

## SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a Meeting of the **South West College Governing Body**  
held on Wednesday 25 March 2009 at 6.00 pm in  
Room MG04, Enniskillen Campus, 1 Dublin Road, Enniskillen

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**PRESENT:** Mr Joseph Martin (Acting Chairman)  
Mrs Kate Courtenay  
Mr Martin Groom  
Dr Mark Kelly  
Mr Gerry Kingston  
Mr Gerard McDermott  
Mr Joseph McFall  
Councillor Thomas O'Reilly  
Dr Nicholas O'Shiel  
Mr Victor Refaussé (Director)  
Mrs Diane Stevenson  
Ms Gwen Stevenson

**IN ATTENDANCE:** Mrs Elizabeth McSorley, Secretary to the Governing Body

Agenda Item 1 only:

Mrs Celine McCartan, Head of Corporate Services  
Mr Stephen McCormick, NI Audit Office (*External Auditors*)  
Mr Brian Clerkin, ASM Horwath (*External Auditors*)

**APOLOGIES:** Mr Adrian McCreesh  
Councillor Dr Philip Weir

### **1.0 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2008**

PREVIOUSLY CIRCULATED: to all members, copies of the following:

- Annual Report and Financial Statements for year ended 31 July 2008
- Report to those Charged with Governance (including Management Letter)
- Letter of Representation
- Report on Accounting for PFI Contracts

CIRCULATED: to those members present, copy of the Head of Corporate Services' proposed PowerPoint presentation on the Annual Report and Financial Statements for year ended 31 July 2008.

The Acting Chairman welcomed the representations of the Northern Ireland Audit Office and ASM Horwath to the meeting, explained that it was not normal

practice for them to attend Governing Body meetings, and said that their presence was therefore a one off arrangement.

The Head of Corporate Services then provided members with a high level overview of the Annual Report and Financial Statements under the headings Annual Report Content; Operating and Financial Review; Key Financial Results with particular reference to the £1.152m surplus against the previous year end deficit of £873k; and Disclosures. In concluding her presentation, the Head of Corporate Services acknowledged the contribution of College staff in the widest possible sense to the 2007/08 year end results and paid particular tribute to the College management team in this regard, as well as the efforts of her own finance team. She also thanked the Northern Ireland Audit Office and ASM Horwath for their part in the completion of the accounts.

The Acting Chairman echoed the Head of Corporate Services' thanks to the Northern Ireland Audit Office and ASM Horwath and acknowledged that it had been an exceptional and difficult process for all concerned, not least the Head of Corporate Services and her staff.

Mr McCormick, in his comments, explained the respective roles of the Northern Ireland Audit Office and ASM Horwath in the audit process; emphasised the thoroughness of the audit approach; and, with reference to Annex B of the Report to those Charged with Governance, highlighted the clean audit opinion. This, together with Internal Audit and management assurances should, he added, give comfort to the Governing Body. He went on to speak of the range of exceptional and complex issues that had impacted on the 2007/08 audit, acknowledged the pressures that these had placed on the small South West College finance team, and was confident that, going forward, the audit would be a much more straightforward and timely process.

In responding to a question, Mr McCormick explained how audits were categorised according to perceived level of risk. It was noted that the South West College was one of five Colleges that had been categorised as medium level audit risk.

Members welcomed the positive outcome to what they acknowledged had been a robust audit process.

A brief discussion then took place in relation to the Northern Ireland Audit Office's "Governance Examination of Fermanagh College of Further and Higher Education" report which had been published that day; the appropriateness of the Director's response; and the next steps in the process. It was noted that this included a Public Accounts Committee hearing scheduled for 7 May 2009 at which the Director, in his capacity as Accounting Officer, would represent the South West College.

***Mr McCormick and Mr Clerkin were thanked for attending and left the meeting at this juncture.***

The Head of Corporate Services, following the departure of the Auditor representatives, dealt with specific questions and comments relating to the Financial Statements. Issues covered were Pension and Similar Obligations on Page 39 of the Accounts with particular reference to the rationale for the different accounting treatment in relation to the NITSS and NILGOSC pension schemes; and areas of overlap between internal and external audit work. She undertook to research and respond outside the meeting to a query raised in relation to the increase in value of the College's plant and equipment.

