
MINUTES OF THE FORTY THIRD MEETING OF THE AUDIT & RISK COMMITTEE OF THE GOVERNING BODY OF THE NORTH WEST REGIONAL COLLEGE HELD IN THE BOARDROOM, NORTHLAND BUILDING, STRAND ROAD CAMPUS ON TUESDAY 26 SEPTEMBER 2017 AT 1700.

PRESENT:

Mr P Laughlin (Chair)
Mr S Atcheson
Mrs C McFarland

IN ATTENDANCE;

Mr L Murphy (Principal & Chief Executive)
Mr P McKeown (Director of Finance & Economic Engagement)
Mr B O'Hara (Internal Auditor, KPMG) from 1705 to 1735
Mr D Lynn (NIAO)
Mr W Smyth (DfE)
Mr N Taylor (Internal Auditor, Grant Thornton) from 1737
Mr A McKibbin (Internal Auditor, Grant Thornton) from 1737
Mrs K McCaul, HoD, Business, Hospitality & Performing Arts (for presentation item 43.5 only)
Mrs É Doherty (Governance Secretary)

The Chair welcomed everyone to the meeting.

43.1 APOLOGIES

Apologies were received from Mrs R Dougherty, Mr G Killeen, Dr M O'Neill and Dr N Hand.

43.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

43.3 MINUTES OF THE MEETING HELD ON 21 JUNE 2017➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 21 June 2017

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

PROPOSED: Mr S Atcheson

SECONDED: Mr P Laughlin

43.3.1 MATTERS ARISING – Committee meeting held on 21 June 2017

42.6 **Management Report** - The Director to consider adding the Springtown Project to the Risk Register.

Update: The Director reported that the Risk Management Group will meet shortly to review the College Risk Register. A risk titled, '*Risk of CPD & PD Processes – including implications of resource shortfall – achieving value for money and statutory compliance – impact of Curriculum*', will be considered by the Risk Management Group. This Risk includes the specific risks relating to the Springtown Project.

42.9 **Correspondence, DfE, Internal Audit Strategy** – The Director and Secretary to draft a response to the Department.

Update: Response sent to the Department and the changes have been reflected in the Draft Internal Audit Strategy 2017/18 – 2019/20.

The Chair indicated he would take item 43.5 next and invite Mrs K McCaul, HoD, Business, Hospitality, Tourism & Performing Arts (BHTPS) into the meeting for her presentation.

Mrs McCaul joined the meeting at this juncture.

The Chair welcomed Mrs McCaul to the meeting.

43.5 RISK MANAGEMENT, RISK REGISTER & IDENTIFICATION FOR SCHOOL OF BUSINESS, HOSPITALITY, TOURISM & PERFORMING ARTS

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Risk Identification for School of Business, Hospitality, Tourism & Performing Arts – Report 1
Departmental Risks for School of Business, Hospitality, Tourism & Performing Arts – Report 2

The HoD brought members through the Department's four risks on the Risk Register as at September 2017. Two risks were medium ranking; Failure to meet Retention and Achievement targets for 2017/18 and Failure to Maintain Quality Standards.

Two risks were high ranking; not maintaining enrolment levels in BHTPS and Failure to recruit specialist staff to support the delivery of speciality training or new curriculum development.

Mrs McCaul brought members through each individual risk with a summary of the measures which were being taken to mitigate each risk, together with further action planned.

Members were content with the controls in place for the risks identified.

The Chair thanked Mrs McCaul for her report.

Mrs McCaul left the meeting at this juncture.

Mr O'Hara (Internal Auditor, KPMG) arrived to the meeting during this item. The Chair welcomed Mr O'Hara.

The Chair took item 43.7 next.

43.7 INTERNAL AUDIT: KPMG

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Year End Report Against Audit Plan 2016/17

The Internal Auditor (KPMG) referred to the Year End Report against Audit Plan for 2016/17, the Internal audit opinions for the reviews conducted in 2016/17 along with the status of the recommendations at the year end.

