

## **NORTHERN REGIONAL COLLEGE**

### **GOVERNING BODY**

Minutes of the meeting of the Governing Body held at 4.30 pm on 22 November 2010 at the Ballymena Campus, Northern Regional College

Present Mr G Gilpin (Chairman), Mr T Neilands (Director), Mrs K Collins, Mr J Cromie, Mr I Goldsworthy, Rev T Jamieson, Mr R Jay, Alderman P J McAvoy, Mr P McCudden, Mr K Nelson, Mrs U O'Kane, Ms C O'Neill, Ms A Rankin, Mrs C Taylor, Mrs L Wallis and Mr A Watt.

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

### **UNRESERVED BUSINESS**

#### **29.1 Apologies**

An apology was received from Mrs A M Campbell.

#### **29.2 Declaration of Interests**

There were no declarations of interests. It was noted that all Members had now updated their Declaration of Interests and the Register was complete.

#### **29.3 Minutes of Last Meeting**

The minutes of the last meeting of the Governing Body held on 6 October 2010 were approved.

#### **29.4 Matters Arising**

##### **29.4.1 Catering Arrangements (minute 27.8)**

The Director of Finance reminded Governors that the Governing Body (6 October 2010) received a Management Action Plan, which had been prepared in response to the Internal Auditors' recommendations regarding catering arrangements. The Governing Body agreed that the Finance and General Purposes Committee would be responsible for monitoring progress in relation to the Plan. It was noted that a final report would be submitted to the Executive Management Team in March 2011 and forwarded subsequently to the Governing Body. The Director of Finance advised the Governing Body that the Finance and General Purposes Committee would review progress at its meeting on 1 December 2010.

#### **29.5 Chairman's Communications**

The Chairman drew a number of points to the attention of the Governing Body:

##### **a) Letter of Engagement.**

The Chairman informed Governors that he had received a Letter of Engagement from PricewaterhouseCoopers setting out the basis on which they are to act as the College's Internal Auditors for the year 1 August 2010 – 31 July 2011. This was in line with the extension to contract for the period 1 August 2010 to 31 July 2012, agreed by the Audit Committee at a previous meeting. **The Governing Body agreed that the Chair should confirm the terms of engagement on behalf of the Governing Body.**

b) Federation of Small Businesses.

The Chairman stated that he had attended the Future Students of Business Awards organised by the Federation of Small Businesses at Belfast Castle. He was pleased to inform Governors that Laura Christie from the Magherafelt Campus had won 2<sup>nd</sup> place overall.

c) Knowledge & Innovation Transfer in Engineering (KITE).

The Chairman advised the meeting that he had attended the launch of the KITE project at the Ballymena Campus on 11 November 2010. He had been impressed with the skills, knowledge and levels of technology displayed by staff from NRC and its project partners from IT Sligo and Ayr College.

## **29.6 Director's Report**

The Director drew Members' attention to the following issues:

a) DEL Review of Governance.

This review was instigated in the wake of the resignation of a number of Governing Body Chairs in 2008. It has finally led to the publication of a draft report containing a number of recommendations. This report will now be made available to members of Governing Bodies as part of a consultation process. Senior DEL officials are keen to meet with Governing Bodies to hear their views on the report's recommendations.

The process of reconstituting Governing Bodies, in line with the four-year cycle of membership, will also begin shortly.

**It was agreed that DEL officials be invited to the next meeting of the Governing Body on 12 January 2011 to discuss the Report.**

b) College Ceremonies

(i) The Annual Higher Education Graduation Ceremonies took place on 20 and 21 October 2010. Over 450 HE students and their guests were accommodated in three ceremonies over the two days at the new venue, Tullyglass Hotel, Ballymena. Governors were encouraged to pass their comments about the venue and the event to Deputy Director Support & Development.

(ii) On 11 November the College launched the Knowledge and Innovation. Transfer in Engineering (KITE) Project at the Farm Lodge Campus Ballymena. KITE is a £3.2m INTERREG funded project run in partnership with IT Sligo, and Ayr College.

(iii) The next big event in the NRC calendar is the official opening of the Newtownabbey New Build on 8 December. It is anticipated that the new DEL Minister, Danny Kennedy, will be present on this occasion.

(iv) The FE and TfS/ApprenticeshipsNI Graduation Ceremonies will take place in December as follows:

Friday 3 December: 11.00 am and 2.00 pm The Braid, Town Hall, Ballymena

Monday 13 December: 11.30 am Mossley Mill, Newtownabbey

Wednesday 15 December: 1.00 pm Lodge Hotel, Coleraine

The Director said that the support of Governing Body members at all of these important College events would be appreciated.

