

|  |  |
| --- | --- |
| **Belfast Metropolitan College Audit and Risk Committee 3.00pm Tuesday 14 March 2023 at Titanic Quarter Board Room and via Microsoft Teams Minutes FINAL approved 13 June 2023** | |
| **Committee Members:** Sam Snodden (Chair); Jim McCall; Seamus McGoran.  **Management**: Louise Warde Hunter, Principal & Chief Executive (P&CE);Aidan Sloan, Director of Corporate Services (DC); Laura Allen, Head of Finance (HoF), Lisa McCartney, Head of Corporate Development (HCD).  **Auditors:** Karen Costley, Northern Ireland Audit Office; Ian McCartney RSMUK.  **Observer:** David Conliffe, Department for the Economy, Áine Ó’Keefe, Boardroom Apprentice 2022/23  **Clerk to the Governing Body:** Gerry Crossan | |
| **AC31 22/23**  Chair | **Quorum, Apologies, Welcome, Conflicts of Interest, Notice of AOB and Leadership Culture**    **Quorum**: The meeting must be quorate under the terms of Section 2 of Belfast Metropolitan College Audit and Risk Assurance Committee: Terms of Reference **V4** 22 June 2022approved at **GB81 21/22 22 June 2022**.  **Apologies**: Apologies were received from Kay Collins and Damian Duffy  **Welcome**: No new participants notified as at date of issue of **Agenda FINAL** (9 March 2023).  **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.  **AOB:** No Items of AOB received at the meeting.  **Leadership Culture:** Chair **noted** our commitment to Governing Body Leadership Culture Watchwords (**GB02d 22/23 21 September 2022** refers):  Courageous / Creative / Candour / Challenge ( **AC43 22/23** below refers) |
| **AC32 22/23** | **Minutes of the meeting held on 14 November 2022- DRAFT (PROPOSED FINAL)**  The Committee **approved** the Draft (Proposed Final) minutes of the meeting held on 14 November 2022. |
| **AC33 22/23** | **Matters Arising from the minutes of the meeting held on 14 November 2022**  Management confirmed that the accounts were amended and completed in line with NIAO guidance. |

