

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee held on 1 March 2024 on MS Teams commencing at 2.00pm.

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

In Attendance: Mr D Conliffe (DfE), Mrs K Costley (NIAO), Ms K Doey (NIAO), Ms D Kearney, Mr M Higgins, Ms D Kerr (80.6), Mr S Laverty, Mr I McCartney (RSM NI), Mr S Wade (NIAO)

Mrs K Wallace (Secretary)

80.1 Welcome/Apologies

The Chair thanked everyone for agreeing to the meeting and advised that the external audit item would be taken early in the agenda, to allow NIAO representatives to attend another meeting.

An apology was received for Mrs Brown.

80.2 Declaration of Interests

None.

80.3 Minutes of the Last Meeting

The draft minutes of meeting on 5 February 2024 were approved.

Proposed: Dr Graham Seconded: Mr Devlin

80.4 Matters Arising

Members noted some movement on a data classification system, which would be kept in the tracker with a date of August 2025 for implementation.

80.9 External Audit

Mrs Costley presented the Draft Report to those Charged with Governance (RTTCWG). A draft of the Comptroller & Auditor General's (C&AG) Report was not yet available due to office pressures but should be available shortly. She introduced Ms Doey who had helped with the review work and would cover the detailed findings.

Mrs Costley advised that the proposal is to issue an unqualified audit opinion and that there may be a few minor changes still to be made. She reported an increased number of errors than in previous years, all of which related to audit of the College accounts and these had now been adjusted and resolved. Factual accuracy of the C&AG report would be confirmed with the Accounting Officer and team when available.

Mrs Costley advised a revised audit fee due to extra work. She reported poor quality of information for the Department for the Economy's consolidation pack from a number of Arm's Length Bodies and noted the impact of a tight timeline for completion on same. She affirmed a positive working relationship between the NIAO and College team on resolving issues and

appreciated particularly the assistance of Ms Kearney. Actions outlined by the College to address these issues in future, particularly capacity and capability, were acknowledged.

Ms Doey took Committee through the audit findings and highlighted changes required to the governance statement and some small presentational issues, as outlined in the first part of the report. She explained the basis for one Priority 1 and three Priority 2 findings and recommendations on same.

Mr Laverty referred to previous discussions relating to reduced staff resource and level of services. He advised appointment of a new Head of Finance (April 2024 start) and a new College Accountant (April 2024 start). He welcomed the Department's offer of training on new approaches in the coming year given the difficulties experienced across the FE Sector in the current year. Mr Laverty confirmed that management had accepted the NIAO recommendations.

The Principal thanked the NIAO for completing the audit. He expressed disappointment at the reduced level of service by the College, reasons for which had been explained to DfE along with plans in place for going forward. In relation to the Priority 1 and Priority 2 findings, Mr Higgins confirmed that recommendations would be taken on board and measures and supporting information would be brought back to Committee via an action plan, to enable full scrutiny and oversight of improvements for the coming year.

Mr Devlin hoped that having relevant staff in place to address finance procedures would avoid issues recurring.

The Chair thanked the NIAO for the report and awaited sight of the C&AG report. Notwithstanding a period of settling in for new finance staff, she was keen to ensure that processes be put in place through the action plan to ensure no recurrence of issues and to demonstrate best practice. The GB had been briefed on the difficulties this year and would approve the revised College accounts for 31 July 2023, following information from NIAO.

Dr Graham concurred with the Chair and suggested that action plans be run past Committee to monitor and ensure transparency.

Mr Wade acknowledged the difficulties experienced by Mr Laverty and the College finance team and appreciated their professionalism in liaison with the NIAO. He looked forward to a more straightforward 2023/24 and thanked the team for their engagement.

The Chair thanked the NIAO for their efforts in facilitating the meeting.

2.40pm NIAO representatives left the meeting.

2.42pm Ms Kerr joined the meeting

80.6 Information Governance

Ms Kerr spoke to her report to 31 December 2023. She updated Committee on the present status of cases on registers and provided the following current information:

- Review of the Sector Retention and Disposal Schedule, the College has also undertaken to lead on quality.
- The Department now have a new Raising Concerns tracking sheet which all partner organisations have to complete and return by 10 March. Ms Kerr welcomed the

support of the Department's Head of Raising Concerns, Ms Jackie McLaughlin and will complete a thematic review of cases to assure the Department that proper controls are in place.

