

## **GOVERNANCE**

The Northern Regional College is an incorporated College of Further and Higher Education, which is governed by a Board of Governors, appointed to serve a term of four years. Specialist sub-committees of the Governing Body deal with specific areas such as Audit, Education, Staffing and General Purposes and Finance.

The Principal and Chief Executive of the College is responsible, as its Accounting Officer, for the operational management of the College and for providing strategic advice to the Governing Body and its sub-committees.

Within this section you will find the following information relating to the governance of the College:

- Governance Structure which gives an introduction to the governance of the College and includes the College's Articles of Government and Instrument of Government;
- Governing Body which contains information relating to its membership, responsibilities, standing orders and code of ethics;
- Committees of the Governing Body providing details of their membership and terms of reference;
- Calendar of Meetings giving the dates of meetings of the Governing Body and its committees;
- Minutes providing the unreserved minutes of the Governing Body, Audit & Risk Committee, Education Committee, Resources Committee and Strategic Improvement Committee.

## **GOVERNANCE STRUCTURE**

The Governing Body is responsible for enabling the College to achieve its primary objective, the provision of high-quality further education and training within a framework of effective accountability.

The Governing Body is responsible for the efficient management and good conduct of all aspects of the College's finances, staffing, property and academic activities.

It is not the role of the Governing Body to manage the College; that is the executive's role, overseen by the Principal. The Governing Body is there to ensure that appropriate standards of good management are adhered to, that the College operates within the confines of the law, that any decision taken conforms with the College's educational character, aims and objectives, and that all appropriate factors are taken into consideration as part of its decision-making process.

The Articles of Government for the College provides for the Governing Body to delegate to appropriate committees such responsibilities as are expedient for the efficient organisation of the College's business and activities. In this context the Governing Body has established an Audit & Risk Committee, an Education Committee, a Resources Committee and a Strategic Improvement Committee with delegated responsibilities. Members of the Governing Body, other than the Principal or staff and student members, chair these committees. The Governing Body, however, is not permitted by the Articles of Government to delegate responsibility to these committees for a range of matters relating to the mission of the College, the strategic oversight of its activities and arrangements for the effective use of financial, human and property resources (see Articles of Government paragraph 6).

- Articles of Government

The Articles of Government establish: certain rules of procedure for the conduct of the business of the College; procedures for the Governing Body and its committees in regard to issues such as quorum, declaration of interests, withdrawal and access to papers; appointment and promotion of staff; the conduct, discipline, grievance and dismissal of staff; numbers and structure of staff; and the conduct of the Students' Union. It is the responsibility of the Secretary to the Governing Body to interpret the rules and to advise the Chairperson if at any time it appears that the Governing Body is in breach of them.

- Instrument of Government

The Instrument of Government establishes: procedures for the appointment and composition of the Governing Body; tenure of office; eligibility for membership; code of conduct; and the appointment of Chairperson and Vice-Chairperson. It is the responsibility of the Secretary to the Governing Body to interpret the rules and to advise the Chairman if at any time it appears that the Governing Body is in breach of them.

## **THE GOVERNING BODY**

Governing Bodies are entrusted with public funds and therefore have a particular duty to observe the highest standards of corporate governance at all times and to ensure that they are discharging their responsibilities with due regard for the proper conduct of public business.

The Governing Body has a responsibility for enabling the College to achieve its primary objective the provision of high-quality further education and training whilst at the same time ensuring that it is operating within a framework of effective accountability.

The overall aim of the Governing Body is to agree policies and strategies and to ensure that it is able to monitor progress in implementing these. It should ensure that it has objective and effective means of knowing whether the College is being properly managed to fulfil its mission and whether it is in good financial health.

Governors have an important role to play in promoting the College's interests. This includes fostering good relations between the College and the community and ensuring that the College's aims and objectives are understood. Business members of the Governing Body, for instance, are likely to have valuable informal contacts through which the College's partnership with local industry and business can be strengthened. This can provide opportunities not only to hear what services local business wants from the College, but also to explain what the College has to offer and what it is planning for the future.

