
MINUTES OF THE THIRTY SIXTH MEETING OF THE AUDIT & RISK COMMITTEE OF THE GOVERNING BODY OF THE NORTH WEST REGIONAL COLLEGE HELD IN MEETING ROOM 1, TOWER BUILDING, STRAND ROAD ON WEDNESDAY 18 NOVEMBER 2015 AT 17:00

PRESENT:

Mr P Laughlin (Acting Chair)
Dr B Burns
Ms B Smyth

IN ATTENDANCE;

Mr L Murphy (Principal & Chief Executive)
Mr P McKeown (Director of Finance & Estates)
Ms H Patton (Internal Auditor, KPMG)
Ms C O'Hagan (NIAO)
Ms M McAleer (DEL)
Mrs E Doherty (Governance Secretary)

The Chair welcomed everyone and a round of introductions were made.

36.1 APOLOGIES

Apologies were received from Mr S Atcheson.

36.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

There were no conflict of interest declarations. Ms C O'Hagan declared she wished to speak on an item under Any Other Business.

36.3 MINUTES OF THE MEETING HELD ON 16 SEPTEMBER 2015 (ref Paper)

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

PROPOSED: Ms B Smyth

SECONDED: Mr P Laughlin

36.3.1 MATTERS ARISING**34.6 Appointment of Vice Chair**

The Acting Chair recommended leaving the appointment of Vice Chair until a later meeting.

34.8 Internal Audit- Sector Wide Review, Work Based Learning

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

35.8 Internal Audit; Internal Audit Strategy 2015/16-2017/18, Annual Plan 2015/16 and Charter**35.10 Review of Committee's Terms of Reference**

The Chair confirmed that these were approved by the Governing Body at their October 2015 meeting.

35.10.1 Audit Code

Ms McAleer reported this was work in progress and any updates will be issued in due course.

36.4 CHAIR'S BUSINESS**Audit & Risk Committee's Annual Report 2014/15 to the Governing Body. (Ref Paper AC36.4)**

This Report covered the period 1 August 14 -31 July 15 and included details regarding constitution and membership, attendance at meetings, review of Terms of Reference, reporting procedures, the work of the internal/external auditors and the opinion of the Committee in relation to financial statements, the satisfactory discharge of GB responsibilities and the Corporate Governance Statement.

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

PROPOSED: Dr B Burns

SECONDED; Ms B Smyth

36.5 MANAGEMENT REPORT – FINANCE & ESTATES (Ref Paper AC 36.5)

1. Risk Management Group Report -Report 1

The Director reported that the Risk Management Group had made a few adjustments to the College Risk Identification Register. Risk 2 had been changed from 'Ability to Manage Enrolment Numbers' to 'Ability to Manage Enrolment Numbers and Reduction in FLU'. The Principal provided detail to this and indicated it was important to alert the Board to such a risk and the challenges attached. Management will attempt to mitigate the risks.

The scoring to Risk 8, 'Failure to Obtain a Balanced Budget' had been reduced from 4 to 3. The Director reported that a deficit had been budgeted for 2015/16 however the impact on College finances will not be significant.

The Director referred members to the outstanding matters from Internal Audit 2014/15 and confirmed that all items were now complete. An outstanding matter from the External Audit was still ongoing and would be discussed further into the meeting under item 36.7.

The Director reported that a recent Health and Safety Audit was completed in August 2015, the accident/incidents and claims were similar to those in 2013/14. The number of reportable incidents under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulation 2013) had reduced considerably.

2. Annual Report & Financial Statements – 31 July 2015 – Report 2

The Director stated this report was to be with DEL by 30 November 2015. The Finance & General Purposes Committee had recommended approval at their meeting on 17 November 2015.

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

PROPOSED; Dr B Burns

SECONDED; Ms B Smyth

3. Student Union Accounts 2014/15 – Report 3

The Director indicated that the College block grant funding to the Student Union account had increased to £25K. Members approved the accounts.

PROPOSED; Ms B Smyth

SECONDED: Dr B Burns

4. Single Tender Actions – Report 4

There were no Single Tender Actions to report.

5. Prompt Payment

94% of invoices were paid within 30 days in the first quarter of the 2015/16 financial Year.

The Chair thanked the Director for his report,

36.6 INTERNAL AUDIT: Progress against Audit Plan 2015/16 (Ref Paper AC 36.6)

The Internal Auditor reported that implementation of the Plan was on schedule with two reviews completed to date. Members noted the Report.

36.6.1 Presentation of Findings**Core Financial Review**

The Internal Auditor explained that two areas had been audited; 'Bank and Cash' and 'Month-end Close Procedures'. Both areas had been awarded a 'Substantial' grading with no issues identified.

IT General Controls

The Internal Auditor reported that a 'Satisfactory' grading was issued with one priority 2 recommendation in relation to 'Extent to which contingency arrangements are in place for key IT systems in the event of system failure'.

The recommendations were agreed by management.

The Chair thanked the Internal Auditor for her report.

36.7 EXTERNAL AUDIT – Draft Report 2014/15 to those charged with Governance – Ref Paper AC 36.7

The Chair invited the External Auditor to present her draft Report. The External Auditor wished to take the opportunity to thank the Director, Accountant and the Finance team for their high level of co-operation and support throughout the Audit process.

The External Auditor indicated that the audit was substantially completed and proposed recommending an unqualified audit opinion. Attention was drawn to the Observations & Recommendations with a one Priority 3 issue in relation to intangible assets.

Recommendation for the College to consider capitalising such items as software licences, and to consider the need for a policy in conjunction with the Sector.

An Audit adjustment was made in relation to VAT on revaluations. This adjustment had no net effect on the Balance Sheet or Income and Expenditure account.

The Chair thanked the External Auditor for her report. He expressed his delight on a very successful outcome. The Principal wished to record his thanks to the Director, Accountant and the team on their great work.

36.8 CORRESPONDENCE

There was no correspondence.

36.9 AOB

The External Auditor drew attention to a new publication from the NIAO, 'Managing Fraud Risk in a Changing Environment' which may be useful to members.

DATE OF NEXT MEETING –20 April 2016 - later changed to 4 May 2016

36.10 RESERVED BUSINESS

Recorded separately.

Signed _____ Chair

Date: 11 May 2016