

**MINUTES OF THE SIXTY NINTH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA MICROSOFT TEAMS COMMENCING 11:30**

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**PRESENT:**

Mrs C Shongo, Committee Chair  
Ms M Breslin  
Mrs M Gormley (until 12:30)  
Mrs S McMahon  
Mr F Smyth  
Ms V Toland

**ATTENDEES:**

Mr L Murphy, Principal & Chief Executive  
Mr P McKeown, Finance Director  
Mr I McCartney, Internal Auditor, RSM (until item 69.10)  
Mr D Conliffe, DfE (from 12:14 until item 69.10)  
Mr B O'Neill, NIAO (until item 69.10)  
Mrs É Doherty, Secretary to the Governing Body

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**69.1 WELCOME & APOLOGIES**

The Committee Chair welcomed everyone to the meeting, no apologies were received. Mrs M Gormley provided advance notice she would be required to leave the meeting at 12:30.

**69.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS**

There was no conflict of interest declarations. There were no declarations of any other business.

**69.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 14 NOVEMBER 2023****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 14 November 2023

The Draft Minutes were taken as read and agreed as a true and accurate record of the meeting.

**PROPOSED,** Ms M Breslin

**SECONDED,** Mrs S McMahon

**Report 1 MATTERS ARISING – November 2023 Committee Meeting**

**68.5.** The Finance Director will provide an update on the PSNI v Agnew Judgement - application for holiday pay on overtime payments within his Management Report (AC 69.5, R1/1.3.3).

**68.5** The Finance Director will report on the outcome of the Access Access NI and the NIFRS Audits within his Management Report (AC 69.5, R1/8.2/8.3).

**68.7** The Annual Report & Financial Statements Year Ended 31 July 2023 were approved at the Governing Body Meeting held on 21 November 2023.

**69.4 COMMITTEE CHAIR'S BUSINESS, Mrs C Shongo**

The Committee Chair had no business to discuss and invited Mr McKeown, Finance Director to present his report.

*Mr D Conliffe joined the meeting at this juncture.*

**69.5 MANAGEMENT REPORT, Mr P McKeown, Finance Director**

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

**Report 1 Report to the Audit & Risk Committee**

The Finance Director provided updates on the membership of the Risk Management Group. Mr Mulcahy, Head of Finance had left the College in January 2024. Ms McSorley has taken up this post.

The Finance Director reported on the ten corporate risks, making specific reference to the following risks;

**Risk COR002 – Severe Risk - Impact of Reduced Enrolment Numbers**

Data<sup>1</sup> was provided to the Committee on the enrolment for the Sector from 2018/19 to 2022/23. In terms of enrolments there was a slight increase in 2022/23 at 12,885 against 2021/22 at 12,800.

Actual student numbers for 2022/23 was 8,100, a reduction from 2021/22 at 8,310.

**Risk COR003 – Medium Risk - Implementation of DfE Trainee Apprentice Management System (TAMS)**

Progress continues however there are still some issues remaining relating to the lack of reporting functionality, discrepancies in claims and operational functionality not aligning to the compliance requirements.

Ms Breslin, Staff Governor and Compliance and Admissions Manager added there are workarounds in place and meetings continue with the Department (DfE) to try and resolve these issues. The Principal recommended that the Sector Training Managers ensure the Department (DfE) gives adequate notice when upgrades are required to the system.

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<sup>1</sup> Further Education Sector Activity in NI 2018/19 to 2022/23 published 31 January 2024

**Risk COR0005 – Medium Risk - The Quality of the Curriculum not meeting Required Benchmarks**

An improvement in the success percentages in 2022/23 for 75% against 73.1% in 2021/22 was reported. Whilst this positive improvement was welcome the Risk Management Group considered to keep the risk medium and the reasons for this were provided.

**Risk COR0007 – Severe Risk – Failure to Maintain Financial Stability**

No further update has been received from the Department (DfE) from November 2023. The pressure at this time for the College was £4,973m. With the NI Executive back in place discussions are taking place.

The Finance Director reported on an increase on employer contributions on the NI Teacher Pension Scheme. The rates have increased from 25.1% to 29%. It is hopeful additional funds will be received from the Department (DfE) to cover these costs.

**Risk COR0011 - Severe Risk – Impact of Industrial Action**

The withholding of marks from College systems and Awarding Bodies as a result of the industrial action is a real concern. Ms Breslin, Staff Governor and Compliance and Admissions Manager reported on the impact on students and by way of example reported on how such action is impacting on AppsNI students, particularly those in their final year of study who are completing their qualifications. Ms Toland, Staff Governor added that students on short courses will be in the same position.

**Risk COR0012 – Medium Risk – Staffing – Impact of Staff Recruitment, Staff Retention, Pay Levels & Sickness on College Business**

Recruitment issues continue in specific areas such as Electrical and Mechanical Engineering. The issue in respect to a pay settlement for lecturers remains. Post Voluntary Severance Scheme cover for lecturer sickness absences may prove more challenging.

Governors got an opportunity at this juncture to ask questions on the College risks.