Membership of Governing Body. The Governing Body of the College comprises of not less than 12 nor more than 18 members, who will be selected from the following categories:

- a) not less than one-half who are, or have been, engaged or employed in business, industry or any profession;
- b) the Principal of the College;
- c) two permanent members of staff of the College elected by the staff of the College;
- d) one member, being the Student President of the College elected by the student body;
- e) two members nominated by the NE Education and Library Board and being persons interested in educational and community activities; and
- f) two members co-opted by the other members of the Governing Body not being members of staff or full-time students of the College, to bring added expertise and experience in differing aspects of activity relevant to the work of the College and which are considered not adequately covered by other members of the Governing Body.

Membership in these categories is as follows:

- a) Ten members from business, industry or professions:

Mrs Isobel Allison, Mr Kevin Chambers, Mr Hugh Crossey, Mr. William Hutchinson, Ms Carmel McKinney (Chairperson), Mr Richard Jay, Dr David Lennox, Ms Yvonne P Mallon, Mrs Gillian McConnell, Mr William McCluggage.

- b) Principal & CEO

Professor Terri Scott

- c) Two elected members of staff

Mrs. Kerry Reilly, Mr Matthew Murray

- d) Elected student member

Mr Reece Bradley (30<sup>th</sup> September 2016)

- e) Two members nominated by NEELB

Alderman James Brown, Mr Andrew Kennedy

- f) Two co-opted members

Mr Ken Nelson, Ms Judith Eve

The Department of Education for Northern Ireland appoints all members of the Governing Body of the College after consultation with such bodies or persons as appear to the Department to be appropriate and in accordance with the code of practice issued by the Commissioner for Public Appointments in Northern Ireland.

- Responsibilities. Governors have responsibilities under the law other than those listed below. In particular they have responsibility for preventing discrimination and for ensuring health and safety.
- Standing Orders. The Governing Body has agreed Standing Orders; all meetings of the Governing Body are conducted in accordance with the provisions set out in these Orders as indicated below:
- Code of Ethics. The Governing Body has approved a code of conduct which its members are required to uphold and abide by as a condition of their appointment.
- Responsibilities of the Governing Body
  1. The Governing Body is responsible for securing the efficient and effective management of College activities and property. Its overall aim is to agree policies and strategies and to ensure that it is able to monitor progress in implementing these. It is responsible for ensuring that it has objective and effective means of knowing whether the College is being properly managed to fulfil its mission and whether it is in good financial health.
  - 2 The Governing Body may delegate to an appropriate Committee of the Governing Body or the Principal or such other body as the Governing Body may determine, such responsibilities as would be expedient for the efficient organisation of College business and activities.
  3. The Governing Body shall ensure that individual governors are given the required information and adequate opportunities to acquire and update the knowledge and skills required to enable them to perform effectively as a member of the Governing Body of the College.
  4. Notwithstanding paragraph 1 above, the Governing Body shall not delegate responsibility for the following:
    - a) determining the mission of the College and the strategic oversight of its activities and for maintaining its general character;
    - b) the effective use of resources, the solvency of the College and the safeguarding of its assets;
    - c) approving annual estimates of income and expenditure;
    - d) the appointment, discipline, conduct, grievance, suspension and dismissal of senior staff;
    - e) the setting of pay and conditions of service of senior staff;
    - f) approving a framework for the pay and conditions of service of staff, other than senior staff, and arranging for the negotiation of such with the recognised representatives of such staff;
    - g) approving the arrangements for the appointment, promotion, discipline, conduct and grievance of staff, other than senior staff; and

- h) ensuring that there is an efficient and effective appraisal system operating in the Institute.
5. It is not the function of the Governing Body to become involved in detailed scrutiny of the management and administration and the teaching programmes of the College. Rather, it will encourage the Director to get on with the task, within a clear framework of accountability, including the policies and objectives in the College Development Plan.

## **STANDING ORDERS GOVERNING BODY**

### **1 Meetings**

The Secretary shall call meetings of the Governing Body. The notice of meeting, the agenda and all available supporting papers shall be despatched at least seven days before meetings.

The non-receipt of notice of any meeting or the agenda or any supporting papers thereof shall not invalidate the proceedings of any such meeting.

Members wishing to place items on the agenda must submit them to the Secretary with supporting statement, not fewer than seven days before the meeting. The Chairperson shall determine which items shall be placed on the agenda but shall report to the Governing Body if any item submitted by a member has been excluded and the Governing Body may decide to include that item on the agenda.

The Chairperson, with the agreement of the Governing Body, may table business of which notice has not been given on the agenda but which he or she considers to be business of urgency, which it was not practicable to include on the agenda.

