

## **NORTHERN REGIONAL COLLEGE**

### **AUDIT & RISK COMMITTEE**

Minutes of the meeting of the Audit & Risk Committee held on 6 June 2018 at Farm Lodge, Ballymena Campus commencing at 5.15pm.

#### **Pre-Meeting with Auditors**

Governing Body members of the Audit & Risk Committee met with representatives from DfE and GT prior to the full committee meeting.

**Present:** Dr D Lennox (Chair), Mrs I Allison, Mr H Crossey, Mrs J Eve, Mr W Hutchinson, Dr K McCambridge, Mr W McCluggage

**In Attendance:** Dr S Brankin, Mr D Conliffe (DfE), Ms Kathy Doey (NIAO), Mr D Hewitt, Mr M Higgins, Mr S Lavery, Prof T Scott, Mr V Taggart, Mr N Taylor (Grant Thornton)

Mrs K Wallace (Secretary)

The Chair announced that Ms Doey had been delayed and would be joining the meeting as soon as possible. He extended a welcome to Mr Crossey and to Dr McCambridge on her first meeting of Committee.

#### **56.1 Apologies**

None.

#### **56.2 Declaration of Interests**

No declarations of interests.

#### **56.3 Minutes of Last Meeting**

The minutes of the Audit & Risk Committee held on 28 February 2018 were approved.

Proposed: Mr Hutchinson    Seconded: Mr McCluggage

#### **56.4 Matters Arising**

Property Division Contract Issues: Committee noted the letter from the Director of Further Education to Properties Division and Mr Higgins provided an update on the business case being developed by the Principal's group led by BMC, for submission August/September 2018.

Concern was again expressed at the timeframe for change vis-a-vis health and safety risks. Mr Higgins reminded Committee of the current arrangements to cover health and safety work. Committee noted that this issue was recorded on the risk register and would continue to be raised at all relevant meetings.

#### **56.5 Chair's Communication**

The Chair reminded members that the Audit & Risk Committee self-assessment review of effectiveness would be scheduled for completion in September/October 2018.

**ACTION:** The self-assessment review to be developed over the coming months.

## **56.6 Correspondence**

Three items of correspondence were noted:

- i) Audit & Risk Assurance Committee Handbook (NI)
- ii) Audit Code, which had previously been circulated to Committee and noted at the Governing Body meeting in May.
- iii) DfE Fraud Guidance

## **56.7 Internal Audit**

Mr Taylor outlined the content of two Internal Audit reports covering TfS/WBL and Key Financial Controls, both of which had gained a satisfactory assurance. He highlighted a few minor improvements which had been recommended and accepted by management.

Mr Taylor spoke to the progress report and outlined the summary of progress, highlighting that the audits of health and safety which had just been completed and the review of student experience, still to be completed, would both result in satisfactory assurances.

Prof Scott reported on issues currently with the Department in relation to overhead costs associated with the regulations for paper based systems. Mr McCluggage queried the legal position around non-acceptance of e-signatures, which was noted by Mr Conliffe.

The Chair commended the work and outcomes in relation to the Audit Report and Key Financial Controls and the good progress being made on the Audit Plan.

## **56.8 Progress against Audit Recommendations**

Mr Laverty spoke to the paper and outlined progress to 31 May 2018. He reported that progress against Internal Audit recommendations were on track and it was hoped to progress the transfer of the Portrush building during 2018.

Mr McCluggage referred to the unsuccessful recruitment competition for a Project Manager and Committee noted that this was an issue across the market and would be reassessed after the summer break.

The Chair requested updated implementation dates for Business Continuity and Disaster Recovery (BCDR).

**ACTION:** BCDR target dates to be updated.

## **56.9 KPI Report**

The Chair highlighted that the final KPI report covering the period to March 2018, had been presented to GB and was provided to Committee for oversight. Committee noted that from 1 April 2018 the reporting format would be aligned with the CDP through the use of report cards.

Committee noted that the recent QRV and ETi visits had resulted in satisfactory outcomes.

Reference was made to the rise in absentee rates and members were informed that this was a seasonal figure which had now reduced. Information on contributing issues and measures put in place to reduce absenteeism, were noted.

## **56.10 Risk Register**

Mr Higgins drew members' attention to the update included in the Risk Register to reflect the move to the new scorecard format, which was highlighted in blue. He reported that all risks were broadly in line with expectations, with financial health being within Departmental tolerances at the end of the financial year. The Chair highlighted the ongoing nature of engagement with DfE on this issue through the CPD process.

Committee discussed and noted all red and amber Risks and associated actions. Prof Scott summarised risk issues relating to the cessation of CNI at the end of June 2018, which had been noted to the Department.

Mr Taggart updated Committee on feedback from the QRV in May 2018, with no specified improvements identified. A recommendation for appeals be reported to the Governing Body was noted. Mr Taggart also reported on the outcome of the ETi visit on 4/5 June 2018, with ES and TfS provision graded as good. In relation to the SER/QIP, the review body had acknowledged good buy in from staff.

Prof Scott highlighted the substantial work undertaken for the QRV and ETi follow-up inspection and Committee noted that the College was now in a level position.

The Chair acknowledged the very positive outcomes for both staff and College and it was noted that a formal report would be drawn up and published on the College website. A suggestion for enhancing report presentation was noted by Mr Taggart.

Mr Conliffe left the meeting at 6.40pm.

#### **56.11 External Audit Update**

Ms Doey spoke to the NIAO Audit Strategy and reported no significant risks for audit this year. She highlighted key actions within the report, confirming that funding pressures applied across the sector and that adding of bias would be looked at by the Department. In relation to CPD Ms Doey stated that NIAO would concentrate on the contract currently in place. She referred to the timetable which mirrors dates in the Project Initiation Document (PID) and had been agreed with the finance team.

Mr Laverty spoke to the PID report and outlined continuity plans for the coming year along with high level dates and timescales previously agreed. Mr Laverty reported no major problems with risk and that accounts direction from the Department was still awaited.

Committee noted that Ms Doey would speak to Mr Laverty in relation to amending a few references to NIAO within the document.

The Chair endorsed the draft PID and welcomed the structured approach being taken. He asked that the report timetable take account of Audit & Risk Committee timeframes.

Committee was content to note the NIAO Audit Strategy and thanked Ms Doey and Mr Laverty for their work on the reports.

#### **56.12 Registers**

Committee noted that the FOI and DAC registers were recorded as NIL returns for the period up to 31 May 2018, with the Whistleblowing register recording one issue of fraud which was ongoing.

#### **56.13 Any Other Business**

No other business.

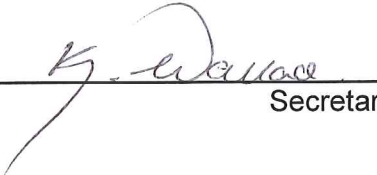
**56.14 Date of Next Meeting**

Members were informed that an outline of the first 2 meetings for 2018/19 would be considered at the Governing Body meeting on 27 June, when accounts would also be approved.

The meeting concluded at 7.00pm.

Mr W McCluggage  Chair

Date 26/9/2018  
26 September 2018

Mrs K Wallace  Secretary