

## NORTHERN REGIONAL COLLEGE

### AUDIT & RISK COMMITTEE

#### Minutes of the Audit & Risk Committee held on 31 May 2023 on MS 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 K Costley (NIAO), Ms K Craig, Mr M Higgins, Mr S Lavery, Mr I McCartney (RSM NI), Mr K Nelson, Ms H Sampson (DfE), Ms J Small, Mr S Wade (NIAO)

Mrs K Wallace (Secretary)

#### 77.1 Welcome/Apologies

The Chair introduced Mr Seamus Wade, Director, NIAO along with Mr Nelson, who was attending as an observer. Mr Wade and Mr Nelson were warmly welcomed to the meeting.

Apologies were recorded for Mrs Brown and Mr Hutchinson.

#### 77.2 Declaration of Interests

None.

#### 77.3 Minutes of the Last Meeting

The minutes of the meeting held on 8 March 2023 were approved.

Proposed: Dr Graham                      Seconded: Mr McCluggage

#### 77.4 Matters Arising

The Chair advised that the Performance and Development team had collated a report on LMS and he had suggested 3 dates for a meeting with Mr Colin Daysh, Director of IT Assist, which would proceed under the remit of the new Committee Chair.

Ms Craig summarised the contents of the Cabinet Office Counter Fraud report and associated compliance checklist. Members noted the College response to the checklist.

In response to members comments on awareness training for staff, Mr Lavery would include an induction checklist in financial training for new starters.

**Action: Fraud awareness training also to be included in CPD training day.**

Members noted that any other matters had been completed or were included under following agenda items.

#### 77.5 Chair's Communication / Correspondence

The Chair reported that Ms Martin, Committee Vice Chair, had agreed to take up the post of Audit & Risk Committee Chair from 1 August 2023. Expressions of interest for appointment of a Committee Vice chair would be considered at the first meeting in the new academic year.

Consideration was given to a letter from the Department requested a change to the Accounting Year date. Mr Lavery outlined the background to the request, which all colleges support. He advised that the Department had provided a one-off adjustment for the impact on staff holiday payments arising from the change in date.

**Action: Committee accepted the move in Accounting Year date and recommend to the GB for approval at the June meeting.**

The Chair thanked Mr Wade for the advance letter advising of his appointment as Director of NIAO and welcomed Mrs Costley's continued relationship with the College as NIAO Audit Manager.

Committee welcomed the NIAO report on Public Procurement in NI and Mr Lavery outlined resulting engagement with the Department on using the Education Authority, alongside CPD, as it aligns to College requirements and to aid resourcing needs.

### **77.6 Information Governance**

The Chair thanked Ms Kerr for her highly professional and valued input over the last number of years, and her concise and factual reports to Committee, which had been very much appreciated.

Ms Kerr presented her May 2023 report and clarified the background, and resulting action, to data protection requests and Raising Concerns disclosures. Committee heard that all data protection policies had been updated in advance of the Open University (OU) audit and had been well received by the OU.

Dr Graham stated that the OU were very impressed with the quality and detail of information provided and congratulated Ms Kerr, Dr Monteith and the rest of the team involved in the submission.

Ms Kerr outlined plans to review and update all governance training and provide separate Raising Concerns training across the College.

Members noted the intention to align with updated Raising Concerns documentation from DfE and were supportive of the proposed change of phrase to 'Speak Up Champion', with the proviso of no further change to the title of this role. In relation to members' queries on complaints relating to very senior personnel, the Chair confirmed from experience that a robust process and procedure to investigate and report was in place in the College.

Mrs Crilly's offer of assistance to look at S75 and protected disclosure requirements if needed were welcomed by the Chair and the Principal, who acknowledged the need for future training of further personnel.

**Action: Committee support and recommend to GB for approval, the change of terminology to 'Speak Up Champion'.**

4.40pm Ms Kerr and Ms Small left the meeting.

### **77.7 Internal Audit**

Mr McCartney outlined findings in the LMS Performance and User Experience advisory report and reported Satisfactory assurance in HE Provision, noting areas of good practice.