### **2 Frequency of Meetings**

The Governing Body shall meet not less than four times a year and shall hold such other meetings as may be necessary. Meetings of committees of the Governing Body shall be conducted in accordance with the provisions set out in Part IV of the Articles of Government.

### **3 Validity of Proceedings**

The validity of any proceedings of the Governing Body or of any committees of the Governing Body shall not be affected by a vacancy amongst the members or any defect in the appointment of any member.

### **4 Special Meetings**

A special meeting of the Governing Body may be called at any time by the Chairperson, or at the request in writing of any five members. In addition, a special meeting may be called by the Internal or External Auditors where they wish to discuss the circumstances related to their removal or resignation. Where the Chairperson, or in his absence the Vice-Chairperson, decides that there are matters requiring urgent consideration, it shall be sufficient if the written notice convening the meeting, together with the agenda for the meeting, are delivered within such period being less than seven days as he or she determines.

### **5 Mandate**

Members of the Governing Body shall not be bound in their speaking or voting by mandates given to them by other bodies or persons

## **6 Quorum**

The quorum for a meeting of the Governing Body shall be six persons of whom at least three should be persons “engaged or employed in business, industry or any profession” and appointed under the provisions of sub-paragraph 5a of the Instrument of Government.

If the number and or the composition of members assembled for a meeting does not constitute a quorum a meeting shall not be held. If in the course of a meeting, the number or composition of members ceases to represent a quorum, then the meeting shall be terminated.

If for lack of quorum a meeting cannot be held, or is terminated prematurely, the Chairperson shall, if he or she sees fit, cause a special meeting to be convened as soon as convenient.

## **7 Order of Business**

The order of business shall be determined by the Chairperson, in consultation with the Secretary. The order of business appearing on the agenda may be altered by the Chairperson with the consent of the Governing Body.

## **8 Chair**

The Chairperson shall preside over all meetings at which he or she is present.

In the absence of the Chairperson, or during a vacancy in the office, the Vice-Chairperson of the Governing Body shall preside over the meetings of the Governing Body.

In the absence of both the Chairperson and the Vice-Chairperson from any meeting of the Governing Body, the members shall elect one of their number not being a staff or student member of the Governing Body to preside over that meeting.

The Chair of the Governing Body by virtue of his/her position is an ex-officio member of the Education Committee, the Resources Committee and the Strategic Improvement Committee.

## **9 Voting**

In the absence of unanimity on a particular issue under consideration, the matter shall be decided by a majority of the votes of the members present and voting on the question. Where there is an equal division of votes the Chair of the meeting shall have a second or casting vote. The outcome of a vote shall be recorded in the minutes.

On the requisition of any member, before a vote is taken, who is supported by at least one other member, the voting on any such issue shall be recorded so as to show whether each member present gave his/her vote for or against that issue or abstained from voting.

A member may not vote by proxy.

No resolution of the members may be rescinded or varied at a subsequent meeting unless consideration of the rescission or variation in a specific item of business is on the agenda for that meeting.

## **10 Minutes**

Minutes shall be kept of meetings of the Governing Body and any of its committees. Minutes and any papers tabled at meetings should be made available to all members of the Governing Body subject to confidentiality restrictions as set out in Part V and Schedule 4 of the Instrument of Government.

At every such meeting, the minutes of the previous meeting shall be taken as an agenda item, unless the members present decide otherwise, and, if agreed to be accurate, shall be signed as a true record by the Chairperson or in his or her absence, the Vice-Chairperson or other member acting as Chairperson

The minutes shall include a record of all withdrawals and re-entries as required under Part V and Schedule 4 of the Instrument of Government. Separate minutes shall be taken of those parts of meetings from which any person has withdrawn. Such persons shall only be entitled to see minutes of that part of the meeting if the other members of the Executive Working Group present agree.

## **11 Openness and Access to Information**

Any question as to whether a person, who is not a member of the Governing Body or the Secretary, may attend a meeting shall be dealt with by the Chairperson in the first instance, subject to ratification at the meeting of the Governing Body before such person joins the meeting. In any case members of the Senior Management Team, may normally attend meetings.

The Governing Body shall ensure that, for every meeting, a copy of the agenda, the approved minutes and any final report, document or other paper considered at the meeting shall, in each case as soon as possible, be made available during normal office hours to any person wishing to inspect them.