### c) Student Successes

(i) David Nicholl, an Engineering Apprentice employed by Schlumberger, has been selected as one of 10 Northern Ireland members of the UK squad for the Worldskills event in London in October 2011. David will compete in the CNC Milling section of the engineering events.

In terms of overall squad membership Northern Ireland performed better than any other nation or region with the exception of South East and South West of England (11 each).

(ii) Michael Galloway, whose success in the UK Skills event was previously reported, has been presented with his gold medal for CAD (Advanced) at an awards ceremony in London.

(iii) Ryan Young, who completed a National Diploma in Construction at Farm Lodge in 2010, has been awarded a J P McManus All Ireland Scholarship. The Scholarship will assist Ryan with his studies in Construction Engineering and Management at University of Ulster. The Scholarship was awarded to Ryan at a ceremony at University of Limerick on 6 November 2010. David Maxwell, Ryan's tutor when he was at NRC, represented the College.

(iv) Three students from NRC were successful at the Future Students of Business Awards, which were presented recently at a ceremony at Belfast Castle. The Federation of Small Businesses (FSB) in conjunction with Colleges NI runs the awards with the purpose of rewarding and encouraging local students to be the entrepreneurs of tomorrow.

One of the students, Laura Christie, from Magherafelt campus, won 2<sup>nd</sup> place overall. Laura has used the skills developed on her National Diploma in Business Studies course to help set up her own fashion jewellery business in her home town.

(v) Steven Ward, Level 2 Carpentry and Joinery student at Newtownabbey won a Silver Medal at the Commonwealth Games for 91k heavy weight boxing.

### d) ANIC (Colleges NI)

The Director, as Acting Chair of ANIC, recently signed two important Memoranda of Understanding:

(i) With the Association of American Community Colleges (AACC) at the World Congress of Colleges held in Birmingham on 13-15 November 2010;

(ii) With Edexcel, the awarding body.

### e) Ofqual Northern Ireland

Ofqual, the UK regulatory body for vocational qualifications, has recently set up a Regulation of Vocational Qualifications in Northern Ireland Committee. Catherine O'Mullan, Deputy Director Support and Development, has been appointed to the new committee.

Following an external recruitment process, six independent members were appointed to the Northern Ireland Committee for up to three years. The Committee will provide strategic advice to Ofqual on the direction, implementation and impact of its regulation of vocational qualifications in Northern Ireland.

### f) Other Significant Events and Meetings

The Director attended several significant events and meetings including:

(i) A meeting with CBI President over lunch at Wrightbus, Ballymena; and

(ii) A meeting of FE Strategic Partnership Board.

#### g) NRC Calendar 2011

Rodney Miller Associates would continue to sponsor the NRC Calendar 2011 designed by Art students and would provide a prize for the best submission from a student. This project helped students to gain much in terms of learning, experience and knowledge about industry.

### **29.7 Correspondence**

The Governing Body received correspondence from the Office for National Statistics (ONS) dated 13 October 2010, concerning the classification of Further Education Institutes

ONS has reviewed the existing classification of further education institutions in England and Wales, Scotland and Northern Ireland and has reclassified them from Non-Profit Institutions Serving Households (NPISH) to Central Government.

The Director of Finance stated that the reclassification has implications for the budgeting process. She advised that DEL is currently examining the reclassification and would advise Colleges of any changes resulting from this change of status. It is unlikely to have any effect on governance arrangements at present.

### **29.8 Audit Committee**

The Governing Body received the minutes of the meeting of the Audit Committee held on 16 November 2010. It was noted that the following topics had been discussed at the meeting:

a) Departmental Risk Registers. The Committee received a presentation from the Head of Student Services and Marketing regarding the Departmental Risk Register. The Committee noted how the Department identified and handled risks.

b) Catering Arrangements. The Committee noted the situation in relation to the Internal Auditors' recommendations regarding catering arrangements.

c) Revised Financial Memorandum. It was noted that the revised Financial Memorandum had still to be issued by the Department. It was confirmed that any amendments to the document would not be applied in retrospect.

d) Single Tender Transactions. The Committee received a Report regarding Single Tender Transactions and noted that all the tenders indicated in the Report had been signed off by both the Director and the Director of Finance.

e) Correspondence. The Committee considered the following Good Practice Guides received from the Department of Finance and Personnel: the Internal Audit Role on Information Assurance; Audit Strategy; Reporting; and the Consultancy Role of Internal Audit.

f) Annual Report and Financial Statements 2009/2010. The Committee received the audited Annual Report and Financial Statements for the year ended 31 July 2010. It was noted that the College had generated an operating deficit of £236k and had reported an historic outturn of a £1,075k surplus compared with the College's original estimated outturn of a £747k deficit. The original estimated budget did not include £1,188k of additional funding from DEL and £1,446k FRS 17 credit in respect of staff costs nor a £502k FRS 17 pension finance cost charge in the Income and Expenditure Account.

