

Belfast Metropolitan College Audit and Risk Assurance Committee 3.00pm Tuesday 15 March 2022 via Microsoft Teams only Minutes FINAL approved 14 June 2022

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

Management: Louise Warde Hunter, Principal & Chief Executive (P&CE); Aidan Sloane, Interim Director of Development and Digital (IDDD); Gillian Magee, Director of People and Place, (DPP); Laura Allen, Head of Finance (HoF), Lisa McCartney, Head of Corporate Development (HCD).

Auditors: Leanne Gordon, Northern Ireland Audit Office; Ian McCartney RSMUK.

Observer: David Conliffe, Department for the Economy

Clerk to the Governing Body: Gerry Crossan

AC29 21/22 Quorum, Apologies, Welcome, Conflicts of Interest, Notice of AOB and Leadership Culture

Chair

Quorum: The meeting was quorate under the terms of Paragraph 2.2 of the Terms of Reference for the Audit and Risk Committee V3 15 June 2021 (3 Governors).

Apologies: Apologies received from Damian Duffy.

Welcome: Chair welcomed:

- Seamus McGoran, who was appointed to the Belfast Metropolitan College Governing Body by the Department of the Economy on 13 January 2022; and,
- Leanne Gordon, Northern Ireland Audit Office.

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.

AOB: No Items of AOB received at the meeting.

Leadership Culture: Chair noted our commitment to:

- i) brave leadership and meaningful dialogue;
- ii) simpler governance; and,
- iii) engaging in the right spirit. (AC41 21/22 below)

AC30 21/22 Minutes of the meeting held on 15 November 2021- DRAFT (PROPOSED FINAL)

The Committee **approved** the Draft (Proposed Final) minutes of the meeting held on 15 November 2021 without amendment.

Audit and Risk Committee

Agenda Item	
<p>AC31 21/22</p>	<p>Matters Arising from the minutes of the meeting held on 15 November 2021</p> <p>The Chair asked DfE to provide an update on the Partnership Agreement process and the legislative basis for two-year financial reporting. DfE advised that while there have been discussions across the sector on this at NIFON, the experience of the financial reporting burden and the audit of 31 March 2022.</p> <p>HOF advised on the applicability of the DoF to Colleges and the resource impact. NIAO advised that they will respond to the question following discussions at NIFON.</p> <p>P&CE advised the Committee that the resource impact – opportunity and hard costs – and a clear review is necessary before any decision is taken.</p>
<p>AC32 21/22</p> <p>Chair</p>	<p>Governance Guidance and Information</p> <p>(a) Publications from the Department of Finance and Northern Ireland Audit Office</p> <ul style="list-style-type: none"> • Dear Accounting Officer letters (DAOs) 2022 on Mar 03, 2022 12:00 pm • Dear Accounting Officer letters (DAOs) 2022 on Feb 02, 2022 12:00 pm • Finance Director letters (FDs) 2022 on Feb 01, 2022 12:00 pm • NIAO Internal Fraud Risks Guide <p>Management advised that they are updating the College Fraud Policy in the light of this Guide. The Chair asked that the Self-Assessment recommended in the guide is implemented before the next ARAC meeting. The Committee welcomed the guide.</p> <p>The Committee Members to access the documents on the Department of Finance and NIAO websites, 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.</p>
<p>AC33 21/22</p> <p>Chair</p>	<p>Chair's Business</p> <p>(a) Report To Those Charged With Governance – P Barr NIAO to L Warde Hunter 13 December 2021 – for noting only;</p> <p>(b) Report To Those Charged With Governance Belfast Metropolitan College 2020/21 (last considered AC20c 21/22 15 November 2021)</p> <p>The NIAO advised that there was one small amendment in the final version compared to the version discussed at the last ARAC. The Committee commended the finance team for the work leading to a clear certificate.</p> <p>The Committee noted Chair's Business.</p>
<p>AC34 21/22</p> <p>HoF</p>	<p>Financial Reporting for Q2 2021/22</p> <p>(a) Q2 2021/22 financial update – last considered RC33 21/22 9 March 2022</p> <p>Management advised the Committee on the reporting process leading to the report to the Resources Committee and Governing Body. Management advised the Committee</p>