Excluded from any items being made available, under the terms of the previous paragraph, is material, which makes reference to:

- a) an employee or former employee of the college or an applicant for employment at the college;
- b) a named student of the college or candidate for admission to the college;
- c) any information, the disclosure of which is prohibited by Instrument of Government or by any enactment or rule of law; or
- d) any matter, which it appears to the Governing Body should be treated as confidential, either permanently or for a specified period.

## **12 Adjournment**

The Chairperson may, with the consent of the majority of those members present and at any meeting of the Governing Body, adjourn the meeting from time to time. The consideration of any business not transacted shall be adjourned to a time fixed by the Chairperson at the time the meeting is adjourned or, if he or she does not fix a time, to the next meeting of the Governing Body.

## **13 Absence from Meetings**

When a member has been absent from three consecutive meetings without the Governing Body's permission, the Governing Body may exercise its powers to seek to have the member removed from office.

## **14 Unable or Unfit to Discharge the Functions of Membership of the Executive Working Committee**

The Governing Body may exercise its powers to seek to have a member removed from office, when he or she is unable or is unfit, in the view of the Governing Body, to discharge the functions of membership.

## **15 Life Span of Standing Orders**



Standing Orders of the Governing Body shall have the same life span as the Governing Body.

## **NORTHERN REGIONAL COLLEGE**

### **CODE OF ETHICS**

#### **1 Mission Statement**

The College aspires to:

- Put the learner at the heart of all that we do;
- Be a responsive and indispensable resource for the community and the local economy;
- Develop and support a professional workforce which can deliver a high quality service and respond positively to new challenges;
- Achieve maximum efficiency in the delivery of all aspects of our business.

#### **2 Conduct of Business**

In order to deliver its Mission Statement the Northern Regional College is committed to ensuring that the arrangements for the conduct of business:

- a) are efficient, effective and economic;
- b) are expeditious and timely;
- c) are open and transparent;
- d) are congenial;
- e) meet relevant legal requirements and obligations;
- f) provide for proper accountability;
- g) provide integrity and objectivity.

#### **3 Principles of Public Life**

The College is committed to conducting its business in accordance with the “Seven Principles of Public Life” adumbrated in 1995 by the Nolan Committee on standards in public life:

- a) Selflessness. Holders of public office should take decisions solely in terms of public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.
- b) Integrity. Holders of public office should not hold themselves under any financial obligations to outside individuals or organisations that might influence them in the performance of their public duties.
- c) Objectivity. In carrying out public business, including making public appointments, awarding contracts or recommending individuals for reward and benefits, holders of public office should make choices on merit.

d) Accountability. Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

e) Openness. Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

f) Honesty. Holders of public office have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

g) Leadership. Holders of public office should promote and support these principles by leadership and example.

#### 4 **Ethical Culture**

To support the achievement of its policies, aims and objectives the College shall establish and maintain an appropriate ethical culture. The following general principles and arrangements are in place to promote this culture:

##### a) Students

- The College believes that integrity in dealing with its students or prospective students is a prerequisite for success, and an important statement of the value it offers.
- The College will not give deliberately inadequate or misleading information in its learning programmes or other services.
- In all advertising and public communications, the College will avoid untruths, concealment and overstatement about its programmes and achievements.
- The College will avoid recruitment practices, which involve the offer of financial or other inducements to students.
- The College will deliver learning programmes and support services to meet the individual needs of students, efficiently and effectively to accepted quality standards and will take steps to rectify any shortcomings in the service delivered.
- Learning support, information, advice and guidance offered to students will be impartial and guided by the best interests of the student, not of the College.
- The College will adopt a charter setting out what students and others can expect of the College.
- The College will ensure that complaints are dealt with fairly, openly and efficiently.
- The College will maintain the confidentiality of information on individual students.

##### b) Educational Partners

- The College will compete vigorously but honestly with other educational institutions offering similar learning opportunities.
- The College will not seek to damage the reputation of competitors either directly or by innuendo.
- The college will provide information on individual students to the Careers Service and other institutions engaged in providing for the learning needs of the student in accordance with agreed procedures and within Data Protection Act guidelines.
- The College will not seek to acquire information regarding competitors by disreputable means.

