

MINUTES OF THE THIRD MEETING OF THE AUDIT COMMITTEE OF THE GOVERNING BODY OF THE NORTH WEST REGIONAL COLLEGE HELD IN THE BOARDROOM, STRAND ROAD CAMPUS, ON MONDAY 10 MARCH 2008 AT 5.40 P.M.

PRESENT: Mr D McMahon (Chair)
Miss E Cavanagh
Prof F Monds

IN ATTENDANCE: Mr S Murphy (Director)
Mr P McKeown (Assistant Director, Finance)
Mr M Pitt (PWC, Internal Auditor)
Mr D Reid (DEL Observer)
Mr S McCormick (NIAO, External Auditor)
Mr D McClelland (Secretary)

The Chair welcomed Mr McCormick to his first meeting with the Committee.

The Chair indicated that there were no issues he wished to discuss with members prior to senior management joining the meeting. Internal Auditor reported that he had received the full co-operation of management in carrying out the audit programme to date.

The Director and Assistant Director (F) then joined the meeting.

3.1 APOLOGIES

None

3.2 MINUTES OF MEETING HELD ON 29 OCTOBER 2007

It was proposed by Prof Monds seconded by Miss Cavanagh and agreed that these were an accurate record of the meeting.

3.3 MATTERS ARISING

2.4 Risk Management Group. The Director reported that the RMG would, for the present, consist of the SMT and the Health & Safety Officer. The Group would be chaired by the Assistant Director (College Development) who would also be the Risk Management Champion. Others would be added to the Group as implementation of the management structure allowed.

In reply to questions relating to the reporting structure, the Director suggested that

- Risk Management should be a standing item on the agenda of each Committee meeting reporting by exception on the items contained in the corporate risk register
- Twice yearly a detailed report would be made to Committee
- Sub-registers would be examined by the RMG who would report matters of concern to the Committee.

Members agreed that this reporting structure would be appropriate.

2.5 Corporate Risk Register. It was noted that the revised register had been agreed by the Governing Body at its meeting on 20 November 2007.

2.7.1 Audit training. In reply to questions, the DEL Observer advised that training for Audit Committee members would take place in May. He also mentioned that there had been a delay in forming the Audit Forum for Audit Chairs.

2.7.2 External Audit Arrangements. The External Auditor clarified that the Comptroller and Auditor General for Northern Ireland is the formal external auditor for the college. NIAO will be working through the original external auditor appointed by the College by agreement with them. The letter of engagement will therefore come from NIAO.

3.4 CHAIRMAN'S BUSINESS

No business was conducted under this heading.

3.5 INTERNAL AUDIT: STATUS REPORT

The Internal Auditor reported on the progress being made in fulfilling the college's audit plan for the year. He explained the classification and priority ratings which accompany each report. He indicated that

- reports are by exception
- two reports are complete
- three further reports are on-going and will be available for the next Committee meeting
- work on one review is due to commence on 6 May 2008

He considered that the original timetable for completion of the work would be achieved.

3.6 PRESENTATION OF AUDIT FINDINGS

3.6.1 REPORT ON SECURITY OF ASSETS AND DELIVERY ARRANGEMENTS

In outlining the report, the Internal Auditor stated that the outcome of the audit carried out had resulted in an overall assurance rating of 'substantial'. There were only two issues where recommendation for improvement had been made

- The use of the Archibus Estates Management System for tracking assets. Discussion took place on this matter. Management felt that, after the present pilot at another college had been completed, they would be in a better position to review its use within NWRC. Members felt that the System would give added security over the present system being used in the College and that there was merit in a common system being used throughout the sector. The External Auditor mentioned that there may be an issue over the recording of DEL funding for the project.
- Borrowing of College assets. Members queried if there was an issue over assets containing sensitive data going off-site. The Internal Auditor advised that management should consider encrypting data and that a degree of control may be necessary over personnel allowed to access information off-site.

Management agreed to review these issues and to report back to the Committee.

3.6.2 REPORT ON TRAINING FOR SUCCESS AND JOBSKILLS PROGRAMME

The Internal Auditor indicated that this report had received an overall 'satisfactory' assurance rating. In relation to the issues identified:

- Programme income and Expenditure projections. DEL was asked to note the problems colleges were experiencing.

- Reimbursement of Travel Expenses. The Director felt that students expected to be fully funded as had been the case with Jobskills trainees. The Assistant Director (F) stated that overall the college was at least breaking even. The Internal Auditor indicated that the report was advising caution.
- Timesheets. It was reported that the situation had considerably improved as the result of the recent appointment of a Programme Manager.
- Policies and Procedures. Internal Auditor advised that guidance needs to be put in place
- Registration on QLS and TMS. Internal Auditor recommended that spot checks on the accuracy of data should be carried out.
- Jobskills: Recording of Student Time. Although the programme was being phased out the issue of the accuracy of timesheet recording was similar to that referred to under Training for Success programme.

The Internal Auditor mentioned that he was impressed by the recent arrangements the College had put in place to manage the programme. The Director and Committee members wished to record their thanks to all staff involved.

The Chair thanked the Internal Auditor for the quality of his reports and the staff for the on-going work they were doing in relation to these matters. He stated it was particularly pleasing that the first two Internal Audit reports to come before the Committee had assurance ratings that were 'above the line' particularly since these audits were conducted in a period of merger and transition.

3.7 ANY OTHER BUSINESS

- 3.7.1 **Revision of timetable from DEL.** The Secretary reported that a letter from DEL indicated that returns of the Audit Committee Annual Report and the Annual Assurance Return should be with DEL by 30 November 2008.
- 3.7.2 **Arrangements for forwarding internal audit reports to DEL.** It was agreed with the DEL Observer that it would no longer be necessary to forward these reports following Committee meetings as he would already have receiving copies as papers for the meetings.
- 3.7.3 **Publication of the Committee's Annual Report.** In reply to a query from the External Auditor, the Chair confirmed that the report would be published.
- 3.7.4 **Review of the External Auditor's Management Letter 06/07.** The Chair reported that he had received information on this matter which he would circulate to members.

Date of next meeting: It was agreed to meet on Monday 12 May 2008 at 5.30pm in Strand Road.

At the close of the meeting the Chair invited the DEL Observer and External Auditor whether they wished to comment on the proceedings. Both indicated that they found the Internal Audit reports encouraging.

The Chair then closed the meeting at 6.50pm