The Chair highlighted the 8 areas of good practice identified in the report and commended the work put into HE.

**Action: Committee agreed that key findings and good practice from the report on HE Provision be shared with the Education Committee.**

Committee noted the NRC report on Outstanding Audit Issues and welcomed a 22% increase in implementation rates. The Chair underlined the improvement to the College position over the past couple of years and attributed it directly to the work and commitment of senior managers.

The Chair recognised the relevance of information contained in the Strategic Risk Appetite report. Mr Laverty advised that this, alongside updated DfE information, would be considered for incorporation into an updated College approach when new GB members start.

The Principal highlighted the positive response of GB in agreeing to extra meetings which are convened when warranted to consider emerging risks such as the implications for withholding of grades and assessments.

Dr Graham and Mr Small endorsed the Principal's comments and recognised the speedy performance on implementing audit recommendations.

The Chair thanked Mr McCartney for his report.

## **77.8 External Audit**

Mrs Costley provided a verbal update on progress of work on the audit strategy for the 2022-23 financial statements, and highlighted additional work on risk assessment required due to the revision of the ISA 315 audit standard, along with additional work required for the Department's audit as a result of the Review of Financial Processes (RoFP). She advised that the audit strategy would be issued in the next few weeks and the lead auditor would be in touch with Ms Craig to discuss relevant dates. An annex providing an overview of the audit of NRC's consolidation pack for RoFP would be included with the audit strategy. Mrs Costley noted discussions with the Department, indicating it was willing to be flexible with other deadlines, including those for the College's statutory accounts to ease pressure on college finance teams to allow them to prioritise RoFP work.

The Chair raised concerns in relation to timescale, risk and costs, without access to the NIAO draft audit strategy but noted that the College would, meantime, progress according to the College PID and Project Plan provided.

The Principal advised that a schedule of meetings for the incoming year, aligned to key reporting dates including signing off of accounts, would be presented to the Governing Body on 20 June. Whilst acknowledging the workload of the NIAO, he advised that it would be useful if an outline of the audit strategy was available for this meeting to allow future meetings to be planned in. Mrs Costley agreed to do her best to accommodate this request.

The Chair referred to the College's accountability to DfE for any missed dates and thanked Mrs Costley for her support.

4.57pm Mrs Martin joined the meeting.

## 77.9 Accounts

The draft College PID and Project Plan were endorsed by Committee notwithstanding the lack of NIAO audit strategy as noted above.

## 77.10 Risk Register

Mr Laverty presented the May 2023 update to the Risk Register and clarified the rationale behind moves in status of risks. The key movement in risk for May related to Risk 9.

The Principal gave an overview of the current state of negotiations on Risk 9, lecturers' pay.

The Chair queried timeframe of progress on action relating to Risk 12 cyber security, especially given its importance as a core operation of the College. In particular he stressed that readily achievable activities be progressed rapidly. In response to clarification on progress to date, the Chair recommended that the description of the risk be reviewed to more accurately reflect the current position.

**Action: Description of Risk 12 would be reviewed and updated.**

## 77.11 Other Registers

Committee noted the Theft Report Update and Ms Craig's report on the current status of the Police investigation.

The Chair confirmed that Ms Craig had agreed to carry out checks on the content of safes at regular intervals.

## 77.12 Any Other Business

The Principal recorded his thanks and appreciation to Mr McCluggage for his continued support for the College over a number of years, and his contribution to improving College systems and processes, and extended his best wishes for the future.

In his position as GB Chair, Mr Nelson thanked Mr McCluggage on behalf of the GB for his expertise, skills, interest and commitment to the College community as a whole.

Mr McCluggage thanked members for their kind words and noted the progress made by the College in the last number of years, both in facilities and performance. He wished good luck to the incoming Audit & Risk Committee Chair.

## 77.13 Date of Next Meeting

To be confirmed.

The meeting concluded at 5.28pm.

Mrs P Martin 

Date: 27 September 2023

Chair

Mrs K Wallace 

Secretary