- The College will not engage in unfair or restrictive practices in regard to the recruitment or retention of students.
- The College will consult with partners who might be affected on any significant proposals for change in the learning programmes or services it offers.

c) Governing Body

- The College adopt a Code of Conduct for its Governing Body consistent with the principles laid down by the Nolan committee (see paragraph 3) and the requirements of its Instrument and Articles of Government.
- The Code of Conduct will require the maintenance of a register of governors' interest, which will be open to inspection by the public, in sufficient details to allow interests of relevance to college activities to be identified. Interests, which may be sensitive for financial reasons, may be omitted from public inspection, provided governors comply with the requirements of the Instrument of Government in any proceedings of the Governing Body.
- The Governing Body is responsible for the stewardship of the public assets vested in the corporation and for the financial health of the College.
- The Governing Body will adopt procedures, which ensure sound financial decision-making, control and monitoring to meet the requirements of the funding body and public audit.
- The Governing Body will ensure that information on its decisions is made widely available, having regard to proper confidentiality.

d) Management and Staff

- The College will adopt a Code of Conduct for its employees, based on similar principles to that for Governors.
- The Staff Code of Conduct will forbid employees from soliciting or accepting inducements in respect of any matter connected with the operation of the College.
- The Staff Code will respect the freedom within the law of academic staff to question and test received-wisdom, and to put forward new ideas or controversial or unpopular opinions, without placing their employment in jeopardy.
- As Accounting Officer for the College under the Financial Memorandum, the Principal will be responsible for the propriety of financial decision-making, and will advise the Governing Body of any requirements in respect of matters before it.

e) External Relationships

- The College recognises that it is responsible to the community it serves and will take steps to ensure that information on its activities is made widely available.
- The College will be responsive to the community and, within the framework of its own Mission Statement will seek to provide programmes and services relevant to the needs of individuals and employers.
- The College will provide timely and accurate information on individual students to employers or other providing sponsorship.
- The College will ensure that it contracts with organisations, which comply with acceptable ethical standards.

**5 Compliance and Verification**

- a) The College will require all its employees to adhere to its Code of Conduct for Staff

- b) The College will create mechanisms by which employees and students can express genuinely held concerns about behaviour or decisions they perceive to be unethical, and have them investigated, with a guarantee of confidentiality where needed.
- c) The Secretary to the Governing Body will be responsible for monitoring adherence to the Governors' Code of Conduct by members of the Governing Body, investigating alleged breaches and reporting to the Governing Body. The Governing Body will decide on any action to be taken.
- d) The Principal will be responsible for initiating and supervising investigations into alleged breaches of the Code of Conduct by members of staff, and for ensuring the appropriate action to be taken.
- e) The College's Auditors may be asked to report on any practice, which appears to breach the code.
- f) The College will ensure that its Codes are published and made widely available.

## **GOVERNANCE STATEMENT 2014/15**

### **Introduction**

This Governance Statement for Northern Regional College sets out the governance structures, risk management and internal control procedures that operated within the College during the 2013-14 financial year and up to the date of approval of the Annual Report and Accounts. This Governance Statement has been prepared in accordance with guidance issued by the Department of Finance and Personnel (DFP) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

### **Scope of Responsibility**

The Accounting Officer for the College has responsibility for maintaining a robust governance and risk management structure and a sound system of internal control that supports the achievement of College policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in Managing Public Money Northern Ireland (MPMNI).

In order to manage the College efficiently, the Accounting Officer has been supported by formal governance structures with clear remits, details of which are provided below.

### **Governing Body**

The College's Governing Body comprises of members appointed by the Minister for Employment and Learning, members nominated by the Education and Library Board for the area, staff and students of the College, the Principal and members co-opted by the Governing Body. The role of the Chairman of the Governing Body is separate from the role of the College Principal as Chief Executive and Accounting Officer. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Executive Officers are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. The Governing Body met eight times during the 2013-14 year and has several committees, including a Finance and General Purposes Committee (F&GP), an Audit Committee, a Staffing Committee and an Education Committee. All of these committees are formally constituted with terms of reference.

Unreserved minutes of Governing Body meetings are available from the Secretary of the Governing Body and on the College website. The Secretary to the Governing Body maintains a register of financial and personal interests of the Governing Body members and members of the Senior Management Team. Formal agendas, papers and reports are supplied to the Governing Body members in a timely manner.

