MINUTES OF A MEETING OF THE AUDIT COMMITTEE OF THE GOVERNING BODY OF SOUTHERN REGIONAL COLLEGE HELD ON TUESDAY 8 FEBRUARY 2022 AT 17.30 VIA TEAMs.

MEMBERS PRESENT:
Mr John Nugent (Chair)
Mr Aidan McCormick
Prof. Gregory O'Hare
Mrs Carla Shields
Mrs Hilary Singleton
Mr Matthew Turner

IN ATTENDANCE:
Mr Andrew Saunders, Governing Body Chair
Mr Brian Doran, Chief Executive & Accounting Officer
Mrs Lee Campbell, Director of Finance and Planning
Mrs Heather Sampson, Dept. for the Economy
Mrs Karen Beattie, NI Audit Office
Mr Ian McCartney, RSM UK
Miss Lindsay Armstrong, Secretary to the Governing Body

The meeting commenced at 17.30.

ACTION BY WHOM

A01. APOLOGIES FOR ABSENCE

Apologies for absence were received from Dr Eileen Stewart.

A02. DECLARATION OF CONFLICT OF INTERESTS

The Chair reminded Members to declare at the commencement of the meeting any conflict of interests held in regard to any matter to be discussed. No interests were declared.

A03. MINUTES OF THE MEETING 9 NOVEMBER 2021

The minutes of the meeting of the Audit Committee held on the 9 November 2021 were verified for accuracy. The minutes were approved as an accurate record on proposal of Mr Turner and seconded by Mrs Shields.

Prof O'Hare arrived at the meeting at 17.32.

A04. MATTERS ARISING

Members noted that all matters arising from the previous meeting have been addressed.

A05. CHAIRMAN'S BUSINESS

Mr Nugent welcomed Mrs Singleton to her first meeting of SRC's Audit Committee.

A06. FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE

Mrs Campbell referred Members to the final Report to Those Charged Governance and advised on no fundamental changes to the previously presented drafts. She informed of one minor factual inaccuracy in the previous version, advising on an uncorrected misstatement and confirming immateriality.

Mrs Campbell stated that it is important to note that the Comptroller and Auditor General has certified the financial statements with an unqualified audit opinion, without modification.

Members noted the information and remarked on a positive report.

A07. INTERNAL AUDIT PROGRESS REPORT

Mr McCartney presented the Internal Audit Progress report and advised on the key messages. He confirmed that the review of Payroll was completed in November 2021 and received a Satisfactory assurance. He informed that the review of the New Traineeship System was completed in January 2022 and the draft report has been issued for management responses.

Mr McCartney confirmed that the review of Curriculum Management and Staff Restructuring is ongoing and will be reported at the May meeting. He advised on other assurance activity including the development of a deep dive risk guidance paper.

Mrs Beattie arrived at the meeting at 17.39.

Mr McCartney informed on progress against the Internal Audit Plan and advised on the sector wide review of the STS Project.

He confirmed that an independent evaluation had taken place in November 2021 to assess RSM's quality assurance and informed of a positive report. Mr McCartney committed to share the findings at a future meeting of SRC's Audit Cttee. Mr McCartney

In response to a query from Mr Doran, Mr McCartney confirmed that the six colleges are in agreement that the sector review should audit the learner management system and outcomes are expected to be reported on at the May meeting.

Mr McCartney confirmed that staff and student benchmarking comparison will be reported on at a future meeting.

A08. INTERNAL AUDIT REPORTS

- **Payroll Report**

Mr McCartney presented the Payroll Report and advised of a Satisfactory rating and areas of good practice. He referred Members to the detailed findings and informed on a low priority action for management to ensure that appropriate up to date signed contacts of employment are retained for all members of staff.

Mr Doran stated that the audit report provides assurance of the smooth transition to the new payroll provider.

- **New Traineeship System Report**

Members were advised that presentation of the New Traineeship System report has been deferred until the next meeting of the Audit Committee. Mr Doran stated that the outcome was likely to award a Satisfactory rating and compliance with the guidance has been clarified.

Members noted the report.

A09. CORPORATE RISK REGISTER

Mr Doran presented the Corporate Risk Register and for the benefit of new Members informed that the Corporate Risk Register is regularly reviewed by the Risk Management Committee which comprises all members of the Executive Team.

Mr Doran informed that the CRR was last reviewed the previous week before news was received of the First Minister's resignation and subsequent collapse of the Northern Ireland Government. He stated that in light of the new information Risk 1; existing one year planning process inhibits long term planning and delivery of College strategic objectives

and Risk 5; the Craigavon project may require an amendment to the residual risk rating. In response to a query from Mrs Singleton, Mr Doran advised that inflationary pressure will arise as a result of the delay in the planned Craigavon new build. He advised that the project delivery team meet regularly to review risks and discuss procurement options.

Mr Doran advised that there has been no change to the residual risk rating associated with Risk 2; financial loss resulting from fraud and informed of planned training.

