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**MINUTES OF THE FORTIETH MEETING OF THE AUDIT & RISK COMMITTEE OF THE GOVERNING BODY OF THE NORTH WEST REGIONAL COLLEGE HELD IN THE BOARDROOM, NORTHLAND BUILDING, STRAND ROAD ON MONDAY 21 NOVEMBER 2016 AT 1600.**

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**PRESENT:**

Mrs R Dougherty (Vice Chair)  
Mr S Atcheson  
Mr S Gillespie  
Mr G Killeen

**IN ATTENDANCE;**

Mr L Murphy (Principal & Chief Executive) from 1618  
Mr P McKeown (Director of Finance & Economic Engagement)  
Ms E Anderson (Internal Auditor, KPMG)  
Ms C O'Hagan (NIAO) from 1618  
Mr W Smyth (DfE)  
Mrs E Doherty (Governance Secretary)  
Mr P McHugh, Health & Safety Officer for presentation only

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The Vice Chair agreed to chair the meeting in the absence of the Chair.

**PRESENTATION;**

The Chair welcomed Mr P McHugh, Health & Safety Officer to the meeting. Mr McHugh with the aid of Power Point brought members through the Health & Safety Annual Report 2015/16. Mr McHugh listed the three main audits/reviews that take place; KPMG (Internal Auditors), H&S Annual Review (internal) and the Northern Ireland Fire & Rescue Service (NIFRS).

The Health & Safety Officer followed with a summary of the statistics in respect to; Reported Accident/Incidents; Number Reportable under Reporting of Injuries, Diseases & Dangerous Occurrences (RIDDOR) and Claims since 2008/09 for the College. The trend in all three areas for 2015/16 had reduced from 2014/15. Detail was provided on the major incident that took place during the year and the outcomes, lessons from this. Future challenges in health and safety for the College were discussed. Mr McHugh answered questions from members. The Chair thanked Mr McHugh for his presentation.

*Mr McHugh left the meeting at his juncture.*

**40.1 APOLOGIES**

Apologies were received from Mr P Laughlin and Mr A Magee.

**40.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS**

There was no conflict of interest declarations/no declarations of any other business.

**40.3 MINUTES OF THE MEETING HELD ON 14 SEPTEMBER 2016****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 14 September 2016

The minutes were taken as read and agreed were an accurate record of the meeting.

**PROPOSED:** Mr S Atcheson

**SECONDED:** Mrs R Dougherty

**40.3.1 MATTERS ARISING – meeting on 14 September 2016****39.4 Chair's Business**

To recommend approval of the Committee's Terms of Reference to the Governing Body.

**Action:** Terms of Reference approved by Governing Body at their meeting on 4 October 2016.

**39.5 Management Report – Gifts & Hospitality Policy**

Amended Policy to come back through Committee.

**Action:** Policy on the Agenda for today (Ref 40.5, Report 6)

**39.5 Management Report – Anti-Fraud Policy & Response Plan**

With the proposed amendments, to recommend approval of the Anti-Fraud Policy & Response Plan to the Governing Body.

**Action:** Anti- Fraud Policy & Response Plan approved by the Governing Body at their meeting on 4 October 2016.

**39.5 Management Report – Customer Complaints and Compliments Policy**

To recommend approval of the Customer Complaints and Compliments Policy to the Governing Body.

**Action:** Customer Complaints and Compliments Policy approved by the Governing Body at their meeting on 4 October 2016.

**39.6 Internal Audit**

To recommend approval of the Draft Internal Audit Strategy 2015/16 – 2017/18, Annual Plan & Charter to the Governing Body.

**Action:** Draft Internal Audit Strategy 2015/16 -2017/18, Annual Plan & Charter approved by the Governing Body at their meeting on 4 October 2016.

**The Secretary to send out a copy of the DAO(DoF) 07/16.**

**Action:** Copy of DAO (DoF) 07/16 correspondence sent to members on 18 October 2016.

**39.7 Draft Report & Accounts Year End 31 July 2016**

The Director to draft a footnote on the accounts with explanation of the new changes (2015 SORP and FRS 102).

**Action:** The Director confirmed this had been actioned.

**The Annual Report and Accounts to be placed on the next Committee Agenda.**

**Action:** Annual Report & Accounts on November Agenda (ref 40.5, Report 2).

**40.4 CHAIR'S BUSINESS****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Annual Report of the Audit & Risk Committee for the Financial Year 2015-16 to the Governing Body

The Report included details on membership, attendance, Terms of Reference (reviewed on 14 September 2016), reporting procedures, and the work of the internal/external auditors. The opinion of the Committee that the financial statements present an accurate view of the state of affairs of the College at 31 July 2016; the satisfactory discharge of the Governing Body responsibilities and the Corporate Governance Statement is appropriate.

**It was agreed to recommend to the Governing Body acceptance of the Committee's Report 2015/16.**

**PROPOSED;** Mr S Gillespie

**SECONDED;** Mr S Atcheson

#### 40.5 MANAGEMENT REPORT – MR P MCKEOWN, DIRECTOR OF FINANCE & ECONOMIC ENGAGEMENT

##### ➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1	Risk Management Group Report
Report 2	Annual Report & Financial Statements -31 July 2016
Report 3	Student Union Accounts 2015-16
Report 4	Prompt Payment
Report 5	STA
Report 6	Policy Updates: Bribery Policy, Gifts Policy

The Chair invited the Director to present his report to the Committee.

