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**MINUTES OF THE THIRTY SEVENTH MEETING OF THE AUDIT & RISK COMMITTEE OF THE GOVERNING BODY OF THE NORTH WEST REGIONAL COLLEGE HELD IN THE STAFF DEVELOPMENT ROOM, STRAND ROAD ON WEDNESDAY 4 MAY 2016 AT 1600.**

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**PRESENT:**

Mr S Atcheson ( Chair)  
Mr R Dougherty  
Mr P Laughlin

**IN ATTENDANCE;**

Mr L Murphy (Principal & Chief Executive)  
Mr P McKeown (Director of Finance & Economic Engagement)  
Ms E Anderson (Internal Auditor, KPMG)  
Mr D Campbell (NIAO)  
Ms M McAleer (DEL)  
Mrs D McElwee (Acting Head of Higher Education & Training Programmes) for presentation item 37.5 only.  
Mrs E Doherty (Governance Secretary)

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The Chair welcomed everyone to the meeting and a round of introductions was made.

**37.1 APOLOGIES**

Apologies were received from Mrs C O'Hagan, Mr G Killeen and Mrs C McFarland

**37.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS**

There were no conflict of interest declarations/no declarations of any other business.

**37.3 MINUTES OF THE MEETING HELD ON 18 NOVEMBER 2015 (ref Paper)**

The minutes were taken as read and agreed were an accurate record of the meeting.

**PROPOSED:** Mr P Laughlin

**SECONDED:** Dr B Burns\*

**37.3.1 MATTERS ARISING – meeting on 18 November 2015****36.3.1 Matters Arising****34.8 Internal Audit – Sector Wide Review**

The Internal Auditor reported the review was not final; however it should be available for the next Committee meeting.

**Action;** Review Paper on Agenda today. (Paper 37.7.4)

**36.4 Chair's Business****Audit & Risk Committee's Annual Report 2014/15 to the Governing Body**

It was agreed to recommend to the Governing Body acceptance of the Committee's Report for 2014/15.

**Action:** Report approved by the Governing Body on 25 November 2015

**36.5 Management Report****Annual Report & Financial Statements – 2014/15**

Members recommended approval to the Governing Body of the Annual Report & Financial Statements.

**Action:** Report approved by the Governing Body on 25 November 2015.

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**37.4 CHAIR'S BUSINESS**

The Chair reported that he intends to carry out annual Self –Assessment exercises. He referred to the NAO Checklist and it was agreed that a copy be forwarded to all members. The Chair indicated he would like a draft of the completed Report to come through the June Committee meeting.

**AGREED ACTION; Secretary to forward a copy of the NAO Checklist to all members.**

The Chair took item 37.6 next

**37.6 MANAGEMENT REPORT – FINANCE & ESTATES (Ref Paper AC 37.6)****1. Risk Management Group Report -1**

The Director referred to the Paper and reported that no adjustments were made to the Corporate Risk Register since the last report to the Committee in November 2015.

The Director referred to Risk Ref 2, 'Ability to Manage Enrolment Numbers and Reduction in FLU', he indicated that this was the first time since merger that the College would not reach its FLU target.

The Director highlighted Risk Ref 4, 'Effective Partnership Arrangements with External Bodies, School/Training Providers', and explained the actions taken to manage this risk. The Principal highlighted that the College held a School Engagement Evening during April.

Risk Ref 8, 'Failure to Obtain a Balanced Budget', was also highlighted and the Director reported the 2016/17 Budget will be presented to the Governing Body in June 2016.

The Director reported that the issues outstanding from 2015/16 Internal and External Audit were on course, ongoing or complete.

**2. Single Tender Actions – Report 4**

There were no Single Tender Actions to report.

**3. Prompt Payment**

93% of invoices were paid within 30 days in the first 8 months to 31 March 2016.

Prompt payment target is 95%.

The Chair thanked the Director for his report and returned to item 37.5.

