
MINUTES OF THE FORTY SEVENTH 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 MONDAY 17 SEPTEMBER 2018 AT 1100.

PRESENT:

Mr P Laughlin (Chair)
Mr G Killeen
Dr M O'Neill

IN ATTENDANCE;

Mr P McKeown (Director of Finance & Economic Engagement)
Mr D Campbell (NIAO)
Mr D Conliffe (DfE)
Mr A McKibbin (Internal Auditor, Grant Thornton)
Mr N Taylor (Internal Auditor, Grant Thornton)
Mr G McCole (IT Services Manager for presentation item only)
Mrs É Doherty (Governance Secretary)

The meeting was quorate and the Chair declared the meeting open at 1115.

The Chair welcomed Mr G McCole, IT Services Manager to the meeting. With the aid of a PowerPoint presentation Mr McCole introduced the topic of Cyber Security highlighting the recent media coverage; 'Cyber-attacks on NI Universities and Further Education Colleges on the rise'.

The presentation was very informative and included details on the College users and computer profile; infrastructure profile; security policies; protection in place against attacks; email protection in place; GDPR; cyber security risk mitigation and the challenges that the College and Sector face.

The Director of Finance & Economic Engagement advised members that currently a proposal for cyber risk and data breach cover is with the insurance broker.

Mr McCole then invited questions from members. The Chair thanked Mr McCole for his presentation and suggested it would be useful for the Committee to receive an annual presentation on such an important matter.

Mr McCole left the meeting at this juncture.

47.1 WELCOME & APOLOGIES

Apologies were received from Mrs C McFarland, Dr N Hand, Mrs R Dougherty, Mr S Atcheson and Mr L Murphy.

47.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

47.3 MINUTES OF THE MEETING HELD ON 13 JUNE 2018➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 13 June 2018

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

PROPOSED: Mr P Laughlin

SECONDED: Mr G Killeen

47.3.1 MATTERS ARISING – June 2018 Committee Meeting

46.4 Chair's Business

- Final draft of Self-Assessment to be forwarded to members.

Update: Final draft of Self-Assessment forwarded to members on 10 September 2018.

- The Director to update the Committee on Cyber Risk & Data Breach Insurance Cover.

Update: The Director had provided an update on this matter within the presentation item.

- The Information Services Manager to be invited to the next Committee meeting.
Update: The IT Services Manager provided a presentation to members at this meeting.

47.4 CHAIR'S BUSINESS

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Committee's Terms of Reference

The Chair referred to the Committee's Terms of Reference that are reviewed by the Committee annually. **Members were content with the Terms of Reference and it was agreed to recommend approval to the Governing Body.**

PROPOSED: Mr P Laughlin

SECONDED; Mr G Killeen

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

47.5 MANAGEMENT REPORT, Mr P McKeown, Director of Finance & Economic Engagement

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 - Draft Annual Report & Accounts to 31 July 2018

Report 2 - Direct Award Contracts

Report 3 - Fraud Policy - June 2018

Report 4 - Prompt Payment – verbal

The Director reported the Draft Annual Report & Accounts for Year End to 31 July 2018 were due to be submitted to the Department on 19 September 2018. These will also proceed through the Finance & GP Committee meeting on 19 September 2018 and to the full Governing Body on 26 September 2018. The final draft will come back to the Audit & Risk Committee November 2018 meeting. The Director confirmed the Financial Statements had been prepared in accordance with the relevant legislation and other relevant accounting standards.

The Director noted that the NIAO were due to commence the Audit of the Financial Statements week commencing 24 September 2018.

There were no Direct Award Contracts.

In reference to the Fraud Policy the Director reported the Policy had been reviewed in June 2018, no significant changes were made, an amendment was required to the wording to item 3.1. The referenced document should read, 'Management Statement'.

Members were content with the Fraud Policy.

Prompt Payment details for 30 days to 31 August 2018 was 90%, the reduction was due to budget holders on leave during the summer period.

The Chair thanked Mr McKeown for his report and invited Mr N Taylor and Mr A McKibbin, Internal Auditors to present their Reports to members.

47.6 INTERNAL AUDIT**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Internal Audit Follow Up Final Report – Aug 2018
Report 2	Annual Assurance Report – Sept 2018
Report 3	Three Year Internal Audit Strategy 2017/18 – 2019/20 – Revised Sept – 2018
Report 4	Annual Audit Plan 2018/19

The Internal Auditor (AMcK) referred to the Follow up Report which was a review of management action and the implementation of previous audit recommendations. Three recommendations were brought forward from 2016/2017 year and ten recommendations were made during 2017/2018. A total of eleven issues had been addressed leaving two issues remaining. The implementation date on one of these issues remaining had not yet passed. The remaining issue had not fully been actioned due to the College having difficulty in sourcing appropriate training.

The Internal Auditor (NT) then brought members through the Annual Assurance Report, he reported that the College received no priority 1 ratings in any of the eight audit areas reviewed during 2017/18. Two priority 2 and 8 priority 3 ratings were awarded during 2017/18.

Based on the Internal Audit work which was performed during 2017/18 an overall internal audit opinion of 'Satisfactory' level of assurance had been awarded on the system of internal control in place within the College.

The Internal Auditor added he wished to provide an update that the Sector Wide review had been undertaken, a draft report had been issued and the final draft should come to the next Committee meeting.

The Internal Auditor referred to Appendix 2, Progress against KPIs, he reported that two of the targets had not been achieved. The Committee Chair added that this was a concern for the Committee. The Chair referred to the final KPI, 'All final audit reports presented to the Audit & Risk Committee', the Chair suggested that it would be helpful if this indicator included a reporting deadline.

AGREED ACTION; The final KPI to include a reporting deadline.

The Internal Auditor (NT) identified improvements to the delivery of the internal audit service for 2018/19. Members got the opportunity to ask questions on the reports.

The Internal Auditor (AMcK) referred to the Three Year Internal Audit Strategy with the amendments made to include a review on Data Protection (GDPR) Compliance Audit to the 2018/19 year and the removing of the review on Fixed Assets.

Members were content to approve the Revised Internal Audit Strategy 2017/18-2019/20 and Annual Plan 2018-2019 to the Governing Body.

PROPOSED: Mr G Killeen

SECONDED; Mr P Laughlin

47.7 CORRESPONDENCE

The Chair referred to correspondence received on 6 August from Ms B Harrison Director of FE, DfE in reference to an update on the proposed Sector Wide Review of Risk Management. It was noted that the Northern Ireland Civil Service Board (NICS) had recently agreed to an NICS wide, risk management review. On this basis the Sector wide Risk Management Review will be postponed until the final NICS wide report has been issued.

Members noted the correspondence.

47.8 ANY OTHER BUSINESS

The Chair referred to the presentation earlier received on Cyber Risk and highlighted to Governors that the Eduroam network is available to them. It was agreed to invite the IT Services Manager to the Governing Body meeting on 26 September 2018 for this purpose.

AGREED ACTION; The Secretary to invite the IT Services Manager to the Governing Body meeting.

DATE OF NEXT MEETING – 6 November 2018

The Chair thanked everyone for their attendance and closed the meeting at 1154.

Signed: _____ Chair
Mr P Laughlin

Date: 6 November 2018