
DRAFT MINUTES OF THE FORTY FIFTH MEETING OF THE AUDIT & RISK COMMITTEE OF THE GOVERNING BODY OF THE NORTH WEST REGIONAL COLLEGE HELD IN THE BOARDROOM, NORTHLAND BUILDING, STRAND ROAD CAMPUS ON WEDNESDAY 18 APRIL 2018 AT 1700.

PRESENT:

Mr P Laughlin (Chair)
Mr S Atcheson
Mrs R Dougherty
Dr N Hand

IN ATTENDANCE;

Mr L Murphy (Principal & Chief Executive)
Mr P McKeown (Director of Finance & Economic Engagement)
Mr B O'Neill (NIAO)
Mr M Camplisson (DfE)
Mr A McKibbin (Internal Auditor, Grant Thornton)
Mrs É Doherty (Governance Secretary)

The meeting was quorate therefore the Chair declared the meeting open at 1710. The Chair welcomed everyone with an extended welcome to Mr B O'Neill (NIAO) and Mr M Camplisson (DfE).

45.1 APOLOGIES

Apologies were received from Mrs C McFarland, Dr M O'Neill, Mr N Taylor (Grant Thornton) and post meeting from Mr G Killeen.

45.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

45.3 MINUTES OF THE MEETING HELD ON 7 NOVEMBER 2017**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 7 November 2017

The Minutes were taken as read and agreed as a true and accurate record of the meeting.

PROPOSED: Dr N Hand

SECONDED: Mrs R Dougherty

44.4 CHAIR'S BUSINESS – Annual report to the Governing Body 2016-17

To recommend to the Governing Body acceptance of the Committee's Report

Update: Approved by the Governing Body at their meeting on 15 November 2017.

44.7 Annual Report & Financial Statements Year End 31 July 2017

To recommend approval to the Governing Body of the Annual Report & Financial Statements Year End 31 July 2017.

Update: Approved by the Governing Body at their meeting on 15 November 2017.

45.4 CHAIR'S BUSINESS

The Chair had no business to discuss.

The Chair invited Mr P McKeown, Director of Finance & Economic Engagement to present his report to members.

45.5 MANAGEMENT REPORT, Mr P McKeown, Director of Finance & Economic Engagement**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 - Risk Management Group Report 2/2, 2017/18

Report 2 - Direct Awards Contracts – 31 March 2018

Report 3 - Prompt Payment – verbal report

The Director reported on the adjustments to the College Corporate Risk Register since the Report was last presented to the Committee in November 2017. Risk 2, titled 'Impact of Reduced Enrolment Numbers & Reduction in FLU', since the FLU funding model will cease in 2017/18 the title to this risk has been changed to, 'Impact of Reduced Enrolment Numbers'. The scoring on this risk has been increased from 6 to 9 as the likelihood and impact are high.

Risk 3, titled 'Work Based Learning' the scoring on this risk has decreased from 4 to 2.

Risk 4, titled 'Non-Compliance with Relevant Legislation (Equal Opportunities, Data Protection, Health & Safety, Freedom of Information)' this risk has been combined with Risk 8 and changed to, 'Non-Compliance with Relevant Legislation (Equal Opportunities, Data Protection, Health & Safety, Freedom of Information, Consumer Protection Law) including the risk created by staff not undertaking mandatory training. The score on this Risk has been maintained at 3.

The Director highlighted that Risk 7, 'Failure to Maintain Financial Stability' is currently a RED risk with a score of 6. The Director envisaged this risk score may decrease at the next review due to the new funding model coming into operation.

In relation to Risk 2, 'Impact of Reduced Enrolment Numbers' currently a RED risk, the Director reported that the current actions consider historical data such as enrolments etc. This risk will be updated to include actions and strategies to increase student numbers.

In relation to Risk 8, 'Risk of CPD & PD Processes' the Director stated that Mrs B Harrison, Director FE DfE had recently corresponded with Senior Staff in Properties Division regarding the ongoing concerns of the Sector Governing Bodies regarding health and safety and value for money issues. Mrs Harrison has requested the drafting of a Business Case to consider alternative delivery methods. Belfast Metropolitan College will take the lead with the Business Case. Members welcomed this development.

The Director reported that the Internal Auditor will report on outstanding matters in his report later into the meeting (Ref 45.6). The Director confirmed there were no matters outstanding from External Audit. Two Direct Award Contracts were approved to 31 March 2018.

In concluding his report the Director stated that prompt payment for 30 days to 31 March was 94% and for the year to date was 88%.

The Chair thanked Mr McKeown for his report and invited Mr McKibbin to present his Internal Audit Report to members.

45.6 INTERNAL AUDIT

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Internal Audit Progress Report – April 2018

Review Reports

Report 2 Key Financial Controls – March 2018

Report 3 Widening Access Fund – April 2018

Report 4 Risk Management – Feb 2018

Report 5 Budgetary Control & Financial Planning – April 2018

The Internal Auditor referred to the Internal Audit Progress Report which summarised the work undertaken by Internal Audit since the last Committee meeting. He indicated that four reviews would be discussed at his meeting. The Data Protection Review that was due for reporting on at this Committee meeting was not final, fieldwork is complete and the final report will be brought to the next Committee meeting.

The Internal Auditor referred to the Report on 'Key Financial Controls' and was pleased to report that a satisfactory assurance was provided with three Priority 3 recommendations.

In respect to the review on 'Widening Access Fund' a satisfactory assurance was provided with one Priority 2 and one priority 3 recommendations. A satisfactory assurance was provided to the review on 'Risk Management' with one Priority 2 and two Priority 3 recommendations. In respect to the final Review on 'Budgetary Control and Financial Planning' a satisfactory assurance was also provided with one Priority 3 recommendation.

Members discussed the findings and recommendations and were content with these.

The Internal Auditor referred to the correspondence (Ref 45.8, Report 2) received from the Department requesting that the Audit Committee set aside from the sector-wide review budget days to include a review of the Hardship Fund, ASF and Care to Learn and for the Hardship Fund audit to take place in the 2018/19 academic year.

For the current year the Internal Auditor requested approval for the Sector wide review to take place on Properties Division.

It was proposed that the Internal Auditor arrange a one day training session for Finance staff on Accounting Standards Training.

Members were content with these proposals.

APPROVED; Mr S Atcheson

SECONDED; Mrs R Dougherty

45.7 DRAFT SCHEDULE FOR COMMITTEE MEETINGS 2018/19

Members noted the schedule.

45.8 CORRESPONDENCE

Report 1 Correspondence from NIAO
Report 2 Correspondence from FE Finance, DfE

The Chair referred to Report 1, correspondence from the NIAO confirming the change in personnel arrangements for the audit of the College's Financial Statements. As previously reported in the Chair's welcome note Mr Brian O'Neill together with Mr T Wilkinson will have responsibility for the audit of the College.

Correspondence Report 2 had already been discussed under item 45.5.

The Chair then invited the External Auditor to present his report to the Committee.

45.9 EXTERNAL AUDIT**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Audit Strategy 2017/18

The External Auditor brought members through the Strategy highlighting the purpose of the Strategy, the planned timetable, the materiality figure of £760k, the audit fee of £20,000 for this year, the audit approach and the staffing compliment.

45.10 ANY OTHER BUSINESS

There was no any other business to discuss.

DATE OF NEXT MEETING – 13 June 2018

The Chair thanked everyone for their attendance and closed the meeting at 1818.

Signed: _____ **Chair**

Mr P Laughlin

Date: 13 June 2018