

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the unreserved business meeting of the Audit & Risk Committee held on 2 June 2021 on Microsoft Teams, commencing at 5.02pm.

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

In Attendance: Ms K Beattie (NIAO), Mrs C Brown, Mr D Conliffe (DfE), Mr M Higgins, Ms D Kerr, Mr S Lavery, Mr I McCartney (RSM NI), Mr B McGahan, Prof T Scott, Ms J Small

Mrs K Wallace (Secretary)

69.1 Apologies

No apologies.

69.2 Declaration of Interests

None.

69.3 Minutes of the Last Meeting

The minutes of the meeting held on 10 March 2021 were approved.

Proposed: Dr Graham Seconded: Mrs Hamilton

69.4 Matters Arising

Members noted that the Raising Concerns policy had been approved at the Governing Body meeting on 24 March 2021 and that all other items were included as part of the agenda.

69.5 Chair's Communication / Correspondence

The Chair advised that the annual Audit & Risk Committee self-assessment survey would be included on the agenda for the first meeting of Committee in the new academic year.

The Chair referred to risk of cyber-attack and noted that cyber-security had been included as a red risk on the College's risk register. He welcomed the introduction of multi-factor authentication (MFA) which had been put in place across the College, along with the development of 'patch' management.

5.06pm Ms Beattie joined the meeting.

69.6 Information Governance

Ms Kerr presented the Information Governance Report for the 3-month period (1 February 2021 – 30 April 2021) and highlighted key areas of activity including staff training, document control policy, data protection and raising concerns. Ms Kerr updated members on two information governance incidents and one raising concerns incident that had all been resolved during this 3-month period.

The Chair was keen to see full uptake of online cyber-security training by staff and supported plans outlined by Mr Higgins, to restrict online access for staff who failed to complete the mandatory training by a specified date.

5.19pm Ms Kerr left the meeting.

69.7 Internal Audit

Mr McCartney referred to the Risk Management Framework report, which had been previously circulated. Members noted that the recommendation on defining in more detail the College's risk appetite would be brought to the Committee and Governing Body meetings, following a NIFON workshop later in the year.

The Committee considered the Payroll report, which had received Satisfactory assurance with a few minor issues. Members discussed the workflow process to require signature for new contracts and/or terms and conditions.

ACTION: Mr Higgins and Mr Laverty will review the process and decide on relevant action.

Mr McCartney highlighted the key messages of the Internal Audit Progress Report, which had been issued prior to the Payroll report being finalised. Members noted that four audits had been completed and had received Satisfactory assurance. Reports on Business Continuity and Disaster Recovery would come to Committee in September, along with the Statement of Assurance.

Committee noted that although the report 'Enhancing Controls in Education' contained some useful information it did not apply to the Northern Ireland FE sector but did address high priority issues raised across the HE sector, although members highlighted that 'IT' had not been identified as one of these issues and felt that this was a significant omission.

The Chair welcomed the presentation and user-friendly format of the Internal Audit reports produced by RSM (NI).

Mr Laverty took members through the report on 'Outstanding Audit Issues at 30 April 2021', which aligned with RSM's work on following up previous recommendations. The final Internal Audit report would be presented to the September meeting of Committee.

The Chair's concerns over delays with the LMS and STS programme and the consequent impact on staff resources across the sector were noted. Ms Small advised on resultant issues with the system producing reports, noting that a sector reporting group would be set up to address this issue.

Mr Graham commented that the review of curriculum Hubs would take place at some point in the new academic year. Mr Higgins pointed out that related issues and any action would be reflected in the risk register as appropriate.

69.8 External Audit

Ms Beattie took members through the NIAO Audit Strategy 2020/21. Members noted additional risk on New Build and cyber-security. Ms Beattie reported that Internal Audit had agreed to move the audit of Department issued student support grants to early July, with resultant sample audit by NIAO to take place around early August.

Ms Beattie advised that best efforts would be made by NIAO to fulfil the audit to the timetable outlined in the strategy but that this would be subject to future events. She directed members to actions specified for discussion by the Audit Committee, as detailed in the report. The Chair confirmed that these and any additional risks to be taken into account, would be addressed at the relevant meeting and recorded in the minutes.

6.07pm Mr McGahan joined the meeting.

Committee discussed the extended 7-week audit timetable that added an additional 2 weeks to previous audit plans, the resultant impact on College staff and the delay in completion of the NIAO audit 2019/20. Ms Beattie advised that, whilst she did not envisage work ongoing for the full 7-weeks scheduled, this would depend on challenges to be faced. Notwithstanding, members noted that NRC had been the first College to have the 2019/20 annual accounts signed off and lodged with the Department.

In response to a request by Mr Higgins, Mr Conliffe advised that a draft Terms of Reference between Internal Audit and DfE was with RSM for comment and would be shared with NIAO and NIFON when agreed. It was likely that this would be shared with Audit Committees by email, prior to next meetings.

In relation to the proposed audits on student grants, members were advised that the cost of the audit on the £60 grant payments for FT and PT students would be from College expenditure and the £500 HE student payments paid for through Department expenditure. Mr Conliffe cited the rationale for audit as based on safeguards and process around the administration of the scheme.

The Chair advised that the annual Committee pre-meeting of members with Internal and External Audit, would take place in November. A reminder would be communicated at the September meeting of Committee.

The NRC Project Initiation Document (PID) was taken as read. Mr Lavery noted that timelines aligned with the NIAO Audit Strategy. Ms Beattie reiterated that she did not envisage audit fieldwork ongoing for the full 7-weeks.

Members noted the PID Action Plan, which had been managed in line with best practice.

The Audit Office Survey of Audited Bodies 2019 report was noted.

69.9 Risk Register

Mr Higgins presented the Corporate Risk Register at May 2021 and highlighted three red risks, including the new addition on cyber-security. He further advised that a review would be carried out on the College's approach to risk appetite, in response to an Internal Audit recommendation.

Members referred to recent cyber-attacks on FE and HE organisations and heard that colleges were collaborating, as far as possible, on taking forward cyber essentials training and system software 'patching'. It was noted that sharing of information across colleges must improve and Mr Conliffe reported that the Department hoped the matter would be addressed in the FE Sector forthcoming renewal contract for insurance. Members welcomed the implementation of multi-factor authentication (MFA) across the College and noted the Chair's enthusiasm for

the College to work towards ISO 27001 certification but cautioned on ensuring the accuracy of the Statement of Applicability in the ISO27001 certification process.

ACTION: The IT Manager would attend the next meeting to update Committee on key risks to the College and outline steps carried out and timely interventions to be taken to address those risks.

69.10 Registers

Mr Laverty advised nil returns to the Direct Awards Contracts (DAC) and Gifts & Hospitality registers during the 3-month period 1 February 2021 – 30 April 2021.

Members noted that two Freedom of Information requests had been received and closed-out during this period.

69.11 Any Other Business

The Chair highlighted that this would be the Principal's last Audit & Risk Committee meeting before leaving to take up the post of Pro-Vice Chancellor with Ulster University. He thanked Prof Scott for her magnificent support and help to the Committee over the years, and members endorsed these remarks.

Members noted that the Chair would send best wishes to the Director of Further Education on her upcoming retirement.

69.12 Date of Next Meeting

To be agreed at the Governing Body meeting on 30 June 2021.

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

Mr W McCluggage



Chair

Date 22 September 2021

Mrs K Wallace



Secretary