

**MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE OF THE GOVERNING BODY OF SOUTHERN REGIONAL COLLEGE HELD ON TUESDAY 13 SEPTEMBER 2002 AT 18.30 IN THE BOARDROOM, NEWRY WEST CAMPUS.**

**MEMBERS PRESENT:**

Mrs Hilary Singleton (Chair)  
Mr Aidan McCormick  
Prof. Gregory O'Hare  
Mrs Carla Shields  
Dr Eileen Stewart  
Mr Matthew Turner

**IN ATTENDANCE:**

Mr Brian Doran, Chief Executive & Accounting Officer  
Mrs Lee Campbell, Director of Finance and Planning  
Mr David Conliffe, Dept. for the Economy  
Mr Matthew McNeice, NI Audit Office  
Mr Ian McCartney, RSM UK  
Miss Clodagh Palmer, Boardroom Apprentice  
Miss Lindsay Armstrong, Secretary to the Governing Body

The meeting commenced at 18.30.

Mrs Singleton welcomed Miss Palmer and Mr McNeice to their first meeting of SRC's Audit and Risk Committee. Members noted that Mrs Shields and Mr Conliffe have joined the meeting virtually.

Mrs Singleton asked that her thanks be recorded for the strong leadership of the outgoing Committee Chair, Mr John Nugent who has demonstrated great diligence in the role.

Mrs Singleton acknowledged the robust governance structure in place at SRC with a central focus on improving outcomes for learners.

**A01. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Dr Thomas Moore.

**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 matters to be discussed. No interests were declared.

**A03. MINUTES OF THE MEETING 10 MAY 2022**

The minutes of the meeting of the Audit and Risk Committee held on the 10 May 2022 were verified for accuracy. The minutes were approved as an accurate record on proposal of Mr Turner and seconded by Mr McCormick.

**A04. MATTERS ARISING**

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

Mrs Singleton advised that Baroness Hallett has been appointed Chair of the Covid-19 inquiry. Mr Doran advised that the College had not sought Core Participant status and that the College had retained all records, information and data pertaining to the pandemic and will be in a position to provide this to the inquiry should this be required.

<b>ACTION BY WHOM</b>

## **A05. CHAIRMAN'S BUSINESS**

Mrs Singleton advised that she will be attending the Audit and Risk Chairs Forum on 4 October. She informed that the forum had been adjourned for 2 years because of the impact of the pandemic and is chaired by the Chair of DfE's Departmental Audit and Risk Committee.

Mrs Singleton informed of good meetings with the Director of Finance and Planning and the Head of Internal Audit, RSM UK. She advised that she has a planned meeting with the NIAO Engagement Manager, Alison Stafford on 27 September.

The Chair reminded Members of the College Leadership Risk Appetite session on 29 September and advised that the closing date for receipt of the surveys is 16 September.

Mrs Singleton encouraged those responsible for providing committee papers to ensure that they are issued to allow for distribution to Members seven clear days before the scheduled meeting. She asked Governors to advise the Secretary of their preferred format.

## **A06. AUDIT AND RISK COMMITTEE ANNUAL REPORT**

Mrs Singleton referred Members to the Annual Audit and Risk Committee report, remarking on a comprehensive document detailing the work of the Committee over the previous academic year and advising on the overall RSM opinion of 'satisfactory' for all audits conducted. Members were advised that approval of the risk management policy has been deferred to the next meeting.

Members reviewed the main findings of the self-assessment outcomes and were advised that a further finance training session has been agreed. Members recommended that fraud remains a standing agenda item and data security become a standing agenda item under confidential business.

Mrs Singleton requested that a briefing note be provided to the Audit and Risk Committee advising on any DAO letters, publication or guidance received, detailing any requests and College response.

The actions were approved, and the report agreed as an accurate record on the proposal of Dr Stewart and seconded by Mr Turner.

## **A07. COMMITTEE TERMS OF REFERENCE**

- **Withdrawal of Audit Code**

Members noted the DfE letter of 31 May 2022 advising on the withdrawal of the FE Audit Code and referral to the DoF Audit and Risk Assurance Committee Handbook.

Mr Conliffe advised that the Audit and Risk Committee's Terms of Reference will further need updating to remove the FE Audit Code requirement for ARC's to monitor and report annually on the performance and effectiveness of NIAO.

- **Audit & Risk Committee Terms of Reference**

Members reviewed their Terms of Reference and agreed that they remained appropriate on proposal from Mr Turner and seconded by Prof O'Hare, save for the requirement to amend the penultimate bullet point under 'duties' as discussed.

Miss Armstrong

Mrs Campbell

Miss Armstrong

## **A08. ANNUAL INTERNAL AUDIT REPORT**

### **• Learner Management System**

Mr McCartney referred Members to the Internal Audit findings of the Learner Management System audit. The Committee noted the advice that a disaster recovery plan is executed by the supplier Tribal in conjunction with IT Assist.

Members expressed concern that no clear disaster recovery plan existed. Mr Doran advised that the Change Management Board has responsibility for ensuring this element of the contract is delivered and informed Members that he would raise these matters at the Board's next meeting.

Mr Doran

### **• New Build Project governance – HE and Innovation Centre, Newry**

Mr McCartney referred Members to the Internal Audit findings of the New Build Project Governance audit and advised on three low priority recommendations. Mr Doran advised that the report will be presented to the Estates Project Board and reminded Members that the College has moved to the new 4Risk software.

