

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee held on 22 May 2024 on MS Teams commencing at 4.00pm.

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

In Attendance: Mrs K Costley (NIAO), Mr M Higgins, Ms C Keenan (RSM NI), Mrs D Kerr (Item 81.6), Mr S Laverty, Mr K Nelson, Mr G O'Loughlin, Ms H Sampson (DfE)

Secretary: Mrs K Wallace

Members agreed to bring forward the External Audit item, to facilitate Mrs Costley's attendance at a later meeting.

81.1 Welcome/Apologies

Mrs Martin welcomed Mr Nelson, who had joined as an observer at the meeting. She also welcomed Mr O'Loughlin in his capacity as new Head of Finance, and Ms Keenan who was standing in for Mr McCartney.

81.2 Declaration of Interests

None.

81.3 Minutes of the Last Meeting

The draft minutes of meeting on 1 March 2024 were approved.

Proposed: Dr Graham Seconded: Mr Small

81.4 Matters Arising

None.

Mrs Crilly joined the meeting at 4.10pm.

81.8 External Audit

Mrs Costley presented the audit strategy and clarified the context of Section 3 of the report. She explained why some audit dates had yet to be confirmed and required additional engagement with the College. Noted that the approach to be taken to audit of the consolidation pack for 31 March 2024 would be similar to that taken for 2023. In relation to actions for the Committee, Mrs Costley noted the risk section of the report and highlighted the need for the College to notify NIAO of any issues in the plan which needed to be taken into account.

Mrs Costley responded to questions from members on the following issues:

- materiality level and basis for significant risk 4 in the report;
- audit dates for the other 5 colleges had been confirmed;

- clearance on report related to skills for the modern economy was expected around June. Mrs Costley would send out some information on this.
- resolution of action short of strike had been noted but had no impact from an audit risk perspective.
- rationale for substantial increase in audit fees over the past 2 years. She did not expect any additional substantial price increase next year, subject to inflation.

Dr Graham was content to see the inclusion of significant risk 4 in the strategy as a monitoring reminder and expected that the action plan which had been developed would address same.

The Principal noted that the schedule of meetings for 2024/25 would be arranged at the GB meeting on 19 June and flexibility of dates would be looked at where possible.

Mrs Costley requested some movement in outlined meeting dates, as audit work could not be completed within the current meetings timeframe. The Chair noted that it was important that the College had agreed dates in the plan, albeit with the need for flexibility. Mrs Costley confirmed she would be happy to meet with Mr Laverty to discuss timescales and report back to Committee through correspondence.

Mrs Costley left the meeting at 4.36pm.

81.10 Key Issue

Mrs Brown updated Committee on an urgent risk arising from the resignation of a FT lecturer and the rejection of an offer of employment for a further FT lecturer position, in the vocational area of electrical installation. Members noted actions undertaken by the College to mitigate the issue, however with no success. The lists of actions had been previously shared with the Committee Chair, Mr Small as Committee Vice Chair and Dr Graham, Education Committee Chair.

Mrs Brown advised that the course of action detailed had been arrived at following review of the planned curriculum by the Curriculum team, who had also collated a log of actions for members' assurance. Follow up communications had been drafted with input from the Communications team and the issue would be added to the Corporate Risk Register.

The Principal confirmed that all reasonable steps had been taken to deal with this issue and no option remained other than the actions outlined. The update was being provided to Committee as early as possible and the College would continue to work with students on alternative arrangements, where possible.

Members noted recruitment issues and agreed that a managed, student-centred approach was being taken.

The Chair thanked Mrs Brown for her efforts.

Action: The Secretary will circulate the Log of Actions to members following the meeting (circulated by email 25.05.24).

Mrs Brown left the meeting at 4.48pm.