The original internal Audit opinion in respect to the review carried out on Data Protection and Management Information received a 'Limited' opinion. This matter was addressed by the College and reported through the Staffing Committee. The item was reviewed by the Internal Auditor (KPMG) year end and the opinion was re-graded to a 'Satisfactory' opinion.

Five recommendations had arisen in the current year with two recommendations brought forward from the prior year, giving a total of seven issues that required follow up work.

Four of the seven issues have been addressed leaving three issues to be followed up in the next year. The implementation date in respect to one issue not yet fully addressed, has not yet passed.

The Internal Auditor referred to the Key Performance Indicators 2016/17 and reported that all the indicators had been met or exceeded their target.

The Internal Auditor (KPMG) was pleased to report that based on the Internal Audit work which was performed during 2016/17, a 'Satisfactory' level of assurance had been awarded over the internal control environment at the College.

The Internal Auditor (KPMG) concluded that the results were very good, as outgoing auditor he wished to thank the College for their co-operation and assistance and wished them well.

Members wished to commend the staff for their high quality of work as reflected in the outcome of the Internal Audit reviews.

The Principal wished to record his thanks to Mr O'Hara and the staff of KPMG for all their work and support to the College.

Mr O'Hara, Internal Auditor KPMG, left the meeting at his juncture.

Internal Auditors, Mr A McKibbin and Mr N Taylor (Grant Thornton) joined the meeting.

The Chair welcomed them to the meeting. A round of introductions was made.

INTERNAL AUDIT: INTERNAL AUDITOR, GRANT THORNTON

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 – Draft Internal Audit Strategy 2017/18 – 2019/20

Report 2 – Draft Annual Plan 2017/18

Report 3 – Draft Internal Audit Charter

The Internal Auditor referred to the plan that was already in place for 2017/18 and reported a lot of this planned work had been retained in their draft plan. The three year Internal Audit Strategy was discussed.

Members were content to recommend approval of the Draft Internal Audit Strategy 2017/18, 2019/20, Annual Plan & Charter subject to further discussion between Internal Auditor and the Director of Finance & Economic Engagement finalising the Strategy and timetable.

PROPOSED; Mr S Atcheson

SECONDED; Mrs C McFarland

The Chair returned to the normal running order of the Agenda.

43.4 CHAIR'S BUSINESS

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Committee's Terms of Reference – Sept 2016

Amendments were noted by the NIAO to the Terms of Reference for the Committee. With these amendments, it was agreed to recommend approval to the Governing Body.

PROPOSED; Mr S Atcheson

SECONDED: Mrs C McFarland

43.5 Item already taken.

43.6 MANAGEMENT REPORT – MR P MCKEOWN, DIRECTOR OF FINANCE & ECONOMIC ENGAGEMENT**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Draft Annual Report & Accounts to 31 July 2017
Report 2	Direct Awards Contracts
Verbal	Prompt Payment

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

The Director reported that 93% of invoices were paid within 30 days for the year-end to 31 July 2017. There were no Direct Award Contracts. The Draft Annual Report & Accounts Year End 31 July 2017 were submitted to the Department on time. The Financial Statements had been prepared in accordance with the relevant legislation and other relevant accounting standards. The NIAO had commenced the Audit of the Financial Statements this week.

The Chair thanked Mr McKeown for his report.

43.7 Item already taken.

43.8 CORRESPONDENCE

No correspondence had been received.

43.9 Any Other Business

Mr Lynn, NIAO wished to bring members' attention to the recent guide issued by the National Audit Office on 'Cyber Security and Information Risk Guidance for Audit Committees', to help Committees best exercise their responsibilities in this area.

DATE OF NEXT MEETING – 7 November 2017

The Chair thanked everyone for their attendance and closed the meeting at 1800.

Signed: _____ **Chair**
Mr P Laughlin

Date: 7 November 2017