Members noted the report and acknowledged that the business case was approved by the Department for the Economy and the Department of Finance.

### **• Internal Audit Follow Up Report**

Members reviewed the Internal Audit Follow Up Report and noted good management response in implementing agreed executive actions.

Mrs Singleton thanked Mr McCartney for his assistance.

## **A09. INTERNAL AUDIT PLAN 2022-2023**

Members reviewed the Internal Audit Plan 2022-2023. Mr Doran advised that terms of reference should be developed in conjunction with the relevant Director prior to sharing these with the Chair.

The audit plan was approved on proposal from Dr Stewart and seconded by Mr Turner.

## **A10. CORPORATE RISK REGISTER**

Members were referred to the new Corporate Risk Register presented from the 4 Risk software. Mr Doran advised that the Risk Management Committee were continuing to refine the risk information as they became more familiar with the software.

Mrs Campbell advised on the risk rating matrix and provided an explanation to the inherent risk ratings. She informed on a reduction of actions as a result of the implementation of controls and advised that the risk appetite will be addressed at the governance workshop on 29 September.

Mrs Singleton remarked that the College was likely to have a higher aversion to risks in areas such as fraud, cyber security and finances. She advised that it is important to redirect resources to areas of greatest risk, in line with the corporate risk appetite.

Mrs Campbell referred Members to the presentation of individual risks, the cause and effect, ownership, inherent and residual risk, risk appetite and actions required.

Prof O'Hare referred to Risk 1 Financial uncertainty inhibits long term planning and delivery of college strategic goals and remarked that the likelihood scoring may be too conservative. Mrs Campbell informed on the absence of an indicative budget and advised that the risk appetite is yet to be agreed.

Mrs Campbell informed Members that Internal Audit assurance has been removed as a control from Risk 2 and advised on risk aversion in regard to Risk 3 Security breach.

Mr Doran referred to Risk 4 Inability to recruit a skilled workforce and advised that the attractiveness of lecturer pay is impacting on the recruitment and retention of staff. He informed that the matter is being progressed through the College Employers Forum.

Members were advised that the new system allows for the linking of risks through functional and corporate risk registers.

Members noted the new wording of Risk 5 Failure to meet the conditions of planning for Craigavon campus within designated timeline resulting in new planning application. Mr Doran advised that should the judicial review appeal process extend to a second day, this is scheduled to take place on 3 October.

Mrs Campbell referred Members to the number of actions assigned to Risk 6 Continued reduction in Fulltime HE MaSN recruitment and advised that completion of actions should increase the control and reduce the risk rating.

Members were advised that there is potential to remove Risk 8 Coronavirus pandemic impacting on continued delivery of college services. Members noted that controls are being removed and the risk sits within the appetite score.

Mr Doran advised that impact scoring remains high for Risk 9 Failure to provide a safe working environment and informed on the process of standardising guidance. He stated that management continued to focus on the appropriateness of health and safety practices across the college.

Mrs Campbell advised on a medium / high scoring of Risk 10 Failure of the learner management system to support critical business process and advised on a trial of online enrolment.

Members were advised of a new risk, Provision of effective safeguarding processes to ensure the safety and protection of vulnerable adults and young people. Mr Doran stated that it important to review the areas as a corporate risk and advised of controls in place.

Mr Doran remarked on the separate strands of Risk 12 Decrease in retention and achievement of learners and advised on a focus on falling enrolments.

The Committee expressed satisfaction with the new reporting format and were encouraged to raise any potential risks within the Committee to be captured under horizon scanning.

#### **A11. RISK MANAGEMENT ANNUAL REPORT**

Members noted the Annual Risk Management report detailing the sixteen functional risk registers.

#### **A12. DIRECT AWARD CONTRACTS**

None to report.

**A13. DfE TfS / Apps COMPLIANCE AUDITS**

Mrs Campbell advised that there have been nine compliance audits conducted since February and informed that the two completed reports advise on a 0% error rate and 0% financial recovery.

Members reiterated their remarks on the disproportionate number of audits being conducted and hope that the matter may be addressed through the new Partnership Agreement between DfE and the College.

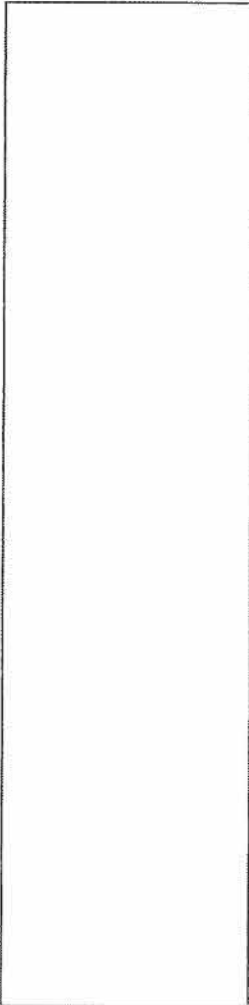
**A14. ANY OTHER BUSINESS**

Members reviewed the National Fraud Initiative matches report noting that no fraud was identified.

**A15. DATE AND TIME OF NEXT MEETING**

The next meeting of the Audit and Risk Committee is scheduled to take place on Tuesday 8 November 2022 at 17.30 via TEAMS.

The meeting concluded at 20.11.



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**CHAIR**

\_\_\_\_\_  
**DATE**

Certified as a true copy of minutes approved by the means of remote working by the Secretary, Miss Lindsay Armstrong.

signature redacted

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*16 November 2022*  
**DATE**