

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE OF THE GOVERNING BODY OF SOUTHERN REGIONAL COLLEGE HELD ON TUESDAY 28TH JANUARY 2025 AT 18:30 IN THE BOARDROOM PORTADOWN CAMPUS OR VIA TEAMS

MEMBERS PRESENT:

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

IN ATTENDANCE:

Dr Thomas Moore, Governing Body Chair
Mrs Lee Campbell, Principal/Chief Executive & Accounting Officer
Miss Joanne McGuigan, Interim Director of Finance & Planning
Ms Grainne Samm, Dept. for the Economy (DfE)
Mr Brian O'Neill, NI Audit Office
Mr Ryan Lunney, NI Audit Office (via TEAMs)
Mrs Laura Murphy, NI Audit Office (via TEAMs)
Mr Ian McCartney, RSM UK (via TEAMs)
Mrs Emma Foster Secretary to the Governing Body

The meeting commenced at 18.30

Mrs Singleton welcomed everyone to the meeting and extended a welcome and thanks to Mrs Grainne Samm (DfE), who was attending the Audit and Risk Committee for the first time as Departmental Observer and also to Mrs E Foster as Acting Secretary to the Governing Body.

**ACTION
by whom**

A01. APOLOGIES FOR ABSENCE

No apologies were made for this meeting.

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.

A03. MINUTES OF THE MEETING 19 NOVEMBER 2024 and 10 DECEMBER 2024

The minutes of the meeting of the Audit and Risk Committee (ARC) for 19 November and 10 December were reviewed.

In relation to the Committee meeting minutes for 19 November 2024 Mrs Singleton requested a comma was inserted after the word 'identified' to clarify the correct meaning in the sentence - If high risk identified an assessment meeting will be held with the SRO and the Programme / Project Team to coordinate the Gateway review.

All members were content with the change. Minutes were approved subject to said amendment on the proposal of Mr Sloan and seconded by Mrs G Campbell.

The minutes in relation to the Committee meeting held on 10 December 2024 were approved on the proposal of Mr Sloan and seconded by Mrs G Campbell.

A04. MATTERS ARISING

Members noted ongoing actions. Ms McGuigan updated members that she had met with the Principal and RSM to discuss hosting an Artificial Intelligence (A.I) workshop within the college in due course.

A05. CHAIRPERSON'S BUSINESS

Mrs Singleton requested that, where possible, members attend the Audit and Risk Committee meetings in person.. Mrs Singleton wanted to note that the Audit and Risk Committee meeting which is usually held in November as hybrid will now be a face-to-face meeting. All members noted this.

Mrs Singleton drew members attention to an update to the Agenda issues by Mrs E Foster.

Mrs Singleton stated she had attended a Strategy Workshop held by DfE on 5 December 2024 which was well attended by all colleges and where the 4 pillars of the Economic Vision as set out by the Economy Minister, Mr C Murphy, were discussed.

Mrs Singleton confirmed she attended an interview as part of the board effectiveness review held by the Innovation and Consultancy Services (ICS), advising this was wide ranging. . Mrs Singleton advised that SRC'S Board Effectiveness Report is due by the end of March and a sector report will be complete by the end of May. Any emergent findings will be made available to the college before the final report is published.

Mrs Singleton met with the Mrs L Campbell and Ms McGuigan to discuss the agenda items for this meeting.

Mrs Singleton confirmed she had attended the November Strategy Day, and the Risk Appetite Workshop held in the Newry Campus on the 14 January 2025. Mrs Singleton advised the risk appetite workshop was to discuss key risk themes and ensure the Governing Body is clear on each of the risk categories.

Mrs Singleton sought clarity on the next steps in terms of finalising the formal risk appetite statement. Mrs L Campbell confirmed once the wording of the Governance Risk has been agreed by the committee the Risk Management policy, which includes the Risk Appetite statement at appendix 2 will be updated and brought to the Audit and Risk Committee for approval in line with current process.

Mrs Singleton also informed the meeting that the college will be hosting an Interdisciplinary Conference in Arts & Science in Newry Campus on 31st January and 1st February 2025 which she, alongside the Chair of the Governing Body, will be attending and she extended the invitation to all.

