

MINUTES OF THE TENTH 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 23 NOVEMBER 2009 COMMENCING AT 5.45P.M.

PRESENT: Mr D McMahon (Chair)
Miss E Cavanagh
Mr H Faulkner (ex-officio)
Prof F Monds
Mr W McBride

IN ATTENDANCE: Mr S Murphy (Director)
Mr G McGuckin (Assistant Director, College Development) (until 6.30pm)
Mr P McKeown (Assistant Director, Finance)
Mr M Pitt (PwC, Internal Auditor, Partner)
Mr R Monds (DEL Observer)
Mr S McCormick (NIAO, External Auditor)
Ms R Peters-Gallagher (Moore Stephens)
Mr D McClelland (Secretary)

No issues were discussed prior to members of the Senior Management Team joining the meeting.

10.1 APOLOGIES

An apology had been received from Mr L Gallagher.

10.2 MINUTES OF MEETING HELD ON 3 SEPTEMBER 2009

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

10.3 MATTERS ARISING

9.8.2 Data Protection and Freedom of Information – progress update. The Assistant Director (Finance) reported that the Data Protection Policy was at present out for consultation, that training for staff had been developed and would commence in January and that implementation of the other recommendations referred to in the Internal Audit report were now complete.

9.8.5 Follow-up Review – progress update on estate issues. The Assistant Director (Finance) indicated that a full tender specification for a reactive maintenance contract had been prepared and would shortly be published. He also mentioned that discussions for the provision of a central procurement arrangement for Colleges was on-going and that training on risk management for heads of schools had recently taken place.

10.4 CHAIRMAN'S BUSINESS

No business was conducted under this heading.

10.5 RISK MANAGEMENT REPORT (Ref: paper AC10.5)

The Assistant Director (College Development) reported on the review which the Risk Management Group had carried out on the Corporate Risk register. He explained the reasons for the amendments which were being made. A member felt that it would be useful to group the risks as there appeared to be links between them. Another member queried the risk associated with the College's present investments. Concern was expressed at the low percentage (44%) of invoices paid within the regulation 30 days. It was agreed that every effort should be made to meet this requirement. The Chair enquired if the Group considered potential risks. In reply to another question the Director indicated that sector-wide risks were examined by the Finance Officers' Group and by the Directors' Group. In relation to the risk registers developed by Heads of Schools it was agreed that the Assistant Director (CD) should plan a programme for these to be presented to the Committee on a rotational basis. Members noted the report.

The Assistant Director (College Development) left the meeting at the conclusion of the above item.

10.6 ANNUAL REPORT AND FINANCIAL STATEMENTS 2008/2009 (Ref: paper FC11.7)

The Assistant Director referred members to some of the issues mentioned in the report including the depreciation caused by revaluation of buildings and land, the significant rise in pension liability and the introduction of a remuneration report. He pointed out that the recent communication from DEL on the reduction in the recurrent grant would affect college reserves. He also advised that the Finance & General Purposes Committee had made a few minor changes to wording. The External Auditor (NIAO) pointed out the significant internal control matter contained in the report. Following queries from members it was proposed by Mr McBride seconded by Prof Monds and agreed to recommend to the Governing Body the adoption of the report.

10.7 EXTERNAL AUDITOR'S ANNUAL REPORT (Ref: paper AC10.7)

The representative of the External Auditor from Moore Stephens reported on the audit which had been conducted in accordance with the strategy agreed. It has resulted in the Comptroller and Auditor General providing an unqualified audit opinion on the NWRC Account. She pointed out the key risk areas which had been examined. She also mentioned the 3 areas of significant observations identified during audit work with recommendations to management which have been accepted. The GB Chair, Committee Chair, members of Committee and External Auditors wished to thank the Assistant Director and his team for the work they had done throughout the year. Members noted the report.

10.8 AUDIT & RISK COMMITTEE ANNUAL REPORT TO THE GOVERNING BODY (Ref: paper AC10.8)

It was proposed by Prof Monds seconded by Mr McBride and agreed to recommend the annual report to the Governing Body.

10.9 INTERNAL AUDIT: PROGRESS REPORT (Ref: paper AC10.9)

The Internal Auditor reported that the programme for audit for 09/10 was on schedule. Members noted the report.

10.10 INTERNAL AUDIT : PRESENTATION OF FINDINGS

10.10.1 Review of Financial Controls (Ref: paper AC10.10.1) The Internal Auditor reported that the review had resulted in an overall 'substantial' assurance rating with 4 'housekeeping' matters whose recommendations had been accepted by management.

10.10.2 Review of Faculty Management (Ref: paper AC10.10.2) The Internal Auditor reported that the review had resulted in an overall 'substantial' assurance rating with 1 housekeeping matter accepted by management. In reply to a member's question the Internal Auditor said he had received assurance that an action plan relating to an ETI report was being implemented.

The Chair commented on the high quality performance reflected by both reports.

10.11 CONFLICTS OF INTEREST POLICY (Ref: paper AC10.11)

The Assistant Director presented a final draft of the policy. It was proposed by Prof Monds seconded by Mr McBride and agreed to recommend to the Governing Body the adoption of the Conflicts of Interest Policy.

10.12 POLICIES, PROCEDURES AND GUIDELINES (Ref: paper GB14.8)

This matter had been referred to the Committee by the Governing Body. The Director outlined the background and the legal advice provided. In relation to the list attached to the paper it was agreed that Hospitality should be the remit of the Audit & Risk Committee and that there should be no remits held jointly. The Chair felt there was still confusion around the issue of who had power of approval. The DEL Observer indicated that he would seek advice on the matter. It was agreed to defer further discussion to the next meeting of the Committee.

10.13 ANY OTHER BUSINESS

Letter from DEL: PAC Review of FE Colleges (Ref: paper AC10.13) The DEL Observer related the background to the matter and requested that Colleges give serious consideration to implementing the 4 recommendations listed. After a short discussion it was agreed to recommend to the Governing Body that the 4 recommendations listed be implemented.

Date of next meeting: Monday 25 January 2010 at 5.30pm in the Strand Road Campus.

There being no other business the Chair closed the meeting at 7.30pm.

Signed: _____ (Chair)

Date: _____