Information presented to the Governing Body and its sub-committees is drafted by the Executive Management Team and distributed to members by the Secretary to the Governing Body. The quality of information provided is deemed to be satisfactory. The following information is recorded in the Governing Body Self Evaluation Report as examples of information provided at Governing Body meetings:

- Director reports;

- HR reports on key staffing issues;
- ETi and QAA reports;
- information on KPIs;
- reports on equality issues.

It was also noted that further development and effective use of Balanced Scorecard approach to report on KPIs has been identified as a quality improvement objective.

Attendance during the year at the Governing Body meetings was as follows:

<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr Trevor Neilands	8	8
Mr Gerry Gilpin	8	8
Mrs Kay Collins	6	8
Mr Samuel Davidson	6	8
Mr Richard Jay	8	8
Alderman P J McAvoy	7	8
Mrs Alison Rankin	7	8
Mr Ivan Goldsworthy	6	8
Mr Ken Nelson	0	3
Dr David Lennox	5	8
Mr Stephen McCartney	7	8
Mr Matt Murray	8	8
Alderman James Brown	4	8
Mrs Isobel Allison	8	8
Mrs Gillian McConnell	6	8
Mrs Judith Eve	7	8
Mr Andrew Kennedy	6	8
Mr Stephen Kelly	3	7

A minimum of seven members of the Board must be present for the meeting to be deemed quorate. All Board meetings during the 2013-14 financial year were fully quorate. There were 13 male and 5 female members of the Governing Body at 31 July 2014.

### **Audit Committee**

The Audit Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It provides a channel of communication from the College's auditors, which is not controlled by College management. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The Committee met five times during the 2013-14 year to discuss reports from the External and Internal Auditors and the relevant responses.

It also receives and considers reports from the Department for Employment and Learning. It reviews the College's annual financial statements to ensure compliance with legislation and accounting standards.

Whilst Executive Officers and other officials attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee meet with auditors on their own for independent discussions prior to each meeting.

Attendance during the year at the Audit Committee meetings was as follows:

<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mrs Alison Rankin	5	5
Alderman P J McAvoy	3	5
Mr Ivan Goldsworthy	4	5
Mr Stephen McCartney	5	5
Alderman James Brown	2	5

### **Finance and General Purposes Committee**

The Finance and General Purposes Committee inter alia supervises all matters relating to the finance and accounts of the College and the receipt of its income and the expenditure. It is the duty of this Committee to present a report to each meeting of the Governing Body. The Committee met eight times during the 2013-14 year.

<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mrs Kay Collins	8	8
Mr Trevor Neilands	7	8
Mr Sam Davidson	8	8
Dr David Lennox	6	8
Mrs Gillian McConnell	5	8

### **Staffing Committee**

The Staffing Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion, grading and development of all staff, other than senior staff. The Staffing Committee is responsible for ensuring the College meets its statutory obligations under section 75 of the NI Order (1998).

The Committee met six times during the 2013-14 year.

<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr Sam Davidson	6	6
Mrs Isobel Allison	5	6
Mr Ivan Goldsworthy	5	6
Mr Richard Jay	4	6
Mr Trevor Neilands	5	6

### **Education Committee**

The Education Committee is responsible for overseeing the curricular provision of the College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community the College seeks to serve. The Committee met four times during the 2013-14 year.

<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr Richard Jay	4	4

Mr Trevor Neilands	4	4
Mr Ken Nelson	0	1
Mr Matt Murray	4	4
Mr Andrew Kennedy	4	4
Mrs Judith Eve	3	4
Mr Stephen Kelly	2	4

### **Governing Body Performance and Effectiveness**

Members of Governing Body undertook a self-evaluation review (SER) of its performance during the period March 2013 – March 2014 on 12 March 2014. The findings have informed the programme of work for the Governing Body in 2014-15.

### **Executive Management Team**

The Executive Management Team (EMT) of the College consists of:

- Principal
- Director of Curriculum
- Director of Planning & Customer Services
- Director of Finance & Corporate Development

The EMT meets weekly. The purpose of the EMT is to act as the strategic leadership forum within the College. The EMT is responsible for the operational implementation of the vision and objectives agreed by the Governing Body.

