

Belfast Metropolitan College Audit and Risk Committee 4.30pm 15 June 2020 REMOTE using Microsoft Teams Minutes FINAL approved 16 Septembr 2020

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

Management: Louise Warde Hunter, Principal & Chief Executive (P&CE); Elaine Hartin, Director of Corporate Services (DCS); Gillian Magee, Director of People, Policy and Planning, (DPPP); 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: Heather Sampson, Department for the Economy

Clerk to the Governing Body: Gerry Crossan

<p>AC46 19/20</p> <p>Clerk to the Governing Body</p>	<p>Apologies, Quorum, Welcome, Conflicts of Interest and Notice of AOB</p> <p>Apologies: No apologies received as at date the meeting (15 June 2020).</p> <p>Quorum: The meeting must be 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>Welcome: The Chair welcomed Louise Warde Hunter to the meeting.</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: No Items of AOB received at date of meeting (15 June 2020).</p>
<p>AC47 19/20</p>	<p>Minutes of the meeting held on 9 March 2020 - Draft (Proposed Final)</p> <p>The Committee approved the Draft (Proposed Final) minutes of the meeting held on 9 March 2020 unamended.</p>
<p>AC48 19/20</p>	<p>Matters Arising from the minutes of the meeting held on 9 March 2020</p> <p>No matters not on this agenda.</p>

Agenda Item	
<p>AC49 19/20</p> <p>Chair</p>	<p>Governance Guidance and Information</p> <p>The Committee considered the following documents:</p> <p>(a) Dear Accounting Officer letters (DAOs) 2020 <i>on June 2, 2020 12:00 pm</i>: This page lists current DAOs issued by DoF in 2020. The letters are listed in reverse chronological order. The most recent publications are:</p> <ul style="list-style-type: none"> • DAO (DoF) 06/20 - Coronavirus Job Retention Scheme; • DAO (DoF) 05/20 - Publication of Annual Theft and Fraud Report 2018/19; and, • (Dof) 04/20: Update to HM Treasury Orange Book “Management of Risk – Principles and Concepts” issued 7 May 2020. <p>(b) Finance Director letters (FDs) 2020 <i>on June 4, 2020 12:00 pm</i>: This page lists current FDs issued by DoF in 2020. The letters are listed in reverse chronological order. The most recent publications are:</p> <ul style="list-style-type: none"> • FD (DoF) 06/20 Laying of Annual Reports and Accounts in the Northern Ireland Assembly; • FD (DoF) 05/20 - Changes to 2019-20 Departmental Annual Reports and Accounts as a result of COVID-19 (supplements FD (DoF) 02/20); • FD (DoF) 04/20 - Guidance on the format of the remuneration report; and, • FD (DoF) 03/20 - Approval of pay remits in 2019-20. <p>(c) Consolidation Officer Letters (DCO) 2020 <i>on June 10, 2020 12:00 pm</i>: This page provides guidance for designated Northern Ireland bodies when providing information for the WGA process. The most recent publication is DCO (DoF) 01/20 - Timetables for Whole of Government Accounts 2019-20.</p> <p>(d) NIAO National Fraud Initiative (NFI) – 11 June 2020: AC49d 19/20 Executive Summary June 2020</p> <p>Management agreed to review the new guidance on Risk and determine if any change is needed to College processes.</p> <p>Management confirmed that there were no findings requiring follow up from the National Fraud Initiative.</p> <p>The Committee noted the governance guidance and information provided and the information provided by Management.</p>
<p>AC50 19/20</p> <p>Chair</p>	<p>Chair’s Business</p> <p>(a) Partnership Agreements – Last considered AC42 19/20 9 March 2020: Letter DoF to ALB Working Group 7 May 2020 – “Review of relationship between Departments and Arm’s Length Bodies” – Committee to note postponement.</p> <p>Management confirmed that the self-assessment report had been submitted to DfE. P&CE advised that DfE consider that the response from DfE is likely to be in early 2021.</p>

