

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE OF THE GOVERNING BODY OF SOUTHERN REGIONAL COLLEGE HELD ON TUESDAY 17 SEPTEMBER 2024 AT 18.30 BOTH IN THE BOARDROOM, PORTADOWN CAMPUS AND ONLINE VIA TEAMS.

MEMBERS PRESENT:

Mrs Hilary Singleton, Chair
Mrs Geraldine Campbell (via TEAMS)
Mrs Patricia McCaffrey
Mr Andrew Sloan
Mrs Sharon O'Hare (via TEAMS)

IN ATTENDANCE:

Dr Thomas Moore, Governing Body Chair (via TEAMS)
Mrs Lee Campbell, Interim Chief Executive & Accounting Officer
Miss Joanne McGuigan, Interim Director of Finance & Planning
Mrs Heather Sampson, Dept. for the Economy
Mr Brian O'Neill, NI Audit Office
Mr Ryan Lunney, NI Audit Office (via TEAMS)
Mr Ian McCartney, RSM UK (via TEAMS)
Ms Sandra Barry, Acting Secretary to the Governing Body (via TEAMS)

The meeting commenced at 18.30.

Mrs Singleton welcomed Mrs L Campbell in her new role as Permanent Principal and Chief Executive. Mr Andrew Sloan was welcomed as a new Member to the Board and Committee. Mrs Singleton advised that SRC's Audit and Risk Committee subscribes to the ethos of continued improvement, robust performance and adopts a culture of transparency and no surprises.

**ACTION
by whom**

A01. APOLOGIES FOR ABSENCE

Apologies were made for Laura Murphy, NIAO.

A02. DECLARATION OF CONFLICT OF INTERESTS

The Chair reminded Members to declare at the commencement of the meeting any conflict of interests held regarding any matters to be discussed. There were no declarations of conflict of interests.

The Chair invited Mr Todd to attend the meeting to present the Cyber Annual Report 2023-24 at 6:34pm

CA6. CYBER ANNUAL REPORT 2023-24

The agenda item on Cyber Annual Report was brought forward from the confidential meeting to the standard Audit Committee meeting.

Mr Todd, Assistant Director, ILT Development and ILT Systems had been invited to the meeting to provide an update on Cyber Essentials

Mr Todd spoke to the Cyber Annual Report 2023-24 and explained that as the College is Cyber Essentials Accredited, an annual refresh is required, to maintain. This is therefore an ongoing piece of work.

Members noted that the College compares favourably with organisations of a similar size as reflected in its Microsoft 365 Defender Secure Score.

Mrs Singleton opened the floor for questions to Mr Todd. Discussion took place on the report in the form of a Question-and-Answer (Q&A) session.

Following consideration of the report Mrs Singleton requested the report is also presented to the Governing Body in October and suggested that the Q&A session be appended to the report.

Mr Todd left the meeting at 18:58pm

A03. MINUTES OF THE MEETING 6 FEBRUARY 2024

The minutes of the meeting of the Audit and Risk Committee (ARC) held on 14 May 2024 were verified for accuracy and unanimously approved as an accurate record on proposal from Mrs McCaffrey and seconded by Mrs G Campbell.

A04. MATTERS ARISING

• Actions Log

Members reviewed outstanding items on the action sheet.

Miss McGuigan advised that the College is relying upon Departmental guidance as to which sustainability framework is to be adopted. Mrs Singleton remarked that, as the Climate Change Act has come into force, placing reporting duties on specified bodies, including FE Colleges, steerage from the Department for the Economy and Department of Finance would be welcomed.

The Chair urged that considerations from the Principals' Group on Artificial Intelligence (AI) be communicated to SRC's ARC. Mrs L Campbell advised that AI is regarded as a horizon scanning risk within the forum and the forefront of concern relates to students using AI to complete assignments. Mrs Singleton commented on the need for a sectoral response.

Dr Moore suggested bringing to the College an AI expert to allow us to consider the benefits and risks of the new technologies. Further discussion required by Dr Moore, Mrs Singleton and Mrs L Campbell.

Mrs L Campbell confirmed that should the sector move to self-insurance, a sector Claims Management policy would be necessary. NIFON would be looking at this on behalf of the Sector. Mrs Singleton suggested that consideration of a sample Claims Policy may be of assistance and offered to assist in this regard.

Members noted that all other actions are closed out or deferred for progression.

A05. CHAIRPERSON'S BUSINESS

Mrs Singleton confirmed that she had been a panel member for the appointment of the Principal and Chief Executive position.

Mrs Singleton informed that she had attended a STEAM conference in Banbridge on 21 May 2025. The conference was well attended.

