

Belfast Metropolitan College Audit and Risk Committee 4.30pm 9 March 2020 in Titanic Quarter Board Room, Minutes FINAL approved 15 June 2020

Committee Members: Sam Snodden (Chair); Kay Collins; Jim McCall.

Management: Elaine Hartin, Director of Corporate Services (DCS); Laura Allen, Head of Finance (HoF), Lisa McCartney, Head of Corporate Development (HCD)

Auditors: Anthony McKibben, Grant Thornton; Brian O’Neill, Northern Ireland Audit Office

Observer: David Conliffe, Department for the Economy

Clerk to the Governing Body: Gerry Crossan

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| <p>AC30 19/20</p> <p>Clerk to the Governing Body</p> | <p>Apologies, Quorum, Conflicts of Interest, and Notice of AOB</p> <p>Apologies: Apologies were received from Marie-Thérèse McGivern, Gillian Magee and Maureen Walkingshaw. Lisa McCartney had advised that she would be slightly late.</p> <p>Quorum: The meeting was quorate under the terms of Paragraph 3B of the Terms of Reference for the Audit and Risk Committee dated November 2017 (3 Governors).</p> <p>Appointment to Chair: The Committee noted GB53 19/20 3 March 2020 recording the appointment of the Chair of the Audit and Risk Committee. The Chair thanked Kay Collins for her contribution to the work of the Committee as Chair.</p> <p>Conflicts of Interest: 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>AOB: None advised at the date of the meeting (9 March 2020)</p> |
| <p>AC31 19/20</p> | <p>Minutes of the meeting held on 11 November 2019 - Draft (Proposed Final)</p> <p>The Committee approved the Draft (Proposed Final) minutes of the meeting held on 11 November 2019 unamended.</p> |
| <p>AC32 19/20</p> | <p>Matters Arising from the minutes of the meeting held on 11 November 2019</p> <p>No matters not on the agenda.</p> |

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| <p>AC33 19/20</p> <p>Chair</p> | <p>Governance Guidance and Information</p> <p>Publications from Accountability & Financial Management Division:</p> <p>Dear Accounting Officer Letters (DAOs) – 2020 on Feb 21, 2020 12:00 pm</p> <p>This page list current DAOs, issued by DoF in 2020. The letters are listed in reverse chronological order. The most recent publication is DAO (DoF) 02/20 – Revised Policy and Guidance on Best Practice in Project Delivery and Engagement with the Gateway™/Assurance Review Process.</p> <p>The Committee noted the guidance and information received.</p> |
| <p>AC34 19/20</p> <p>Chair</p> | <p>Chair's Business</p> <p>(a) Partnership Agreements – Letter dated 11 February 2020 B Harrison, DfE to FE College Principals and Chairs of Governing Bodies – see agenda item AC42 19/20 below.</p> <p>The Committee noted the information provided by the Chair and agreed to consider this at the agenda item below.</p> |
| <p>AC35 19/20</p> <p>DCS</p> | <p>Financial Report</p> <p>(a) Q2 Financial Update - last considered at RC32a 19/20 30 March 2020.</p> <p>Management advised on the following key points:</p> <p>(a) On track to live within budget; (b) Now consulting budget holders to managed the rest of the year; (c) Staff costs considerably under budget to additional in-year funding and increasing level of vacancies; (d) Actual staff costs are increasing vis-à-vis prior year in line with pay and pension increases; (e) Significant risks remain to be managed but controls are in place; and, (f) Staff resourcing decisions regarding agency workers are prioritising student-facing roles.</p> <p>The Committee asked what action was being to taken to manage vacancies. Management advised that</p> <ul style="list-style-type: none"> • the agency worker framework is an NICS-wide contract; • has been exhausted and Management are not able to appoint additional agency staff; • agency staff are only brought in to replace agency staff who are leaving; and, • FE expenditure as a proportion of the overall contract is small. <p>The Committee noted the information provided by and the action taken by Management</p> |
| <p>AC36 19/20</p> <p>DCS</p> | <p>Direct Award Contracts/Single Tender Actions</p> <p>(a) Report for Q2 2019/20 - Management advised on the nature of the one DAC reported in relation to the Renewal of Access Guides. The Committee sought confirmation that this tender was approved by CPD and that this was the only supplier option. Management confirmed this.</p> |