The Finance Director appraised the meeting with updates on the key areas/developments that may present a risk to the College going forward. Referring to item 68.5 the Holiday Pay matter, the Finance Director reported that South West College are leading on the preparation of a Business Case to permit Colleges to commence the payment of holiday pay (relating to excess/overtime) to staff.

Specialised consultants, Tetra Tech, completed a survey on NWRC buildings and confirmed no traces of RAAC, (Reinforced Autoclaved Aerated Concrete), were identified.

The Finance Director reported that there were no Direct Award Contracts to report on since the last Committee meeting. The Prompt payment figure for the 30 days to 31 January 2024 was 96% and for the year to date was 95%. The target is 95%.

NWRC is leading on the preparation of Business Case for insurance cover for the sector (covering a 5 year period from 2024/25 to 2028/29). In line with Managing Public Money in N Ireland (MPMNI), the Business Case will consider the option of self-insurance. The Finance Director apprised the meeting on the recent version of the MPMNI which was updated in November 2023.

*Mrs M Gormley left the meeting during this item.*

In November 2023, the Department (DfE) completed a compliance monitoring closure inspection of Skills for Life and Work, (SFLAW) and Training for Success, (TFS), finding a 0% error rate on over 400 administrative compliance tests performed.

Following up on matters arising, 68.5 the Finance Director reported that the recent NIFRS audit completed in November 2023 – all recommendations have been implemented. In relation to the AccessNI Audit carried out on 21 November 2023 by DoJ, no issues were identified.

The Finance Director highlighted the treatment of tuition fee income which is accounted for in this College upon receipt of fees. Following a request from the Department (DfE) the College will now spread the tuition fee income across the ten months of the academic year.

The Committee Chair thanked Ms Breslin and her team on the excellent outcome from the recent DfE audits.

The Committee Chair then invited Mr McCartney to present the Internal Audit Report to the Committee.

## **69.6 INTERNAL AUDIT – Mr I McCartney, RSM**

### **➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Internal Audit Progress Report – February 2024
Report 2	Internal Audit Review – Admissions
Report 3	Internal Audit Review – Learning & Development
Report 4	RSM Emerging Risk Radar - January 2024

### **Report 1 Internal Audit Progress Report – February 2024**

The Internal Auditor reported that following a request from Management, the Health & Safety review has been rescheduled and will now be presented to the Committee in May 2024. Fieldwork commenced on the Cyber Security review on 26 February 2024. Fieldwork will commence on the Part-time Lecturer Payments review on 25 March 2024.

**Report 2 Internal Audit Review – Admissions**

The Admissions review received a satisfactory assurance rating with no findings identified. Areas of good practice were provided.

**Report 3 Internal Audit Review – Learning & Development**

The review on Learning and Development received a satisfactory assurance rating with two low priority findings. These relate to Staff Training and the Training budget.

**Report 4 RSM Emerging Risk Radar – January 2024**

The report highlighted those areas of emerging risks that boards have identified as 'emerging'.

**In response to Governor's Mr Smyths' query, the Internal Auditor agreed to provide a report on the FE Sector benchmarking of internal audit findings for 2022/23.**

**The Internal Auditor agreed to provide details in respect to the comparative levels of governance in other sectors.**

The Committee Chair thanked Mr McCartney (RSM) and invited Mr O'Neill (NIAO), to report to the Committee.

**69.7 EXTERNAL AUDIT – Mr B O'Neill, NIAO****➤ PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1 Final Report To Those Charged With Governance 2022/23**

The External Auditor reported that the Comptroller and Auditor General certified the 2022/23 Financial Statements on 27 November 2023, with an unqualified audit opinion without modification. One priority 3 issue was raised in relation to depreciation of assets. Management will review this matter. The Letter of Representation and the Audit Certificate were now included in the final report (Appendices 1/2).

The Committee Chair thanked Mr O'Neill for his report.

**69.8 CORRESPONDENCE**

There was no correspondence to report.

**69.9 ANY OTHER BUSINESS**

The Finance Director provided an update on the moving to a common accounting date for the Sector. It is likely to be a March year end, the first year possibly being the year to 31 March 2026.

It was suggested to include further discussion on risks following the May Committee meeting.

**69.10 RESERVED BUSINESS** – taken separately.

The Committee Chair thanked everyone and the meeting ended at 13:03.

**DATE OF NEXT MEETING** – 21 May 2024

Signed: Charlene Shongo.  
Mrs C Shongo, Committee Chair

Date: 21 May 2024

APPROVED

## Appendix 1

**SUMMARY OF AGREED ACTIONS FROM THE FEBRUARY 2024 COMMITTEE MEETING**

<b>NO</b>	<b>MINUTE REF</b>	<b>REPORT</b>	<b>ACTION</b>	<b>OWNER</b>
1	69.6	Internal Audit	In response to Governor's Mr Smyth's query, the Internal Auditor agreed to provide a report on the FE Sector benchmarking of internal audit findings for 2022/23.  The Internal Auditor agreed to provide details in respect to the comparative levels of governance in other sectors.	RSM/ed
2	69.9	AOB	It was suggested to include further discussion on risks following the May Committee meeting	PMCK/ed

APPROVED