| **Agenda Item** | |
| --- | --- |
| **AC34 22/23**  Chair | **Governance Guidance and Information**   |  | | --- | | Publications from Accountability & Financial Management Division | | Finance Director letters (FDs) 2022 on Dec 08, 2022 12:00 pmFinance Director letters (FDs) 2023 on Feb 27, 2023 12:00 pm |   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. |
| **AC35 22/23** | **Notification of change to the internal control environment under Section 12d of Governing Body Standing Orders V5 22 June 2022**   1. Belfast Met Fraud Risk Assessment.   Management   1. advised the Committee on the action taken to review and update the risk register in the light of revised guidance from DfE; 2. summarised the extent and strength of the financial internal control environment in the College.   The Committee **reviewed** and **approved** the updated version of the Belfast Met Fraud Risk Assessment. |
| **AC36 22/23**  Chair | **Chair’s Business**   1. DfE Corporate Risk Appetite Statement – email DfE Governance to Principals/Chairs/FDs 2 December 2022.   Management provided a short comparison of the Belfast Met and DfE Risk Appetite documents, noting the slightly different risk classifications and scoring and confirming that the College risk appetite matches that recommended by HM Treasury.  The Committee **noted** the information provided by DfE and the action taken by Management on foot of this information. |
| **AC37 22/23**  **HoF** | **Financial Reporting for the year ended 31 July 2023**  No issues advised as at the meeting. |
| **AC38 22/23**  **NIAO** | **Northern Ireland Audit Office Business**   1. – ISA 315 – Briefing for management; 2. Changes to the audit approach 2022/23 Briefing issued R Allen, NIAO to L Warde Hunter 5 December 2022.   NIAO advised the Committee of:   * the key points of the changes to the audit approach and the potential impact on the level of testing; and, * the review of Financial Process which will consolidate financial information from the NI FE Colleges into the DfE annual financial statements, noting the timing, workload and consolidation issues across NIAO and audited bodies.   The Committee drew attention to the impact of audit engagement on the capacity of Management during a very challenging period and asked the NIAO to try to ensure that the audit burden on Management was appropriate and proportionate to the assessed risks.  The NIAO advised that the VAT treatment issue and the alignment of reporting year-end wer under consideration as part of the review of financial processes – the decision on aligning the year-end was for Sponsoring Departments.  The P&CE discussed the financial and staffing impact of audit and reporting requirements and the challenges faced by Colleges to delivering value-for-money in extremely challenging circumstances. Management advised the Committee that this issue will be raised at NIFON and potentially at the FE Principals’ Group.  The Committee **noted** the information provided by NIAO and the action taken by Management on foot of this information. |
| **AC39 21/22**  **RSMUK** | **Internal Audit Business**   1. Belfast Metropolitan College – Internal Audit Progress Report March 2023; and, 2. Review of Marketing and Employability arrangements – March 2023: satisfactory; 3. Review of Apprenticeships – March 2023: satisfactory; 4. Review of Financial Controls -February 2023: satisfactory; 5. Review of Student Engagement – February 2023: satisfactory; and 6. RSM Emerging Risk Radar - December 2022 (for information only).   Internal Audit advised the Committee on the key issues of the final reports and the status of the audit reviews that are currently under way.  The Committee **commended** Management on the robust nature of the internal control environment in the College in the light of the findings and recommendations made by IA, in particular the significant number of areas of good practice that had been identified.  The Committee **agreed** that:   * Management should finalise the terms of reference for a forthcoming review of HR processes without further reference to the ARAC; * the HR Committee should be sighted on these terms of reference; and, * Management consider providing a risk management workshop to support the Governing Body in meeting its responsibilities.   The Committee **noted** the information provided by Internal Audit and Management’s responses to Internal Audit findings and recommendations. |
| **AC40 22/23**  **HoF**  **HCD** | **Compliance Reporting for Q2 2022/23**   1. Losses and special payments – nil return; ; 2. Direct Award Contracts – 3 DACs all of which meet regularity and propriety standards; 3. Register of Gifts and Hospitality; 4. Whistleblowing Notifications – no disclosures during Q2 and an update on a disclosure received during Q1, which is now closed and the lessons learned being processed through established processes; and, 5. Register of Data Breaches and Management action taken.     The Committee **noted** the information provided by and the action taken by Management. |
| **AC41 22/23**  **HCD** | **Status of Outstanding Audit Recommendations**     1. Status of Outstanding Audit Recommendations Q2 2022/23.   Management advised the Committee on:   * the steady progress being made to close out outstanding audit recommendations; * the resourcing implications associated with a number of open recommendations; and, * the timing of the review of outstanding recommendations which are closely linked to the development of the Strategic Plan.   The Committee **noted** the information provided by and the actions taken by Management and commended Management on the high quality response to the issues raised in the . |
| **AC42 22/23**  **HCD** | **Risk Management Report**   1. Corporate Risk Register Report Q2 2022/23; 2. Corporate Risk Register Q2 2022/23; and, 3. Risk Appetite Q2 2022/23.   Last considered **AC27 22/23 14 November 2022**.  The P&CE advised the Committee on the management of current financial risks.  The Committee **reviewed** the Corporate Risk Register Q2 2022/23 and **recommended** this version of the CRR to the Governing Body at the meeting on 22 March 2023. |
| **AC43 22/23** | **Meeting Feedback**  **Leadership Culture:** Chair will seek feedback as to how well we lived up to our aspirations asking what worked well and what could be improved. |
| **AC44 22/23**  **Chair** | **Any Other Business**  None advised as at the meeting. |
| **AC45 22/23**  **Chair** | **AC45 22/23 Date of next meeting**  **Governance Business Programme 22/23 Cycle 4**: The **fourth** meeting of the Audit and Risk Committee during 2022/23 will be  **at 3.00pm on Tuesday 13 June 2023** in the Titanic Quarter Boardroom and via MS Teams - **AC56 20/21 14 June 2022** refers. The Clerk has diarised this governance meeting in participants’ Outlook calendars.  **Governance Business Programme 23/24 Cycle 3**: The **third** meeting of the Audit and Risk Committee during 2023/24 will be at **3.00pm on Tuesday 12 March 2024** in the Titanic Quarter Boardroom and via MS Teams. The Clerk will diarise this governance meeting in participants’ Outlook calendars during March 2023.  The meeting ended at 5.00pm. |

**Chair of Belfast Metropolitan College Sam Snodden**

**Audit and Risk Assurance Committee**

**Signature Date**