**AGREED: on the proposal of Ms Gwen Stevenson, seconded by Mr McDermott, that the Governing Body approve the 2007/08 Annual Report and Financial Statements.**

*The Head of Corporate Services left the meeting at this juncture.*

## **2.0 MINUTES OF GOVERNING BODY MEETING HELD ON WEDNESDAY 28 JANUARY 2009**

PREVIOUSLY CIRCULATED: to all members, minutes of a meeting of the Governing Body held on Wednesday 28 January 2009.

It was noted that the confidential section of the above minutes had not been circulated to staff members and would be dealt with under the confidential section of the Governing Body meeting.

**AGREED: on the proposal of Dr Kelly, seconded by Dr O'Shiele, that the public section of the above minutes (Pages 1-10) be accepted as a true and accurate record. They were then signed by the Chairman.**

## **3.0 MATTERS ARISING**

### **3.1 College Development Plan – Pages 1-3, Minute Ref 1.0**

The Acting Chairman reported that the Director and himself had meet with DEL officials the previous day in connection with the College's curriculum and funding bid for 2009/10 and described the meeting as having been very positive. He particularly commended the Director on the quality of his presentation.

The Director, in adding to the Acting Chairman's comments, emphasised the importance of the College delivering on its targets in the next academic year in order to protect itself against clawback in the following year. At a later stage in the meeting (under Director's Business) he handed out a spreadsheet presentation of the curriculum projections that had been used in the meeting with DEL.

3.2 Visit to Skills Centre, Enniskillen – Page 9, Minute Ref 10.0(4)

It was noted that the visit to the Skills Centre which was to have taken place immediately prior to the meeting had had to be postponed to accommodate the Audit Committee meeting.

**AGREED: that the May 2009 Governing Body meeting be switched from Omagh to the Enniskillen Campus commencing at 6.00 pm and be preceded by a visit to the Skills Centre at 5.00 pm.**

4.0 **MINUTES OF SPECIAL GOVERNING BODY MEETING HELD ON WEDNESDAY 25 FEBRUARY 2009**

PREVIOUSLY CIRCULATED: to all members, minutes of a Special Meeting of the Governing Body held on Wednesday 25 February 2009.

It was noted that the confidential section of the above minutes had not been circulated to staff members and would be dealt with under the confidential section of the Governing Body meeting.

**AGREED: on the proposal of Ms Gwen Stevenson, seconded by Dr O’Shiel, that the public section of the above minutes (Pages 1-4) be accepted as a true and accurate record. They were then signed by the Chairman.**

5.0 **MATTERS ARISING**

There were no matters arising.

6.0 **REPORT OF A MEETING OF THE AUDIT COMMITTEE HELD ON WEDNESDAY 25 FEBRUARY 2009**

PREVIOUSLY CIRCULATED: to all members, Report of a meeting of the Audit Committee held on Wednesday 25 February 2009.

**AGREED: on the proposal of Mrs Diane Stevenson, seconded by Dr O’Shiel, adoption of the report of the Audit Committee.**

7.0 **VERBAL REPORT OF A MEETING OF THE AUDIT COMMITTEE HELD ON WEDNESDAY 25 MARCH 2009**

PREVIOUSLY CIRCULATED: to all members, copies of the following reports:

- (1) Draft Audit Committee Annual Report 2007/08
- (2) Draft Annual Assurance Return 2007/08

Mrs Diane Stevenson, in presenting the verbal report of the Audit Committee meeting held earlier in the evening, advised that the main item of business had

been the Annual Report and Financial Statements for year ended 31 July 2008 and associated Report to those Charged with Governance, including Management Letter. She highlighted the key sections of the Governance report (Sections 5 and 6) and said that the Auditors were satisfied with the responses given by management to all issues raised with them.

Mrs Stevenson went on to advise that other issues dealt with at the Audit Committee meeting had been as follows:

- (a) review of draft Audit Committee Annual Report which had been recommended to the Governing Body for approval and submission to DEL, and review of Annual Assurance Return for 2007/08 to be signed by the Director and submitted to DEL together with the Audit Committee Annual Report;
- (b) Internal Audit progress report and three individual internal audit reviews covering Estate Management, Maintenance Planning and Energy Management; Human Resources and Payroll; and Student Services with a focus on Student Support Funds. The level of assurance in respect of two of these had been *Satisfactory* with Human Resources and Payroll having achieved *Substantial*;
- (c) progress reports on outstanding internal audit recommendations and areas of weakness to be addressed;
- (d) Departmental Risk Registers, and a Risk Management status report from the Internal Auditors, had been received at the meeting. The Corporate Risk Register would be reviewed against the Departmental Risk Registers and presented to the next Audit Committee and Governing Body meetings.