### **Senior Management Team**

The Senior Management Team (SMT) of the College consists of:

- Principal
- Director of Curriculum
- Director of Planning & Customer Services
- Director of Finance & Corporate Development
- Head of Faculty
- Head of Faculty
- Head of Faculty
- Head of Quality Improvement Unit
- Head of Infrastructure
- Head of MIS & Examinations
- Head of Customer Services & Communication
- Head of Business Development
- Head of Human Resources
- Head of Finance

The SMT meets approximately twice every month and has a pre-determined agenda. The purpose of the SMT is to act as a strategic leadership, communication and advisory forum which offers a regular opportunity for members to engage, seek advice and obtain views on matters of significance for their Department or which impact on the College. There were 5 male and 9 female members of the SMT at 31 July 2014.



## Risk Management

NRC is committed to the principles endorsed by Northern Ireland Audit Office in its guidance “Good Practice in Risk Management” issued in June 2011. This commitment includes:

- The support of the concept that “risk management is good management”, and ensuring this is part of the every day activities of staff;
- The provision of guidance, training and tools to skill staff in managing risk and ensuring that responsibilities are clear;
- The encouragement of staff at all levels to innovate, contribute ideas and to raise concerns; and
- The rejection of a blame culture by providing appropriate support when things go wrong.

By adopting the above risk management principles, and embedding a culture of effective risk management, NRC’s key principles in relation to risk management and internal control are as follows:

- The Governing Body has responsibility for determining the risk appetite of the College and overseeing risk management within the College as a whole;
- The Principal and Senior Management Team support, advise and implement policies approved by the Governing Body;
- Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area; and
- Key risks will be identified and closely monitored on a regular basis.

The Accounting Officer has responsibility for maintaining a sound system of internal controls that supports the achievements of aims and objectives, whilst safeguarding the public funds and College assets. This includes having a system in place to ensure that all business areas identify the key risks to the achievement of the organisation’s objectives. The Accounting Officer reports annually on the College’s system of internal control in the Governance Statement.

The College has an internal audit service, the work of which concentrates on areas of key activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan approved by the Governing Body.

The internal auditors report to the Accounting Officer and to the Audit Committee on a regular basis and have direct access to the Governing Body and to the Chairman of the Audit Committee. Internal Audit has issued an Assurance Statement that provides an opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon.

The principal risks facing the College have been identified as:

<b>Risks</b>	<b>Description</b>
1	College Information made available is not appropriately used to evaluate performance and support decision making.
2	The College does not meet the agreed targets in terms of recruitment to planned curriculum provision.
3	The College does not meet the agreed minimum standards of quality of curriculum provision.

4	The College does not have an appropriate mix of staff to support the delivery of developing curriculum, particularly in STEM/PSA areas and associated services in a high quality and affordable and sustainable manner.
5	The College is unable to afford appropriate investment in infrastructure to support the delivery and development of curriculum and associated services.
6	The failure to deliver the College's financial strategy.

### **Fraud Reporting**

The anti-fraud policy sets out the definition of fraud, details the responsibilities regarding the prevention of fraud and highlights the procedures to be followed in the event of a fraud being detected or suspected. The fraud response plan is a procedural guide and provides a checklist of the required actions which must be followed in the event of a fraud, attempted fraud or irregular activity being suspected.

During the period 1 August 2013 to 31 July 2014 the College reported 5 suspected frauds. One related to a financial transaction and the remainder were related to estates break-ins. The greatest financial loss as a result of damage to a fence during a break-in was £0.5k. In line with appropriate guidance, all cases of fraud during the year have been reported to DEL and NIAO.

### **Whistleblowing**

There were no notified whistleblowing instances during 2013-14.

### **Internal Audit**

The College's Internal Audit function is outsourced to KPMG, following a sector wide procurement exercise in 2012. The main remit of the Internal Audit function is to provide the Accounting Officer with an independent and objective opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.

The Annual Opinion and Report, provided by the Internal Audit function, is a key element of the framework of assurance that the Accounting Officer needs to inform this Governance Statement. The Internal Audit function operates in accordance with HM Treasury's Public Sector Internal Audit Standards (PSIAS).

The Audit Committee set an audit strategy and work plan for the financial year 2013-14, which was carried out by KPMG. For the period 2013-14 KPMG has reported an overall satisfactory audit opinion on the College's system of governance, risk management and internal control.

