

**Belfast Metropolitan College Audit and Risk Committee 3.00pm Monday 14 November 2022 at Titanic Quarter Board Room and via Microsoft Teams Minutes FINAL approved 14 March 2023**

**Committee Members:** Sam Snodden (Chair); Kay Collins; Seamus McGoran.

**Management:** Louise Warde Hunter, Principal & Chief Executive (P&CE); Aidan Sloane, Director of Corporate Services (DCS); Damian Duffy, Director of Partnerships and Sustainability; Laura Allen, Head of Finance (HoF), Lisa McCartney, Head of Corporate Development (HCD); Chris Corken, Head of Department of Science, Engineering and Construction (AC25d 22/23 only); Fiona Dempsey, Head of Belfast Business School (Academic) (AC25d 22/23 only).

**Auditors:** Karen Costley, Northern Ireland Audit Office; Ian McCartney RSMUK.

**Observer:** Heather Sampson, Department for the Economy, Áine Ó’Keeffe, Boardroom Apprentice 2022/23

**Clerk to the Governing Body:** Gerry Crossan

AC16 22/23	<b>Quorum, Apologies, Welcome, Conflicts of Interest, Notice of AOB and Leadership Culture</b>
Chair	<p><b>Quorum:</b> The meeting was quorate under the terms of Section 2 of Belfast Metropolitan College Audit and Risk Assurance Committee: Terms of Reference V4 22 June 2022 approved at GB81 21/22 22 June 2022.</p> <p><b>Apologies:</b> Apologies received from Jim McCall.</p> <p><b>Welcome:</b> No new participants at the meeting.</p> <p><b>Conflicts of Interest:</b> No perceived, potential, or actual conflicts of interest under the terms of Paragraph 15.1 of the Belfast Metropolitan College Governing Body Standing Orders dated August 2015 were advised.</p> <p><b>AOB:</b> No Items of AOB received at the meeting.</p> <p><b>Leadership Culture:</b> Chair <b>noted</b> our commitment to:</p> <ul style="list-style-type: none"> <li>i) brave leadership and meaningful dialogue;</li> <li>ii) simpler governance; and,</li> <li>iii) engaging in the right spirit. (AC28 22/23 below refers)</li> </ul>
AC17 22/23	<b>Minutes of the meeting held on 3 October 2022- DRAFT (PROPOSED FINAL)</b>
	The Committee <b>approved</b> the Draft (Proposed Final) minutes of the meeting held on 3 October 2022 unamended.
AC18 22/23	<b>Matters Arising from the minutes of the meeting held on 3 October 2022</b>
	No matters arising from the meeting held on 3 October 2022 that are not on the agenda of this meeting.

Agenda Item	
AC19 22/23  Chair	<p><b>Governance Guidance and Information</b></p> <p>None advised since the date of the last ARAC meeting (3 October 2022).</p>
AC20 22/23	<p><b>Notification of change to the internal control environment under Section 12d of Governing Body Standing Orders V5 22 June 2022</b></p> <p>(a) Conflict of Interest Policy June 2022; and, (b) Minor changes to a number of Belfast Met policies.</p> <p>The Committee <b>noted</b> the action taken by Management to update and promulgate the above policies and procedures.</p>
AC21 22/23  Chair	<p><b>Chair's Business</b></p> <p>None advised as at date of the meeting.</p>
AC22 22/23 <u>HoF</u>	<p><b>Financial Reporting for the year ended 31 July 2022</b></p> <p>(a) Annual Report and Financial Statements 2021/22 DRAFT; and, (b) NIAO Report To Those Charged With Governance DRAFT</p> <p>Last considered <a href="#">RC07 22/23 9 September 2022</a> – the Resources Committee noted the draft year-end outturn figures and the date of commencement of the audit of Annual Report and Financial Statements 2021/22.</p> <p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> that the figures currently with NIAO have not changed since they were presented to the ARAC in September 2022;</li> <li>• <b>noted</b> NIAO are awaiting guidance from the Department for the Economy on certain disclosures and that this may lead to post-audit adjustments to the Financial Statements;</li> <li>• <b>considered</b> Annual Report and Financial Statements 2021/22;</li> <li>• <b>thanked</b> the College Finance Team for their work in bringing this critical governance and reporting process thus far; and,</li> <li>• <b>recommended</b> these to the Governing Body at the meeting to be held on 16 November 2022, with the proviso that there may be changes to the final figures during w/b 21 November 2022.</li> </ul>