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Agenda Item	
	<p>The Committee sought further information on the ratio of current assets to current liabilities. Management suggested that this ratio is removed from the report if it is not required for DfE reporting. The College operates a “cash-in/cash-out” business essentially – this calculation includes only trade debtors and PFI payments to providers are significant.</p> <p>The Committee noted the information provided by and the action taken by Management.</p>
<p>AC35 21/22</p> <p>NIAO</p>	<p>Northern Ireland Audit Office Business</p> <p>The NIAO advised the Committee on the following issues:</p> <ul style="list-style-type: none"> (a) 2021/22 planning has now started, and the audit strategy will be advised to the Committee in June; and, (b) NIAO would encourage audited bodies to complete the Self-Assessment in the guide referred to above. <p>The Committee noted the information provided by the NI Audit Office.</p>
<p>AC36 21/22</p> <p>RSMUK</p>	<p>Internal Audit Business</p> <p>Internal Audit advised the Committee of the following key issues:</p> <ul style="list-style-type: none"> (a) Framework for compliance with legal and regulatory requirements – satisfactory assurance, 4 low priority recommendations which Management have accepted and several areas of good practice; (b) Review of procurement and contract management – satisfactory assurance, 1 medium priority recommendation which Management have accepted, and extensive areas of good practice, particularly compared to performance on this issue across the NI public sector; (c) Review of Strategic Planning and Management Information Systems – satisfactory assurance, 4 low priority findings which Management have accepted, with a significant number of areas of good practice, particularly in the light of the challenges arising from COVID 19 response during the period of the development of the Strategic Plan 2021/24; and, (d) Internal Audit Progress Report 8 March 2022 – IA noted the sector wide review of the Learner Management Teams and the additional information and external and RSM guidance that IA have supplied to Management and the Governing Body. <p>P&CE advised that it was very helpful to have the Review of Strategic Planning conducted early in the development of the Strategic Plan 201/24, Management are confident about the robustness of the Strategic Planning process 2021/24 and will apply the learning points to the ongoing strategic plan management process.</p> <p>Management advised that the risk-related IA recommendations will be included in the Risk Register Report for Q3 in June 2022.</p>

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Agenda Item	
	<p>The Committee noted the reports presented and welcomed the assurances provided by Internal Audit and the Management responses to these reports.</p>
<p>AC37 21/22</p> <p>DCS HCD</p>	<p>Compliance Reporting for Q2 2021/22</p> <ul style="list-style-type: none"> (a) Losses and special payments – 1 loss has been notified, it is not a loss to the College, but to an individual and has been reported to DfE and to ARAC because of its wider relevance to the cyber-security internal control environment, behaviours and staff awareness of the risks; (b) Direct Award Contracts – 2 awarded, including 1 extension to facilitate a tendering process and 1 as part of a larger partnership on a critical curriculum area, both of which have been awarded following advice from CPD; (c) Register of Gifts and Hospitality Q2 2021/2 – nil return; (d) Whistleblowing Notifications – 1 notification received; and, (e) Register of Data Breaches- 4 potential breaches reported, 3 breaches confirmed after investigation none of which were reportable to ICO. Total of 9 to date compared to 12 for the same period last year. <p>The Committee asked what the communications were in place across the public sector to raise awareness of the changing cyber fraud risks. Management advised the Committee on the information sharing arrangements across the FE sector and the direct engagement with DfE on communicating emerging cyber risks.</p> <p>The Committee noted the information provided by and the action taken by Management.</p>
<p>AC38 21/22</p> <p>HCD</p>	<p>Status of Outstanding Audit Recommendations</p> <ul style="list-style-type: none"> (a) Status of Outstanding Audit Recommendations Q2 2021/22 (end January 2022) <p>Management advised the Committee that</p> <ul style="list-style-type: none"> (a) all recommendations are part of the Governance Review Report and are considered at SLT and ELT on a monthly basis; (b) 2 recommendations have been closed out in relation to financial internal controls similar to the IA recommendations at AC36b 21/22 above. (c) Management is working on the implementation of the very recent recommendations from DfE in relation to student COVID-19 payments. <p>The Committee noted the information provided by and the actions taken by Management.</p>
<p>AC39 21/22</p> <p>DPP HCD</p>	<p>Risk Management Report</p> <ul style="list-style-type: none"> (a) Corporate Risk Register Report Q2 2021/22; (b) Appendix 1 Corporate Risk Register Q2 2021/22; (c) Appendix 2 Risk Assessment Checklist; and, (d) presentation by Director of People and Place to reflect the College’s approach to risk development, escalation and de-escalation. <p>Management advised the Committee on the following key issues:</p>