**AGREED: on the proposal of Mrs Diane Stevenson, seconded by Dr O'Shiel, that the draft Audit Committee Annual Report 2007/08 be approved for submission to DEL together with the Annual Assurance Return 2007/08.**

## **8.0 REPORT OF A MEETING OF THE EDUCATION, QUALITY AND PERFORMANCE COMMITTEE HELD ON TUESDAY 3 MARCH 2009**

PREVIOUSLY CIRCULATED: to all members, Report of a meeting of the Education, Quality and Performance Committee held on Tuesday 3 March 2009.

The report of the Education, Quality and Performance Committee was presented by Dr O'Shiel who had acted as Presiding Chairman.

Dr O'Shiel, in presenting the report, highlighted the key issues and recommendations with particular reference to the presentation by North West Marketing on the subject of international student recruitment and next steps in the process; a meeting involving Councillor O'Reilly and himself which had taken place with KPMG after the meeting in the context of the HE scoping

study; the positive start to the InnoTech Centre initiative; and the positive results from the first student satisfaction survey.

The Acting Chairman advised that the College's bid for an increase in the number of MaSN places allocated to the South West College had been one of the items of discussion at the previous day's meeting with DEL officials. With reference to the Centres of Excellence report and the two ETI reports referred to in the minutes, he felt these would merit review by the Education, Quality and Performance Committee.

**AGREED: on the proposal of Dr O'Shiel, seconded by Dr Kelly, adoption of the Report of the Education, Quality and Performance Committee.**

**9.0 REPORT OF A MEETING OF THE STAFFING COMMITTEE HELD ON WEDNESDAY 11 MARCH 2009**

PREVIOUSLY CIRCULATED: to all members, Report of a meeting of the Staffing Committee held on Wednesday 11 March 2009.

It was noted that the confidential section of the Staffing Committee report had not been circulated to staff members and would be dealt with under the confidential section of the Governing Body meeting.

Mr McDermott, in presenting the public section of the Staffing Committee report, advised that because of the late start time, urgent business only had been transacted with the remaining business deferred to the May 2009 Staffing Committee meeting.

With reference to Minute Ref 4.1 (industrial dispute), the positive outcome to the recent UCU ballot was noted and welcomed as was a report that DFP had sanctioned the employers' pay proposal. The Acting Chairman paid tribute to all concerned in bringing the matter to a successful conclusion.

**AGREED: on the proposal of Mr McDermott, seconded by Mrs Diane Stevenson, adoption of Pages 1-2 of the Staffing Committee Report.**

**10.0 REPORT OF A MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON WEDNESDAY 18 MARCH 2009**

PREVIOUSLY CIRCULATED: to all members, Report of a meeting of the Finance and General Purposes Committee held on Wednesday 18 March 2009, together with the following documents:

- (a) Financial Management Report for 6 months to 31 January 2009;
- (b) Revised Financial Projections 2008/09;
- (c) Fees and Charges Policy;
- (d) Draft Terms of Reference for Estates Development (Enniskillen) Working Group;
- (e) Draft Data Protection Policy

Ms Gwen Stevenson, in presenting the report of the Finance and General Purposes Committee, highlighted the key issues and recommendations with particular reference to the six month financial management report and the College's healthy trading position; the revised financial projections which showed a reduction in the level of the planned deficit; the proposed Fees and Charges Policy for the next academic year; the draft Terms of Reference for the Estates Development (Enniskillen) Working Group; and the draft Data Protection Policy.

The discussion which followed focused primarily on the draft Terms of Reference for the Estates Development (Enniskillen) Working Group with particular reference to its function and authority. It was suggested that as the role of the Working Group was to develop proposals for the Finance and General Purposes Committee's consideration, it would not be appropriate to include Paragraphs 6.5, 6.6. and 6.7 as these were Phase 2 matters. It was acknowledged that until options had been explored and proposals developed, the issue of funding could not be pursued.