In response to questions from Mr Small, Ms Kerr advised no target response times for raising concerns issues with the Department content with the process in place. Mr Small was keen that completion times not be overly long, whilst recognising complexity of cases and time required.

The Principal advised that an evaluation would be carried out and training will be provided to staff to ensure efficiency of processes going forward. Refresher investigatory training on all information governance issues will be rolled out across the organisation with the goal of aiding those to complete investigations.

The Chair referred to availability of policies and routine line of business information on the College website. Ms Kerr confirmed that not all policies and procedures were currently published and that a review of best practice on public access across colleges would be a piece of work to be taken forward.

The report and registers were noted.

2.57pm Ms Kerr left the meeting.

80.5 Chair's Communication / Correspondence

None.

80.7 Internal Audit

Mr McCartney reported completion of the Health & Safety audit on 29 February 2024 with the TAMS audit due to be closed out week commencing 4 March 2024. Other internal audits had been issued.

3.00pm Mr McCartney left the meeting.

80.8 Progress Against Outstanding Audit Issues

Committee considered this report. In relation to removeable media, members heard that a sector policy was currently being discussed with a proposed implementation date of August 2025. Mr Lavery advised that all upcoming audit recommendations would go onto a tracker to be taken forward accordingly.

80.10 Draft Annual Report and Financial Statements

Ms Kearney presented the Draft Accounts and drew members' attention to the summary report provided. She thanked Mr Lavery and finance staff for their support in completing the accounts. She also thanked the NIAO team, particularly Ms Allison Busby and Mrs Karen Costley, for their assistance and support.

The Chair noted the obvious team effort in completing this work and thanked Ms Kearney for her efforts in achieving same. Committee had delegated authority to approve the accounts, however given that some changes still had to be made to the RTTCWG and audit fees, she proposed that the final report go to GB on 20 March for approval.

The Principal concurred with the Chair's proposal. He thanked Ms Kearney, Mr Lavery and the finance team for their work. In relation to PSNI holiday pay, he advised that disclosures have been made in the Annual Accounts and further guidance from DoF is anticipated to prepare a business case.

Mr Lavery advised that the draft accounts had been published in-house this year as part of efficiency savings and thanked the finance and internal communications teams for preparing these. The revised version would be presented to the GB.

The Chair highlighted reference in the report to irregular spend, which applied to all Colleges and noted this had been clarified by NIAO as outside colleges' responsibility.

Mr Small noted an unqualified set of accounts as an excellent result and particularly so given the issues highlighted by NIAO.

Action: Committee commended the Annual Report and Accounts to the GB for full ratification once complete.

80.11 Audit & Committee Annual Report

Members noted the Audit & Risk Committee Annual Report which was presented by the Chair and would be submitted to the Department along with the annual accounts and RTTCWG.

Mr Lavery thanked the Chair and Committee for their work during the year.

3.12pm Mr Small left the meeting.

80.12 College Risk Register

Mr Lavery spoke to this report and summarised the position at the end of January 2024.

The Chair queried the potential for change in risks 5 (financial sustainability) and 9 (industrial action) given implementation of the VES and now having a NI Executive in place.

In relation to financial sustainability, Mr Lavery advised the need for a 3-year budget to allow the College to plan ahead. He was hopeful about the budget for the coming year, but this was as yet unknown. It was anticipated that the return of the Executive and issues around reform would positively impact on both risks.

The Principal noted the strong positive statement on FE by the Minister and anticipated that the budget for 2024/25 will be based on the VES outcome. He advised on negotiation with Trade Unions (TUs) and the pay offer put forward after approval by the Minister. TUs had been asked to cease all industrial action and close down the 22/23 pay year and notified that employers would consider the management response if the withholding of marks continues. Mr Higgins reported that discussions with awarding bodies on flexibility around provision of marks had not been successful, an issue which would become critical after Easter if action short of strike continued.

Committee were content to note the report.

80.13 Other Registers

The Gifts & Hospitality and Direct Award Contracts registers were noted.

80.14 Any Other Business

None.

80.15 Date of Next Meeting

Date of next meeting to be confirmed but expected to be 22 May 2024.

The meeting concluded at 3.25pm.

Mrs P Martin 

Date: 22 May 2024

Chair

Mrs K Wallace 

Secretary