|  |
| --- |
| **Belfast Metropolitan College Audit and Risk Assurance Committee 3.00pm Tuesday 12 March 2024 at Titanic Quarter Board Room and via Microsoft Teams Chair’s Minutes (Approved 11 June 24)** |
| **Committee Members:** Seamus McGoran (Chair); Bill Montgomery; Maurice Keady; Sinead Sharpe; Rose Byrne.**Management**: Aidan Sloan, Chief Operating Officer (COO); Damian Duffy, Deputy Chief Executive (Curriculum and Partnerships) (DCE); Hadessa McCusker, Deputy Head of Finance (DHoF), Lisa McCartney, Head of Corporate Development (HCD).**Auditors:**  Kathy Doey, Northern Ireland Audit Office; Ian McCartney RSMUK.**Observer:** Heather Sampson, Department for the Economy**Clerk to the Governing Body:** Gerry Crossan |
| **AC41 23/24** | **Quorum**: 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**(3 governors).**Apologies**: Apologies received from Laura Allen, Louise Warde Hunter and Rose Byrne.**Welcome**: The Chair welcomed Kathy Doey, NIAO, to the meeting.**Conflicts of Interest**: No perceived, potential or actual conflicts of interest were advised under the terms of Section 8.1 of the Belfast Metropolitan College Governing Body Standing Orders V5 dated June 2022 (**GB81a 21/22 22 June 2022**).**Leadership Culture**: Chair **noted** our commitment to Governing Body Leadership Culture Watchwords (**GB02d 22/23 21 September 2022** refers): Courageous / Creative / Candour / Challenge  **AC53 23/24**below refers) |

| **Agenda Item** |
| --- |
| **AC42 23/24** | **Minutes of the meeting held on 11 December 2023- DRAFT (PROPOSED FINAL)** The Committee **approved** the Draft (Proposed Final) minutes of the meeting held on 11 December 2023 without amendment. |
| **AC43 23/24** | **Matters Arising from the minutes of the meeting held on 11 December 2023**No matters arising that are not on the agenda of this governance meeting. |
| **AC44 23/24**Chair | **Governance Guidance and Information**1. Whole of Government Accounts (WGA) issued 7 March 2024;
2. Dear Finance Director Letters (FDs) issued 5 March 2024);
3. Dear Accounting Officer Letters (DAOs) issued 8 February 2024;
4. 2023/24 Government Financial Reporting Manual (FReMs) and accounts proformas issued 16 January 2024;

The Committee to **access** the documents on the Department of Finance website, to **note** the governance guidance and information provided, to **note** the information provided by Management and to **consider** the application to the governance and assurance framework in Belfast Metropolitan College. |
| **AC45 23/24** | **Notification of change to the internal control environment under Section 12d of Governing Body Standing Orders V5 22 June 2022**.1. Social Media Policy – The Committee **noted** the change and sought further information on the framework underpinning this standing item on the agenda.
 |
| **AC46 23/24**Chair  | **Chair’s Business** The Committee noted the current position and assurances on compliance from Management in relation to:1. Internal Audit Review of Corporate Governance;
2. Update on the status of Voluntary Redundancy Scheme – the COO updated the Committee;
3. Update on the current discussions with DfE and on the agenda of NIFON in relation to a potential change to the requirement for insurance across the FE sector as a whole – Management and DfE will advise the Committee in the event of these discussions leading to a change to the internal control environment under Section 12d of the Standing Orders of the Governing Body as set out above.
 |
| **AC47 23/24** | **Financial Report and Budget Reforecast March 2024**Last considered **RC40 23/24 6 March 2024**. The COO:* updated the ARAC on the key issues around outturn and controls in relation to income and expenditure in the context of the current restructuring and response to new and emerging business; and,
* advised ARAC on the control framework that had been put in place in early 2023 which has underpinned Management action to bring the College to this position at this point; and,
* capital and revenue expenditure which has been brought forward from 2024/25 in the present circumstances and which is building the College capability to address the challenges anticipated during the “build-back” period in 2024/25.
 |
| **AC48 23/24****NIAO** | **Northern Ireland Audit Office Business**The NIAO advised the ARAC on:1. Report To Those Charged With Governance 2022/23 FINAL;
2. Audit Planning for the 2023/24 Annual Report and Financial Statements; and,
3. the timing of the fieldwork for the audit relating to the March 2024 year end financial statements and the relationship for the audit of the July year-end financial statements.

