
MINUTES OF THE FOURTEENTH MEETING OF THE AUDIT AND RISK COMMITTEE OF THE GOVERNING BODY OF THE NORTH WEST REGIONAL COLLEGE HELD IN THE BOARDROOM, STRAND ROAD CAMPUS, ON THURSDAY 16 SEPTEMBER 2010 COMMENCING AT 5.40pm.

PRESENT: Prof Monds (Acting Chair)
Ms E Cavanagh
Mr L Gallagher
Mr W McBride
Mr A Smyth

IN ATTENDANCE: Mr P McKeown (Director of Finance and Estates)
Ms G Lavery (Head of School, Health and Social Care) for item 14.6
Mr D Lavery (Head of School, Construction, Engineering and Science) for item 14.6
Mr M Pitt (PwC, Internal Auditor, Partner)
Ms J Hamill (DEL Observer)
Mr B O'Neill (NIAO, External Auditor)
Mr D McClelland (Secretary)

In the absence of the Committee Chair, it was agreed that Prof Monds would act as chair for the meeting. The Acting Chair then welcomed Ms Hamill to the meeting.

14.1 APOLOGIES

Apologies were received from Mr S Murphy, Mr H Faulkner and Mr D McMahon.

14.2 DECLARATION OF INTERESTS

No member or attendee declared a conflict of interest in the business of the meeting.

14.3 MINUTES OF MEETING HELD ON 7 JUNE 2010

It was proposed by Mr Gallagher seconded by Ms Cavanagh and agreed that the minutes were an accurate record of the meeting.

Action: Secretary to arrange for the publication of approved minutes asap

14.4 MATTERS ARISING

13.9 IT Infrastructure and Computer Related Controls. The Internal Auditor reported that he had had a meeting with DEL about the matter. It had been agreed that the access status of the majority of DEL employees would be re-designated "read only". DEL had agreed to issue a letter to the College which would list each employee and their access status. The Internal Auditor considered that this 'priority 1' issue had now been resolved satisfactorily.

13.11 Self-assessment checklist. (Ref: paper AC14.4) The Acting Chair referred members to the paper containing (a) assessment criteria for appointing Audit Chair and (b) induction checklist for new Committee members. It was agreed that the paper dealt with both matters comprehensively. It was proposed by Ms Cavanagh seconded by Mr McBride and agreed to

recommend to the Governing Body the adoption of assessment criteria for the appointment of Audit Chair and the induction checklist for new Committee members.

14.5 CHAIRMAN'S BUSINESS

Following a query from a member relating to the recent bomb incident on Strand Road, the Director for Finance and Estates reported that an in-depth survey (including costs) to ascertain damage to the new build was near completion. He said that a claim from the contractor would then be submitted to the loss adjuster for compensation. He added that, at present, no repairs had been carried out. There was also an unresolved issue with the contractor relating to warranties. The incident would cause a delay to the handover date with possible knock-on effect on the continuing rental of property presently used by the College. The Acting Chair commended senior management for their proficient handling of the situation at a recent meeting of the Project Board.

[Ms Lavery and Mr Lavery then joined the meeting for the next item only]

14.6 PRESENTATION OF SCHOOLS' RISK MANAGEMENT REGISTERS

The Acting Chair welcomed the 2 Heads of School to the meeting.

1. School of Health and Social Care (Ref: paper AC14.6.1)

The Head of School referred members to the 3 risks identified on the Register and to the actions which were being taken to manage the risks. She considered the measures were currently proving to be effective. In reply to a member's question she said that there were excellent routes for progression available to students.

2. School of Construction, Engineering and Science (Ref: paper AC14.6.2)

The Head of School referred members to the 4 risks identified in the Register. He pointed out that, although the economic downturn had had a major effect on the building and engineering industry, enrolments in these vocational areas were showing significant increase. In reply to a member's question he said that students had been given the opportunity to learn and benefit from observing the construction of the College's new build.

The Acting Chair thanked the Heads for the insight into the work of their Schools.

14.7 INTERNAL AUDIT: STATUS REPORT (Ref: paper AC14.7)

The Internal Auditor reported that all reviews relating to the 09/10 internal audit plan had now been completed.

14.8 IA: PRESENTATION OF FINDINGS

Process Improvement Review with a focus on Contract Management arrangements for the new College Building. (Ref: paper AC14.8)

The Internal Auditor reported that the review had resulted in a 'substantial' assurance rating with no recommendations. He considered it to be a very positive report.

14.9 IA: FOLLOW-UP REVIEW (Ref: paper AC14.9)

The Internal Auditor referred members to the executive summary which showed that 82% of recommendations from previous years' reports had now been fully implemented with 1 matter relating to payment of invoices still outstanding. The Director for Finance and Estates indicated that steady progress was being made towards meeting the recommended target.

14.10 IA: ANNUAL REPORT 09/10 (Ref: paper AC14.10)

The Internal Auditor explained that, although the College had scored 'substantial' assurance ratings in 6 out of the 7 areas reviewed during the year, the importance of IT Infrastructure and Computer Related Controls was such that he felt that the overall rating should be a 'satisfactory' assurance for the year. The Acting Chair thanked the Internal Auditor for the efficient manner in which the reviews had been carried out over the year. Members noted the report.

14.11 IA: NWRC NEEDS ASSESSMENT 10/11 (Ref: paper AC14.11)

The Internal Auditor referred members to the proposed areas to be reviewed during 2010/11. He explained that the proposals had been determined following consideration of the College's Risk Register and discussion with senior management. The Acting Chair suggested that the area of reputational risk should include marketing. Another member suggested that the review of compliance with legislation should include equality legislation. The Internal Auditor agreed to include these aspects within the respective reviews. It was proposed by Mr Gallagher seconded by Mr McBride and agreed to recommend to the Governing Body the approval of the plan.

14.12 DRAFT ANNUAL ACCOUNTS 09/10 (Ref: paper AC14.12)

The Acting Chair reminded members that one of the recommendations resulting from the Committee's self-assessment exercise was that the Committee should initially review the draft annual accounts before they were presented to DEL and the external auditor. In referring to the accounts the Director for Finance and Estates advised members of two "book entries" which showed major changes from the projected figures discussed at the board meetings in June, namely a positive adjustment in respect of the College's contribution to the NILGOSC pension scheme and a further impairment in the value of land and property as determined by LPS. Members agreed that figures relating to these issues can apparently cloud the actual financial health of the College. In reply to a member's query the Internal Auditor commented that he had no immediate concerns relating to the accounts. The NIAO representative suggested some minor adjustments to presentation and commentary. He mentioned that the accounting entry for the FRS 17 adjustment had not yet been agreed but gave the assurance that it would be consistent across all colleges. Members noted that the accounts would be finalised for approval at the next meeting of the Committee.

14.13 ANY OTHER BUSINESS

No business was conducted under this heading.

Date of next meeting: It was agreed to meet on Monday 22 November 2010 at 5.30pm in Strand Road Campus.

There being no other business the Acting Chair closed the meeting at 6.55pm.

Signed: _____ (Chair)

Date: _____