

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Annual Pre-Meeting with Auditors

Governing Body members of the Audit & Risk Committee met with representatives from NIAO and RSM NI at 4.45pm, prior to the full Committee meeting.

Minutes of the unreserved business meeting of the Audit & Risk Committee held on 17 November 2021 on Microsoft Teams, commencing at 5.00pm.

Present: Dr P Graham, Mr W Hutchinson, Mr W McCluggage (Chair), Mr T Montgomery

In Attendance: Ms K Beattie (NIAO), Mr D Conliffe (DfE), Mr M Higgins, Ms D Kearney, Mr S Laverty, Mr K Leckey (71.1-71.6), Mr I McCartney (RSM NI), Mr J Ross (71.1-71.7)

Mrs K Wallace (Secretary)

71.1 Apologies

Mrs Brown; Ms Hamilton; and Ms Small.

Committee agreed to reorder the agenda to hear reports from senior staff members.

71.6 Health & Safety Update

Mr Leckey spoke to his report. He highlighted an 80% reduction in accident and incident reports since 2009, with 2 claims currently outstanding and minimal lost time. Mr Leckey also reported on actions taken to maximise staff safety, including the introduction of online safety monitoring.

Committee heard details of reporting on 'near misses' and policy and risk assessment formulation for staff working from home. Information on further training for staff on accident reporting was noted, along with details of enforcement of mandatory health & safety training.

Mr Leckey left the meeting at 5.20pm.

71.7 Update on Cyber Security

Mr Ross took members through his report detailing learning points and recommendations from a recent cyber security attack in the education sector.

Committee considered the report and heard that all reasonable steps had now been taken to protect the security of the College, with training for staff and governors updated on a regular basis.

A number of suggestions for testing and enhancing of cyber security were noted by Mr Ross, who advised an extended timeline for implementation. Reference was made to the upcoming change to the Governing Body profile and members noted that all learning points and any further recommendations would be incorporated into induction and work practices.

Members noted that Mr Ross would provide regular updates on this topic, and thanks were extended to him and the team for work carried out on security over the year.

Mr Ross left the meeting at 5.38pm.

71.2 Declaration of Interests

Mr McCluggage declared a connection to Tanium Endpoint Security, as an advisor.

71.3 Minutes of the Last Meeting

The minutes of the meeting held on 22 September 2021 were approved.

Proposed: Dr Graham Seconded: Mr Hutchinson

71.4 Matters Arising

Members heard that all staff contracts had now been signed.

Consideration was given to the summary of Audit & Risk Committee self-assessments, and comments discussed. Members agreed that it would be beneficial to have an independent financial specialist on Committee to provide compliance on procedure and process. Advice requested from DfE on engagement of such a specialist to Committee was noted, alongside the upcoming appointment of new Governors. The Chair thanked members for completing the annual Audit & Risk Committee self-assessments.

Action: A recommendation that an independent financial specialist be engaged/appointed to the Audit & Risk Committee, would be presented to the Governing Body.

71.5 Chair's Communication / Correspondence

Committee noted the following correspondence:

- Cabinet Office and NIAO documentation on countering fraud. It was agreed that a checklist be formulated, based on those contained in the documents, to provide early assurance to Committee on current and upcoming sectoral issues.

Mr Laverty reported on a recent meeting organised by RSM, which focused on the sector's risk appetite and register setting process. Members noted that this issue would be discussed at the next NIFON meeting.

Action: The Principal and Chief Operating Officer would collate a checklist and bring back to Committee.

- Correspondence from the Director of FE advising reassessment of the College's risk assessment rating to 'low'. Members welcomed the revised rating.
- NIAO revised Letter of Understanding – signed off by the Chief Executive and Accounting Officer on 16 November.

The Chair congratulated Mr Higgins on his appointment as Principal and Chief Executive.

71.8 Internal Audit

Mr McCartney presented the Internal Audit report on Covid-19 Student Funding Initiatives, which had received 'Satisfactory' assurance. One low priority action had been identified and the sector-wide management response to the action discussed.

Consideration was given to the Progress Report. Information on digital tools, systems and supports; staff and student mental health; and the climate crisis was noted and updates requested.

Action: Committee to receive regular College Health and wellbeing updates.

Internal Audit updates on other assurance activity would be reported for note at the Governing Body.

71.9 External Audit

The Draft Report to Those Charged with Governance (RTTCWG) was taken as read. Ms Beattie stated that it was proposed to certify the 2020/21 financial statements with an unqualified audit opinion, two findings were noted along with the impact on the financial statements.

Ms Beattie thanked Mr Lavery and his team for their co-operation during the audit. She remarked on a very challenging year for finance teams and outlined a number of findings which were not material to the audit opinion.

The Chair thanked the External Auditors for the work carried out in conjunction with the College finance team. Mr Lavery extended thanks to Ms Beattie, Ms Kearney and the two teams for their work on the audit.

The Principal noted challenges arising from the changing landscape in the public sector and echoed thanks to the Audit Office and Mr Lavery for the work done to provide assurances.

Committee reviewed the findings of the report, including the draft letter of representation and audit certificate, and noted the uncorrected extrapolated misstatements which by their nature cannot be adjusted for by management.

71.10 Draft Annual Report and Financial Statements

Mr Lavery presented the draft Annual Report and Financial Statements. He detailed key changes to the previous version of the report and advised that presentational and text issues would be amended for the published version, which would be agreed by the Governing Body on 24 November before being laid in the NI Assembly at a date to be confirmed.

The success of the Business Development team on business engagement activities was noted and the potential for the College to trade was discussed.

Action: Committee agreed to recommend approval of the Annual Report and Financial Statements 2020/21 to the Governing Body.

It was agreed that consideration be given at the Strategy Event to the College's ability to 'trade' and the digital tooling issue (raised by Internal Audit), as part of the Entrepreneurship Hub.

71.11 Audit & Risk Committee Annual Report

Consideration was given to Committee's Annual Report.

Dr Graham reflected on a positive review of the Entrepreneurship Hub by ETI, with written evidence to be provided.

The Principal reported that definitive guidance on Covid vaccine passports was awaited, to give clarity to the situation for colleges.

The Chair advised the setting up of a NI Fraud Forum, on which he would be a Director.

Action: Committee approved the Audit & Risk Annual Report, which would be presented to the Governing Body.

71.12 Any Other Business

None.

71.13 Date of Next Meeting

The next meeting would be held on 9 March 2022. Ms Beattie advised it unlikely that she would be able to attend, but would ensure another NIAO representative would attend.

There being no other business, the meeting concluded at 6.39pm.

Mr W McCluggage



Chair

Date 9 March 2022

Mrs K Wallace



Secretary