

## **Meeting 25 November 2015**

### **NORTHERN REGIONAL COLLEGE**

#### **AUDIT & RISK COMMITTEE**

Minutes of the meeting of the Audit & Risk Committee held on 25 November 2015 at the Newtownabbey Campus

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

In Attendance Professor T Scott, Mrs C Moore and Mr J Hunter

#### **43.1 Chair's Communication**

The Chair stated that the meeting on 18 November 2015 had been inquorate and although consideration had been given to all items on the agenda, the Committee had been unable to make decisions regarding a number of items. As it is necessary to address these items before they are considered by the Governing Body, a meeting had to be called at short notice. The Chair indicated that the NIAO representative was content with this approach.

#### **43.2 Apologies**

There were no apologies.

#### **43.3 Declaration of Interests**

There were no declarations of interests

#### **43.4 Minutes of the Last Meeting**

**The Committee approved the minutes of the last meeting held on 7 October 2015**

#### **43.5 Draft Annual Report and Financial Statements**

The Committee noted the draft Annual Report and Financial Statements 2014/2015, which had been discussed in detail at the meeting on 18 November 2015. The meeting had expressed satisfaction with the document.

The Committee noted two adjustments which had been made to the document:

- £649k originally classified as assets has been reclassified as other operating expenditure as NIAO judged that it did not meet the current definition of assets. These assets were funded from capital grant from DEL. This grant will be paid back to DEL between November 2015 and March 2016. This accounting adjustment has reduced the historic cost surplus to £29k for the year ended 31 July 2015. It was noted that the Northern Ireland Finance Officers' Network (NIFON) has been giving consideration to the treatment of assets.
- Land & Property Services. The valuation of buildings has been increased by approximately £8m to include VAT on the valuation received from Land & Property Services. This adjustment has no net impact on the income and expenditure account.

**The Committee agreed that the document would be recommended to the Governing Body for submission to the NIAO on 26 November 2015.**

#### **43.6 Report To Those Charged With Governance**

The Committee **noted** the Report To Those Charged With Governance, which summarises the key matters arising from the NIAO audit of the 2014/2015 financial statements. The NIAO representative

had indicated that he anticipated recommending to the Comptroller and Auditor General that he certifies the 2014/2015 financial statements with an **unqualified audit opinion**, however, he will include a reporting paragraph on the progress made on the implementation of the plan to address the recommendations made in the Tribal Report in October 2014.

The Committee noted that a number of misstatements had been identified, which have been adjusted in the financial statements.

#### **43.7 Annual Audit & Risk Committee Report 2014/2015**

The Committee received the Annual Audit & Risk Committee Report, which includes the Audit & Risk Committee's opinion on the adequacy and effectiveness of the College's risk management control and governance arrangements and its arrangements for promoting economy, efficiency and effectiveness.

The Report indicates that KPMG has reported an overall satisfactory audit opinion on the College's system of governance, risk management and internal control. The Chair commented that every other College had achieved a substantial opinion and that NRC should be aspiring to this level of attainment.

**The Committee agreed that the document be approved for signature by the Chair and submitted to the Governing Body with onward submission to the Department.**

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**D Lennox Chair**

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**Date**

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**JA Hunter Secretary**