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| **Belfast Metropolitan College Audit and Risk Assurance Committee**  **3.00pm 18 November 2024 at Titanic Quarter Board Room and via Microsoft Teams**  **Chair’s Agenda** | |
| **Committee Members:** Seamus McGoran (Chair); Bill Montgomery; and Rose Byrne  **Management**: Damian Duffy, Interim Principal & Chief Executive (PCE); Aidan Sloane, Chief Operating Officer (COO); Laura Allen, Head of Finance (HoF); Lisa McCartney, Head of Corporate Development (HCD).  **Auditors:** Kathy Doey, NIAO; Joanne Lipton, NIAO (on-line) Ian McCartney RSM UK (on-line).  **Observer:** Heather Sampson, Department for the Economy (on-line)  **Secretary to the Governing Body**: Jim Woods | |
| **AC16 24/25** | **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**: Sinead Sharpe  **Welcome**: The Chair welcomed Jim Woods to first meeting as the Secretary to the Governing Body  **Conflicts of Interest**: There were no conflicts of interest declared 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 the committees ongoing commitment to Governing Body Leadership Culture Watchwords (GB02d 22/23 21 September 2022 refers):  Courageous / Creative / Candour / Challenge  **AC28 24/25**below refers. |
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| **Minutes 18 November 2024** | |
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| **AC17**  **24/25** | **Minutes of the meeting held on 16 Sept 2024-**  The Committee agreed the minutes of the previous meeting. |
| **AC18**  **24/25** | **Matters Arising from the minutes of the meeting held on 16 Sept 2024**  There were no matters arising that are not on the agenda of this governance meeting. |
| **AC19**  **24/25**  Chair | **Governance Guidance and Information**   1. DAO (DoF) 03/24 - Guidance on Responding to Northern Ireland Audit Office Public Reports   [DAO (DoF) 03/24 - Guidance on Responding to Northern Ireland Audit Office Public Reports (finance-ni.gov.uk)](https://www.finance-ni.gov.uk/sites/default/files/2024-10/daodof0324.pdf)   1. DAO (DoF) 04/24 - Annual Theft and Fraud Report 2021-22   [DAO (DoF) 04/24 - Publication of Annual Theft and Fraud Report 2021-22 (finance-ni.gov.uk)](https://www.finance-ni.gov.uk/sites/default/files/2024-10/daodof0424_0.pdf)  The Chair encouraged the Committee to accessthe 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. |
| **AC20**  **24/25** | **Notification of change to the internal control environment under Section 12d of Governing Body Standing Orders V5 22 June 2022**.  None advised. |
| **AC21**  **24/25**  Chair | **Chair’s Business**  Revised terms of reference had been updated in light of to the approved article and instrument of government dated 31 October 2024. A section included made reference to the ability to nominate a vice chair.    The Committee approved the Terms of Reference and recommended them for adoption by the Governing Body. |
| **AC22**  **24/25** | **Financial Reporting for September 24/25**  COO took members through the financial report as presented to the Resources Committee RC20 24/25. He explained that the new consolidated style report was used at all levels in the organisation which streamlined reporting. Overall, the reforecast for the current year indicates a positive variance.  In response to a matter raised the COO explained that the sector is considering a number of options for insurance which will include a mix of options including full and partial self-insurance. When asked, the COO conformed that cover was currently in place for 2024/25 and that an appropriate lead in time for the sector business case should minimise risk.  The Committee notedthe information provided and action taken by Management. |
| **AC23**  **24/25**  **NIAO** | **Northern Ireland Audit Office Business**  Papers (a) and (b) were tabled this morning as the updates had been received with the latest position on 15 Nov.   1. Update on the Audit of the Financial Statements for the College Year Ended 31st July 2024 2. Update on the Audit of the Financial Statements for the Fiscal Year Ended 31st March 2024 3. The National Fraud Initiative in Northern Ireland 2024   K Doey NIAO explained that the accounts will be unqualified but went on to explain there are two issues within the accounts each of which was technical and complex.  (i) A sector wide issue was the treatment of pensions as advised by the sector actuary, which was inconsistent with the accounting treatment by other DFE arm’s length bodies. The outcome will mean that accounts for last year and the prior year will need revisited.  (ii) The accounting treatment of deferred income to be confirmed.  K Doey anticipates that the work with the actuaries will be concluded quite quickly, while adjustments will be required, if made, that accounts should be approved by the end of the month.  The Chair sought clarity as to how the matters where not discovered last year. In response K Doey explained that by using comparators it was evident that the pensions were being accounted for differently.  The Committee **noted** the information provided by NIAO and impact in delaying the approval of the accounts. If the accounts are received single item agenda meeting will need to be convened to approve the accounts, |
