

## **NORTHERN REGIONAL COLLEGE**

### **AUDIT & RISK COMMITTEE**

Minutes of the meeting of the Audit & Risk Committee held on 6 April 2016 at Farm Lodge Ballymena Campus commencing at 5.15 pm.

Present Dr D Lennox (Chair), Councillor J Brown, Mr B Hutchinson, and Ms K Reilly

In Attendance Professor T Scott, Mr M Higgins, Mr S Brankin, Mr D Lynn (NIAO), Ms E Patton (KPMG), Mr C Andrews (DEL), Miss K Hamilton and Mr K Leckey (present for minute 45.4.1)

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

The Audit & Risk Committee, less staff representatives, met with representatives from DEL, KPMG and NIAO prior to the meeting.

### **UNRESERVED BUSINESS**

#### **45.1 Apologies**

Apologies were received from Mrs J Eve.

#### **45.2 Declaration of Interests**

There were no declarations of interests.

#### **45.3 Minutes of the Last Meeting**

The Committee approved the minutes of the last meeting of the Audit & Risk Committee held on 13 January 2016 subject to the insertion of the following in the last three lines of minute 44.6: 'The Student Governor will be remunerated in line with the guidance. It was noted that the Colleges are considering the option of auto-enrolment for Governors to the pension scheme. Mr Andrews advised the Committee that DEL was preparing new Terms and Conditions for Governors that reflect circular FE13/15.'

#### **45.4 Matters Arising**

##### **45.4.1 College Health and Safety Risk (minute 44.7)**

The Committee agreed at its last meeting that the Chief Operating Officer would arrange for relevant staff to give presentations at forthcoming Audit & Risk Committee meetings in relation to different areas of risk within the College.

Mr Leckey, Health & Safety Co-Ordinator delivered a short presentation to the Committee on College Health & Safety Risk including trends, active monitoring, claim summary, safety management review and initiatives.

There was a general discussion on the presentation and Mr Leckey reported that a Safety Awareness Training Workshop was provided by Bemac Training on 11 March 2016 which was attended by Senior Leadership Team.

The Committee thanked Mr Leckey for his presentation and requested that he attends a future Audit & Risk Committee to provide an update on progress against key actions.

#### **45.5 Chair's Communications**

The Chair noted that the half-day training event for Audit Committee members at SWC, Dungannon Campus, on 21 January 2016 was valuable and noted the full attendance of members of the Committee. The following issues were addressed at the training:

a) Gift & Hospitality Register – it was noted that the Gift & Hospitality Register is not brought to the Audit & Risk Committee in other Colleges. Mr Andrews advised that DEL will review Gifts & Hospitality process in all Colleges under the new Financial Memorandum and it would be good practice to include Gifts & Hospitality at the Audit Committee once a year.

b) FOI requests – it was agreed that Audit & Risk Committee will review FOI requests once a year.

#### **45.6 Correspondence**

No correspondence was noted.

#### **45.7 Risk Register for Change Programme**

Mr Higgins thanked KPMG for delivering the Risk Register Workshop on 26 February 2016. The workshop was well attended by SLT, Heads and Assistant Heads of Department and managers from the support function. The workshop was interactive and encouraged staff to work in groups to identify the key risks under the three strategic priorities within the College Strategic Improvement Plan. These ideas were used to populate the Risk Register which has been reviewed by SLT.

Ms Patton noted that staff engagement was positive during the workshop and all staff demonstrated a significant level of understanding.

Mr Higgins presented the Risk Register to the Committee and discussed the 6 key risks identified in line with the SIP. It was explained that the net score was calculated based on assessment of the risk appetite and the subsequent controls in place. From the 6 risks identified, 1 risk fell into the 'green' category, 5 risks fell into the 'yellow' category and none were classified as 'red.'

The Chair proposed that more detail is included to explain how the 'Net Risk after controls' total is achieved. Mr Andrews suggested that the controls in place to mitigate the risk should be listed in the 'Net Risk after controls' column below the score.

It is intended that the Risk Register is updated on an ongoing basis by SLT and brought to the Committee every quarter. It will also be brought to the Governing Body meeting in May 2016 and on an annual basis going forward.