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	<p>(b) Audit and Risk Committee noted the audit trail of governance meetings dealing with Management response to COVID-19 pandemic:</p> <ul style="list-style-type: none"> ○ RC49 19/20 26 May 2020 – Minutes DRAFTV2 as at 3 June 2020 ○ GB72 19/20 29 April 2020 – Minutes DRAFT (PROPOSED FINAL) as at 28 May 2020; ○ CQE33 19/20 to CQE38 19/20 29 April 2020 – Minutes Final Approved 7 May 2020; ○ CQE39 19/20 to CQE49 19/20 7 May 2020 – Minutes DRAFTV2 as at 20 May 2020; ○ GB58 19/20 to GB71 19/20 29 April 2020 – Minutes DRAFT (PROPOSED FINAL) as at 28 May 2020; ○ HR29 19/20 to HR41 19/20 27 April 2020- Minutes DRAFTV2 as at 20 May 2020; ○ AC41 19/20 9 March 2020 - Chairs03 19/20 6 April 2020 - GB67 19/20 29 April 2020: Q2 Corporate Risk Register as at April 2020. <p>P&CE advised on the regular engagement with the DfE throughout this period, including the discussions on awarding, the relationships with the regulators, risk-assessment in preparation for re-opening and on the development of a revised CDP 2020/21.</p> <p>The Committee noted the information provided by the Chair and Management.</p>
<p>AC51 19/20</p> <p>DCS</p>	<p>Financial Report</p> <p>(a) Q3 Financial Update - last considered at RC42 19/20 26 May 2020.</p> <p>Management advised that</p> <ul style="list-style-type: none"> • Q3 outturn consistent with Q2 • COVID-19 impact has been offset by the release of deferred income • Reduced levels of income particularly around Work Based Learning activities • NDPB allocation – variation to 31 March 2020 is zero; • Cash is being managed within approved limits; and, • Prompt Payment goals are slightly impacted by COVID-19. <p>The Committee asked what plans were in plan to support recovery. Management advised that</p> <ul style="list-style-type: none"> • the first stage in recovery is getting 2019/20 students through then action and consultation to open building; • plans are being developed across the sector with the steps towards providing face-to-face teaching within safe physical distancing guidelines; <p>The Committee noted the information provided by and the action taken by Management</p>
<p>AC52 19/20</p> <p>DCS</p>	<p>Direct Award Contracts/Single Tender Actions</p> <p>(a) Report for Q3 2019/20: Managed advised on two DACs, one of which was in from funding provided by the Belfast Metropolitan College Trust.</p> <p>The Committee asked that the staff involved in the procurement of the WIFI devices be congratulated for the support they provided to the Trust.</p>

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	<p>Management advised that the psychometric testing was payment for the use of licences.</p> <p>The Committee noted the information provided by and the action taken by Management.</p>
<p>AC53 19/20</p> <p>Northern Ireland Audit Office</p>	<p>Northern Ireland Audit Office Business</p> <p>(a) 2019-20 Audit Strategy; and, (b) Audit Plan 2020/21 – last considered AC37 19/20 9 March 2020.</p> <p>NIAO advised</p> <ul style="list-style-type: none"> • on the engagement with Management and on the Strategy; • materiality will be reassessed on receipt of the draft accounts; • the range of risk assessments and governance guidance across the sector and in the College that have underpinned the strategy and audit timetable; and, • the members of the NIAO audit team. <p>The Committee asked if NIAO risk assessment included a potential spike in COVID-19. NIAO advised that this was captured in the assessment of risk factors. Management advised that the working relationship with the NIAO team was excellent and the audit communications would not be affected by remote working.</p> <p>The Committee noted the information provided by the NI Audit Office and had no further comments on the scope of the risk assessment made by the NIAO.</p>
<p>AC54 19/20</p> <p>Grant Thornton</p>	<p>Internal Audit Business</p> <p>Grant Thornton presented the following reports to the committee</p> <p>(a) Belfast Metropolitan College Review of Management Information and Reporting Final Report – Satisfactory Assurance with robust reporting processes in place across all the College’s business;</p> <p>(b) Belfast Metropolitan College Review of Student Wellbeing Service Final Report – Satisfactory Assurance with evidence of governance and appropriate roles and responsibilities, one Priority 3 risk recommendation on need for a clear remit linked back to the originating economic appraisal.</p> <p>Management advised that action is being taken forward by DCLS.</p> <p>(a) 2019/20 Internal Audit Follow Up Report – 16 audit recommendations brought forward, 10 fully implemented, 3 in progress and partially implemented and 3 not due.</p> <p>(b) 2019/20 Annual Assurance Report – all audits for the year produced Satisfactory Assurance with only 4 Level 3 recommendations raised throughout the year for the College.</p> <p>Grant Thornton will liaise with Management to close of engagement and support the transition to a new provider. Management advised that the working relationship with Grant Thornton had been positive and extended their thanks to Anthony McKibben and his colleagues at Grant Thornton.</p>