| **AC24**  **24/25**  **RSMUK** | **RSM Internal Audit Business**  I McCartney presented the Internal Audit Progress Report, 12 November 2024. As there were no final reports issued since the last meeting there were no concerns or themes arising. A new code of practice effective January 2025 is being introduced. A number of audits are progressing.  The Committee **to note** the information provided by Internal Audit. |
| **AC25**  **24/25**  **DHoF**  **HCD** | **Compliance Reporting for Q1 2024/25**  (a) There are no Losses & Special Payments to report  (b) There are no Direct Award Contracts to report  (c) The Register of Gifts & Hospitality has been included for noting.  (d) One Whistleblowing notification was received in July. An investigating Officer has been appointed, and the outcome of the investigation should be known at the end of November.  (e) 5 Data Breaches have been reported in Q1 24/25 none of which required reporting to the ICO. All breaches were closed quickly after discovery.  The Committee to **note** the information provided and the action taken by Management. |
| **AC26**  **24/25**  **HCD** | **Status of Outstanding Audit Recommendations Q1**    HCD reported on Status of Outstanding Audit Recommendations Q1 2024/25. In addition to 16 recommendations carried over, there are 3 new ones. To date 7 have been closed and 12 are live on the register. The detail was included in appendix 1. Overall, the College is in a strong position, as many outstanding items have a target for completion falling in Q2.  The Committee noted the information provided on outstanding audit recommendations and the actions taken by Management. |
| **AC27**  **24/25** | **Risk Management Report**  Status of Corporate Risk Register Report 2024/25.  HCD presented the risk register to members. One corporate risk has been closed with mitigating activities managed through departmental risk registers. An additional risk relating to the increased prevalence of additional support needs has been added to the register. Three risks have been rearticulated to reflect this year’s operating environment.  There is one risk categorised as ‘black’ in relation to cyber security and one further risk categorised as ‘red’ in relation to recruitment challenges.  RB commented that an explanation of the values assigned in terms of the appetite to risk would enhance the register. This was accepted.  A discussion on the practical implications of support for learners categorised as SEN ensued. The conduct of examinations and the necessary adaptions meant that small, dedicated rooms have become a norm rather than exception.  The Committee noted the Corporate Risk Register Q1 2024/25 and recommended the CRR to the Governing Body at the meeting to be held on 11 Dec 2024. |
| **AC28**  **24/25** | **Meeting Feedback**  Committee members:   * Members concluded that the meeting had been conducted in line with the responsibilities of the Audit and Risk Assurance Committee set out in Sections 3, 4 and 5 of the Terms of Belfast Metropolitan College Governance Manual Section 6 Audit and Risk Assurance Committee Terms of Reference V4 GB**81a 21/22 22 June 2022**; and, * Members agreed that the conduct of this governance meeting provided evidence of the Governing Body’s commitments as set out at **AC16 24/25** above. |
| **AC29**  **24/25**  **Chair** | **Any Other Business**  No other notified business had been received. |
| **AC30**  **24/25**  **Chair** | **Date of next meeting**  **Governance Programme 2024/25**   * **11 March 2025** * **10 June 2025**   Meeting is expected to end at around 4.15pm. |

| **Governing Body Attendance Report and Governing Body Member Assessment 2024/25** | |
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| **Participation at AC16 24/25 Audit and Risk Assurance Committee Meeting 17 November 2024** | |
| **In-person at TQ Boardroom** | **via MS Teams** |
| Seamus McGoran | Rose Byrne |
| Bill Montgomery |  |
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Approved at ARAC 11 March 2025

Approved for Release by Governing Body 31 March 2025