

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee held on 16 November 2022 in Farm Lodge commencing at 4.15pm.

Governing Body members of the Audit & Risk Committee met with representatives from NIAO and RSM at 4.00pm, prior to the full Committee meeting.

Present: Dr P Graham (on Teams), Mr W Hutchinson, Mrs P Martin, Mr W McCluggage (Chair), Mr D Small

In Attendance: Ms A Busby (NIAO) (on Teams), Mr D Conliffe (DfE), Mrs K Costley (NIAO) (on Teams), Ms K Craig, Mr M Higgins, Mr S Lavery, Mr K Leckey (75.3), Mr I McCartney (RSM NI),
Mrs K Wallace (Secretary)

It was agreed to reorder the agenda to bring NIAO update earlier in the agenda.

75.1 Apologies

Mrs Crilly.

75.2 Declaration of Interests

None.

75.4 Minutes of the Last Meeting

The minutes of the meeting held on 28 September 2022 were approved, subject to a minor typing amendment.

Proposed: Dr Graham Seconded: Mrs Martin

75.5 Matters Arising

- **Action:** Update on possibility of restricting file hosting services eg Dropbox would be carried forward to the next meeting of Committee.
- The Chair reported that he had been advised against writing to the Permanent Secretary on the performance issues experienced with IT Assist. He had, however, expressed members' concerns on the programme to Mr Ignatius O'Doherty, Director of Digital Shared Services

Action: The Chair would follow up the earlier conversation with a letter to Mr O'Doherty, to highlight this as a red risk for the College and place on record concerns raised.

- Risk due to budget and post budget conditions had been amended in the Risk Register, which will be presented at the next meeting of Committee.

75.6 Chair's Communication / Correspondence

The Chair gave a summary of the results of the recent Audit & Risk Committee Self-Assessment exercise and addressed comments made by members viz:

- One recent Departmental ARAC meeting had been held to date, which the Chair was unavailable to attend. There had been no previous interaction.
- Members were advised on the College's processes to comply with the Cabinet Office's Counter Fraud Standards.

Reference was also made to having this information included in Departmental audit and risk training.

Action: Committee would receive a briefing on College compliance with the various sections of the guidance, at the March 2023 meeting. The Secretary would circulate a link to the Cabinet Office document.

- Members were updated on the current status of recruitment for a financial expert, and on liaison with the Department on the possibility of providing the skills through incoming governor vacancies.

75.7 Internal Audit

Members noted the NRC Progress Report and reports due to come to the March meeting of Committee

Action: Three of the scheduled internal audit reports would be shared with members as received and considered formally at the March meeting. One report would be held to the May meeting for consideration.

Consideration was given to the NI FE Colleges benchmarking report outlining major risks for colleges.

The Chair proposed that an audit of ESG and of the Risk Register should be included in the audit programme for the following year.

Action: The Audit & Risk Committee would review the findings in the report.

75.8 External Audit

Mrs Costley presented the Draft Report to Those Charged with Governance (RTTCWG). She highlighted that the proposed unqualified audit opinion was subject to no further material issues being identified once all audit procedures had been fully completed and referred to issues outlined below.

Mr Laverty noted the positive report and engagement and thanked the NIAO for keeping to their agreed audit strategy.

75.9 Draft Annual Report and Financial Statements 2022

Ms Craig presented the Word and Draft Design versions of this report and took members through the Summary report. She outlined the process for laying of accounts in the Assembly at a date to be decided by the Department.

Ms Craig thanked the NIAO and the College finance team for their work and collaboration on this year's audit.

Mrs Costley confirmed that the audit had been a smooth process but noted that further work was required due to an inconsistency having been discovered in the treatment of land and

building valuations across all NI Colleges. Members heard that this might require adjustments to accounts and, as such, NIAO were not in a position to certify any of the college accounts until the issue was resolved.

Members queried the process with DfE and NIAO representatives and debated the best way to provide assurance to the GB on the accounts at this stage in the year.

Actions:

- Accounts proceed to GB for approval as planned and advise GB of the valuations issue.
- If an adjustment is required, GB asked to review current accounts and pass final authority to the Audit & Risk Committee to reconvene and approve adjusted accounts.
- A small amendment to be made to the text in the Foreword of the accounts as relates to the new build campus developments.

4.53pm Mrs Costley left the meeting.

4.54pm Mr Leckey joined the meeting.

75.3 Health and Safety Update 2021/22

Mr Leckey presented the annual health and safety (H&S) update and expanded on accident trends, safety outcomes and leading indicators. Members also noted that only one member of staff had taken time off work as the result of an accident and one insurance claim.

In response to questions from members, Mr Leckey confirmed: the H&S reporting system meets the guidance set out in H&SE legislation; frequency of local workplace inspection checks; H&S officer and coordinator in place; training provision and communication updates.

Committee noted the composition of the H&S Committee and heard about upcoming investment in an online training hub next year. In relation to external H&S provision, members noted requirements placed upon external providers and monthly visits carried out by College assessors.

Action: Mr Leckey would provide training uptake data in the next H&S update and include H&S figures for external placement students in future reports.

5.15pm Mr Leckey left the meeting

75.10 Audit & Risk Committee Annual Report

The Chair presented the Annual Report of Committee for approval and recommendation to the Governing Body.

Action: The Audit & Risk Committee Annual Report is recommended to the Governing Body, subject to inclusion of a form of words outlining the accounting issue reported by NIAO.

75.11 Any Other Business

The Principal updated members on the Trainee and Apprenticeship Management System (TAMS) which had been introduced by the Department in August 2022 to replace the previous TMS system used to manage Work Based Learning and control funding, compliance, and student data.

Mr Higgins outlined a number of FE Sector-wide issues and concerns which had been raised with DfE who were due to meet with the Principals' Group on 18 November and with individual colleges in the coming week. He highlighted the stress that the introduction of the system had imposed on staff to date and advised that the Principals' Group were not prepared to proceed with Phase 2 of TAMS until issues had been addressed.

Committee considered the issues for staff along with implications for potential fraud and reputational damage from the under-performance of this system, which was agreed to include as a red risk on the College Risk Register.

Members voiced their full support for the line being taken by the Principals.

75.14 Date of Next Meeting

The next meeting would be held on 8 March 2023.

The meeting concluded at 5.57pm.

Mr W McCluggage



Chair

Date: 8 March 2023

Mrs K Wallace



Secretary