The Committee received a copy of the letter of Representation to be forwarded to the Comptroller and Auditor General (C&AG) by the Director. The Committee endorsed the letter for submission to the C&AG at the same time as the submission of the Annual Report and Financial Statements to the Department.

g) Report from Northern Ireland Office to those charged with Governance on the Annual Report and Financial Statements. The Audit Committee gave consideration to the Report and noted that the Comptroller and Auditor General was proposing an unqualified opinion on the

truth and fairness of the Financial Statements. The C&AG was also proposing an unqualified opinion on the regularity of the financial transactions.

**The Audit Committee, following receipt of the C&AG opinion, has recommended to the Governing Body that the Annual Report and Financial Statements be approved for submission to the Department subject to:**

**(i) Post Balance Sheet Event disclosure on reclassification of Colleges as Non-Departmental Public Bodies (NDPBs);**

**(ii) Receipt of outstanding Cash Equivalent Transfer Value (CETV) information from Teachers' Superannuation Branch; and**

**(iii) Confirmation of treatment of FRS17 adjustment in respect of the NILGOSC pension scheme.**

**It was also agreed that, in the event of NIAO wishing to delay signing the accounts until the above information is available, the revised Annual Report and Financial Statements should be approved for submission to the Department by the Accounting Officer and the Chair of the Governing Body on the advice of the External Auditors and reported to a subsequent scheduled meeting of the Governing Body. It was proposed that this agreement should be endorsed by the Governing Body at its 22 November 2010 (see 29.11 below).**

h) Audit Committee Report. The Committee considered and approved its Annual Report for submission to the Governing Body and subsequently to the Department.

i) Outstanding Internal Audit Issues. The Committee received a Progress Report regarding outstanding audit issues. It was noted that six of the 12 outstanding audit issues had been fully implemented as at 16 November 2010 and 6 partially implemented. The Committee also received details of current Service Level Agreements, which had been set up by the College's predecessor institutions and extended by NRC until such time as a Centre of Procurement Excellence (COPE) is in place.

It was noted that the next Progress Report would include a timescale for implementation of all outstanding/partially-implemented recommendations, as there was a need to ensure timely implementation of all outstanding issues.

j) Internal Audit Reports. The Committee noted that no Internal Audit Reviews had been scheduled for the period 1 August 2010 – 31 October 2010 to allow the External Audit to take place. A review of procurement and contracting began on 8 November 2010 and a review of cash handling arrangements and income receipt is scheduled to begin on 22 November 2010.

k) Risk Management. The Committee received a Report from the meeting of the Risk Management Group held on 22 October 2010. It was noted that the Group had discussed and made amendments to the Corporate Risk Register.

l) Financial and Support Team (FAST) Inspections. The Committee received Reports from the Department's Financial And Support Team (FAST), which had undertaken audit inspections of the Ballymena Campus (5 May 2010), Causeway Campus (27 May 2010) and Felden Campus (9 June 2010) to provide an assurance on the propriety of DEL funding in relation to their financial administration of the Training for Success (TfS), Apprenticeship (NI) and residual Jobskills programmes.

Based on the inspection findings, FAST has provided an overall satisfactory assurance opinion on the system of control to ensure compliance with programme guidelines and accuracy of claims made to the Department in respect of all three campuses.

The Committee received a further Report regarding the Department's Additional Support Fund (ASF), which enhances the funding available to Colleges for discrete students with learning difficulties or disabilities.

m) Audit Committee Terms of Reference. The Committee reviewed its Terms of Reference and agreed that the Governing Body be informed that they remain unchanged.

n) Annual Consultancy Returns. The Committee received the Annual Consultancy Return for 2009/2010, which indicates that three consultancy projects had been undertaken at a cost of £116,270, none of which were in excess of £50K. It was also noted that the Internal Auditors had completed an additional consultancy project, at a cost of £8,225, in respect of a Whistleblowing case.

o) Mid-Year Assurance Statement. The Committee received a copy of the Accounting Officer's Mid-Year Assurance Statement 2010/2011, which had been submitted to DEL.