Mrs L Campbell

Mrs L Campbell

Mrs Singleton

All Governing Body members had undertaken IOSH training on 30 May 2025. It was noted that the trainer was very engaging.

Mrs Singleton confirmed she had responded to the NI Audit Office questionnaire in August 2024.

Mrs Singleton had attended the HE Graduation Ceremony 30 August 2024 held in the Armagh City Hotel.

The Chair informed that she had met with the Chief Executive to discuss Audit business.

Mrs Singleton had attended a lunch held to mark Lindsay Armstrong, former Secretary to Governing Body, leaving the college.

A06. AUDIT & RISK ANNUAL REPORT 2023-24

Members reviewed the Audit and Risk Committee Annual Report 2023-2024.

The report was unanimously approved. It was confirmed that the report would be presented at the next full Governing Body meeting.

A07. CORPORATE RISK REGISTER

- **2023-2024 Close Out (including online demo)**

Mrs L Campbell presented 4Risk (Version 2) and emphasised that 4Risk had been designed and implemented to provide assurance to the Audit and Risk Committee on risk management within the College.

Mrs L Campbell explained that under the Corporate Risk Register there are 9 key college risks. The Corporate Risk Register was agreed by the Governing Body during the Risk Workshop in September 2023. Below the Corporate Risk Register there are 14 individual Business area Risk Registers which fall across the 3 Directorates.

Mrs L Campbell presented the Corporate Risk Register and selected one risk to demonstrate how this is managed. She explained that there are 17 controls within that one risk and added that when external assurance on that control is received, this can be appended on the system.

Mrs L Campbell also demonstrated a risk that had been closed out. Mrs L Campbell advised the Risk Management process is a 'live' process within the College, confirming monthly risk reviews are conducted ensuring constant risk monitoring.

Mrs L Campbell demonstrated other facets of the system including the linking of other business areas to the Corporate Risk Register and noted that the system is intuitive and easy to navigate.

Mrs L Campbell advised that in addition to the monthly review of individual Risk Registers, including the Corporate Risk Register (CRR), the College has in place a Risk Management Committee which subsequently review the Corporate Risk Register (CRR) and individual Risk Registers to ensure that the risk rating remains appropriate, ensuring the Risk Management is a 'live' and proactive process.

Mrs L Campbell confirmed the effectiveness of the Risk Management process was dependent on the accuracy and relevance of the information added to 4Risk system, the assurance on Risk Management is provided through the multi-layer ongoing review.

Mrs L Campbell proceeded to present the Corporate Risk Register.

Risk 1 Failure to ensure the financial sustainability of the College.

Members noted that the College Indicative Budget for 2024-25 baselined salary pressures up to and including 2023-24 which allowed our risk rating to reduce. Subsequent years Indicative Budgets may result in risk rating changing. Risk is currently within appetite.

Risk 2 Inability to evolve, to prevent and respond effectively to Cyber Security/ICT failure.

Members had received assurances for the current risk rating through the presentation of the Cyber Annual Report 2023-24. Risk remains within appetite.

Risk 3 Inability of the College to recruit an appropriately skilled workforce.

Mrs L Campbell confirmed that additional benefits were currently being reviewed and new actions may be added to address this risk. Risk remains within appetite.

Risk 4 Inability to deliver College Estates Strategy

Confirmation of funding had been received for the Newry Innovation Centre and this project will be commencing as soon as possible.

Regarding the Craigavon New Build, Mrs Campbell confirmed the risk rating has not changed at present as options continue to being reviewed. Overall risk remains within appetite.

Risk 5 Inability of the College to maintain sustainable student numbers.

Members noted that the risk remained unchanged and remains within risk appetite.

Risk 8 Inability of the College to maintain the required regulatory and Health and Safety Standard to provide a safe working environment.

Members noted that the College risk rating remains within appetite.

Risk 9 Inability of the College to effectively ensure the safeguarding of students.

It was noted that the residual scoring for this risk has not changed. Mrs L Campbell noted risk is above risk appetite with a residual score of 9. However, this is as a result of the impact should an issue arise.

Risk 13 Inability to respond to Trade Union Industrial Action

Members noted that the rating has not changed and sits above risk appetite. This risk has been included in the Business Continuity Plan with a clear plan in place should there be strike action.

There is an ongoing review of CEF. Following completion of the review the risk rating may be amended. At the minute, the residual risk score is above risk appetite.

Risk 14 The failure to successfully administer and deliver externally funded programmes/projects.

Mrs L Campbell confirmed that all planned actions flowing from the Turing Lessons Learned Report are now Complete. Risk remains within appetite.

Members noted that a further review of the Business Support and External Engagement structure was currently due to be completed by 31 October 2024.