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| | The Committee noted the report. |
| <p>AC37 19/20</p> <p>Northern Ireland Audit Office</p> | <p>Northern Ireland Audit Office Business</p> <p>(a) Change of NIAO Director Responsibility – Letter T Wilkinson to M-T McGivern 28 February 2020</p> <p>The NIAO advised of the changes in the team responsibilities and that there were no issues to be brought to the Committee’s attention at this point.</p> <p>The Committee noted the information provided by the NI Audit Office.</p> <p>The Committee sought confirmation that the audit plan will be presented at the next meeting. NIAO confirmed this.</p> |
| <p>AC38 19/20</p> <p>Grant Thornton</p> | <p>Internal Audit Business</p> <p>(a) Internal Audit Progress Report</p> <p>Internal Audit reported that good progress was being made. The Committee asked if the IA were happy with the number of days allocated and IA advised that they were. Management advised the Committee on the recommendations, all of which were Priority 3.</p> <p>(b) Management of Contracts Final Report</p> <p>IA advised on the scope and findings, including that overall strong internal controls were in place across all aspects of contracting. No findings or recommendations required.</p> <p>(c) Procurement and Use of Business Cases Final Report</p> <p>IA advised that the end-to-end policies were in place and provided effective controls – no issues identified in the testing of 27 procurement exercises. DfE noted that there were no explicit references to the DoF Guidance on business cases (NIGEAE). IA advised that</p> <ul style="list-style-type: none"> • within the annual budgeting process across the sector the controls set out in this guidance are engaged; and, • that the controls appropriate to the level of procurement within the College are applied to the procurements tested – the IA fieldwork does not test back to the DfE Guidance, however College procedures align with DoF guidance and NIGEAE; and, • there is no evidence that this guidance has not been adhered to; and, • No findings or recommendations were required. <p>Management advised that this specific guidance is referenced in training and Management use the Departmental template.</p> <p>(d) Corporate Governance Final Report</p> |

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| | <p>IA advised that the review found that there were strong corporate governance arrangements in place, with one category 3 recommendation which will be actioned by the Clerk to the Governing Body.</p> <p style="padding-left: 40px;">(e) Risk Management Final Report</p> <p>IA advised that the risk management internal control framework was robust, with clear processes and process-mapping, clear scoring matrix and guidance. IA advised that the one Priority 3 recommendation related to the language around the definition of risk appetite.</p> <p>Management advised that there were some minor corrections required to the detail of the reporting and IA agreed to amend the final report.</p> <p>The Committee noted the reports presented by Internal Audit and the Management response to these reports.</p> |
| <p>AC39 19/20</p> <p>DCS</p> <p>HCD</p> | <p>Compliance Reporting for Q2 2019/20</p> <p style="padding-left: 40px;">(a) Losses and special payments – none to report;</p> <p style="padding-left: 40px;">(b) Register of Gifts and Hospitality 2019/20;</p> <p>Management advised on the one new notifications.</p> <p style="padding-left: 40px;">(c) Whistleblowing Notifications – none to report.</p> <p style="padding-left: 40px;">(d) Register of Data Breaches – one breach reported.</p> <p>Management advised on the detail of this breach and advised that Management are taking advice from IT colleagues on potential applications to manage this breach. In the meantime, staff are being advised to implement double-checking.</p> <p>The Committee considered and noted the information provided by and the actions taken by Management.</p> |
| <p>AC40 19/20</p> <p>HCD</p> | <p>Status of Outstanding Audit Recommendations</p> <p style="padding-left: 40px;">(a) Report as at end of Q2 2019/20</p> <p>Management advised on the outstanding recommendationss and that</p> <ul style="list-style-type: none"> • 6 recommendations were actioned in Q2 (Appendix 1); • Management are reviewing business continuity plans in the light of the coronavirus issue; and, • Absence management is a sector wide policy. <p>Committee noted the information provided by and the actions taken by Management.</p> |
| <p>AC41 19/20</p> | <p>Risk Management</p> |

