

**Pre-Meeting with Auditors**

Governing Body members of the Audit & Risk Committee met with representatives from GT and DfE at 5.00pm, prior to the full Committee meeting.

**Minutes of the unreserved business meeting of the Audit & Risk Committee held on 26 September 2018 at Farm Lodge Campus, Ballymena commencing at 5.15pm.**

**Present:** Mrs I Allison, Mr W Hutchinson, Dr K McCambridge, Mr W McCluggage (Chair)

**In Attendance:** Dr S Brankin, Mr D Conliffe (DfE), Mr D Hewitt, Mr M Higgins, Mr A Jarman (NIAO), Mr S Lavery, Mr N Taylor (GT), Mr V Taggart  
Mrs K Wallace (Secretary)

**57.1 Apologies and Welcome**

Apologies were received from Mrs Eve, Ms Doey (NIAO) and Prof Scott.

The Chair extended a welcome to Mr Jarman on his first meeting of the NRC Audit & Risk Committee.

**57.2 Declaration of Interests**

There were no declarations of interests.

**57.3 Minutes of the Last Meeting**

The minutes of the meeting held on the 6 June 2018 were approved.

Proposed: Mrs Allison      Seconded: Mr Hutchinson

**57.4 Matters Arising**

- Sector Wide Review of Property Division, CPD: The Chair referred members to the draft FE Sector wide report produced by Grant Thornton (GT). Mr Higgins outlined the issues within the report, which were noted by Committee as unacceptable. Mr Higgins advised the report will be used as an independent evidence to support a sector wide business case.

**Action:** This issue to be included on the agenda for the Governing Body meeting on 3 October 2018.

- Audit & Risk self-assessment: NAO checklist to be circulated to Committee members and Mr David Lennox, as former Chair.

**Action:** Completed NAO checklist forms to be returned to the Secretary by 17 October 2018.

- Progress against Audit Recommendations: BCDR target dates had now been updated to reflect changes.

## 57.5 Chairperson's Communications

The Chair extended his thanks to Mr Lennox for his excellent work and due diligence as the previous Chair of the Audit & Risk Committee.

The Chair voiced objection to the number of large reports brought forward in one session, which he considered to be unacceptable.

## 57.6 Correspondence

- i. Review of Risk Management - The contents of the letter from the Director of FE were noted. Mr Higgins advised that an update on risk management to reflect the move towards Outcome Based Accountability (OBA), would be presented to Committee in November. Mr Hewitt updated the committee on the proposed OBA reporting and the frequency of reports.
- ii. Information on the FE Accounts Direction 2017/18 was noted by Committee.

## 57.7 Internal Audit – Grant Thornton

Mr Taylor outlined the content of the following final reports, all of which had received satisfactory assurance, with some minor improvements recommended.

- NRC Annual Assurance Report.
- NRC Health & Safety – with the proviso that Health & Safety be included on future agendas, Committee agreed the report.

**Action:** Health & Safety to be included as a standing item at the beginning of the Audit & Risk agenda.

- NRC Digital and Web Based Learning. Dr Brankin confirmed all actions in place for completion on the respective dates.
- NRC Student Experience – Mr Taggart outlined the reviewed survey process in place for 2018/19 along with the reporting structure.

Mr Taylor also presented the following reports.

- NRC Internal Audit Follow Up Report.
- (Draft) Sector Wide Review of Property Division, CPD – Mr Taylor advised that draft comment forms had been circulated and the final report would be presented to the next meeting of Committee. Members noted but were concerned with the issues raised within the report and the impact for these on the FE College sector.
- Audit Strategy 2017/18 – 2019/20.
- Draft Internal Audit Plan for 2018/19 Mr Higgins drew members attention to the sector wide request from the Department – plan approved by Committee.

Committee was content with the **Satisfactory** assurance for the system of internal control.

Mr Taylor advised that the Internal Audit Plan would be taken forward for detailed planning for the coming year and noted requests by the Chair that a timetable of audits be brought to the next meeting and that future reports be provided in a timely fashion.

Reference was made to the 5 days which had been built into the 18/19 audit programme to review hardship and ASF funding across the sector, at the Department's request.

**Action:** GT KPIs to be monitored at each meeting of the Audit & Risk Committee.

### **57.8 Progress against Audit Recommendations**

Consideration was given to the report provided by Mr Lavery. Members accepted a further deferral of the target date for progress with the Portrush site due to events outside the control of the College.

### **57.9 Draft Annual Reports and Financial Statements**

Committee noted the Draft Annual Report and Financial Statements which had been submitted to the NIAO within agreed dates in the Audit Strategy and College PID.

Mr Lavery drew Committee's attention to the new note within the accounting policies and outlined the reporting schedule for the draft accounts before presentation for approval by the Governing Body in November following audit review.

**Action:** Any comments on the draft documents to be submitted to Mr Higgins or Mr Lavery.

### **57.10 External Audit Update**

Mr Jarman advised that NIAO had received the NRC Draft Annual Report and Financial Statements within schedule and had no queries.

### **57.11 Annual KPI Performance Report**

Mr Higgins highlighted that this report would be considered at the respective Committees before presentation to the Governing Body for approval and adoption.

It was anticipated that the College would shortly move to the same reporting system as the other colleges. This change will remove the need to report KPI Performance to the Audit & Risk Committee and standardise the reporting across the sector.

Committee noted the report.

### **57.12 Registers**

Mr Higgins advised on FOI requests and confirmed that the whistleblowing case had now been resolved.

Committee noted the updated registers.

**57.13 Committee Meeting Dates**

It was agreed that future meetings of the Audit & Risk Committee take place on a Thursday and that the next meeting be held on 8 November 2018.

Mr Hutchinson requested revision to proposed future dates.

**Action:** Further dates to be rescheduled for the third Thursday of the month, where possible.

**57.14 Any Other Business**

None.

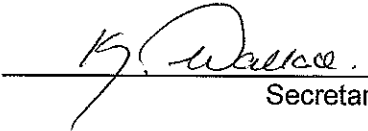
**57.15 Date of Next Meeting**

The next meeting will be held on Thursday 8 November 2018 at 5.30pm following a pre-meeting at 5.15pm.

The meeting ended at 6.30pm.

Mr W McCluggage   
Chair

Date 8/11/2018  
8 November 2018

Mrs K Wallace   
Secretary