

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held on 14 January 2009 at Farm Lodge, Ballymena Campus, Northern Regional College

Present Mrs K Collins (Chairperson), Mr T Neilands (Director), Mr S Davidson, Ms J Fullerton, Alderman PJ McAvoy, Mr P McCudden, Mrs U O'Kane, Ms C O'Neill, Mrs A Rankin, Mrs L Wallis, Mr A Watt

In Attendance Mrs B Crotty, Mr I Houston, Mrs C Moore, Dr C O'Mullan, Mr J A Hunter

UNRESERVED BUSINESS

13.1 Apologies

Apologies were received from Ms AM Campbell, Dr L Caul, Mr A Henderson and Rev T Jamieson.

13.2 Declaration of Interests

There were no declarations of interests. It was noted that one member of the Governing Body had still to complete a Declaration pro forma.

13.3 Minutes of the Last Meeting

The minutes of the last meeting of the Governing Body held on 16 December 2008 were approved.

13.4 Matters Arising

13.4.1 Kite Project (minute 12.6 c))

The Director informed Members that a letter of offer had now been received regarding the INTERREG Kite Project. The total value of the Project is €3.9 million to be shared over a three year period as follows: NRC €1.47 million, IT Sligo €1.43 million and Ayr College €1.01 million. He stated that NRC was the lead partner of this prestigious project and indicated that there would be a high profile launch later in the year.

13.5 Chairperson's Communications

There were no Chairperson's communications.

13.6 Correspondence

The Director drew attention to two letters received from DEL:

a) Letter dated 18 December 2008 indicating that the Education & Training Inspectorate's remit in future, would be to review the provision of education up to and including level 3. The quality assurance of Higher Education (level 4 and above) would become the responsibility of the Quality Assurance Agency. This would have workload implications for the Quality Improvement Unit.

b) Letter dated 9 January 2009 confirming receipt of NRC letter of 10 October 2008, notifying the Department of an anticipated budget deficit of £982k in the 2008/2009

financial year. In their response DEL considered that there were adequate resources within the College to absorb this projected shortfall and stated that they were content to approve the proposed College budget, which would result in a £982k historic deficit.

In their response DEL also addressed a request from the College that a Departmental Officer should meet with the NRC Governing Body to discuss the management of risks associated with the alignment of the College's financial, curriculum and estates strategies. It was noted that the Department had advised that it would be inappropriate for an official to become involved formally in any such discussions.

The Governing Body discussed how best to communicate the College's inherited financial and estates difficulties to the Department. In the circumstances it was considered appropriate to commission a consultancy to identify future financial options for the College. This consultancy would include a review of the difficulties highlighted in the Due Diligence Report, completed in June 2007, which identified difficulties in respect of staffing and estates issues. The consultancy assignment would be undertaken in two phases; the initial review would identify viable financial strategies and a follow-up assignment would make a detailed examination of these financial strategies and produce financial projections for each option.

The Governing Body agreed that the College should make arrangements to commission a financial projection consultancy.

13.7 Minutes of the Audit Committee

The Governing Body received the minutes of the meeting of the Audit Committee held on 6 January 2009. The Governing Body noted the following topics considered by the Committee:

a) Chairperson of Audit Committee. The Committee appointed Ms A Rankin as its Chairperson, as it was no longer appropriate for Mrs Collins, the Acting Chairperson of The Governing Body, to chair the Committee.

b) Appointment of External Auditors. The Committee noted that the Department of Finance and Personnel had made an amendment under the Audit and Accountability (NI) Order 2003 empowering the Comptroller and Auditor General to become the statutory external auditor for the Further Education Colleges. During the financial year 2007/2008 the external audit function for the Northern Regional College was sub-contracted to KPMG.

c) Whistleblowing. The College intends to adopt the template provided by the Department of Finance and Personnel for use in developing organisational arrangements for whistleblowing.

d) Audit Committee Annual Report and Annual Assurance Return. The Committee agreed that the Audit Committee Report for 2007/2008 and the Annual Assurance Return for 2007/2008 be approved for submission to the Department.

The Director drew the attention of Members to a section in the Annual Assurance Return regarding a review of governance effectiveness.