A06. CORPORATE RISK REGISTER

Ms McGuigan informed the meeting that this risk register reflects the position as at 31 December 2024 and will be updated to reflect the approved Risk Management policy in due course.

Risk 1- Failure to ensure the financial sustainability of the college

Ms McGuigan stated this risk had been reviewed to 31 December 2024 and there was no change to the residual score.

Risk 2- Inability to evolve, to prevent and respond effectively to Cyber Security Failure

Ms McGuigan stated this risk had been reviewed to 31 December 2024 and there was no change to the residual risk score. Ms McGuigan confirmed the College have again been reaccredited for Cyber Essentials and are currently seeking reaccreditation of Cyber Essentials Plus.

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

This risk was reviewed to 31 December 2024 and there is no change to the residual risk rating. Mrs Singleton queried the current position on a new lecturer pay settlement. Ms McGuigan confirmed no discussion has taken place.

Risk 4-Inability to deliver College Estates Strategy

Ms McGuigan stated this risk had been reviewed to 31 December 2024 and there was no change to the residual risk rating.

Mrs Singleton referred to recent media coverage of a Proposed 'Stormont Summit'- a meeting between local councillors who objected to the proposed listing of Marlborough House and NI Executive officials. She enquired whether management were aware as to whether this meeting had yet taken place. Mrs L Campbell confirmed she was not aware of this and updated members on the current position.

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

Ms McGuigan stated this risk had been reviewed to 31 December 2024 and there was no change to the residual score. Mrs Singleton enquired how SRC benchmarks its recruitment numbers against other colleges. Ms McGuigan stated the college monitor the 'reach' of their recruitment activity and report on this internally however, there is no sector benchmark for this activity.

Risk 6- Inability of the College to maintain the required regulatory and Health and Safety Standard to provide a safe working environment

Ms McGuigan stated this risk had been reviewed in December 2024 and there was no change to the residual risk score. Mrs Singleton enquired whether there were any reported incidents. Ms McGuigan confirmed a Health and Safety report is provided to the Finance and General Purposes Committee as per its Terms of Reference, and assured members the Committee was updated on 21 January 2025.

Risk7- Inability of the college to effectively ensure the safeguarding of students

Ms McGuigan stated this risk had been reviewed in December 2024 and there was no change to the residual risk score. Ms McGuigan confirmed that a safeguarding update is provided to the Education Committee per its Terms of reference and confirmed the Safeguarding Officer attends these meetings.

Risk 8- Inability to respond to Trade Union Industrial Action

Ms McGuigan stated this risk had been reviewed in December 2024 and there was no change to the residual risk score. In response to a query raised by Mrs G Campbell regarding the status of the College Employers Forum Mrs L Campbell advised that the six Colleges are working collaboratively to ensure a sustainable 'CEF' is in place. Mrs L Campbell confirmed that whilst it was a 5 +1 model throughout most of 2024, the negotiating sub-committees delivered several pay settlements and continue to work effectively. Mrs Campbell referred to the Risk and emphasised that the risk would be increased if industrial action re-commenced..

Mrs Singleton noted that the recent Business Continuity Internal Audit had reviewed processes regarding Action Short of Strike and delivered a 'satisfactory' rating. Mrs L Campbell confirmed this related to the Colleges Business Continuity plan which was reviewed and updated following the strike action and Action Short of Strike which took place during the 2023/24 academic year.

Dr Moore confirmed work is ongoing in relation to the Colleges Employers Forum but this has not yet been concluded.

Dr Moore thanked everyone for their efforts for work regarding this.

Mrs L Campbell informed the meeting that this does not impact the current residual risk rating.

Mrs P McCaffery asked whether ,in relation to lecturer pay award, there was any expectation that this could be a multi-year award like civil service. Mrs Samm clarified the NICS position..

Risk 9- Failure to successfully administer and deliver externally funded programmes/projects

Ms McGuigan stated this risk had reviewed in December 2024 and there was no change to the residual risk rating.

Risk 9 Horizon scanning- Industrial Action

Mrs L Campbell reassured the members that the Governing Body will make the committee aware of any risks that may arise in due course.

Mrs L Campbell confirmed she has reviewed the report and going forward will show the quarterly residual risk movement.

