Radar reports. In relation to AI, Mr McCartney referred to developing a roadmap of how it could be used to help deliver objectives in an efficient manner.

Mr Laverty commented on the timeliness of the information which would be part of the discussion at the Strategy Day on 6 February.

The Principal referred to 2 urgent issues which had arisen unexpectedly and required consideration. These would be discussed under reserved business.

The Chair acknowledged that the reports would be very useful in light of the change in the political situation.

79.7 External Audit

Mrs Costley summarised the 2022-23 audit requirements for both the Department's Review of Financial Process (RoFP) work (the consolidation pack) and audit of the College's statutory accounts. She confirmed that delays and concerns encountered by NIAO during this operation had now been resolved and completed NIAO fieldwork was currently being reviewed to allow the draft Report To Those Charged With Governance to be issued. As completion of the Department accounts had been delayed this work was now being prioritised. It was hoped that the review and the draft report to those Charged with governance would be completed by 23 February. Mrs Costley explained, however, due to NIAO annual leave commitments, the first available date to present this report to the College would be 15 March.

Mrs Costley referred to the letter issued by NIAO which outlined the problems encountered and noted the concern with a new incoming finance team for the coming year. She advised the likelihood that the Comptroller and Auditor General would issue a short report attachment to the College accounts, with information also included in a report to the DfE accounts on wider issues.

The Chair acknowledged the impact of the College's resourcing problems. She welcomed an offer made by Mr Wade during the pre-meeting with members, to explore the possibility of

rearranging some plans to enable a meeting on 1 March for the Committee to approve the College's 22-23 Annual Report and Accounts. A confirmed arrangement would be advised to members as soon as possible.

Mr Lavery reported on the challenges which had been experienced by the College as a result of FE Sector-wide changes to the accounts process and the resultant increase in workload. He highlighted that severe issues had also been experienced across the sector and, as a result, NIFON had requested a 'lessons learned' meeting with the Department and NIAO for the upcoming March process. Mr Lavery confirmed the College's willingness to work in partnership with NIAO and the other colleges on moving forward, but was keen not to overwhelm existing and incoming staff with completing two sets of accounts in 2024.

Members noted that a Head of Finance had now been appointed and would take up post in April, with other outstanding vacancies to be filled as soon as possible. Ms Kearney had also agreed to stay on for a period to assist the College.

79.8 Update on Progress with Draft Annual Report and Financial Statements 2023

Covered under 79.7 above.

79.9 Update on Finance Department and DfE 31 March 2023 Accounts

The Principal referred to the exchange of letters with the Department and NIAO. Whilst accepting responsibility, he expressed his extreme disappointment at the reduced level of service provided by the College and had met with DfE representatives to discuss ways to ensure no recurrence.

Committee heard arrangements are in place to ensure adequate resources at key points in the year including issue of a tender for a managed service; possibility of a temporary DfE resource being provided; and FE Sector-wide training from lessons learned. The Principal expressed gratitude for the support being provided by DfE.

Mr Higgins referred to communications issued from the Department on lessons learned and further training to be made available. He advised the Committee on the intentions to over commit staffing resources to alleviate issues on capacity.

Mr Small confirmed he was reassured to hear about the effort being made to ensure that the problems did not recur.

Dr Graham noted, however, an issue around transparency and good governance. He highlighted Committee's responsibilities and the importance of being provided with timely information to allow these to be fulfilled.

The Chair thanked all for identifying the issues outlined, for taking responsibility for same, and for setting in place processes for the future. She particularly thanked Ms Kearney for her work and recognised the importance of identifying lessons learned, both sector wide, and specific to the College.

79.10 Department ARAC Report

Mr Higgins presented the quarterly report to the Department, taken from the Corporate Risk Register and subsequent discussions. He advised that this did not include the 2 additional issues previously outlined which had been notified separately to the Department.

79.11 Any Other Business

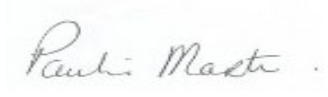
None.

79.12 Date of Next Meeting

Date of March meeting to be confirmed. 1 March to be held in diaries meantime.

The meeting concluded at 5.43pm.

Mrs P Martin



Date: 1 March 2024

Chair

Mrs K Wallace



Secretary