**37.5 RISK MANAGEMENT; Risk Register for School of Media, Multi-Media and Arts (MMA)****Report 1 Departmental Risks for School of Media, Multi-Media and Arts – February 2016****Report 2 Risk Identification for School of Media, Multi-Media and Arts – February 2016**

The Chair welcomed Mrs Dorothy McElwee, Acting Head of Higher Education & Training Programmes.

Mrs McElwee referred members to the papers and outlined the three risks currently on the School's Risk Register; Key member of staff being absent/leaving; Failure to maintain quality standards and Decreasing Enrolment Numbers. Mrs McElwee went through each risk and described the measures which were being taken to minimise each risk and the further action which was planned.

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Mrs McElwee reported that Risk 1, 'Key member of staff being absent/leaving' had recently occurred within the School, however the measures were in place and it was managed appropriately.

Discussion followed on the strong and vibrant creative industries within the City, the students that have progressed into many varied career paths. For the last three years College Students have won the Royal Opera House Costume Design Challenge. The Principal added that there is opportunity to build capacity within this area.

The Chair thanked Mrs McElwee for her report.

*Mrs McElwee left the meeting at this juncture.*

### **37.7 INTERNAL AUDIT: Progress against Audit Plan 2015/16 (Ref Paper AC 37.7)**

The Internal Auditor reported that implementation of the Plan was on schedule with three reviews to be reported on today and a further two at the June meeting.

#### **37.7.1 PRESENTATION OF FINDINGS**

##### **PROCUREMENT**

The Auditor reported a 'Substantial' grading was awarded.

#### **37.7.2 HUMAN RESOURCES – Performance Management**

The Internal Auditor reported that a 'Satisfactory' grading was awarded with one Priority 2 and one Priority 3 issue in relation to;

- Overview of appraisal process

A further Priority 2 issue was in relation to:

- Objective setting within appraisal processes including linkage of individual goals to College wide objectives.

The recommendations were agreed by management.

The process of appraisals was discussed and it was agreed this item was being managed through the appropriate channels.

#### **37.7.3 COMPLAINTS HANDLING**

The Internal Auditor reported a 'Satisfactory' grading with one Priority 2 issue,

- Timeliness of responses to complaints.

A Priority 3 issue relating to 'Policies and Procedures' was also reported.

Discussion followed on the possible need for the Policy to be revisited with a suggestion to include a ranking order for the types of complaints received and a pathway for managing these.

##### **AGREED ACTIONS;**

- **The Internal Auditor to refer to the Head of Internal Audit with a request to review the assurance rating on the Complaints Handling review.**
- **The Director to refer to the Quality Manager to request a review of the Policy.**

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**37.7.4 SECTOR WIDE REVIEW, FE COLLEGES REVIEW FOR TRAINING FOR SUCCESS  
ADMINISTRATIVE PROCESSES**

The Internal Auditor reported that since the review was completed a Youth Training pilot programme will replace the Training for Success programme. The delivery of training, the processes and practice assessed in the report are also likely to change fundamentally. Nevertheless the report provides a useful background to be considered in any new processes and procedures.

The Chair thanked the Internal Auditor for her report.

**37.8 PROVISIONAL DATES FOR COMMITTEE MEETINGS 2016/17 – Paper AC 37.8**

Members noted the dates.

**37.9 CORRESPONDENCE**

There was no correspondence.

**37.10 AOB**

There was no any other business to discuss.

The Chair thanked everyone for attending and closed this part of the meeting at 17:28.

*The Internal Auditor left the meeting at this juncture. The meeting then went into private session.*

**37.11 RESERVED BUSINESS**

**DATE OF NEXT MEETING** –22 June 2016

Signed; \_\_\_\_\_ Chair

Date:           **22 June 2016**

- **Item 37.3 Minutes of the Meeting held on 18 November 2015**

No other governor present was able to second the minutes as they were not in attendance at the meeting of 18 November 2015. Due to these exceptional circumstances, Dr Burns (governor) was contacted after the meeting. Dr Burns was in attendance for the 18 November 2015 meeting.

Dr Burns was content to second the minutes as a true and accurate record. E-mail confirmation of this was received by the Secretary on 6 May 2016. The Department was also informed. This was considered the best way of resolving the issue.