The Committee sought further information on the alignment of budgets and financial reporting with fiscal years – Management advised that the target transition will be March 2025.The Committee **noted** the information provided by the NIAO and Management.. |
| **AC49 23/24****RSMUK** | **Internal Audit Business** 1. Internal Audit Progress Report March 2024 and update on forthcoming reviews;
2. Budgetary Management for Revenue and Capital - satisfactory assurance with 1 low priority issue relating to the timing of the identification of financial variances as the budget forecasts were developed throughout the year;
3. ASF Assessment and Funding – FINAL – satisfactory assurance and 4 low priority issues arising; and,
4. Risk Radar Report – including the UK-wide scope, methodology and findings.

The ARAC sought further background information on the service delivery issues affecting the management of the financial variances discussed at (b) above.Management advised that DfE were reviewing the allocation of ASF Funding across the sector.The Committee and Management discussed the potential risks to FE service delivery and FE governance arising from the development of AI. Management will provide a briefing to the ARAC on the management of cyber and AI risk at the governance meeting in June 2024.The Committee **noted** the information provided by Internal Audit and Management’s responses to Internal Audit recommendations. |
| **AC50 23/24****DHoF****HCD** | **Compliance Reporting for Q2 2023/24**1. Losses and special payments – nil return;
2. Direct Award Contracts – nil return;
3. Register of Gifts and Hospitality – nil return;
4. Whistleblowing Notifications – nil return but 1 potential issue was formally assessed by Management and found not to meet the reporting threshold; and,
5. Register of Data Breaches – 1 confirmed data breach advised and successfully managed and closed by Management.

 The Committee **considered** and **noted** the information provided by and the action taken by Management. |
| **AC51 23/24****HCD** | **Status of Outstanding Audit Recommendations** Management advised the ARAC on the key issues arising from the Status of Outstanding Audit Recommendations Q2 2023/24, including* 7 recommendations carried over from the previous quarter, all of which are medium or low priority recommendations, action is under way and Management anticipate closure early in Q3;
* 5 new recommendations; and,
* 5 recommendations closed.

Management:* advised the ARAC on the improvements to the tracking of complaints;
* provided assurance to the ARAC on the robustness and completeness of the systems used to capture and manage complaints;
* considered that these alternative controls achieve the same control objects.
* advised that end-to-end automation of complaints will not be achieved because of the complexity of complaints being made; and,
* sought the ARAC’s approval for the removal of this recommendation from the list of outstanding recommendations.

The ARAC **agreed** to the removal of this recommendation and IA noted the ARAC’s decision.The Committee **noted** the information provided by and the actions taken by Management. |
| **AC52 23/24****HCD** | **Risk Management Report**Last considered **AC27 23/24 13 November 2023**.Management advised the ARAC on the key issues arising in the following Management reports:1. Corporate Risk Register Report Q2 2023/24;
2. Corporate Risk Register Q2 2023/24; and,
3. Risk Appetite Q2 2023/24.

Management: * advised that there have been no changes to the number and status of the identified risks since the last report;
* assured the ARAC that the risk register had been reviewed by both ELT and SLT since the last meeting, noting that the process has been greatly facilitated by the use of Decision Time;
* confirmed that the review process focussed at all times on the black and red risks identified.

The ARAC noted the policy changes regarding the status of the 10X strategy and the potential impact of these changes to the risk managementThe Committee:* **considered** the Corporate Risk Register Q2 2023/24;
* **considered** that the 7 identified risks accurately reflect the risk profile facing the College; and,
* **recommended** this version of the CRR to the Governing Body at the meeting to be held on 20 March 2024.

 |
| **AC53 23/24** | **Meeting Feedback** Committee members **advised** the Chair that the conduct of the meeting provided evidence of meeting the responsibilities set out in the ARAC Terms of Reference and the commitments of the Governing Body as set out at **AC41 23/24** above. |
| **AC54 23/24****Chair** | **Any Other Business** None advised at the meeting. |
| **AC55 23/24****Chair** | **Date of next meeting** **Governance Programme 2023/24 Cycle  4:**The **fourth** meeting of the Audit and Risk Assurance Committee in 2023/24 will be held at **3.00pm on Tuesday 11 June 24** at the Titanic Quarter Boardroom and via Microsoft Teams (**AC57 22/23 13 June 23** refers); **Governance Programme 2024/25 Cycle 1:**  The**first** meeting of the Audit and Risk Assurance Committee in 2024/25 will be held at **3.00pm on Monday 16 September 2024** at Titanic Quarter Boardroom and via Microsoft Teams; and,**Governance Programme 2024/25 Cycle 3**: The **third** meeting of the Audit and Risk Assurance Committee in 2024/25 will be held at **3.00pm on Tuesday 11 March 2025** at Titanic Quarter Boardroom and via Microsoft Teams.Meeting end at 4.40pm.  |

**Seamus McGoran**

**Chair of Governing Body Audit and Risk Assurance Committee**

**Signature                                                                                                          Date**

Minutes adopted at Governing Body meeting on 25 June 2024.