Mr Higgins outlined the next stage of the process. Directors and Head of Departments will have a Risk Register specific to their division and this will feed into the overall College Risk Register. One representative from each division will be invited to the Committee to present their Departmental Register. It was agreed that Mr Higgins will devise a schedule for this process.

Mr Lennox commented positively on the good progress and extent of engagement with staff and noted that development of the risk register would be an evolving process.

**Action: Risk Register to list controls in place to support the net score assessment and to be presented to the Governing Body.**

**Mr Higgins to develop a schedule for presentations to the Committee.**

#### **45.8 FE College Health Check Report Issue 1 2015/2016**

The latest FE College Health Check Report was presented to the Governors in Feb 2016. The timeliness of the report was noted as it was based on financial information as at 31 October 2015. Prof. Scott noted that the value of debating the data diminishes as time lapses. Mr Andrews confirmed that unfortunately the issue dates of reports were out of sync with College meetings and noted that the November report was issued 2 days after the last Governing Body meeting.

#### **45.9 Progress Against Internal Audit Plan**

The Committee received a Progress Report providing details of the status of the programme of work detailed in the Annual Plan for 2015/2016. It was noted that the Plan is on schedule: a review of IT General Controls, Complaints Handling, Human Resources: Vetting of Prospective Employees and Part-Time Lecturers follow-up was presented at this meeting. The review of Financial Planning & Budgetary Control will be carried out week commencing 11 April 2016 and Ms Patton and Mr Higgins will meet to discuss scope for review of Strategic Improvement Plan in the next month.

#### **45.10 Internal Audit Reports**

The Committee received reports on the following internal audit reviews: IT General Controls, Complaints Handling and Human Resources: Vetting of Prospective Employees. IT General Controls and Human Resources: Vetting of Prospective Employees reviews received 'Substantial' assurance with no issues reported. Complaints Handling review received 'Satisfactory' assurance with three Priority 2 recommendations relating to policies and procedures, timeliness of responses to complaints and reporting of complaints. The Chief Operating Officer stated that the College had accepted the Internal Audit recommendations.

Internal audit also provided an update on the Part-Time Lecturer follow-up review from 14/15. Two issues have been superseded, one issue has been addressed and one issues relating to the timely submission of claims is in progress.

The Chair of the Audit Committee congratulated the team upon receiving the substantial assurance ratings and noted management accepted the Priority 2 recommendations.

#### **45.11 Progress Against Outstanding Audit Recommendations**

The Committee received a Progress Report, as at 31 March 2016, against outstanding audit recommendations:

- a) KPMG Follow-Up Report 2014/2015. Three of the 4 recommendations have been implemented and one is partially implemented;
- b) Report To Those Charged With Governance (RTTCWG 2014/2015). One of the recommendations has been implemented and two of the recommendations are not yet due; and
- c) KPMG 2015/2016. Five recommendations have been made; three have been implemented, one is partially implemented and one recommendation has not been accepted.

#### **45.12 Direct Award Contracts**

There was one Direct Award Contract to report in 15/16 relating to tanning products.

#### **45.13 Any Other Notified Business**

##### **45.13.1 Conflict of Interest Forms**

Committee reminded to complete Conflict of Interests Form for the year. Prof. Scott noted that it is good practice to make these available on the governance section of the College website.

Ms Patton suggested that the form should be renamed as 'Register of Interests Form' rather than 'Conflict of Interests Form.'

**Action: Form to be updated and referred to as Register of Interest Form.**

45.13.2 Statement of Recommended Practice (SORP) Working Group

Mr Lynn noted that NIAO will commence audit of opening balances in light of FRS 102 requirements on 18 April 2016.

45.13.3 Audit & Risk Committee Calendar

Mr Higgins to draft a calendar for Audit & Risk Committee meeting dates for upcoming year

**45.14 Next Meeting**

The Chair reminded Members that the next meeting is scheduled for Wednesday 15 June 2016 at Farm Lodge Ballymena Campus at 5.30 pm

The meeting concluded at 7.20pm

<b>D Lennox Chair</b>	_____	<b>Date</b>	_____
<b>K Hamilton Secretary</b>	_____		