

MEETING OF THE AUDIT COMMITTEE OF THE GOVERNING BODY OF SOUTHERN REGIONAL COLLEGE HELD ON WEDNESDAY 7 FEBRUARY 2018 AT 18.30 IN THE ORACLE BISTRO, PORTADOWN.

PRESENT:

Mr John Nugent (Chair)
Mr Aidan McCormick
Prof. Gregory O'Hare
Mr Matthew Turner
Mrs Nicola Wilson

IN ATTENDANCE:

Mr Brian Doran, CEO
Mr Andrew Saunders, Governing Body Chair
Mr Terry McGonigal, Director of Finance and Planning
Mr Alan Vennard, Head of Estates
Mr Anthony McKibben, Grant Thornton
Mr Martin Pitt, PWC
Miss Lindsay Armstrong, Secretary to the Governing Body

The meeting convened at 18.32.

ACTION BY WHOM

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr David Conliffe (DfE) and Mr Tomas Wilkinson (NIAO).

2. DECLARATION OF CONFLICT OF INTERESTS

The Chair thanked everyone for attending and reminded Members to declare at the commencement of the meeting any conflict of interests held in regard to any matter to be discussed. Mrs Wilson declared an interest as employee of Armagh City, Banbridge and Craigavon Borough Council.

3. MINUTES OF THE MEETING 8 NOVEMBER 2017

The minutes of the meeting of the Audit Committee held on the 8 November 2017 were verified for accuracy and approved on the proposal of Mr McCormick and seconded by Mr Turner.

4. MATTERS ARISING

None.

5. CHAIRMAN'S BUSINESS

The Chair welcomed Mr McGonigal and Mr Vennard to the meeting.

Miss Armstrong informed Members of a change in NIAO audit responsibilities for SRC. She stated that the new Director and Audit Manager are Mr Tomas Wilkinson and Mr Brian O'Neill.

Mr Saunders arrived at the meeting at 18.35.

6. INTERNAL AUDIT REPORTS

• Estates Management

Mr McKibben presented the internal audit review of Estates Management at SRC. He stated that Grant Thornton have provided a 'satisfactory' assurance in relation to appropriateness and effectiveness of the processes and controls in place relating to Estates Management.

Mr McKibben advised that the policies and procedures are widely available and very clear, that the monitoring of Estates budget is set and managed and informed the Committee of three contracts in place.

Mr Vennard informed Members of contracts let to Greystone and Mount Charles that have been advertised, tendered and let through the Central Procurement Directorate (CPD) and management responsibilities thereafter delegated to the College.

Mr McKibben advised of a priority 3 recommendation to formally review the Estates budget on a monthly basis and incorporated as part of the monthly meetings between the Head of Estates and the Director of Client Services.

Mr McKibben informed of a priority 2 rating in relation to contract management. He advised that whilst KPIs are in place to manage the performance of Greystone and Mount Charles, there are not currently KPIs in place with Properties Division (PD) to monitor the performance and quality of services.

Mr Doran advised of concerns with Properties Division performance across the sector regarding the production of certification and responsiveness in respect of building maintenance, minor works, statutory, planned and preventative maintenance estates work. Mr Doran informed Members that he had previously written to the Department on behalf of the Principals Group to relay their concerns and to request more flexibility in the College's management of Estates works. Mr Doran stated that despite assurances provided by Properties Division these concerns remain. Mr Doran also informed Members that in light of the audit report he had also written to Properties Division requesting a meeting to discuss SRC concerns and audit recommendations.

Members were advised that whilst no contract is in place with PD, a service level agreement is in place with CPD and SRC are mandated by the Department to use PD.

Members expressed concern and alarm at the level of service, lack of transparency and assurance of completed works. The Committee agreed that the College is better placed to manage Estates contracts locally and requested that their concerns be raised at the full Governing Body meeting and relayed to the Principals' Group.

• Health and Safety

Mr McKibben presented the Health and Safety audit report and informed Members of a 'satisfactory' assurance rating. He stated that the audit had considered policies and procedures, monitoring of Health and Safety and management of planned maintenance and maintenance checks.

Mr McKibben informed of a priority 2 recommendation to ensure the receipt of completion certificates from PD stating that there is a risk that the College will be deemed non-compliant with Health and Safety legislation and regulations in the event that evidence of maintenance checks cannot be provided.

Mr Doran

Mr McKibben advised of a priority 2 recommendation for the College to develop KPIs for PD and performance monitored on a regular basis. Members discussed the process for appointing contractors and the important and timing of certification noting that the College was being left with no knowledge of any health and safety issues following assessment and checks thus being unable to take corrective action should this be required.