## **29.9 Education Committee**

The Governing Body received the minutes of the meeting of the Education Committee held on 12 October 2010. It was noted that the following topics had been discussed at the meeting:

a) Student Enrolment. The Committee received a Performance Management spreadsheet, which provided an overview of recruitment and associated Key Performance Indicators for 2010/2011 as at 1 October 2010.

The Committee received details of student enrolment for each type of provision:

(i) Further Education. For 2010/2011 DEL will fund the College for 5368 FLUs in FE; the College's full-time enrolments for 2010/2011 convert to 4363 FLUs at present and the College is predicting 902 part-time FLUs for the year, leaving a potential shortfall of 103 FLUs under target for FE provision.

(ii) Higher Education. The target for full-time HE is expressed in the MaSN cap, which currently stands at 249. Enrolment is currently 276 but it is predicted that it will fall to the MaSN cap by the end of the academic year.

(iii) Essential Skills. The College's plans are based on achieving 455 FLUs set by DEL.

(iv) Training Provision. The actual enrolment for 2010/2011 is down 110 on target. While delivery efficiency of 3,918 staff hours has been affected by course mergers, there has been a reduction in proposed Training income of £359k. Recontracting of the Apprenticeships Northern Ireland and Training for Success provision is expected to be undertaken by March 2011.

(v) Entitlement Framework. This work is funded separately from the FLU system and schools are currently charged £70 per hour for all EF courses. The level of EF work has increased slightly since last year despite the increase in the hourly rate.

(vi) Economic Engagement Activity. Each School/Faculty has an economic engagement plan for 2010/2011. The target for 2010/2011 is £734k.

b) Student Retention Strategy. The Committee approved the College's Student Retention Strategy Policy and Procedures. The purpose of the Strategy is to create a framework that will assist the College improve retention across all vocational areas and levels of provision.

The Committee noted that the Retention Strategy was an all-embracing document, which reflects good practice already in existence at the College. The Strategy would help to spread

good practice throughout the College, ensure a standard approach to issues and serve as a mechanism to address retention problems.

c) Annual Report Student Service. The Committee received the Annual Report Student Services for the academic year 2009/1010, which provided information in relation to the following areas:

(i) Student Support Funds. A new centralised service is available operating out of Trostan Avenue. During the year 139 students were assisted; total support funds expenditure amounted to £156k

(ii) Additional Support Funds. Students with learning difficulties or disabilities may be given additional human or technical support. Additional Support Funds amounting to £242k were allocated to 256 students.

(ii) Care to Learn. The Scheme addresses the need to provide childcare support for parents aged under 20 at the start of their course of study in FE provision. Care to Learn expenditure amounted to £66k for 20 students.

(iv) Safeguarding. An annual summary report provided details of cases referred by staff to Designated and Deputy Designated Officers.

(v) Student Discipline. An annual summary report provided details of disciplinary cases across the College.

d) Education Committee Action Plan 2010/2011. The Committee received a copy of the draft Education Committee Action Plan for 2010/2011, which had been produced to enable the Committee to review its effectiveness at the final meeting of the academic year on 7 June 2011.

The Committee considered that the Plan was too passive and required a number of adjustments. It was agreed that the Deputy Director Curriculum, the Deputy Director Support and Development and the Secretary should give further consideration to the Committee Action Plan and report to the December meeting.

### **29.10 Staffing Committee**

The Governing Body received the minutes of the meeting of the Staffing Committee held on 2 November 2010. It was noted that the following topics had been discussed at the meeting:

a) Staffing Committee Action Plan. The Committee considered its Action Plan for 2010/2011 and agreed that it should be reconsidered at its next meeting in light of the revised Education Committee Action Plan;

b) Key Performance Indicators. The Committee gave consideration to a number of KPIs relating to Human Resources and agreed that they should be forwarded to the Governing Body for information;

c) Staffing Committee Terms of Reference. The Committee reviewed its Terms of Reference and agreed that the Governing Body be informed that the Terms should remain unchanged apart from one minor textual adjustment.

## 29.11 Annual Report and Financial Statements

The Governing Body received the following documents:

- a) Annual Report and Financial Statements for the financial year ended 31 July 2010;
- b) The Report to those charged with Governance from the Northern Ireland Audit Office on the Annual Report and Financial Statements; and
- (c) Letter of Representation for submission to the Department.