He informed that the impact of Risk 3; security breach of College IT systems remains significant and advised on a cyber-security appointment and recording of concerns within the business continuity plan.

Mr Doran informed that actions within Risk 4; challenges in recruiting a skilled workforce have been updated following discussions at the Annual Governance Strategy Day. He advised that no change has been made to the risk rating which remains medium / high. Members were informed that although a lecturer pay offer has been accepted by the trade unions, no communication has been received from the CEF regarding a commencement of negotiations. Members were advised that the business case is subject to departmental approval.

In response to a query from Prof O'Hare, Mr Doran advised that the HRWG are exploring at a sectoral level the development of a policy on flexible working from home which will in turn be brought to the trade unions for discussion.

Mrs Shields voiced support for adopting a level of flexible working pattern including the exploration of pro rata employment contracts and the advantages it may have in attracting and retaining staff. Mr Doran commented that the development of an agreed policy must address the primary needs of the learner and consideration given to the necessary interactive nature of curriculum provision.

In response to a query from Mr Nugent regarding the timeline for implementation of the lecturer pay offer, Mrs Sampson committed to escalating the enquiry with departmental colleagues. — Mrs Sampson

Mr Doran referred Members to Risk 5; the judicial review ruling relating to the planned Craigavon new build project and advised that the residual rating was reduced following receipt of the positive outcome of the ruling. Mr Doran informed on new risks and controls and advised that key decisions are required in connection to procurement, approvals and securing the project planning timeline. Mr Doran advised Members on detailed discussions taking place at the Estates Project Board. Members recommended placing the item on the agenda for discussion at the next full Governing Body meeting. — Miss Armstrong

Mr Nugent advised on the views of the EPB, relaying commentary on opinions of the importance to maintain momentum with the planned new build, and advising on multi layered risks which continue to be closely managed and monitored.

Members recommended changing the title of Risk 5. — Mr Doran

Mr Doran referred Members to Risk 6; continued reduction in fulltime HE MaSN recruitment and advised on workshops to be organised to address the decline in computing, sports studies and hospitality and tourism. He informed that a series of recommendations are expected in the Spring as a result of the HE/FE review and advised on the status of the development of a NI tertiary education information portal.

Members discussed exploring the potential of moving from direct entry to the UCAS system and the possibility of grade inflation in summer results.

In response to a query from Mrs Singleton, Mr Doran informed the reluctance of some schools to promote the FE offer. He stressed the importance of providing potential school

leavers with careers guidance and advised on academic prejudice existing in wider society. Mr Doran confirmed good collaboration within DE and DfE on the 14-19 space and advised that he will be presenting at the Newry Chamber of Commerce during the week to promote the college curriculum offer.

Mr McCormick expressed concern that grade inflation may impact on learning progression. Members were advised that concerns will be discussed at the Education Committee.

Members were referred to Risk 7 and advised that the residual rating has been lowered. Mr Doran informed on the appointment of a new Head of Faculty and an ETI inspection planned later in the year.

Mr Doran advised that he was not proposing a change on Risk 8; impact on College services resulting from the Coronavirus pandemic. He advised that although numbers of infected staff and students has risen in recent weeks, the College is regularly reassessing and able to manage provision by switching to remote learning in certain courses.

Mr Doran clarified that the College continues to monitor infections and are working with the Department to ensure a consistent sector approach. He informed that the College has a dedicated Covid champion and are working under the framework for safe resumption. Mr Doran committed to consider the development of a system in which to formally timeline decision making. Mr Doran

Mr Doran advised that there has been no change to Risk 9; failure to provide a safe working environment and advised on good progress against the HASMAP standard.

Mr Doran referred to Risk 10; failure to successfully deploy the new learner management system and advised Members on a range of different issues and initiatives being considered to enable a smooth enrolment process.

- **4Risk System**

Mrs Campbell provided a presentation on the new risk management software, its features and benefits. She advised on a risk appetite workshop to be scheduled to present the system fully to the Governing Body.

Members voiced overall enthusiasm however encouraged appropriate contingency planning and attention during the implementation phase.

Mrs Beattie advised on the merits of moving away from a paper based system in terms of being able to update actions quickly whilst maintaining version control. Mrs Campbell advised that a demonstration of the system will be presented to Members of the Audit Committee during the implementation phase.

The Committee noted the report.

A10. DfE TfS/Apps COMPLIANCE AUDITS

Mrs Campbell referred Members to the minimal findings of the two compliance audits presented and advised on the requirements of the ESF programme to maintain audit trails.

Mr Turner expressed frustration for the level of scrutiny given the administrative burden and in relation to the low level of findings.

Mr Doran concurred and advised that he would welcome the recognition of earned autonomy and a more measured audit system.

A11. DIRECT AWARD CONTRACTS

None to report.

A12. ANY OTHER BUSINESS

None.

A13. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to take place on Tuesday 10 May 2022 at 17.30 via TEAMs.

The meeting concluded at 19.24.

CHAIR **DATE**