

**Belfast Metropolitan College Audit and Risk Committee 4.30pm 11 November 2019 in Board Room, Millfield Campus, Minutes FINAL approved 9 March 2020**

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

**Management:** Elaine Hartin, Director of Corporate Services (DCS), Gillian Magee, Director of People, Policy and Planning (DPPP), Laura Allen, Head of Finance (HoF), Lisa McCartney, Centre Manager for Strategic Planning (CMSP)

**Auditors:** Anthony McKibbin, Grant Thornton; Kathy Doey, Northern Ireland Audit Office

**Observer:** Michael Camplisson, Department for the Economy

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

<p>AC15 19/20</p> <p>Clerk to the Governing Body</p>	<p><b>Apologies, Quorum, Conflicts of Interest, and Notice of AOB</b></p> <p><b>Apologies:</b> Apologies were received from Maureen Walkingshaw.</p> <p><b>Quorum:</b> 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><b>Conflicts of Interest:</b> No perceived, potential or actual conflicts of interest were reported.</p> <p><b>AOB:</b> No Items of AOB received at date of issue of agenda (7 November 2019)</p>
<p>AC16 19/20</p>	<p><b>Minutes of the meeting held on 16 September 2019 - Draft (Proposed Final)</b></p> <p>The Committee approved the Draft (Proposed Final) minutes of the meeting held on 16 September 2019 unamended.</p>
<p>AC17 19/20</p>	<p><b>Matters Arising from the minutes of the meeting held on 16 September 2019</b></p> <p>The Committee noted the matters arising from the meeting held on 16 September 2019.</p>

Agenda Item	
AC18 19/20	<p><b>Governance Guidance and Information</b></p> <p>Chair</p> <p>Publications from Accountability &amp; Financial Management Division:</p> <ul style="list-style-type: none"> <li>• FReM exposure drafts and consultations (20 September 2019)</li> <li>• Finance Director letters (FDs) - 2019 (1 November 2019)</li> </ul> <p>This information is in the public domain and is not included in the papers for this meeting.</p> <p>The Committee noted the guidance and information received.</p>
AC19 19/20	<p><b>Chair's Business</b></p> <p>Chair</p> <p>(a) Audit and Risk Committee Terms of Reference: The Committee adopted the TOR, subject to one amendment dated 7 November 2019 (incorporating Committee advice from AC05a 19/20 16 September 2019)</p> <p>(b) Letter Beverly Harrison, DfE, to Chairs of Governing Bodies 21 October 2019 Charitable Status of FE Colleges: DCS advised the Committee of the engagement between DfE and the Charities Commission on this issue and that the Charities Commission have indicated that they will not be able to review this application for at least a year.</p> <p>(c) Letter Sue Gray, DfP, to NICS Permanent Secretaries 30 September 2019 – Review of Financial Process (last considered under AC07 19/20 NIAO Business): DCS advised that this will now go live in 2021/22 and management will advise on the related audit process when this is communicated by the NIAO.</p> <p>(d) Audit and Risk Committee Report to the Governing Body 2018/19 DraftV1 dated 7 November 2019- DraftV1 dated 7 November 2019: The Committee and management advised on a number of changes that were required to take this to final. HoF will liaise with Clerk to produce final version. The Committee noted that the submission date was 29 November 2019.</p>
AC20 19/20	<p><b>Financial Report</b></p> <p>Director Corporate Services</p> <p>(a) Post-Audit Briefing Note on Annual Report and Accounts</p> <p>HoF advised the Committee of what has happened since the last meeting. Close out meeting on 24 October 2019 with a small number of trivial issues, including adjustments from 2017/18 prior year. The final RTTCWG will issue from the NIAO in final after all of the NI FE College accounts have been completed. The Committee noted the contingent liability note on the potential impact of overtime payments – this issue affects many NI public bodies.</p> <p>(a) Belfast Metropolitan College Annual Report and Accounts 2018/19 Draft</p> <p>The Chair advised the Committee of the delegated authority from the Chair to recommend the accounts to the Chair for signing.</p>