**AGREED: on the proposal of Ms Gwen Stevenson, seconded by Mr McFall, adoption of the Report of the Finance and General Purposes Committee including the Revised Financial Projections 2008/09, the draft Fees and Charges Policy, the draft Data Protection Policy subject to any further amendment required as a result of the external proofing, and the draft Terms of Reference for the Estates Development (Enniskillen) Working Group subject to removal of Paragraphs 6.5. 6.6 and 6.7.**

## **11.0 COMMITTEE VACANCIES**

It was noted that the following Committee vacancies remained to be filled:

- (a) Finance and General Purposes Committee – one co-option to meet skills gap requirement (finance or accounting background)
- (b) Audit Committee – one co-option to meet skills gap requirement (auditing, finance, or accounting background)

The Acting Chairman pointed out that the absence of finance/accounting experience at Committee level was one of the significant observations highlighted in the Report to those Charged with Governance and that a target date of 31 July 2009 had been set for implementation of the associated recommendation.

It was also noted that the appointment of the student governor was still outstanding and that this would be followed up with DEL.

## **12.0 ACTING CHAIRMAN'S BUSINESS**

The Acting Chairman reported that in addition to the meeting with DEL officials the previous day, the Director and himself had also engaged in an accountability

meeting with the Permanent Secretary of DEL and her senior officials earlier in the month. This too, he said, had been a very positive meeting.

The Director, in adding to the Acting Chairman's comments, said that the meeting had addressed issues such as risk management, audit arrangements, annual reports and accounts, and other accountability matters.

### **13.0 DIRECTOR'S BUSINESS**

The Director reported on a range of issues as follows:

- (1) **Governance Examination of Fermanagh College of Further and Higher Education** – this report had been published earlier in the day and a copy, together with a copy of the College's press statement and copies of various press reports, was circulated for information.
- (2) **Culture Survey** – the findings of this survey, which had been conducted by the Pacific Institute on behalf of the College, would be disseminated to staff at a feedback meeting to be held in the Dungannon Campus on Friday 27 March 2009 from 10.00 am to 1.00 pm. Any interested governor was welcome to attend.

The next step in the process of developing a shared culture was to commence a programme of training under the Investing in Excellence Programme with staff from the different Campuses.

- (3) **Leadership and Management (Transformational Change Project)** – work had commenced on the planning of this project which was aimed at having managers and staff all working towards a common vision by December 2009. A set of slides which provided an overview of the project approach was circulated for information purposes to those present.
- (4) **ETI Inspection of Priority Skills at Level 2** – official feedback on this inspection, which had been carried out earlier in the month, was awaited but early indications were of a satisfactory outcome. The full report would be presented to the Governing Body when available.
- (5) **Skillbuild NI Competition** – four students had won medals in the recent Skillbuild Northern Ireland Competition, as follows:
  - Ashley McFarland – 1<sup>st</sup> place in Plumbing (gold medal)
  - Christopher McCrory – 1<sup>st</sup> place in Joinery (gold medal)
  - Dessie McCusker – 3<sup>rd</sup> place in Plastering (bronze medal)
  - Emmet Harte – 3<sup>rd</sup> place in Brickwork (bronze medal)

The Director ended his report by handing out, in spreadsheet format, a copy of the curriculum projections for 2009/10 which had been used in the meeting with DEL (see Minute Ref 3.1), and a copy of CODE, the February 2009 issue of the College newsletter, to those members present.

**14.0 REGISTER OF INTERESTS**

The Secretary to the Governing Body advised that one return for the 2008/09 Register was still outstanding and reminded members of the need to declare any amendments to the Register of Interests on an ongoing basis.

**15.0 DECLARATION OF ANY HOSPITALITY OR GIFTS RECEIVED OR OFFERED**

No declarations were made.

**16.0 CORRESPONDENCE**

There was no correspondence to report.

**17.0 ANY OTHER RELEVANT BUSINESS**

There were no items of any other relevant business raised.

*The staff representatives, Mr Kingston and Mr McFall, left the meeting at this juncture. The meeting then went into private session.*

The meeting concluded at 9.10 pm

**CHAIRMAN** \_\_\_\_\_ **DATE** \_\_\_\_\_