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<p><b>AC23</b> <b>22/23</b></p> <p><b>NIAO</b></p>	<p><b>Northern Ireland Audit Office Business – Annual Report and Financial Statements DRAFT 2021/22</b></p> <p>The NIAO advised the Committee on the current issues still be addressed by the NIAO which relate to the valuation of property and the valuations of pensions liabilities, which may lead to post-audit changes to the accounts.</p> <p>The NIAO advised the Committee that the audit had found:</p> <ul style="list-style-type: none"> <li>• consolidation error of £40k relating to SEV Ltd – a reversal of impairment recorded income rather than other comprehensive income; and,</li> <li>• overall nil impact in the Consolidated Statement of Comprehensive Income and Expenditure arising from this error.</li> </ul> <p>ARAC did not consider this to be material and to warrant any adjustment to the Financial Statements.</p> <p>The Committee <b>noted</b> the information provided by the NI Audit Office in relation to the audit of the Annual Report and Financial Statements.</p>
<p><b>AC24</b> <b>21/22</b></p> <p><b>RSMUK</b></p>	<p><b>Internal Audit Business</b></p> <p>(a) Belfast Metropolitan College – Internal Audit Progress Report 7 November 2022; and,</p> <p>(b) NI FE Colleges – Maximising impact, Managing Risks and Building Resilience.</p> <p>Internal Audit advised the Committee on the status of sector wide and College-specific reviews which are underway.</p> <p>The Committee <b>noted</b> the information provided by and the action taken by Internal Audit.</p>
<p><b>AC25</b> <b>22/23</b></p> <p><b>HoF</b> <b>HCD</b></p>	<p><b>Compliance Reporting for Q1 2022/23</b></p> <p>(a) Losses and special payments – nil return and update on loss reported at the last meeting;</p> <p>(b) Direct Award Contracts – nil return;</p> <p>(c) Register of Gifts and Hospitality – nil return;</p> <p>(d) Whistleblowing Notifications – 1 notification received, and investigation is ongoing; and,</p> <p>(e) Register of Data Breaches – Management advised on:</p> <ul style="list-style-type: none"> <li>• the completeness review of confirmed data breaches in the 2021/22 academic year and subsequent corrective action; and,</li> <li>• the number of confirmed data breaches in the Q1 2022/23 reporting period</li> </ul> <p>The Committee <b>noted</b> the information provided by and the action taken by Management</p>
<p><b>AC26</b> <b>22/23</b></p>	<p><b>Status of Outstanding Audit Recommendations</b></p> <p>(a) Status of Outstanding Audit Recommendations Q1 2022/23</p>

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HCD	<p>Management advised the Committee on the action taken to close out recommendations and the revision to the format of the report to improve the reporting of deadlines in relation to the closing out of recommendations.</p> <p>The Committee <b>noted</b> the information provided by and the actions taken by Management and that this action is leading to reduction in the outstanding recommendations.</p>
<p>AC27 22/23</p> <p>HCD</p>	<p><b>Risk Management Report - Last considered AC12 22/23 3 October 2022.</b></p> <p>(a) Corporate Risk Register Report Q1 2022/23;                      (b) Corporate Risk Register Q1 2022/23; and,                      (c) Risk Appetite Q1 2022/23.</p> <p>Management advised the Committee on the key changes to the Corporate Risk Register since the last ARAC meeting. A fundamental and ELT-led review of the Corporate Risk Register was undertaken during Q1 2022/23 and this has led to the production of this version of the CRR and the Risk Appetite statement.</p> <p>(d) Departmental Risk Register – Curriculum.</p> <p>Management advised the Committee on the following issues in relation to the Curriculum Departmental Risk Register:</p> <ul style="list-style-type: none"> <li>• high levels of industry skills and experience present in the teaching team which supports risk management is a key unique selling point in marketing the Curriculum;</li> <li>• the key risks managed by the Curriculum Directorate;</li> <li>• the communications framework across teams which support effective risk management at project, team, Departmental and Directorate level;</li> <li>• the approach to the fundamental risk of capability across the College;</li> <li>• the balance and profile of risk appetite at corporate, directorate and operational levels; and,</li> <li>• the role of risk management in supporting the development of the WCQIP.</li> </ul> <p>The Committee sought further information on:</p> <ul style="list-style-type: none"> <li>• the capability that Management developed in responding to the COVID 19 pandemic; and,</li> <li>• the management of competition risk across FE and HE providers.</li> </ul> <p>Management advised that while it was extremely challenging, the COVID 19 response enabled the College to move to a flexible curriculum provision which aligns with learner needs.</p> <p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the information provided by and the action taken by Management to manage risk effectively throughout Curriculum Directorate;</li> </ul>

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	<ul style="list-style-type: none"> <li>• <b><u>considered</u></b> and <b><u>reviewed</u></b> the Corporate Risk Register Q1 2022/23 and the Risk Appetite Statement; and,</li> <li>• <b><u>recommended</u></b> this version of the CRR to the Governing Body at the meeting on 16 November 2022.</li> </ul>
AC28 22/23	<p><b>Meeting Feedback</b></p> <p><b>Leadership Culture:</b> Committee members advised that they felt that the conduct of the meeting supported the Governing Body commitments.</p>
AC29 22/23	<p><b>Any Other Business</b></p> <p>None advised at the meeting.</p>
AC30 22/23	<p><b>Date of next meeting</b></p> <p><b>Governance Business Programme 22/23 Cycle 3:</b> The <b><u>third</u></b> meeting of the Audit and Risk Committee during 2022/23 will be at 3.00pm on Tuesday 14 March 2023 in the Titanic Quarter Boardroom and via MS Teams - AC42 21/22 15 March 2022 refers. The Clerk has diarised this governance meeting in participants' Outlook calendars.</p> <p><b>Governance Business Programme 23/24 Cycle 2:</b> The <b><u>second</u></b> meeting of the Audit and Risk Committee during 2023/24 will be at 3.00pm on Monday 13 November 2023 in the Titanic Quarter Boardroom and via MS Teams. The Clerk will diarise this governance meeting in participants' Outlook calendars during November 2022.</p>

Chair Belfast Metropolitan College  
Audit and Risk Assurance Committee

Sam Snodden

Signature



Date 14/3/23