A08. NIAO CORRESPONDENCE

- **Letter of Understanding**

The Committee agreed that a revised letter should be requested from the NIAO in view of Mrs Campbell's recent appointment as Principal and Chief Executive of the College.

A09. INTERNAL AUDIT REPORTS

Mr McCartney presented the Internal Audit Reports as follows:

- **Safeguarding**

Members noted that there were no management actions to be addressed. Mr McCartney drew members' attention to the areas of good practice on page 3 of the report.

The Safeguarding Report had been issued to Dr Laura Milner, the Safeguarding Governor, and it was noted that no issues had been raised by her.

- **GDPR Governance and Data Protection**

The GDPR Report was an Advisory review and therefore assurances are not provided, however, many areas of good practice had been identified. Management had accepted the recommendation that privacy notices be reviewed.

- **Follow up Report.**

The follow up report looked at progress on 4 recommendations relating to HR Absence Management and TAMs. It was noted that one issue was not fully implemented, and a revised implementation date had been provided.

The Committee noted the reports.

A10. INTERNAL ANNUAL AUDIT REPORT 2023-24

Mr McCartney presented the Internal Audit Annual Report 2023-24.

The overall opinion was satisfactory.

Mrs Singleton confirmed that it was reassuring to see the Internal Audits 2023-24 were satisfactory overall.

A11. INTERNAL AUDIT PLAN 2024-25

Mr McCartney presented the Internal Audit Plan 2024-25

The plan indicates 4 Audits and one Advisory to be conducted during the year. The internal auditors had tried to map the reviews to the Corporate Risk Register. Mr McCartney indicated that in linking the reviews to the Risk Register the alignment was as close as possible.

Mrs Singleton welcomed the review of Business Continuity Planning as this had been flagged at Governing Body.

Mr McCartney confirmed there is always flexibility to replace the reviews within the Audit Plan if required.

The Committee approved the Internal Audit Plan.

The Committee noted that the Internal Audit contract is in its final year and a new contract would be tendered during 2024-25.

A12. FE - BENCHMARKING OF INTERNAL AUDIT FINDINGS 2022-23

Mr McCartney presented the FE – Benchmarking of Internal Audit Findings 2022-23. The committee noted the information presented.

A13. FINAL EMERGING RISK RADAR SUMMER 2024

Mr McCartney presented the Final Emerging Risk Radar report for 2024.

A14. RECOMMENDATION ACTION UPDATE 2023-24

The Committee noted progress on implementing Internal Audit recommendations to date. Miss McGuigan confirmed that the sector work on review of depreciation policies was not yet complete and advised that at this stage there were no changes to the accounting policies for July 2024 accounts.

Dr Moore left the meeting at 20.15pm.

A15. RISK MANAGEMENT ANNUAL REPORT 2023-24

Miss McGuigan spoke to the Risk Management Annual Report 2023-24. She explained that the Report summarises the risk process, it also outlines areas examined by the Risk Committee. The report also details operational risks and how it links with internal and external audit, the Audit and Risk Committee and the Governing Body.

Key risks had been carried through since review of the Corporate Risk Register last summer, amounting to the 9 key risks reviewed earlier in the meeting.

The Committee noted the Report and acknowledged monitoring of Risk Management is well embedded and the system is robust.

A16. DIRECT AWARD CONTRACTS

Miss McGuigan advised that since the last Audit and Risk Committee meeting, there had been one Direct Award Contract. The Committee noted the report.

A17. FE CIRCULAR 07/24 ACCOUNTS DIRECTION 2023-24

Miss McGuigan reported that DfE had provided FE Circular 07/24 Accounts Direction 2023-24 to College. There was little change from last year.

The committee members noted the accounts direction for 2023-24.

A18. DAO LETTERS

Mrs L Campbell advised that no DAO letters had been received.

A19. DfE TFE/APPS COMPLIANCE AUDITS (JMG)

Miss McGuigan confirmed that since the issue of papers the College had received a DfE compliance audit report. This was currently being considered by the management team and, when finalised, the report will come to a future Audit Committee meeting.

A20. ANY OTHER BUSINESS

- **NFI 2024**

Miss McGuigan confirmed that the College would be participating in the next NFI review with a requirement to submit data during October 2024. The Committee would be notified of the outcome in due course.

A16. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled to take place on Tuesday 19 November 2024 at 18.30 in the Boardroom, Portadown campus or via TEAMS.

There will be an additional meeting of the Audit and Risk Committee before the Governing Body meeting in November to review the Annual Report and Accounts.

The meeting concluded at 20.26pm

Mrs O'Hare left the meeting.


CHAIR

26 Nov. 2024.
DATE