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| <p>HCD</p> | <p>(a) Risk Management and Opportunity Report at Q2 2019/20.</p> <p>Management advised on the</p> <ul style="list-style-type: none"> • clarification of Risk C.1 and the change to the risk impact arising from this; • clarification of Risk F.2 (EBS systems) since its launch in January 2020 – the Committee noted that there are issues around connectivity and resourcing across the sector – Management now categorise this risk as Black; • identification of Risk C.3 (Traineeship (Level 2)) is a new risk and has been classified as a Black risk; and, • change to Risk H.3 (CEO/Principal) – management advised on the current status of this process. <p>In relation to corona virus, staff and students must provide information on potential travel arrangements.</p> <p>The Committee asked if multi-agency/sectoral working was in place for the management of the coronavirus risk. Management advised the DfE were coordinating the sector wide response and Management were engaging fully with the guidance that has been issued for educational settings.</p> <p>The Committee approved the version of the risk register presented by Management. The Committee considered and noted the information provided by and the actions taken by Management.</p> |
| <p>AC42 19/20</p> <p>DPPP</p> <p>HCD</p> | <p>Partnership Agreements</p> <p>(a) Belfast Metropolitan College Arm’s Length Body Risk Assessment Report DRAFT February 2020</p> <p>Management advised</p> <ul style="list-style-type: none"> • on the background and structure of the DfE request and the timing of this request in relation to the governance processes in the College; and, • that DfE have been provided with the draft and have provided initial feedback. <p>DfE advised that this was the DfE risk assessment of the College, that they will agree each risk assessment with each college and then finalise the sector-wide risk assessment. There is ongoing work to ensure that the Report Cards reflect the Outcomes-Based Accountability approach.</p> <p>The Committee asked how the College compared with other Colleges. DfE advised on the early perceptions of the College report which were favourable across the sector. The Committee noted that these risk assessments are the first step in implementing the partnership agreements will be in place from 1 August 2020. The risk assessments will be refreshed annually. Managed advised that the next steps will be a further review to take the DfE feedback into account.</p> <p>The Committee asked how close to the final version this was. DfE advised that feedback across all ALBs was still being considered and that DfE would advise the Committee of this feedback.</p> |

Belfast Metropolitan College Audit and Risk Committee

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| | <p>The Committee noted the information provided by, the action taken and to be taken by Management to bring the report to final.</p> <p>The Committee agreed that management should review the report, consider the feedback from DfE and resubmit to DfE.</p> |
| AC43 19/20 | <p>Any Other Business</p> <p>None advised as at date of issue of final agenda. There was one item of AOB relating to the sector-wide Internal Audit contract.</p> <p>A McKibben left the meeting for this agenda item.</p> <p>Management advised the Committee on</p> <ul style="list-style-type: none"> • current status of the IA contract and the procurement which is underway; • the background to the risk profile of the College and how this has affected the number of IA days engaged by the College. <p>NIAO advised on the need for ensuring appropriate contingency.</p> <p>DfE advised that some flexibility was required in the light of the potential for the DfE to seek assurances through IA work.</p> <p>There was some discussion on the College and sector-wide assurance risk and the estimated number of days required to manage this.</p> <p>Management made a recommendation on the number of internal audit days required by the College.</p> <p>The Committee agreed that the baseline requirement for the College was 50 days per year, with a contingency available up to 70 days.</p> <p>A McKibben rejoined the meeting.</p> |
| AC44 19/20 | <p>Date of next meeting</p> <p>4.30pm on Monday 15 June 2020 at <u>Titanic Quarter Board Room</u></p> |
| AC45 19/20 | <p>Closed Session (Not Required)</p> |

Chair of Belfast Metropolitan College Audit and Risk Committee

Sam Snodden

Signature

Date

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Chair of Belfast Metropolitan College Audit and Risk Committee Sam Snodden

Signature 

Date 15/6/20