

## **NORTHERN REGIONAL COLLEGE**

### **GOVERNING BODY**

Minutes of the meeting of the Governing Body held at 5.30 pm on 17 August 2010 at the Ballymena Campus, Northern Regional College

Present Mrs K Collins (Chairperson), Mr T Neilands (Director), Mr I Goldsworthy  
Rev T Jamieson, Mr R Jay, Alderman PJ McAvoy, Mr P McCudden,  
Mr K Nelson, Mrs U O'Kane, Ms A Rankin, Ms C O'Neill  
and Mrs L Wallis.

In Attendance Mrs B Crotty, Mr I Houston, Mrs C Moore and Mr JA Hunter  
Mrs C Bell and Dr M McIvor (DEL representatives for minute 25.15)

### **UNRESERVED BUSINESS**

#### **26.1 Apologies and Membership**

Apologies were received from Mrs AM Campbell, Mr J Cromie, Mr S Davidson,  
Dr C O'Mullan, Mrs C Taylor and Mr A Watt.

The Chairperson welcomed Mr Ivan Goldsworthy to his first meeting. Mr Goldsworthy has been appointed as a Member of the Governing Body for the period from 15 June 2010 to 14 June 2014. **The Governing Body agreed that Mr Goldsworthy be appointed as a member of the Finance & General Purposes Committee and the Staffing Committee.**

#### **26.2 Declaration of Interests**

There were no declarations of interests.

#### **26.3 Minutes of Last Meeting**

The minutes of the last meeting of the Governing Body held on 23 June 2010 were approved.

#### **26.4 Matters Arising**

##### **26.4.1 Corporate Targets 2010/2011 (minute 25.9 d))**

The Chairperson reminded the meeting that the Governing Body, at its meeting on 23 June 2010, had considered the Corporate Targets for 2010/2011 and had suggested a number of changes. It also agreed that Governors should forward any comments to the Director by the end of July 2010. No comments were received by the closing date.

**The Governing Body endorsed the revised Corporate Targets 2010/2011, which reflect changes suggested by Governors at the last meeting.**

#### **26.5 Chairperson's Communications**

##### **26.5.1 Chair of Governing Body**

The Chairperson informed the meeting that she had declined the Chairmanship of the Governing Body due to significant increased commitments in her own work over the past few months. She said that it was with regret that she had had to withdraw from the process but it was her intention to remain as a member of the Board. She hoped that Governors would understand her position. She advised the Governing Body that the Department for Employment and Learning had offered the position to Mr Gerry Gilpin.

Mrs O'Kane expressed her thanks, on behalf of Governors, to Mrs Collins for her contribution to the successful operation of the Governing Body over the past number of months. She said that she had performed her duties in a friendly and efficient manner.

## **26.6 Director's Report**

The Director drew Members' attention to the following issues:

a) Death of Mr Miller. The Director reported the death of Mr Rodney Miller of Rodney Miller Associates. He paid tribute to the work of Mr Miller in relation to the College's logo and branding. Mr Miller was also involved with the College's Calendar and he had donated prizes for art students. The Director said that he would write to the Company to express his condolences.

b) Skills Competition. The Director stated that NRC students, following their success regionally, had had considerable success in the National UK Competition. Students had achieved several runners-up positions and 2 bronze medals and Michael Galloway had gained a gold medal. He would now commence training for the World Skills Competition. The Director suggested and **Governors agreed that there should be a little ceremony at the October meeting of the Governing Body to recognise his achievements.**

c) New Skills Building Newtownabbey. The Director said that the new building at Newtownabbey had been completed on time and the social area ahead of schedule. **The Governing Body agreed that the meeting of the Governing Body on 6 October 2010 should be held at Newtownabbey allowing Governors to have a tour of the new building prior to the meeting.**

## **26.7 Correspondence**

The Governing Body noted correspondence from the Department for Employment and Learning, dated 6 August 2010, giving notification that Mr Gerald Francis Gilpin has been appointed Chair of the Governing Body for the period from 1 September

2010 to 31 August 2014.

## **26.8 Audit Committee**

The Governing Body received the minutes of the meeting of the Audit Committee held on 29 June 2010. It was noted that the following topics had been discussed at the meeting:

a) Risk Management. The Committee noted that the Risk Management Group had met on 10 June 2010 and facilitated by PricewaterhouseCoopers had updated the Corporate Risk Register. It was agreed that Heads of Department, in turn, should be invited to a meeting of the Audit Committee to deliver a 5-minute overview of the risks facing their Department. The Committee also agreed that use should be made of the '5 x 5' matrix for the revised Corporate Risk Register, as it provided increased sensitivity and better reflected identified risks.

b) Priority 1 Recommendations. The Committee noted that 88% of the Priority One Issues at 29 June 2010 were fully implemented, 6% partially and 6% were no longer applicable. Only one Priority One Issue (PwC Internal Audit Recommendations 2008/2009) was not fully implemented.

c) Internal Audit Service. The Committee noted that PwC had accepted the College's invitation for the firm to extend the provision of Internal Audit Services for the two-year period to 31 July 2012.