Dr Moore praised the team who completed this risk report and that it was very well set out and easy to follow.

A06. RISK WORKSHOP OUTCOME

Mrs L Campbell referred members to the updated risk appetite themes as agreed at the Risk Workshop held on the 14 January 2025 with the full Governing Body. Mrs L Campbell took members through the detail of the report highlighting discussions and agreed changes.

Members were content to note the outcome of that workshop. Following a query from Mrs Singleton, Mrs L Campbell confirmed the Risk Management policy would be updated to

reflect the agreed changes from the workshop and this would be brought to the Audit and Risk Committee for approval.

Mrs Campbell referred members to the draft wording for the new Governance Risk as discussed at the Risk Workshop.

Members discussed the wording of the risk, cause and effects. Mrs L Campbell requested members provide feedback through the GB secretary Mrs Foster with an updated Governance Risk being presented to the ARC in May and Governing Body meeting in June 2025 for approval.

Mrs Singleton requested members to email any comments to Mrs Foster as soon as possible.

A07. REPORT TO THOSE CHARGED WITH GOVERNANCE 2023-2024 FINAL.

Mr O'Neill updated members on the Final report.

Mr O'Neill stated that DfE Consolidated Accounts for the year ended 31 March 2024 are still not certified and confirmed completion is expected in the latter part of the year.

A08 INTERNAL AUDITOR REPORTS

a) Internal Audit Progress Report

Mr Mc Cartney presented members with the Internal Audit Progress report and advised of changes to the plan for 24/25. Members were content to note the changes.

b) Business Continuity and Disaster Report

Mr I McCartney praised the college for their satisfactory rating in the recent report, stating the college is in a good place. Mrs Singleton acknowledged the work of the staff involved in this.

Discussion took place regarding how SRC keeps abreast of new and more sophisticated cyber security threats. Mrs L Campbell advised of mitigations per the Cyber Incident report and confirmed the college receive regular updates on potential threats from a number of sources, and they provide the college with an error report which is validated by the college.

c) FE Sector Benchmarking of Internal Audit Findings Report 23-24

Mr McCartney spoke briefly on the report and referred members to the status of SRC in comparison to other Colleges in NI. Mrs Singleton confirmed it was very useful to have this benchmark report as it provided members with a level of assurance and that SRC'S internal Audit plan is focused on the correct areas. Mrs Singleton thanked staff for their efforts in this regard.

d) FE Emerging Issues Autumn 2024 Report

Mr McCartney referred members to the report. Mrs Singleton queried the College process in terms of data checking including the tools used to verify accuracy and deal with queries correctly.

Ms McGuigan advised data extracts are provided to DfE from the Learner Management System, and they provide the College with an error report which is validated by the college.

A09. AUDIT RECOMMENDATIONS MONITOR

Ms McGuigan referred members to the internal Audit Recommendations monitor and highlighted presentational changes. Mrs McGuigan provided members with an update on the implementation status of internal audit and external recommendations.

A10.CYBER INCIDENT REPORT DECEMEBER 2024

Mc McGuigan discussed the report with members and referred members to the trends and analysis. Mrs Singleton noted improvement in the outcomes of recent staff Phishing tests.

All members noted the report.

A11. DfE COMPLIANCE AUDITS

Nothing to report

A12.DIRECT AWARD CONTRACTS

Nothing to report

A13. DAO CORRESPONDENCE

None received.

A14. ANY OTHER BUSINESS

Correspondence from DfE

Mrs L Campbell referred members to the recent correspondence received from the permanent secretary DfE, drawing particular attention to the deadline for completion of Accounts by Wednesday 30th April 2025.

Mrs Samm confirmed NIFON have been asked to compile a report detailing issues that may result in missed deadlines.

Mrs McGuigan confirmed to members that the college have met all required Accounts deadlines, and will continue to do so.

All members noted the letter.

No other business

A15 REVIEW OF MEETING

The next meeting of the Audit and Risk Committee is scheduled to take place on Tuesday 13 May 2025 at 18:30 Hybrid meeting either in the Boardroom Portadown Campus or via TEAMS

The meeting concluded at 20.10

CHAIR _____ **DATE** _____ 17/6/2025 _____