Agenda Item	
	The Committee approved the Draft Annual Report and Accounts 2018/19 for sign off and submission to the NIAO.
<p><b>AC21 19/20</b></p> <p>Northern Ireland Audit Office</p>	<p><b>Northern Ireland Audit Office Business</b></p> <p>The NIAO representative thanked the Belfast Met Finance Team for their cooperation and engagement with the audit process. Key issues in the Report To Those Charged With Governance 2018/19 include</p> <ul style="list-style-type: none"> <li>(a) Anticipate that final audit points will be addressed by management;</li> <li>(b) Unqualified audit opinion with a low level of adjustments arising from minor errors in the previous year's accounts;</li> <li>(c) No significant audit findings with 1 priority 3 recommendation which is a best-practice point;</li> <li>(d) No significant risks identified other than those applying to all audits under the current audit standards, that are, Fraud Risk and Revenue Recognition Risk;</li> <li>(e) No issues arising from the College's PFI history;</li> <li>(f) Confirmed that it was appropriate to have an accrual for the pay award in 2018/19 and the DfE have indicated to the NIAO that the pay awards are affordable;</li> <li>(g) NIAO made some suggestions in order to improve the narrative of the Annual Report and Accounts in the light of the audit findings – these have been accepted and processed;</li> <li>(h) Priority 3 recommendation in relation to the Declarations of Conflict of Interest.</li> <li>(i) Additional element to the pension liability calculations; and,</li> <li>(j) a brief overview of the likely audit requirement for the College in supporting the audit of the Review of Financial Processes audit (ie, NI Government Consolidation Project) in 2019/20.</li> </ul> <p>The Committee noted the NI Audit Office report, welcomed the unqualified opinion and thanked both the Finance Team and the NIAO for their work.</p>
<p><b>AC22 19/20</b></p> <p>Grant Thornton</p>	<p><b>Internal Audit Business</b></p> <ul style="list-style-type: none"> <li>• Sector-Wide Review of the Hardship Fund, Additional Support Fund and Learn to Care – this is presented a FINAL version of the report that was presented in draft to the ARC: the Committee noted the nature of the report and that there were no recommendations linked to Belfast Met.</li> <li>• Updated Internal Audit Plan 2019/20 Draft October 2019 (last considered <a href="#">AC08f 19/20</a> 16 Sep 19) – IA advised on the changes to the Plan since it was last considered by the ARC – management advised on the change required to reflect the dates agreed;</li> <li>• Revised Annual Assurance Report 2018/19: IA advised on the updates on the KPIs to reflect management's interpretation of the scores and on the nature of future communications from IA to ensure that any issues are visible throughout the delivery of the Audit Plan;</li> <li>• Internal Audit Progress Report 2019/20: IA advised that good progress was being made and provided an update on the progress against each audit in the Plan and the updating of assurance ratings as they become available;</li> </ul>

Agenda Item	
	<ul style="list-style-type: none"> <li>Final Report – Review of Fixed Assets: IA provided a summary of the scope of the audit and the robust nature of the control environment that management had in place. The Committee noted the Satisfactory assurance provided.</li> </ul> <p>IA advised that they planned to provide reports on the reviews of Procurement, Contract Management, Corporate Governance and Risk Management to management in January 2020 for consideration at the ARC meeting in March 2020.</p> <p>The Committee noted the reports presented by Internal Audit and the action taken by management in response to these reports.</p>
<p><b>AC23 19/20</b></p> <p>Centre Manager for Strategic Planning</p>	<p><b>Status of Outstanding Audit Recommendations as at end Q1 2019/20</b></p> <p>Management advised on the key changes in the report since the last report, including the detail in in the current report.</p> <p>Management sought the Committee’s advice in relation to the reporting of ongoing risks associated with Estates projects which use Property Services Division and which are beyond the control of Belfast Met management. The Committee <b>agreed</b> that a standing agenda item would be an update on the PSD Business Case and that these recommendations would be removed from the Outstanding Audit Recommendations Report. Management advised on the status of the business case and the estimated target date for revised arrangements.</p> <p>Management advised the Committee on the actions taken and proposed by management to complete action on the outstanding recommendations.</p> <p>In relation to Data Retention, the Committee noted that management will not be able to secure approval on this until the schedule has been approved by the Assembly. Management advised that a great deal of work has gone into raising awareness in the College and across the sector and that initial training could be planned.</p> <p>The Committee noted the report and the actions taken by management.</p>
<p><b>AC24 19/20</b></p> <p>Centre Manager for Strategic Planning</p>	<p><b>Risk Management and Opportunity Report at Q1 2019/20</b></p> <p>Management advised on the changes to the Risk Register since the last report. Management advised that Brexit could have significant impacts and management has established strong internal communications and risk management processes in place. The Committee noted the clarification of the associated risks across Risk 1.1 and Risk 1.2 (Failure to respond to challenges presented by Brexit). The Committee noted the assessment of risk associated with the NI Traineeship model and the action that management are taking to plan for this.</p> <p>The Committee noted the reports and the actions taken by management.</p>
<p><b>ARC25 19/20</b></p>	<p><b>Compliance Reporting for Q1 2019/20</b></p> <ul style="list-style-type: none"> <li>Losses and special payments;</li> </ul>


**Belfast Metropolitan College Audit and Risk Committee**

Agenda Item	
<p>Director of Corporate Services</p> <p>Centre Manager for Strategic Planning</p>	<ul style="list-style-type: none"> <li>Register of Gifts and Hospitality 2019/20 - P&amp;CE advised the Committee on the controls and policy around the offer of Gifts and Hospitality to Executive Team members;</li> <li>Whistleblowing Notifications – Nil Report; and,</li> <li>Register of Data Breaches.</li> </ul> <p>The Committee noted the reports and the actions taken by management.</p>
<p><b>ARC26 19/20</b></p> <p>Director of Corporate Services</p>	<p><b>Direct Award Contracts/Single Tender Actions at Q1 2019/20</b></p> <p>Nil Report.</p>
<p><b>ARC27 19/20</b></p>	<p><b>Any Other Business</b></p> <p>None advised at the meeting.</p>
<p><b>ARC28 19/20</b></p>	<p><b>Date of next meeting</b></p> <p>The next meeting was scheduled for 4.30pm on 16 March 2020 at Titanic Quarter Board Room. The Committee agreed that this meeting be rescheduled to 4.30pm on 9 March 2020 in the Titanic Quarter Board Room.</p>
<p><b>ARC29 19/20</b></p>	<p><b>Closed Session</b></p> <p>Audit and Risk Committee Self-Assessment – last considered at <a href="#">AC05b 19/20</a> 16 September 2019</p>

Chair of the Audit and Risk Committee

Sam Snodden

Signature



Date

9/3/20