The Governing Body agreed that the Secretary should contact LSDA to assist with the review, which would be undertaken prior to a forthcoming meeting of the Governing Body. The Governing Body considered that the Head of the Quality Improvement Unit should also be consulted concerning the review.

e) Consultancy Spend. The Committee noted that the total consultancy expenditure for the financial year 2007/2008 amounted to £87,334. It was noted that the Internal

Auditors had completed consultancy work to the value of £26,602 in respect of HR consultancy.

f) Internal Audit Report. The Internal Auditors reported that all of the internal audit reviews were progressing in line with the agreed timescales. They also presented a Review of Estates Management, Maintenance Planning and Energy Management, which gives an overall assurance rating of 'unacceptable'. It was noted that the assurance rating had resulted from a number of exceptional circumstances, including a serious injury to the Head of Estates. It was noted that the Deputy Director, Planning and Resources would now address the findings and recommendations contained in the Report. A Member expressed concern about the additional workload placed on the Deputy Director.

g) Returns Timetable. The Committee received a copy of the NRC Timetable for 2007/2009 detailing how the College had met its targets during the last financial year, with the exception of the delay in submitting the annual financial statements as a result of the audit process. It also received a copy of the NRC Timetable for 2008/2009, which provides the College's plan for the current financial year 2008/2009.

h) Risk Management Group. The Committee noted that the Risk Management Group had reviewed and edited the College Corporate Risk Register. The Committee agreed that Ms Rankin as the new Chairperson of the Audit Committee, should replace Mrs Collins on the Risk Management Group.

Members noted that the Committee had recommended the Annual Report and Financial Statements and the Northern Ireland Audit Office Report to the Governing Body for adoption. This appears as a separate item on the agenda (see minute 13.8).

13.8 Annual Report and Financial Statements

The Director of Finance presented the Annual Report and Financial Statements for the year ended 31 July 2008. The Accounts indicate that the College has generated an historic cost deficit of £659k compared with the original estimated deficit of £599k as per the College's CDP. The Accounts also indicate that the College has a healthy cash balance of £7.7 million. Attention was drawn to the revised figures for Tangible Fixed Assets, which were updated by indices provided by the Land and Property Services to establish valuations at 31 July 2008. This had resulted in an upward revision of £26 million. It was noted that the Audit Committee (6 January 2009) had recommended the Accounts to the Governing Body for approval.

The Governing Body noted that the Northern Ireland Audit Office had issued an unqualified opinion on the truth and fairness of the College's Financial Statements and an unqualified opinion on the regularity of the financial transactions. Ms Rankin, Chairperson of the Audit Committee, advised the Governing Body that the NIAO had identified a number of risks at Section 5 of the Report, some of which relate to the Northern Regional College as an organisation and others to individual accounts areas. Where risks remain outstanding, the NIAO has made a number of recommendations for management to adopt.

The Governing Body, having considered the Accounts and the NIAO Report, agreed that the Annual Report and Financial Statements for the year ended 31 July 2008 be approved and signed for submission to the Department.

13.9 Strategic Review Workshop

A synopsis of topics discussed at the Strategic Review Workshop, which had preceded the meeting of the Governing Body, is attached at Appendix 1.

The Director referred to the Review of Strategic Objectives, which had been undertaken at the Workshop. He stated that a number of adjustments would be necessary to the Strategic Objectives and advised the Governing Body that the revised objectives would be considered at the College's Management Conference on 6 February 2009, which would be attended by the Executive Management, the Senior Management and Middle Management Teams.

It was agreed that the Strategic Objectives be approved subject to a number of adjustments as confirmed by the Governing Body.

The Director thanked Members of the Governing Body for their commitment and input to the Workshop. In response the Chairperson and Members of the Governing Body thanked the Director and the Executive Management, Senior Management and Middle Management Teams for their positive and high quality presentations.

13.10 Any Other Notified Business

13.10.1 College Development Plan

Members noted that the Governing Body (16 December 2008) had empowered the Finance and General Purposes Committee, at its meeting on 24 February 2009, to approve the College Development Plan for submission to DEL.

13.10.2 Next Meeting

It was noted that the next meeting of the Governing Body is scheduled for Wednesday 4 March 2009 at 5.30pm at the Newtownabbey Campus.

K Collins, Acting Chair

A Hunter, Secretary