An additional review of budget setting and financial controls was commissioned by the Audit Committee in September 2013 and carried out by KPMG, the Internal Auditors. This was as a result of the financial deficit for 2012-13 exceeding the planned deficit which resulted in the overall audit opinion noted above.

The Report to Those Charged with Governance in 2013 suggested that the College implemented the recommendations that were outlined in the report compiled by the Executive Management Team in relation to the unplanned deficit in 2012-13. KPMG reviewed the implementation of the recommendations in its follow-up review in June 2014 and concluded that all recommendations had been addressed.

There was one priority one issue relating to the 2013/14 reviews. KPMG recommended that, as a matter of urgency, management put in place adequate procedures to ensure all expenditure, both purchase order and non-purchase order, is procured in line with Departmental procurement guidance.

Furthermore, it was recommend that management remind staff of the importance of following College purchasing procedures, including, where applicable, completing a proportionate Business Case, prior to raising a Purchase Order. This recommendation was implemented immediately.

### **Education Training Inspectorate (eti)**

DEL commissions the Education and Training Inspectorate (eti) to inspect and report on the quality of provision across further education, training and employment programmes. Where issues of quality are identified, follow-up inspections take place at regular intervals to monitor progress towards improvement. Follow up inspections during 2013-14 reported progress to be satisfactory and on target.

The College also received a rating of Confidence in the Whole College SER and Quality Improvement Plan and a rating of Confidence in the Training IQRS.

### **QAA Summative Review**

The Quality Assurance Agency (QAA) carried out a Summative Review in November 2013. This is the equivalent of a full inspection of Higher Education provision. The findings were as follows:

- Academic Standards – Confidence
- Quality of Learning Opportunities – Confidence
- Public Information – Reliance

There were no essential recommendations made by QAA.

### **Information Assurance**

Effective information security is a key priority for the College and it recognises that stringent principles of information security must be applied to all information it holds.

There were no personal data related incidents in 2013-14.

### **Office for National Statistics (ONS) Reclassification of Further Education Colleges**

Until October 2010 ONS considered FE colleges across the UK to be autonomous, independent bodies not controlled by central government. Accordingly, ONS classified colleges as private sector, not for profit institutions serving households. However, on 26 August 2010, ONS wrote to the Treasury advising that they planned to revise that decision and reclassify FE colleges as NDPBs.

The main issue in determining that the colleges should be reclassified as NDPBs is the degree of control that government has over the colleges. While this reclassification is the result of control “technicalities”, it has a number of significant implications for the College and for the Department, with the College now being reclassified as an NDPB.

This has a major impact on governance, on financial and accounting issues, on the nature of the relationship between the Department and the Colleges, and on the legislative basis under which College may operate in the future.

### **Pay Progression Increments**

The College is required to comply each year with DFP guidance on the approval of pay remits. During the year 2012-13 it was identified that pay progression increments had been made to staff without receiving the required approval from DFP. Despite the payments being made in line with contractual obligations, the absence of DFP approval represents a breach of controls and has resulted in the payments being deemed irregular. The value of the payments in the current year that did not receive approval was £73k for support staff and £55k for lecturing staff. This issue affects all six Colleges in the FE Sector. The irregularity is as a result of a failure to submit business cases to DFP for approval in advance of payment. The issue has now been regularised.

### **Compliance with procurement guidance**

The status of Colleges as Non-Departmental Public Bodies requires the Colleges to procure goods and services through the use of a Centre of Procurement Expertise (CoPE).

The College currently does not have full access to the range of services offered by the Central Procurement Directorate. A sector approach for the provision of a comprehensive procurement service to meet the combined needs of FE Colleges in Northern Ireland and ensuring full compliance with Northern Ireland Public Procurement Policy (NIPPP) is currently being implemented by the Sector in partnership with the Department for Employment & Learning.

### **Review of Curriculum, Staffing, Estates and Finance at Northern Regional College**

The Governing Body and DEL commissioned an external efficiency review of NRC focusing on curriculum, staffing, estates and finance during 2013-14. The findings of the report will be available during 2014-15.

### **Post Balance Sheet Events**

The term of the Chair of the Governing Body ended on 31 August 2014.

Mr Trevor Neilands retired as Principal on 31 August 2014. Professor Terri Scott commenced as Principal on 1 September 2014.

T Scott

2 February 2016

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Professor T Scott  
Accounting Officer  
Northern Regional College

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Date