

Belfast Education and Library Board

Audit and Risk Management Committee

Minutes of a Meeting of the Audit and Risk Management Committee held on Monday 1 October 2007 at 2.30 pm in the Boardroom, 40 Academy Street, Belfast

Members Present Miss Rosemary Rainey, Mr Brendan Henry, Mr Gerry Carson, Mr Sam Skillen, Councillors David Rodway, and Jim Rodgers.

Apologies Alex Thompson

In Attendance	Mr David Cargo	Chief Executive
	Mr David Megaughin	Chief Finance Officer
	Mr Jonathan Adams	Head of Internal Audit
	Mr Aaron Curragh	Audit Manager
	Miss Collette McKernan	Senior Auditor
	Mr Brian Gardiner	Northern Ireland Audit Office
	Ms Christine Burns	Northern Ireland Audit Office.

A254 Election of Chairperson and Vice-Chairperson

The chief executive took the chair, welcomed everyone to the meeting and called for nominations for chairperson and vice chairperson of the committee.

Councillor Rodgers proposed that Miss Rosemary Rainey be re-elected chairperson and that Brendan Henry be re-elected vice-chairperson. This was seconded by Gerry Carson and agreed.

A255 Minutes of the Meeting of the Audit and Risk Management Committee held on Monday 4 June 2007.

It was proposed by Sam Skillen, seconded by Brendan Henry and agreed that the minutes of the audit and risk management committee meeting held on Monday 4 June, copies of which had been circulated, be signed by the chairperson.

A256 Matters Arising from the Minutes

.1 DE attendance at audit committee meeting

The chairperson asked the chief executive to provide an update regarding the Department of Education's (DE) attendance at audit committee meetings. The chief executive informed members that the next accounting officer's meeting would be held in November and that it would be discussed then. The chief executive also informed the members that he had discussed the matter with his counterparts and that they thought it would be a good idea if a representative from DE attended the meetings, as this would allow considered discussion.

- .2** The head of internal audit informed members that the libraries disaster recovery plan had been completed and presented to the library committee.

A257 Annual Accounts update

The chief finance officer informed members that the 2003/04 annual report and accounts have been laid before the Assembly. The accounts for 2004/05 are ready for laying before the Assembly and the annual accounts for 2005/06 were submitted on time and have now been signed off.

He reported that the 2006/07 accounts were finished and had been submitted on time. He informed members that DE had requested a change in accounting treatment in a letter dated 29 August 2007. It was proposed that the changes would be carried out at a high level to allow completion by the 12 October 2007 to enable the accounts to be signed off by 31 October 2007.

The chair asked members to note the latest position on the accounts for 2003/04 to 2006/07.

A258 Annual Accounts – NIAO audit strategy

Christine Burns from the Northern Ireland Audit Office (NIAO) made reference to the NIAO's audit strategy, copies of which had been circulated. She explained that the strategy detailed the approach and plan that was followed during the audit. After discussion the members were asked to note the contents.

A259 NIAO report – Financial auditing and reporting.

The chief finance officer presented the NIAO report – financial auditing and reporting, copies of which had been circulated. The chief finance officer asked that members’ attention be drawn to the following points.

- At paragraph 8 the cumulative overspend for the Belfast board is quoted correctly as £8.5m. However the previous report by NIAO quoted a figure of £10.848m.
- Paragraph 9 states that “the unaudited accounts for 2006/07 show not only that it (BELB) was able to remain within this reduced allocation but has also generated sufficient reserves to allow the remaining outstanding deficit to be repaid in full.” In contrast paragraph 10 states that “the department expects it will have recovered in full the deficit before the end of 2007/08.”
- In paragraph 11 it is stated that any outstanding deficit in SEELB will transfer to the new Education and Skills Authority.

Following discussion members agreed to write to DE to seek clarification on the above points. The chair thanked the NIAO for their attendance at the audit committee meetings and stated that it was helpful for the members as they could answer their questions.

A260 BELB trust and endowment accounts 2005/06

The chief finance officer presented the trust and endowment accounts for 2005/06, copies of which had been circulated. After discussion the members agreed to make enquiries regarding the purpose of the trust funds. The members were asked to note the contents of the trust and endowment accounts.

A261 NIAO report – Transfer of surplus land in the PFI education and pathfinder projects.

The chief executive informed members that the NIAO report on the transfer of surplus land in the PFI education and pathfinder’s project had been published. It was agreed that members would be updated at the next meeting.

A262 Property Services – Procurement and Libraries DDA update

The head of internal audit provided an update on the property services and libraries DDA review. He informed members that the property services procurement and libraries DDA review had been concluded by internal audit and the board was currently awaiting a report by the NIAO. Brian Gardiner informed members that the report was currently being finalised and will be issued in the near future. Councillor Rodgers thanked the head of internal audit and all staff who had been involved in the protracted process.

A263 Internal Audit Opinion (DAO 11-07)

The internal audit manager presented the Internal Audit opinion (DAO 7-07), copies of which had been circulated. He informed members that the purpose of the DAO was to introduce a standardised system to be used by the heads of internal audit to convey their opinion on an organisation's risk management and control and governance. Members were asked to note the contents.

A264 Audit Committee Handbook (DAO 7-07)

The head of internal audit presented the audit committee handbook, (DAO 7-07) copies of which were circulated. The head of internal audit informed members that a mapping exercise had been carried out to confirm compliance. After discussion regarding the one area on non-compliance it was agreed that DE would be asked to appoint a suitably qualified individual to sit on the board to fill an existing vacancy. In the interim the chief executive felt that current procedures are adequate to inform him in his role of accounting officer. The members were asked to note the contents of the audit committee handbook.

A265 BELB Anti-fraud Policy

The head of internal audit presented the BELB Anti-fraud policy, copies of which had been circulated. He informed members that the inter-board policy has been updated to reflect the introduction of the Fraud Act 2006. The head of internal audit also informed members that he and the audit manager were now qualified to undertake investigations. Following discussion and members' questions the committee approved the policy.

A266 NICS Fraud Report 2006/2007

The internal audit manager presented the Northern Ireland Civil Service (NICS) Fraud Report for the financial year 2006/07, copies of which had been circulated. The report details an analysis of the nature, value, causes and means of discovery of frauds during 2006/2007 within and against the NICS including departments, agencies, non-departmental public bodies (NDPBs) and voluntary bodies where public funds are involved. After discussion the chair asked members to note the contents.

A267 Date of next meeting

A date for the next meeting will be arranged as required.

The chairperson thanked everyone for attending the meeting.

The meeting ended at 3.45pm

Chairperson _____

Date _____