

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE OF THE GOVERNING BODY OF SOUTHERN REGIONAL COLLEGE HELD ON TUESDAY 12 SEPTEMBER 2023 AT 17.30 BOTH IN THE BOARDROOM, PORTADOWN CAMPUS AND ONLINE VIA TEAMS.

MEMBERS PRESENT:

Mrs Hilary Singleton (Chair)
Mrs Patricia McCaffrey
Dr Eileen Stewart (via TEAMS)
Mr Matthew Turner

IN ATTENDANCE:

Mr Raymond Sloan, Interim Chief Executive & Accounting Officer
Dr Thomas Moore, Governing Body Chair (via TEAMS)
Mrs Lee Campbell, Director of Finance and Planning
Mr David Conliffe, Dept. for the Economy (via TEAMS)
Mr Brian O'Neill, NI Audit Office
Ms Laura Murphy, NI Audit Office (via TEAMS)
Mr Ryan Lunney, NI Audit Office (via TEAMS)
Mr Ian McCartney, RSM UK (via TEAMS)
Mrs Sinead Lavery, Boardroom Apprentice (via TEAMS)
Miss Lindsay Armstrong, Secretary to the Governing Body (via TEAMS)

The meeting commenced at 17.32.

Mrs Singleton welcomed new attendees to Southern Regional College's Audit and Risk Committee. