
MINUTES OF THE SIXTH 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 MONDAY 17 NOVEMBER 2008 AT 5.30P.M.

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

IN ATTENDANCE: Mr S Murphy (Director)
Mr P McKeown (Assistant Director, Finance)
Mrs H Smyth (PWC, Internal Auditor, Manager)
Mr S McCormick (NIAO, External Auditor)
Mr D McClelland (Secretary)

The Chair commented on the improvement on the quality of the risk management report. The External Auditor drew attention to the KPMG report on Customised Training Services which he had received from the commissioning body DEL. He considered there may be a possible impact on the College's end of year accounts. The Chair expressed surprise that a copy of the report had not been forwarded by DEL to him as Audit Committee Chair. He was also unaware of the GB Chair receiving a copy. Internal Audit stated that they were also unaware of the report. She indicated that their work carried out on project management was process orientated rather than financial. It was agreed that the Committee should have access to the report before signing off the annual accounts.

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

6.1 APOLOGIES

Mr D Reid (DEL Observer)

6.2 MINUTES OF MEETING HELD ON 23 JUNE 2008

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

6.3 MATTERS ARISING

5.6 Satisfaction Survey. The Internal Auditor indicated that survey results formed part of its report to the meeting.

5.7 Appointment of staff. The Director reported that the post of Quality Manager was at the job description stage.

5.9 Code of Conduct. An update would be circulated to members and considered at the next meeting.

6.4 CHAIRMAN'S BUSINESS

6.4.1 DEL Circular – timetable for financial returns. The Chair reported that new legislation in relation to external audit was required before the College's Annual Report could be submitted to DEL. A new date for submission would be provided when the matter was resolved.

6.4.2 DAO Letter – whistleblowing procedures. The Chair enquired if the College's policy was in line with the advice given in the letter. The Director said he would check and report back.

6.4.3 KPMG Report on CTS. The Chair referred again to his concerns on this matter. The Director said that he had received a copy of the report from DEL who had asked for his comments by 14 November. A follow-up meeting with DEL had now been arranged. The External Auditor considered there were issues to be addressed. A member stressed the importance of members of this Committee and the Finance and General Purposes Committee receiving a copy of the report before the annual accounts are signed off.

6.5 RISK MANAGEMENT REPORT (Ref: Paper AC6.5)

The Assistant Director presented the report in an updated form. He pointed out

- The summary action plan
- No risks have been removed from the register
- Risk L – on balanced budget - may need to be reviewed
- Health and Safety aspect of the report is an additional feature

In reply to a question the Director said that risk registers had already been developed in high risk areas and that development of departmental registers was in progress. Another member enquired if action plans were in existence to address weak areas identified under health and safety. The Assistant Director indicated that steps would be taken to put these in place. The External Auditor suggested it would be helpful to have a summary of action plans against each risk. The Internal Auditor said that the matter would come under their review later in the year and that it would be useful to see the development of departmental registers.

6.6 ANNUAL REPORT AND FINANCIAL STATEMENTS (Ref: Paper AC6.6)

The External Auditor reported that he was awaiting the return of audit papers prior to their review. He said he was aware of some high level issues

- Valuation of property
- Accounting treatment of PFI contracts
- KPMG report on CTS

Members considered that these issues as well as the DEL delay in date for submission meant that the Annual Report could not be recommended for approval to the Governing Body at present.

The External Auditor congratulated the Assistant Director and his staff on the professional manner in which the Report had been presented.

6.7 AUDIT & RISK COMMITTEE ANNUAL REPORT (Ref: Paper AC6.7)

Due to issues already discussed which impacted on the Report it was proposed by Prof Monds seconded by Miss Cavanagh and agreed to postpone the presentation of the Report to the Governing Body.

6.8 INTERNAL AUDIT PLAN 2008/2009 (Ref: Paper AC6.8)

The Internal Auditor presented the plan for the year pointing out the areas of audit which had already been completed. It was agreed that the audit on project management should be completed without reference to the KPMG report at this stage. It was also agreed that a value

for money exercise should still feature in the audit programme for the year. It was suggested that it could be related to the audit on procurement and contracting. The Internal auditor also referred to the Client Satisfaction Survey

6.9 ANY OTHER BUSINESS

No business was conducted under this heading.

Date of next meeting: Monday 19 January 2009 at 5.30pm in Strand Road Campus. It was agreed that the meeting planned for 16 March 2009 would be postponed until 23 March 2009.

This being all the business the Chair closed the meeting at 7.05pm