The Director reported on the adjustments to the Corporate Risk Register since the last report presented to the Committee in April 2016; the title to Risk 2 had been changed from, 'Ability to Manage Enrolment Numbers and Reduction in Flu', to 'Impact of Reduced Enrolment Numbers and Reduction in Flu'. The scoring had been increased from 3 to 6.

Risk 4, 'Effective Partnership Arrangements with External Bodies, School/Training Providers', had been incorporated within Risk 2, 'Impact of Reduced Enrolment Numbers and Reduction in Flu'.

The scoring of Risk 8, 'Failure to Obtain a Balanced Budget,' has been reduced from 3 to 2.

Risk 9, 'Risk of Disruption to service provision and stakeholder relations during the period of change and uncertainty (including Budget cuts and Management impact)' had been removed from the Risk Register.

Two recent issues were outstanding from Internal Audit and these would be discussed further into the meeting by the Internal Auditor. A recent issue outstanding from External Audit was noted in respect to tagging of assets. This relates to one of the Internal Audit issues as well. The College accept the Auditors recommendations for all items outstanding.

The Director referred members to the Annual Accounts for year end 31 July 2016.

He indicated there were two adjustments from the draft Accounts presented to the Committee in September 2016; an amount of £4k in respect to Auditors remuneration and a further note will be included in relation to the recent Audit under TFS, a clawback situation may arise hence the need for a Contingent Liability note.

##### **Agreed Action;**

##### **Members recommend approval to the Governing Body of the Annual Report and Financial Statements 2015-16**

**PROPOSED;** Mr S Atcheson

**SECONDED;** Mr G Killeen

Members approved the Student Union Accounts 2015/16

**PROPOSED;** Mr S Atcheson

**SECONDED;** Mr G Killeen

##### **Prompt Payment**

Prompt payment average for the 3-month period was 96%. The 30-day prompt payment figure for September was 97% and October 99%.

**Single Tender Actions**

There were no Single Tender Actions to report.

**Bribery Policy**

The Director indicated that the Policy was reviewed with no amendments to same.

**AGREED ACTION;**

**It was agreed to recommend approval to the Governing Body of the Bribery Policy.**

**PROPOSED; Mr S Gillespie**

**SECONDED; Mr G Killeen**

**Gifts & Hospitality Policy**

Previous item refers (40.3.1). The Director referred to the amended Policy.

**AGREED ACTION;**

**It was agreed to recommend approval to the Governing Body of the Gifts, Hospitality Policy.**

**PROPOSED; Mr G Killeen**

**SECONDED; Mr S Atcheson**

The Chair thanked Mr McKeown for his report.

**40.6 INTERNAL AUDIT:****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Paper AC 40.6

Report 1 Progress Against Audit Plan 2016/17

Report 2 Core Financial Processes

Report 3 Health & Safety

Report 4 Data Protection & Management of Information

The Internal Auditor reported that implementation of the Plan was well on schedule with three reviews completed to date.

**Core Financial Processes**

The Internal Auditor reported the key areas included in the review were Month-End Closure Procedures and Fixed Assets. A 'Satisfactory' grading was awarded with a one priority 2 issue in relation to 'Fixed Assets'. Management agreed the recommendations.

Members were reminded of the new revised system of prioritisations and internal audit opinions that were now in place, DAO (DoF) 07/16.

**Health & Safety**

A 'Satisfactory' assurance rating was awarded with one priority 3 issue in relation to evidencing health & safety checks conducted by sub-contractors. The recommendations were agreed by Management.

**Data Protection and Management of Information**

A 'Limited' assurance rating was awarded with one Priority 2 issue in relation to non attendance of relevant staff at mandatory Data Protection training. Members discussed the issue and the matter had been brought through the recent Staffing Committee meeting. Actions were agreed to manage this.

The Chair thanked Ms Anderson for her report.

**40.7 EXTERNAL AUDIT – DRAFT REPORT TO THOSE CHARGED WITH GOVERNANCE 2015/16****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Paper AC 40.7                      Draft Report To Those Charged With Governance 2015/16

The External Auditor wished to take the opportunity to thank the Director, Accountant and the Finance team for their assistance and support throughout the Audit Process.

The External Auditor stated that the Audit was substantially complete, subject to the procedures to be carried out on the signed Financial Statements. The External Auditor brought members through the report and indicated they anticipate recommending to the C&AG that he certifies the 2015-16 Financial Statements with a clean audit opinion. No report on the account is required. Other items highlighted included; the identified misstatements which have been adjusted in the Financial Statements in respect to external auditor's remuneration of £4k. One significant risk of material misstatement was identified and assessed in respect to FRS 102/SORP 2015. Following review, the External Auditor was satisfied that they were materially correct and the accounts were in compliance with the changes.

The Chair thanked Ms O'Hagan for her report. The Principal also wished to record his thanks to the Director, Accountant and the Finance Team. He wished also to thank the External Auditor in providing comfort from the independent assurance received.

**40.8 CORRESPONDENCE**

There was no correspondence received.

**40.9 AOB**

The Director wished to report two possible suspected/attempted frauds. There has been no loss of income to the College in these cases. The College is obliged to share this matter with the Department and report through the Committee.

**DATE OF NEXT MEETING** – The Date of the next meeting is scheduled for 19 April 2017. It was suggested to bring this forward to February/March.

**AGREED ACTION;** Secretary to reschedule the next meeting during February/March 2017.

The Chair thanked everyone for attending and closed this part of the meeting at 1720.

*Ms E Anderson, Ms C O'Hagan and Mr W Smyth left the meeting at this juncture.*

The meeting went into private session.

**SIGNED;** \_\_\_\_\_ **(Vice Chair)**  
**Mrs R Dougherty**

**DATE;**