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Agenda Item	
	<p>(a) structure of the CRR has been improved – all the required information remains in the report;</p> <p>(b) 9 high level risks – no risks have been closed and no new risks have been identified since the last report (AC25 21/22 15 November 2022)</p> <p>(c) 2 risks have increased risk scores – these relate to action being taken to manage learner enrolment and increased risk of cyber-attack; and,</p> <p>(d) Business continuity processes in response to cybersecurity have been tested recently and Management have received satisfactory assurances on the controls in place to manage these risks.</p> <p>DfE welcomed the revised reporting format and advised on the presentation of inherent and residual risk scoring. Management advised that the risk scoring took account of the funding environment, which is outside the College’s control, however, the recent pay action approved by DfE will impact positively on the risk scoring.</p> <p>The Committee welcomed the improved reporting format which will assist greatly in the live reporting of risk and Management action in mitigating risks.</p> <p style="padding-left: 40px;">(e) Directorate Risk Management – People and Place</p> <p>The Committee welcomed the information provided by DPP on the management of risk in operational teams, directorate level and the interface with the Corporate Risk Register and the College governance framework, including scrutiny at ARAC and Governing Body.</p> <p>The Committee welcomed the insight into the dynamic relationships between operational, directorate and corporate risk registers, commended the clear evidence-based risk management narrative in the College and the high level of assurance provided by Management to ARAC on the management of risk.</p> <p>IDDD will provide a further presentation to ARAC at the June 2022 meeting.</p> <p>P&CE advised ARAC that ELT has reviewed PESTLEE and SWOT analysis which is heavily informed by the robust and living risk management processes that Management now have in place.</p> <p>The Committee noted the information provided by and the action taken by Management.</p>
AC40 21/22	<p>Meeting Feedback</p> <p>Leadership Culture: Committee members advised the Chair that the conduct of the meeting evidenced the Governing Body’s commitments.</p>
AC41 21/22 Chair	<p>Any Other Business</p> <p>The Committee asked if Management had received any requests for support arising from the NI response to the effects of the war in Ukraine. P&CE advised that Belfast Met is a College of Sanctuary and will be using that experience to support partners, current and new staff and learners.</p>

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Agenda Item	
AC42 21/22	Date of next meeting
Chair	Governance Business Programme 21/22 Cycle 4: The fourth meeting of the Audit and Risk Committee will be at 3.00pm on Tuesday 14 June 2022 in the Titanic Quarter Boardroom. This meeting is in participants ' Outlook calendars.
	Governance Business Programme 22/23 Cycle 3: The third meeting of the Audit and Risk Committee during 2022/23 will take place at 3.00pm on Tuesday 14 March 2023 in the Titanic Quarter Boardroom and via Microsoft Teams. The Clerk will diarise this meeting in participants' Outlook calendars in March 2022.
	The meeting ended at 5.00pm

Chair of Belfast Metropolitan College
Audit and Risk Assurance Committee

Sam Snodden



Signature

14/6/22

Date