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**MINUTES OF THE FORTY SECOND 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 21 JUNE 2017 AT 1700.**

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**PRESENT:**

Mr P Laughlin (Chair)  
Mr S Atcheson  
Mrs R Dougherty  
Mr S Gillespie  
Mr G Killeen  
Dr N Hand  
Mr A Magee

**IN ATTENDANCE;**

Mr L Murphy (Principal & Chief Executive)  
Mr P McKeown (Director of Finance & Economic Engagement)  
Ms E Anderson (Internal Auditor, KPMG) until 1755  
Ms C O'Hagan (NIAO)  
Mr W Smyth (DfE) from 1710  
Mrs G Lavery, HoD, Health & Sports (for presentation only)  
Mrs É Doherty (Governance Secretary)

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The Chair welcomed everyone to the meeting.

**42.1 APOLOGIES**

Apologies were received from Mrs C McFarland.

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

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

The Chair indicated he would take item 42.5 next and invite Mrs G Lavery, HoD, Health & Sports into the meeting for her presentation item.

*Mrs Lavery joined the meeting at this juncture.*

The Chair welcomed Mrs Lavery to the meeting.

**42.5 RISK MANAGEMENT, RISK REGISTER & IDENTIFICATION FOR SCHOOL OF HEALTH & SPORT****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Departmental Risks for School of Health & Sports – Report 1  
Risk Identification for School of Health & Sports – Report 2

The HoD brought members through the Department's three risks on the Risk Register as at February 2017. All risks were considered to be in the 'medium' risk category. The three risks were; Achievement of target enrolments numbers, Sufficiency of staffing resources to deliver quality curriculum and Failure to retain students/meet retention targets.

Mrs Lavery described the measures which were being taken to mitigate each risk, the actions taken since the last review, together with further action planned with completion dates.

Mrs Lavery reported the full department leadership team was now in place. The Principal congratulated Mrs Lavery on the successful amalgamation of the two Departments, Health and Sport now under her leadership. The Chair thanked Mrs Lavery for her report.

The Principal reported that the Department (DfE) had recently announced the development of Curriculum Hubs. The College will take the lead in this initiative in the area for Health and Social Care.

*Mrs Lavery left the meeting at this juncture.*

The Chair returned to the normal running order of the Agenda.

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**42.3 MINUTES OF THE MEETING HELD ON 6 MARCH 2017****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 6 March 2017

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

**PROPOSED:** Mr S Atcheson

**SECONDED:** Mr A Magee

**42.3.1 MATTERS ARISING – meeting on 6 March 2017**

There were no matters arising from the March 2017 Committee meeting.

**42.4 CHAIR'S BUSINESS****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Annual Self-Assessment Exercise - June 2017

The Chair referred members to the draft Self-Assessment Exercise. The Chair reported the purpose of the annual self-assessment exercise was to review the Committee's performance and effectiveness. Members discussed the paper and amendments were suggested to a few items. The Secretary to amend the Paper accordingly.

**PROPOSED;** Mr S Atcheson

**SECONDED:** Mr S Gillespie

**42.5 RISK MANAGEMENT, RISK REGISTER & IDENTIFICATION FOR SCHOOL OF HEALTH & SPORT**

Reported earlier in the meeting.

**42.6 MANAGEMENT REPORT – MR P MCKEOWN, DIRECTOR OF FINANCE & ECONOMIC ENGAGEMENT****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Risk Management Group Report

Report 2 Direct Awards Contracts – June 2017

The Chair invited the Director to present his report to the Committee.

The Director reported that the Risk Register currently has eight risks identified as at June 2017. He referred to the adjustments to the Register since the last report was presented to the Committee in November 2016. Due to a number of issues eg. Brexit, falling numbers the title to Risk 7 had been changed from, 'Failure to Obtain a Balanced Budget' to 'Failure to maintain Financial Stability' and the scoring had been increased from, 2 to 6.

A new risk had been added to the College Risk Register at the request of the Staffing Committee to highlight and address the issues around staff not undertaking mandatory training. The risk is titled, 'Liability created by staff not undertaken Mandatory Training' and had been scored a 3.

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A member of the Project Board for Springtown asked the Director to consider adding the Springtown Project to the Risk Register due to the ongoing concerns re funding.

**AGREED ACTION; The Director to consider adding the Springtown Project to the Risk Register.**

The Director proceeded through the outstanding matters from Internal Audit from 2016/17 and provided updates on the items listed.

Outstanding Matters from External Audit 2015/16 include one item relating to Tangible Fixed Assets, was noted in respect to tagging of assets. The target date for this recommendation has not yet been reached.

There were no Direct Award Contracts to 30 May 2017.

The Chair thanked Mr McKeown for his report.

#### **42.7 INTERNAL AUDIT:**

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Progress Report Against Plan 2016/17  
Report 2 Business Continuity & Disaster Recovery

The Internal Auditor referred members to Report 1, Progress against Plan 2016/17, to the profile of work undertaken through the year with the final review for 2016/17 to be reported at this meeting. Ongoing Audit work continues on follow ups and planning and contract management.

#### **Business Continuity & Disaster Recovery**

The Internal Auditor reported a 'Satisfactory' grading awarded with a priority two issue in relation to the existence of a formal Business Continuity Plan.(BCP)

The Director reported that Management agreed to re-evaluate the processes identified as business critical within the BCP and will also consider the action and frequency of testing. Management also agreed to consider the usefulness and hence the use of campus wide simulation events – in doing so management will consider the potential disruption caused by such events to normal activities versus any benefits.

A good practice recommendation was also noted in relation to the Business Continuity Plan.

The Chair thanked Ms Anderson for her report.

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**42.8 EXTERNAL AUDIT – REVIEW OF AUDIT STRATEGY 2015/16****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Paper AC 42.8                      Review of Audit Strategy 2016/17

The External Auditor outlined the purpose of the Strategy, the intended approach, the materiality thresholds, significant risks; the Audit timetable including staffing and revised fees.

Members were content with the Strategy.

The Chair thanked Ms O’Hagan for her report.

**42.9 CORRESPONDENCE****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Paper AC 42.9    Correspondence from DfE re Internal Audit Strategy for FE Colleges

Correspondence from the Department has stated that all FE Colleges are required to include a number of Departmental ‘mandated items’ in each annual Internal Audit Plan. These mandated Items do not necessarily reflect the accountability regime that Colleges now operate in since the reclassification as NDPB’s.

The Department would be minded to drop mandated items for the 2017/18 year to allow internal audit to look at other business areas giving Governing Bodies, College Accounting Officers and the Department a broader level of assurance.

Members discussed and welcomed the proposal.

**PROPOSED;** Mr S Atcheson

**SECONDED;** Mr A Magee

**AGREED ACTION; The Director and Secretary to draft a response to the Department.**

*The Internal Auditor left the meeting at this juncture.*

**42.10 AOB**

The Director reported that a procurement exercise had commenced for the services of Internal Auditors for the Sector. KPMG contract ends on 31 July 2017. It is hoped to appoint the new Auditors from 1 August 2017.

**DATE OF NEXT MEETING** – 26 September 2017

The Chair thanked everyone for their attendance and closed the meeting at 1800.

**SIGNED;** \_\_\_\_\_ **CHAIR**  
**Mr P Laughlin**

**Date; 26 September 2017**