

MINUTES OF THE TWELFTH 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 22 MARCH 2010 COMMENCING AT 5.30pm.

PRESENT: Mr D McMahon (Chair)
Mr L Gallagher
Prof F Monds
Mr W McBride
Mr A Smyth (from 6.00pm)

IN ATTENDANCE: Mr S Murphy (Director)
Mr P McKeown (Assistant Director, Finance)
Mr G Gallagher (Head of School, Community Education) for item 12.7
Mr G Dobson (Head of School, Foundation Access and General Education) for item 12.7
Mr M Pitt (PwC, Internal Auditor, Partner)
Mr R Monds (DEL Observer)
Ms C O'Hagan (NIAO, External Auditor)
Mr D McClelland (Secretary)

The Chair welcomed Ms O'Hagan to the meeting.

He then ascertained that there were no matters of business to discuss prior to the Director and Assistant Director joining the meeting.

12.1 APOLOGIES

Apologies were received from Ms E Cavanagh and Mr S McCormick.

12.2 DECLARATION OF INTERESTS

The Internal Auditor declared an interest in agenda item 12.10. No member declared a conflict of interest in the business of the meeting.

[It was agreed to consider item 12.7 at this point in the meeting. Mr Gallagher and Mr Dobson then joined the meeting. They left the meeting at the conclusion of this item. Mr Smyth joined the meeting during this item. Following item 12.7 the meeting resumed the agenda at item 12.3]

12.3 MINUTES OF MEETING HELD ON 25 JANUARY 2010

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

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

12.4 MATTERS ARISING

11.4 (10.5) Payment of invoices. The Assistant Director reported considerable improvement in the percentage of invoices paid within 30 days during the first quarter of the year.

11.9 Revision to the Financial Memorandum. A member enquired about the follow-up to the consultation exercise. DEL's Observer indicated that the responses were still under consideration by the Department.

11.10 Policies, Procedures and Guidelines. The Director said he hoped to bring a further paper to the next meeting of the Committee.

Action: Director to prepare paper for next meeting of Committee.

12.5 CHAIRMAN'S BUSINESS

The Chair drew members' attention to 2 documents he had received from NIAO. He considered the one entitled "The Statement on Internal Control: A Guide for Audit Committees" would serve as a useful reference for the College when formulating future SICs.

12.6 RISK MANAGEMENT REPORT (Ref: paper AC12.6)

It was confirmed to the Chair that the Assistant Director was presently chairing the Risk Management Group. The Assistant Director then referred members to the adjustments to risks since the last report. In reply to a question the Director indicated that the risks listed were those identified as main material risks to the organisation. In further discussion it was suggested that the College might consider developing a process for removing items from the list which no longer posed a risk to the College.

In concluding discussion, the Chair commented on the good quality of the report and that it was gratifying to see that currently there were no risks in the 'high' category.

12.7 PRESENTATION OF SCHOOLS' RISK MANAGEMENT REGISTERS

The Chair welcomed the 2 Heads of School to the meeting and introduced members to them.

1. School of Foundation Access and General Education (Ref: paper AC12.7.2)

The Head of School made brief comments on the work of his School and referred members to the 4 risk areas listed in the register, all of which were categorised as 'low'. He outlined measures being taken to control each risk.

2. School of Community Education (Ref: paper AC12.7.1)

The Head of School referred to the 3 risks identified in his School, all of which were categorised as 'low'. He also pointed out the controls being taken to reduce risk particularly if the school should come under financial pressure. A member commented on the excellent work being done amongst community groups.

The Chair thanked the Heads for the insight into the work of their Schools. He suggested that, in seeking to refine the process further, it would be helpful for Schools' registers to show linkage with the Corporate Risk Register and for registers to be updated on reviews which have taken place.

12.8 INTERNAL AUDIT: STATUS REPORT (Ref: paper AC12.8 tabled)

The Internal Auditor reported that no further reviews had been completed since the last meeting of the Committee. He said that all matters were proceeding within the agreed timeframe.

12.9 DEL: PEER REVIEW OF FE COLLEGES' IA ARRANGEMENTS (paper AC12.9)

The Internal Auditor reported that the DEL IAS review of PwC's auditing work within the FE sector had made recommendations on 2 'housekeeping' matters but that, overall, there was compliance with Government Internal Audit Standards (GIAS).

The Assistant Director then directed members' attention to the recommendations specific to the College all of which were categorised as 'low'. Comments made included

- the original tendering process for IA did adhere to sound procurement practice and can be demonstrated to be giving value for money.
- the Committee does already contain considerable experience of financial expertise. DEL Observer indicated that any commonality of membership between an Audit Committee and a Finance & GP Committee should be of a temporary nature.
- NIAO representative would provide the Secretary with guidelines on self-assessment of Committee effectiveness

It was agreed that the Director and Assistant Director would provide DEL IAS with a response to the review which they would also circulate to members. It was also agreed that the Secretary should prepare revised Audit & Risk Committee terms of reference for consideration by the Governing Body at its next meeting. It was further agreed that the matter of criteria for the Committee to review its own effectiveness should be addressed.

*Actions: (1) Director & Assistant Director to formulate response to IAS and copy to members
(2) Secretary, in conjunction with the Chair, to review Committee's terms of reference with proposals to the next Governing Body meeting.
(3) NIAO rep. to provide Secretary with effectiveness guidelines asap.
(4) Secretary to organise document on review of Committee effectiveness for next Committee meeting.*

[It was agreed to take item 12.10 as the final item of business. The Internal Auditor left the meeting at 7.05pm prior to this item being considered.]

12.10 REVIEW OF INTERNAL AUDIT PROVISION

See separate minute.

12.11 CORRESPONDENCE

None.

12.12 ANY OTHER BUSINESS

No business was conducted under this heading.

Date of next meeting: It was agreed to meet on Monday 7 June 2010 at 5.30pm in Strand Road Campus

There being no other business the Chair closed the meeting at 7.20pm.