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	<p>DCS advised the Committee on the procurement timetable for the cross sector provision of internal audit service on a sectoral basis.</p> <p>The Committee noted the reports presented by Internal Audit and Management response to these reports. The Chair thanked Anthony McKibben, Grant Thornton and College staff for their work over the past 3 years.</p>
<p>AC55 19/20</p> <p>DCS</p> <p>HCD</p>	<p>Compliance Reporting for Q3 2019/20</p> <p>(a) Losses and special payments – nil report; (b) Register of Gifts and Hospitality 2019/20 – nil report; (c) Whistleblowing Notifications – nil report; and, (d) Register of Data Breaches. – One to report.</p> <p>Management advised on the nature and scope of the data breach and the action that Management took to respond to the breach and to support the member of staff involved.</p> <p>NIAO advised on an anonymous letter the C&AG had received in February– the NIAO followed these issues up with College Management and DfE. Management advised that they will await the outcome of NIAO and DfE investigations.</p> <p>The Committee noted the information provided by and the action taken by Management.</p>
<p>AC56 19/20</p> <p>HCD</p>	<p>Status of Outstanding Audit Recommendations</p> <p>(a) Report as at end of as Q3 2019/20</p> <p>Management advised on the close alignment of the outstanding recommendations with Internal Audit final report and updated on the status of the 6 outstanding recommendations.</p> <p>The Committee noted the information provided by and the actions taken by Management.</p>
<p>AC57 19/20</p> <p>HCD</p>	<p>Risk Management</p> <p>(a) Q3 2019/20 Review of Belfast Metropolitan College Corporate Risk Register.</p> <p>Management presented the details of each amendment to the previous risk register and advised the Committee on the following issues:</p> <ul style="list-style-type: none"> • 18 Corporate Risks at end of Q3; • 11 changes have been implemented directly as a result of COVID-19 and 1 change regarding the appointment of a new P&CE; • College dealing with higher number of significant changes to risks across financial, service delivery, estate management and health and safety issues; • Management responding to quickly changing risk profile across the College and across the FE Sector; • Ongoing planning processes are recognising the fluidity of the situation and until CDP process is completed in August 2020, Management are working closely with DfE colleagues;

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	<ul style="list-style-type: none"> Management currently assessing scale of impact of anticipated reduced enrolments for 2020/21 and subsequent years; Management are monitoring direct access and infrastructure to ensure that all key services remain operational; and, Refreshing health and safety plans to support re-opening on a daily basis; <p>DfE advised that Management may wish to consider COVID-19 as a cause and embedded in inherent risk for each identified risk. Management advised on the methodology adopted and will engage with DfE colleagues on this going forward, noting that this is unprecedented operating environment.</p> <p>The Committee commended Management for the scope and agility of risk assessment and risk management evident in the current Corporate Risk register.</p> <p>The Committee noted the information provided by and the action taken by Management.</p>
AC58 19/20	<p>Any Other Business</p> <p>None advised as at date of the meeting (15 June 2020).</p> <p>The meeting ended at 5.50pm.</p>
AC59 19/20	<p>Date of next meeting</p> <p>The next meeting of the Audit and Risk Committee will take place in September 2020 at a time, date and venue to be confirmed. _The Committee reminded that the meetings schedule needs to facilitate the correct approval process for the Annual Accounts.</p>
AC60 19/20	<p>Closed Session - no closed session.</p>

**Audit, Risk & Assurance Committee of the
Belfast Metropolitan College**

Sam Snodden

Signature

Date

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Belfast Metropolitan College**

Sam Snodden



Signature

18/9/20

Date