**The Audit Committee**, at its meeting on 16 November 2010, gave consideration to the Annual Report and Financial Statements and the NIAO Report to those charged with Governance and **noted that the Comptroller and Auditor General is proposing an unqualified opinion on the truth and fairness of the Financial Statements. The C&AG is also proposing an unqualified opinion on the regularity of the financial transactions.**

**The Audit Committee**, following receipt of the C&AG's opinion, has **recommended to the Governing Body that the Annual Report and Financial Statements be approved for submission to the Department subject to the inclusion of details relating to:**

- (a) Post Balance Sheet Event disclosure on reclassification of Colleges as Non-Departmental Public Bodies (NDPBs);
- (b) Receipt of outstanding Cash Equivalent Transfer Value (CETV) information from Teachers' Superannuation Branch; and
- (c) Confirmation of treatment of FRS17 adjustment in respect of the NILGOSC pension scheme.

The Director of Finance referred to a letter received from DEL, dated 18 November 2010, providing advice in relation the handling of these three outstanding issues. It was noted that the NRC had followed DEL's recommendations in respect of CETV figures and the reclassification of FE Colleges. It was also noted that the Urgent Issues Task Force was investigating the accounting treatment for FRS 17 changes in benefit. DEL has advised that further guidance on this matter would be provided when relevant information becomes available.

It was noted that the Audit Committee had endorsed the Letter of Representation for submission to the C&AG at the same time as the submission of the Annual Report and Financial Statements to the Department.

During discussion observations were made in respect of the pension reserve, additional DEL funding and redundancy costs.

**The Governing Body agreed the recommendations of the Audit Committee that:**

- a) The Annual Report and Financial Statements be approved for submission to the Department subject to the inclusion of the information listed above;**
- b) The Letter of Representation should be forwarded to the C&AG at the same time as the submission of the Annual Report and Financial Statements to the Department.**
- c) In the event of NIAO wishing to delay signing the accounts until the above information is available, the revised Annual Report and Financial Statements should be approved for submission to the Department by the Accounting Officer and the Chair of the Governing Body on the advice of the External Auditors and reported to a subsequent scheduled meeting of the Governing Body.**

### **29.12 Corporate Plan**

The Governing Body received a Progress Report in relation to Corporate Targets for 2010/2011, which provides details of corporate strategic objectives, targets derived for 2010/2011 and progress against these targets.

The Director drew attention to the implementation of the target relating to the completion of the Newtownabbey accommodation and student facilities ahead of schedule. He thanked Mrs Crotty, Mr Matchett and the Estates and Curriculum staff for their massive efforts. The Chairman enquired about the links between the targets set by the Education and Staffing Committees and Corporate Targets. He was advised that there was an interrelationship and the delivery of FLU targets was quoted as an example. In response to a query regarding the target in relation to the achievement of Investors in People status, it was noted that the assessors would visit the College in January 2011

### **29.13 Any Other Notified Business**

The Governing Body received an Education and Training Inspectorate (eti) report on the Follow-up Inspection of the provision for Priority Skills Area Level 2 Programmes at the Northern Regional College in November 2010.

The Report indicates that a focused inspection was carried out in May 2009, which highlighted a number of strengths and identified the need for improvement in a number of areas. In the interval since the inspection, the College has undertaken a number of actions resulting in important improvements to the provision.

The eti has concluded that the quality of the Education and Training provided by NRC is now good (Grade 3) and the College has important strengths in most of its education and pastoral provision. The Inspectorate has identified some areas for improvement, which have still to be addressed.

The Governing Body received a detailed summary of the main findings of the eti, provided by Mrs Suzanne Kennedy, Head of Quality Improvement. It was noted that the following gradings had been achieved:

- a) PSA Level 2 Provision in Information and Communication Technology (ICT) – Grade 3 (good);
- b) Essential Skills Provision – Grade 3 (good); and
- c) College wide areas for improvement as identified during the initial inspection in May 2009 – Grade 3 (good).

The Director stated that eti was revising its inspection model; it had originally been proposed that the team would inspect the complete FE provision during one inspection. However, inspections would not take place by level on a three-year cycle.

### **27.14 Date of the Next Meeting**

The Governing Body noted that the next meeting of the Governing Body is scheduled for Wednesday 12 January 2011 at 5.30 pm at the Ballymena Campus. To satisfy the recommendations of the Self Evaluation Review it was agreed that the subsequent meeting would be at the Magherafelt Campus.

