

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee held on 8 March 2023 on MS Teams commencing at 4.02pm.

Present: Mrs L Crilly, Dr P Graham, Mrs P Martin, Mr W McCluggage (Chair)

In Attendance: Mr D Conliffe (DfE), Mrs K Costley (NIAO), Ms K Craig, Mr M Higgins, Mr S Lavery, Mr I McCartney (RSM NI), Mr S Price (76.3), Ms J Small

Mrs K Wallace (Secretary)

76.1 Apologies

Mr Hutchinson and Mr Small.

76.2 Declaration of Interests

None.

76.3 Training System Update

Mr Price updated Committee on the background and introduction of the Department's Training System (TAMS) and outlined a number of issues with the system since its implementation in 2022. Members noted a serious problem with data migration and a manual system introduced to support claims of funding. Mr Price paid tribute to Sean McAleese and Julieann Logan for their work to ensure that claims were up to date.

Committee discussed and queried current issues around the migration of data, especially in relation to European funding requirements. Mr Price advised that DfE were aware of the FE sector-wide problems and had provided conditional assurance in writing to the College that it would not be penalised, and that the issue would be addressed with auditors. In response Mrs Costley outlined NIAO's independent position on this issue.

Committee heard details of data storage and security arrangements and that DfE had declared their status as data controller.

The Principal highlighted the timing of the update to give as much comfort as possible to governors and advised that the end of year statement to the Department would flag TAMS as a red risk. The possibility of a future internal audit was noted.

Mr Lavery pointed out the extra work carried out by staff to keep College records on track and the Chair suggested future recognition of this eg at the staff award.

Action: The Chair placed on record that TAMS is not, by any means, an acceptable operating position at this time.

The Chair referred to a software alliance and would take this offline with the Principal.

4.36pm Mr Price left the meeting.

76.4 Minutes of the Last Meeting

The minutes of the meeting held on 16 November 2022 were approved.

Proposed: Dr Graham

Seconded: Mrs Martin

76.5 Matters Arising

- IT to close off Dropbox file hosting services over the next few months.
- The Chair had met with Dave Vincent, Director of Shared Services, and proposed to request a meeting with him to discuss LMS.

Action: Ms Small and Ms Kerr would take part in the meeting on LMS.

- Review of the Cabinet Office Counter Fraud Standards would be carried forward to the next meeting.

Action: Ms Craig would provide a briefing to the next meeting of Committee.

- Recruitment for an independent financial expert had been readvertised. Experience of incoming governors would also be reviewed for consideration.
- NI FE Benchmarking Report was confirmed as having been noted.

76.6 Chair's Communication / Correspondence

Members noted information on changes to audit approach for the 2022-23 cycle. Mrs Costley explained the ISA 315 focus and confirmed that review of financial process would also be undertaken at the end of March this year and would ultimately inform NIAO procedures going forward.

In relation to NIAO's proposed increase in fees, Mrs Costley confirmed that work would be carried out as quickly and efficiently as possible. Mr Lavery queried that the Department would pick up the additional cost of the extra audit if the purpose was to provide assurance around the Department's year-end figures.

76.7 Information Governance

Ms Kerr presented her March 2023 report and highlighted details of information governance incidents, 2 minor and one moderate issue and outlined the background on the moderate issue and actions taken thereafter. She outlined current work on archiving of documents and commended the support of the Estates Department for their help.

The Chair congratulated Ms Kerr and the team, particularly for their work in identifying unneeded information for destruction.

5.03pm Ms Kerr and Ms Small left the meeting.

76.8 Internal Audit

Mr McCartney outlined findings and noted areas of good practice in the following reports:

- Internal Audit Progress Report
- Lost Learning Draft Report – advisory report identified 2 low and 1 medium priority actions. The Chair highlighted monitoring and reporting on benefits, particularly pastoral care, and the importance of effective processes and measures in place to assure this.

Action: Committee agreed that key findings and good practice from the Lost Learning Draft Report be shared with the Education Committee.

Dr Graham voiced support for increased sharing of information across Committees.

- Business Development Report – Satisfactory assurance with 1 low priority action. The Chair recognised the need for more focus on sharing for marketing, which had been accepted by management. He suggested that Bazaarvoice be looked at for information on impact of marketing activity. Dr Graham commended Ms Small and Mr Fairless for work carried out in the last year and continued development on external engagement.
- Key Financial Controls – Satisfactory assurance and 3 low priority actions. Ms Craig reported that face-to-face training would commence at beginning of the new academic year for new staff and updated on signature processes for those working from home.
- RSM Emerging Risk Radar – noted.

Mr McCartney advised that 2 final pieces of work would come to the next Committee meeting in May with follow up and final assurance statement at the September meeting.

Ms Craig spoke to the NRC report on Outstanding Audit Issues and the Chair welcomed the rigorous and credit worthy process which had been implemented over the past few years to reduce the number of outstanding audit issues.

76.9 External Audit

Mrs Costley presented the final Report to Those Charged with Governance and confirmed that she was content with management response to the one priority 2 finding.

Mrs Costley clarified timeline for provision of audit strategies for Departmental and College statutory audits and would include an annex in the College audit strategy on timings for work to be undertaken. Mrs Costley also advised on accountability for Departmental audit issues, depending on value and materiality levels.

Action: Audit strategy correspondence for 31 March 2023 would be shared with Committee when received.

The Chair thanked NIAO for their work on the RTTCWG.

76.10 Risk Register

Consideration was given to the Risk Register at January 2023. A number of proposed recommendations were queried and agreed subject to the following amendments:

Action:

Risk 9 – wording to be changed to reflect that ability to impact the situation was outside of the College’s remit. Word “securing” to be added to Risk 9.

Risk 5 – financial sustainability to be moved from red to black.

It was noted that the Resources Committee would meet to consider this budget issue in advance of the GB meeting and that the change to this risk level would have a knock-on effect on other risks and achievement of College objectives.

Committee welcomed and noted the DfE Risk Appetite Statement report.

76.11 Other Registers

Consideration was given to the following registers:

- Gifts & Hospitality 1 August 2022 – 31 January 2023 – all events were confirmed as within scope of BAU.
- Theft report – members received details of a break-in and theft of the float from receptions. Members were advised on the security procedures for holding of ‘float’ money at reception and noted that police had been informed. Committee noted this was a rare occurrence, with other similar business attacks having been carried out over the same weekend.
- Direct Award Register – NIL return for period.

76.12 Any Other Business

None.

76.13 Date of Next Meeting

The next meeting would be held on 31 May 2023 on MS Teams.

The meeting concluded at 5.56pm.

Mr W McCluggage



Chair

Date: 31 May 2023

Mrs K Wallace



Secretary