81.5 Chair's Communication / Correspondence

Committee considered the following:

- Draft DfE Risk Assessment. The comprehensive risk profile and “**low**” risk assessment were noted.
- Commissioning Memo for Assurances on College Performance. Members noted that this was included in internal audit’s plan for the coming year. Mr Lavery advised, however, that in relation to improvement actions which required colleges to work together to develop guidance, it was intended to respond to the Department to propose that this be carried out in 2024/25 and audited in 2025/26. Members endorsed this action.
- DfE’s response to NIFON re change of accounting period. Mr Lavery explained the Department’s preferred option and the impact this would have on College and NIAO resources. The Principal highlighted the impact on the timing for annual publication of information, which would be historic rather than current, a situation which would apply only to FE Colleges.

In response to members’ queries, Mr Lavery outlined NIAO’s stance on change of year end and advised that a detailed plan was now being developed to cover actions up until 2026. The Principal advised that a meeting of Principals and Vice Principals would take place week commencing 27 May, to look at how college activity would be recorded to align with the Minister’s priorities.

81.6 Information Governance

Mrs Kerr took members through the report and logs provided and updated that decisions on cyber essentials would be made at local level.

Members welcomed the new RC tracking sheet and assurance processes in place and noted that information was awaited from an external body dealing with the open RC.

Mr Small asked that learning points from breaches be circulated to ensure no repeat; Mrs Kerr would also include points noted from the GIAA training.

In response to a query from Mrs Martin in relation to revision of the Retention and Disposal schedule, Mrs Kerr explained that the proposed decommissioning of the unsupported QL database would involve maintaining a copy of the last 3 years’ information before deleting all software.

Action: Mrs Kerr would circulate learning points. She would also modify the report to show a decommissioning of the software programme, management of data to end of life and some disposal in line with the schedule.

Mrs Kerr left the meeting at 5.16pm.

81.7 Internal Audit

Ms Keenan summarised the Internal Audit Progress Report and noted Satisfactory Assurance for the Health and Safety (H&S) Report, with 1 ‘low’ and 1 ‘medium’ priority findings, along with good practice. She highlighted the addition of a Global Internal Audit Standards report for information.

Mr Small welcomed the report on H&S as a very important corporate issue.

The Chair commended Mr Leckey on the report and stressed the importance of training, and of managers being aware who has completed it; a principle that carried across to all areas of training.

Ms Keenan noted a good relationship with Mr O'Loughlin and thanked him for his assistance in achieving the H&S result.

Members noted that RSM had agreed to extend their contract for a final year, with the current contract finishing in 2025.

Mr Lavery summarised the report on outstanding audit issues and advised that new items agreed would be updated in the next report and that H&S and external audit recommendations would be added.

81.9 Accounts

Mr Lavery spoke to the accounts action plan and confirmed that bank reconciliations (item 1) were now up to date, to be verified by external audit later in the year, with items 2 and 3 to be updated as far as possible during the year. In relation to item 4, he advised that a sector policy would be brought through NIFON, with details of progress made available for NIAO audit.

The Chair and Dr Graham were content with the plan which took account of management's priorities.

Mr O'Loughlin presented the PID accounts and timetable/action plan. Some updates in the timeline for key tasks were noted, as highlighted by Mr Small.

Action: Mr O'Loughlin would review dates with NIAO and update the PID accordingly.

The Principal advised that action plan activity would be reported to Committee, with early notification through correspondence of any issues outside the meeting schedule.

The Chair and Mr Small were content that this was a good process.

81.10 Corporate Risk Register

Mr Lavery presented the risk register and drew members' attention to explanations for changes to a number of risk levels.

In response to a query from Mr Small, Mr Lavery confirmed that risk 2 was a continuing challenge due to the disparity between industry and college pay offers. The Principal noted that whilst the risk level had reduced, the impact on students affected both years 1 and 2 and suggested that the risk level be escalated, especially given the current staff recruitment issue.

Dr Graham queried whether this should also be considered under strategic planning.

The Chair agreed that the impact on students and curriculum managers warranted an escalation in terms of risk and was content to amend the report in the light of changing circumstances being faced.

Action: Risk 2 would be escalated to red after the meeting.

81.11 Other Registers

NIL return.

81.12 Any Other Business

None.

81.13 Date of Next Meeting

To be confirmed.

The meeting concluded at 5.46pm.

Mrs P Martin



Date: 30 September 2024

Chair

Mrs K Wallace



Secretary