d) Internal Audit Reports . The Committee received the following documents:

i) Internal Audit Report to Audit Committee 2009/2010. The Report indicated that all of the internal reviews were progressing in line with time scales and all audit work had been completed and reported in advance of the financial year-end (31 July 2010) and within DEL requirements.

ii) Internal Audit Process Improvement of College Catering Arrangements. The Committee noted that the Internal Auditors had focussed on three alternative catering arrangements for the College. The Committee agreed that the Governing Body and Management should give consideration to these issues. Ms Rankin asked for this matter to be considered at the next meeting of the Governing Body on 6 October 2010.

iii) Internal Audit Review of IT Infrastructure and Computer Related Controls. The Internal Auditors provided an overall assurance rating of satisfactory.

iv) Internal Audit Review of Month-End Processes. The Internal Auditors provided an overall assurance of substantial.

v) Internal Audit Follow-Up Review. The Committee received a Report on progress made with regard to prior findings and recommendations issued to the College. The Report outlined the status on all recommendations not yet implemented at the date of the last internal audit follow-up review (June 2009), recommendations raised by PwC Internal Audit since that date in relation to reports finalised at the time of the follow-up visit and any internal audit recommendations raised by DEL.

It was noted that eighty or 58% of outstanding recommendations as at 16 June 2010 had been fully implemented. Work had commenced in regard to the implementation of 12 or 9% of recommendations and 45 or 29% did not require further action as they are either deemed no longer applicable or have been superseded with more recent recommendations. No action has been taken in respect of 5 or 4% of outstanding recommendations.

vi) Annual Internal Audit Report 2009/2010. The Committee received the Annual Internal Audit Report, which summarised the findings from the work performed by PwC Internal Audit in the current academic year, and which provided assurance to both the Audit Committee and ultimately the Governing Body in relation to the effectiveness of the internal controls in the areas reviewed during 2009/2010.

On the basis of the audit work performed during the year the Internal Auditors have provided a **Satisfactory Assurance** in relation to the adequacy of the systems of control in place within the organisation and their operation throughout the period under review.

vii) Internal Audit Plan 2010/2011. The Committee approved:

(a) The Internal Audit Plan for the twelve months ending 31 July 2011 subject to the inclusion of a Value for Money Review of Business Performance (the HR function review would be included in the Fundamental Assurance Review to accommodate this addition);

(b) The Internal Audit Protocol outlining how PwC delivers the Internal Audit function;

(c) Key Performance Indicators determining how PwC measures the Internal Audit service;  
and

(d) The Internal Audit Charter defining PwC's purpose, authority and responsibility.

The Chairperson advised the Governing Body that it would be necessary to co-opt an additional member for the Audit Committee to replace Ms J Fullerton, who had retired recently.

## **26.9 Finance & General Purposes Committee**

The Governing Body received the minutes of the meeting of the Finance & General Purposes Committee held on 29 June 2010. It was noted that the following topics had been discussed at the meeting:

a) Budget Allocation 2010/2011. The Department for Employment and Learning has confirmed the budget allocation for the period 1 August 2010 to 31 July 2011 in respect of the recurrent block grant. The College has been allocated:

Further Education	£18,249,682
Essential Skills	£1,501,500
Higher Education	£2,050,992
Total	£21,802,174

b) Northern Bank. The Northern Bank has confirmed that it is prepared to offer services to the College until 31 July 2012 under current terms and conditions.

c) Monthly Management Accounts. The Monthly Management Accounts for the period up to 31 May 2010, indicate that the College has an historic deficit of £33k, which is £108k behind budget. The bank balance as at 31 May was £5.6 million.

The College is now expecting a year-end deficit of £979k as opposed to a budget deficit of £746k. The variance relates mainly to the income from the Training Programmes not being as high as originally budgeted. There was also an overspend of teaching staff costs compared to budget. In addition there has been exceptional expenditure on redundancies and a replacement boiler.

d) Financial Forecast. The Committee agreed, in principle, the Budget for 2010/2011 for submission to DEL by 15 July 2010. The Budget is the same as contained in the Business Improvement Plan, which indicates an historic deficit of £1,382k.

The Committee noted the priorities in respect of the use of the additional funding (£1.2 million) received from DEL.

e) Finance & General Purposes Committee Action Plan. The Committee reviewed its Action Plan for 2009/2010 and noted that it had undertaken or had made provision to undertake all the activities listed. It also agreed an Action Plan for 2010/2011 to enable it to review its effectiveness at the end of the academic year. The Committee forwarded both documents to the Governing Body for information.

f) Finance & General Purposes Committee Annual Report. The Committee forwarded its Annual Report 2009/2010 to the Governing Body for information.

## **26.10 Any Other Notified Business**

There was no other notified business.

## **26.11 Date of the Next Meeting**

The Governing Body noted that the next meeting of the Governing Body is scheduled for Wednesday 6 October 2010 at 5.30 pm at the Newtownabbey Campus.

