

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee held on 27 September 2023 on MS Teams commencing at 5.15pm.

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

In Attendance: Mrs K Costley (NIAO), Ms K Craig, Mr M Higgins, Mr S Lavery, Mr I McCartney (RSM NI), Ms H Sampson (DfE), Ms J Small
Mrs K Wallace (Secretary)

78.1 Welcome/Apologies

Mrs Martin welcomed everyone to her first meeting as Audit & Risk Committee Chair, particularly the new governor Mr Devlin and members new to Committee, Mr McAllister and Mr MacAuley.

No apologies.

78.2 Declaration of Interests

None.

78.3 Minutes of the Last Meeting

Consideration was given to the minutes of the meeting held on 31 May 2023. Mrs Costley asked that amendments be made to the item on External Audit and would forward her suggestions for same.

The minutes were approved subject to amendments.

Proposed: Dr Graham Seconded: Mr Small

78.4 Matters Arising

None.

78.5 Chair's Communication / Correspondence

The Chair invited nominations for a Committee Vice Chair and Mr Small was unanimously appointed to the position.

The Chair referred to the NAO Self-Assessment form, to be completed and returned to the Secretary by 10 October. The Principal encouraged new members to flag up any issues when completing the form as this would highlight actions which needed to be taken.

Action: The Secretary would circulate the NAO Self-Assessment form to members for completion.

78.6 Mid-Year Assurance Statement 2023/24

Mr Laverty took members through the mid-year statement. He highlighted 3 areas of non-compliance detailed in the document and drew attention to the process for sign-off and return by the Chief Executive/Accounting Officer.

Members heard that significant improvements had been achieved on TAMS. However, the extent of issues encountered over the process were considered by the College to be important enough to highlight to the Department and their Board.

The Chair considered this to be a reasonable approach to take from a governance point of view and Committee noted the document. Any feedback would be taken on board.

78.7 Information Governance

Ms Kerr spoke to her report and outlined actions being taken to follow up on the review of procedures following data breaches. She reported further guidance which had just been issued by the ICO on FOI across the wider public sector, which would be taken forward within the organisation as a matter of urgency.

In response to members' queries, Ms Kerr outlined the process and actions in place for disseminating training to staff as speedily as practicable.

The Chair was reassured from a governance perspective by the information provided.

5.46 pm Ms Kerr left the meeting.

78.8 Internal Audit

The following reports were noted:

- i) Follow-Up Report 2023. Good progress in implementing agreed management actions was noted. Mr Laverty clarified that follow up action on 1 medium recommendation on cyber security, relating to data classification across the sector, would be subject to budgets.

The Chair noted that good progress was the highest level of assurance achievable.

Action: Mr Laverty would ask the Head of IT to raise the issue of a data classification system at the IT Managers' meeting.

- ii) Annual Report/Year-end Assurance. Satisfactory opinion for systems of governance, risk management and control.

The Chair and members thanked Mr McCartney for an excellent report.

- iii) Draft Internal Audit Plan 2023/24. Committee considered and debated the increase in fees for the year against the option to stay within the previous year's funding envelope by reducing the audit programme.

Members agreed the overriding need for assurance given the size, scale and complexity of the College and were content to approve the audit programme and accept the number of days and costs proposed.

A typo in the draft report was noted by Mr McCartney and would be changed in the final report.

- iv) NRC Progress against Outstanding Audit Issues on 31 August 2023. Ms Craig reported progress on implementation of audit recommendations.

78.9 External Audit

Referring to the TAMS issue discussed earlier, Mrs Costley advised that NIAO were currently considering doing a report on a major capital project under which this might be looked at.

Consideration was given to the Audit Strategy 2022-23. Mrs Costley summarised the remit of NIAO audit work on the Annual Report and Accounts, for the benefit of new members. She outlined significant additional risk assessment required this year due to the introduction of ISA 315, which was still to be reviewed. In relation to timetable, Mrs Costley hoped to progress and complete work over the next 2 weeks or so. She advised that, due to priority allotted to Departmental work, audit of College statutory accounts would not commence in line with the timetable. Members heard that it was possible that some time might be recouped for the July year-end as a result of work completed for the March year-end.

6.28 Due to technical difficulties the Chair exited the meeting and the Vice Chair took over.

During a period of discussion, Committee heard that the likelihood was that the Department's 2023-24 audit deadline would again be after the summer recess.

Committee considered and agreed that:

- assessment of the risks of material misstatement to the financial statements was complete;
- management has adequate plans in place to address the risks identified by NIAO;
- Committee are content with proposed audit response to address these risks;
- apart from one case of suspected fraud reported to the Department, Committee are not aware of any other:
 - actual, suspected or alleged fraud affecting the College; or
 - instances of non-compliance with laws and regulations that could be expected to have a fundamental effect on the operations of the College; or
 - actual, suspected or alleged irregularity affecting the College.

Mrs Costley agreed to provide information as early as possible on any slippage in audit timetable, to aid the College in rescheduling of Committee and GB meetings if necessary.

6.36 Mrs Martin re-joined the meeting.

Committee were content with the audit strategy and thanked Mrs Costley for her presentation.

78.10 Draft Annual Report and Financial Statements 2023

Ms Craig took members through the summary of key points attached to the draft report, highlighting the College had received Satisfactory Assurance from Internal Audit. An updated version of the Annual Report and Accounts would be submitted to NIAO and DfE on 29 September in line with agreed deadlines. Members noted that the start date for the NIAO audit would likely be later than timetabled, as discussed earlier.

Action: A typo in relation to an internal audit assurance status was noted and would be corrected by Ms Craig.

Mr Laverty thanked all those involved across the College for their team effort in pulling together the Annual Report and Accounts, especially given other challenging work pressures.

6.45pm Mrs Martin again left the meeting due to technical difficulties and Mr Small assumed the Chair.

78.11 Risk Register

Consideration was given to the Risk Register to August 2023 and proposed changes and red risks were discussed.

Mr Small commented on the significance of the black risk category and the ongoing issues resulting in recurring red risks. He noted a well explained risk register and had no issues or concerns.

Dr Graham agreed and highlighted that a change in the cycle of Education Committee meetings for the incoming year would increase timely data and information on enrolments and further inform risk accuracy.

The Principal gave a brief update on negotiations with Trade Unions, with a meeting to take place on 29 September, which would be reported on at GB.

In relation to the pre-consultation letter issued to staff, members noted no significant matters at this stage and the Principal advised that criteria had not yet been developed for formal assessment on moving forward. Members were advised that the College was contracted to deliver academic programmes to August 2024.

Committee were content to note the report.

78.12 Other Registers

The following registers were noted:

- Gifts & Hospitality to 31 July 2023.
- Direct Award Contracts – nil return.
- Fraud Report – Mr Laverty referred to Ms Kerr's earlier report showing this had originally been reported as a raising concern before being closed out and moved for investigation under the fraud policy.

78.13 Any Other Business

None.

78.13 Date of Next Meeting

15 November 2023, subject to NIAO audit timetable, to include annual auditors pre-meeting.

The meeting concluded at 7.03pm.

Mrs P Martin



Date: 5 February 2024

Chair

Mrs K Wallace



Secretary