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**MINUTES OF THE FORTY NINTH 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 CAMPUS ON TUESDAY 19 FEBRUARY 2019 COMMENCING 1700.**

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**PRESENT:**

Mr P Laughlin (Committee Chair)  
Mrs R Dougherty  
Mr G Killeen  
L Murphy (Principal & Chief Executive)

**IN ATTENDANCE;**

Mr P McKeown (Director of Finance & Economic Engagement)  
Ms K Doey (NIAO)  
Mr A McKibbin (Internal Auditor, Grant Thornton)  
Mr M Cardwell (DfE) – via video conference  
Mrs É Doherty (Governance Secretary)

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The meeting was quorate and the Chair declared the meeting open. He welcomed everyone and a round of introductions was made in the interest of the new attendees; Ms K Doey (NIAO) and Mr M Cardwell (DfE) who was joining the meeting via video conference.

**49.1 WELCOME & APOLOGIES**

Apologies were received from Mrs C McFarland, Dr N Hand and Dr M O'Neill.

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

There was no conflict of interest declarations. The Principal noted recent correspondence from the Department on the ongoing engagement with the Charity Commission for Northern Ireland regarding whether or not the Sector can continue to avail of charitable status. This matter will be brought to the Board meeting in March 2019.

**49.3 MINUTES OF THE MEETING HELD ON 6 NOVEMBER 2018****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 6 November 2018

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

**PROPOSED:** Mr G Killeen

**SECONDED:** Mr P Laughlin

**49.3.1 MATTERS ARISING – November 2018 Committee Meeting**

**48.4 Chair's Business** – To recommend to the Governing Body acceptance of the Committee's Report.

**Update:** Report accepted by the Governing Body at their meeting held on 14 November 2018.

**48.5 Management Report** – Risk Register – Data Integrity of Combined Systems – agreed to keep risk under review.

**Update:** Risk Group Meeting held on 6 February 2019 agreed to place the Risk back on the Risk Register.

**48.7** To recommend approval to the Governing Body of the Annual Report & Financial Statements Year End 31 July 2018

**Update:** Approved by the Governing Body at their meeting held on 14 November 2018.

- To recommend approval to the Governing Body of the Student Council Report & Financial Statements – Year Ended 31 July 2018

**Update:** Approved by the Governing Body at their meeting held on 14 November 2018.

#### **49.4 CHAIR'S BUSINESS**

The Committee Chair had no further business to discuss and invited Mr P McKeown, Director of Finance & Economic Engagement to present his report to members.

#### **49.5 MANAGEMENT REPORT, Mr P McKeown, Director of Finance & Economic Engagement**

##### ➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Direct Award Contract Report
Report 2	Prompt Payment – verbal

The Director provided detail to the one item listed on the Direct Award Contracts Report for hosting service for the Colleges Finance Management System until the implementation of the new STS Project.

Prompt payment figure for the year to date was 94% and for January 2019 was 88%. The Director added the monthly figure was lower than normal possibly due to the holiday period.

#### **49.6 INTERNAL AUDIT**

##### ➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Audit Progress Report

Report 1	Absence Management Review
Report 2	Human Resources Review
Report 3	Estates Management Review

The Internal Auditor reported that the Audit Progress Report was on schedule with three reviews being presented at this meeting. An interim Draft Report has been issued on the Sector Wide Review on Hardship, Care to Learn and Additional Support Funds. The Final Report will come through the next Committee meeting. The final three audits are planned and will also be reported on at the June Committee meeting.

The Internal Auditor stated that in respect to Report 1, review on Absence Management, a Satisfactory assurance was provided with two Priority 3 recommendations raised. The Internal Auditor explained the two Priority 3 findings. One recommendation was that the Sickness Absence Management Policy and Procedure should be reviewed at a sector level on a more regular basis and updated when required to ensure that it reflects current practice. The second recommendation was that the College should ensure that all staff are periodically reminded of the sickness absence reporting procedure.

*The Director of Finance left the meeting for a short time during this item.*

In relation to Report 2, Review of Human Resources a Satisfactory assurance was also provided with two Priority 3 recommendations. Recommendations from the audit was that the College should ensure that all line managers are periodically reminded of the requirement to complete probation review meetings in a timely manner and HR should remind line managers when deadlines have passed. The other recommendation was that the College should document and develop a formally documented Contingency Plan in respect of business critical posts within the College. The final review on Estates Management also received a Satisfactory assurance with one Priority 3 recommendation, that going forward the College more formally documents how they will meet their objectives or targets included within the Estates Strategy.

The Committee Chair thanked the Mr McKibbin, Internal Auditor and invited Ms K Doey, External Auditor to report to the Committee

#### **49.7 EXTERNAL AUDIT**

##### **➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Letter from NIAO
Report 2	Letter of Understanding

The External Auditor referred to correspondence sent to the Principal from the NIAO in December 2018 relating to the contracting out of External Audit services.

Pricewaterhouse Coopers (PwC) was awarded the contract for five years commencing 2018-19. The External Auditor referred to the Letter of Understanding that the College received recently which had been updated to reflect that Mr T Wilkinson, Assignment Director NIAO had now responsibility for the external audit of the College on behalf of the Comptroller and Auditor General.

The Letter of Understanding had been signed off by both the Director, Mr T Wilkinson for and on behalf of the Comptroller & Auditor General and the Principal.

The Director of Finance & Economic Engagement referred to correspondence from the NIAO on 27 November 2018 regarding the Report to Those Charged with Governance for the Year Ended 31 July 2018. This item was not in the Draft Report issued to members for the November Committee meeting. A priority 2 issue has been raised in respect to deferred income, included within the deferred income balance as at 31 July 2018 were a number of amounts totalling approximately £120k which are owed to the Student Loans Company. Some of these balances date back to 2007 and relate to individual student course fees paid by the Student Loans Company to the College but for some reason the students did not enrol on the course or left the course. A recommendation from the External Auditor was that the College should liaise with the Student Loans Company and review these balances held at the year end to determine those which need to be repaid or written off. Management agreed to the recommendation.

#### **49.8 CORRESPONDENCE**

As noted above.

#### **49.9 ANY OTHER BUSINESS**

The Director wished to bring a suspected fraud incident relating to a phishing email attempt to the Committee's attention. The Department will be also be informed in line with the Fraud Policy.

**DATE OF NEXT MEETING** – 11 June 2019

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

**Signed:** \_\_\_\_\_ **Vice Chair**  
**Mrs R Dougherty**

**Date: 11 June 2019**

**APPROVED**