

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee held on 28 September 2022 on Teams, commencing at 4.00pm.

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

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

74.1 Apologies

The Chair congratulated Mrs Costley on her recent marriage.

Apologies were noted for Mr Hutchinson.

74.2 Declaration of Interests

None.

74.3 Minutes of the Last Meeting

The minutes of the meeting held on 1 June 2022 were approved.

Proposed: Dr Graham Seconded: Mrs Martin

74.4 Matters Arising

- A few minor amendments to the Audit & Risk Committee Terms of Reference were noted for updating.
- No applications had been received for the position of independent financial specialist. The post would be readvertised.
- Members noted that the Safeguarding Report, detail of which will be considered by the Education Committee on 3 October, had been attached for information. Members remarked on the high quality of the mandatory safeguarding training put in place for all staff.

74.5 Chair's Communication / Correspondence

Two items of correspondence were noted:

- The National Fraud Initiative Report and media release, previously circulated on 19 July 2022. The Chair extended thanks to those working on this information.
- Requirement for Sector Wide Internal Audit on Lost Learning noted and covered under internal audit programme for 2022/23.

74.6 Mid-Year Assurance Statement 2022-23

Mr Laverty took members through the Statement and highlighted actions in place/ to be taken.

Committee were content for the Chair and Principal to sign off the Mid-Year Statement and noted the sequence of Department feedback and final submission by the College.

The Chair expressed his dissatisfaction with Central Government's IT Assist's work on the FE Sector's LMS system.

5.18pm Ms Kerr left the meeting.

74.7 Information Governance

Members considered the update for the period 1 May – 31 August 2022. Ms Kerr detailed actions taken to resolve two recent information governance issues. Members expressed concern at the prevalence of systems such as Dropbox in fraud cases generally.

ACTION: Ms Kerr would ask IT to look at the possibility of restricting the use of file hosting services eg Dropbox.

Mrs Costley would point out the attempted fraud directly to the Fraud team for information sharing across colleges.

Members congratulated Ms Kerr on the level of care given to staff in information governance issues, and to the speedy closure of cases.

74.8 Internal Audit

The following reports were noted:

- i) Learner Management System (LMS). FE Sector Wide, Advisory audit showing 3 low and 2 medium priority findings.

Difficulties arising from having 2 suppliers for this system were discussed and senior managers highlighted ongoing communication and performance issues with the system. The Chair expressed deep dissatisfaction with the performance of IT Assist on this project, whilst noting that Tribal were striving to respond to issues raised.

ACTIONS: The Chair will write to the Permanent Secretary for the Department of Finance, to highlight risk due to performance and responsiveness issues of IT Assist. He will copy Paul Duffy and Sharon Smyth into the correspondence.

The Chair will also raise this issue at the ARAC Chairs' meeting in October.

Ms Small noted feedback from members relating to the College website, which is currently under review.

- ii) Follow Up Report. Good progress in implementing agreed management actions was noted.
- iii) Annual Report. Satisfactory assurance was noted for the year-end assurance report.

Committee were content with the reports.

- iv) Draft Internal Audit Plan 2022-23. Committee discussed key changes to the plan from that previously drawn up.

ACTION: Committee endorsed and agreed the Internal Audit Plan 2022-23.

- v) NRC Progress against Outstanding Audit Issues at 31 August 2022. Ms Craig reported progress on implementation of audit recommendations..

74.9 Draft Annual Report and Financial Statements 2022

Ms Craig drew members' attention to the summary of key points attached to the report, which is on target for submission to NIAO and DfE on 30 September. Members were invited to provide feedback on the draft document after the meeting.

Members noted Satisfactory assurance overall from auditors.

ACTION: Committee endorsed the draft report subject to inclusion of additional wording for one of the internal audit reports.

The draft accounts would go to the Resources Committee meeting on 10 October.

Mr Laverty thanked Ms Craig and her Department for their work on the report and outlined the timeline for the audited accounts to be presented to Resources Committee and then Audit & Risk before being approved by GB in November.

74.10 External Audit

Mrs Costley agreed to pass on the best wishes of Committee to Ms Dorinnia Carville on her appointment as Comptroller and Auditor General for Northern Ireland.

Mrs Costley confirmed that plans were in place for the audit to start and that the draft Report to those Charged with Governance would be provided for the next meeting of Committee.

She outlined incoming changes to the auditing standards for next year, with changes to the requirements for Department Accounts and implications for further audit work at the FE Colleges in April.

Mr Laverty thanked Mr McCartney and the internal audit teams for their work over the year and noted that upcoming changes had been flagged to governors at training.

The Chair noted the amount of work which would be involved with the changes and welcomed the continued positive relationship between NIAO, internal audit and the College.

74.11 Risk Register

Consideration was given to the Risk Register to August 2022 and proposed changes were discussed.

ACTION: Risk due to budget and post budget conditions will be recorded as an action on the Risk Register.

Members agreed the red risks. Risks with green status should not be included on the Corporate Risk Register.

Dr Graham's suggestion that risks over which the College had no control should also be excluded, was noted.

Committee were content to note the report.

5.39pm Dr Graham left the meeting

74.12 Other Registers

The following registers were noted:

- Gifts & Hospitality to 31 July 2022 - accepted invitations considered to be business as usual items.
- Fraud Report – this had been passed to DfE earlier in September. Members noted the good work done on this issue and agreed that sharing information across colleges was good practice.
- Direct Award Contracts – nil return.

74.13 Any Other Business

None.

74.14 Date of Next Meeting

The next meeting would be held on 16 November in Farm Lodge, preceded by the annual meeting with auditors.

Mrs Costley would join the meeting online, due to prior time commitments.

There being no other business, the meeting concluded at 5.44pm.

Mr W McCluggage



Date: 16 November 2022

Chair

Mrs K Wallace



Secretary