Mr McKibben advised of a priority 3 recommendation to inform staff of clear and standard risk ratings prior to the risk assessment online portal being piloted. Members considered if this recommendation is risk relevant and requested clarity on the reporting procedure for potential risks.

Mr Doran advised on the appointment of the new Health and Safety Manager and referred to the HASMAP focus on Health and Safety and setting out a framework of further improvements. Mr Doran informed that it is the College's intention to follow up with Walter Marks to review progress made against the HASMAP standard.

Mr Nugent requested that a full report on Health and Safety practices be presented to the Governing Body on an annual basis.

- **Internal Audit Progress Report**

Mr McKibben reported on the progress against the 2017-18 annual audit plan and provided assurance that the audit of Data Protection is completed before GDPR implementation.

The Committee noted the reports.

Mr Vennard left the meeting at 19.25.

Prof. O'Hare arrived at the meeting at 19.27.

7. DfE REQUEST FOR INTERNAL AUDIT OF HARDSHIP FUND, ASF AND CARE TO LEARN

Mr Doran presented a letter from the Department requesting that the sector's Audit Committees provide assurance on the application of the Hardship Fund, ASF and Care to Learn. Members supported the request for Grant Thornton to conduct an audit of these areas as part of the sector wide review for 2018-19.

8. DfE ADDITIONAL SUPPORT FUND AUDIT

Mr Doran presented a letter from the Department detailing the outcome of their audit of ASF conducted in August 2017. Members were advised that the audit concluded a positive result stating that it was encouraging to note that the College's administration of ASF largely complies with the requirements of the circular and that there are no major issues impacting on the provision of support to students. Members were provided with a report of identified issues and the College's response.

The Committee noted the report.

10. CORPORATE RISK REGISTER

Mr Doran presented the Corporate Risk Register and referred Members to changes updated and clear-down of completed actions for the new academic year. He advised Members that Risk 2 has been removed as Greenshoots has been dissolved.

Grant Thornton

Mr Doran

Mr Doran referred Members to a new risk factor relating to Risk 1: Financial Viability and Optimism of College Resources considering political uncertainty, proposed budget provisions and operational financial viability. The Committee agreed it was prudent to increase the inherent and residual risk to high and requested updates to the Governing Body.

Discussion took place regarding Risk 3: Non Compliance with Policies, Procedures and Statutory Requirements, Safe Working Environment and Health and Safety and Safety Legislation and the impact of PDs performance. The Committee agreed that given their level of concern and actions taken to address the issues, the inherent risk should be increased to high.

Members noted a new action to undertake a review of risk management used across WMT and detailed under Risk 9: Effectiveness of Governance and Risk Management Processes.

Discussion took place regarding Risk 10: Delivery of the new build Estates Project with Mr Doran advising that he has written to the Permanent Secretary requesting allocation of funding for Banbridge and the response received. Members noted the residual risk has increased from medium to medium/high.

Mrs Wilson left the meeting at 19.45 and returned at 19.56.

Mr Doran presented Risk 13: Organisational readiness for GDPR and advised the Committee that an update would be presented to the next full Governing Body meeting to inform Members of preparations to date. A detailed discussion ensued with Members considering the potential risks involved.

The Committee noted the report.

11. REPORT TO THOSE CHARGED WITH GOVERNANCE

Mr Doran presented the final Report to Those Charged with Governance. Mr Pitt informed that there have been no amendments since the document was presented to the Audit Committee meeting of November 2017 and the C&AG has certified the 2016-17 financial statement as an unqualified audit opinion, without modification.

Mrs Wilson and Mr Saunders left the meeting at 20.26.

9. POLICIES

- **Risk Management**

The Committee noted minor amendments to directorate responsibility for functional areas.

Mr Nugent requested that a comment on the College's risk appetite and horizon scanning be added.

Mr Doran

Prof O'Hare recommended an addition to appendix 4 flowchart to reflect submission of the Register to the Department.

Mr Doran

The policy was approved on the proposal of Mr Turner and seconded by Mr McCormick.

10. DIRECT AWARD CONTRACTS

Mr Doran confirmed that there had been no Direct Award Contracts issued during the reporting period.

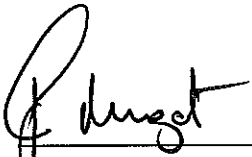
11. ANY OTHER BUSINESS

None.

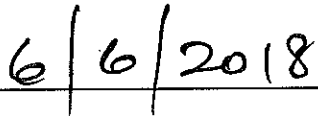
12. DATE AND TIME OF NEXT MEETING

The next Audit Committee meeting will take place on Wednesday 6 June 2018 at 18.30 in the Portadown Campus.

The meeting concluded at 20.31.



CHAIR



DATE

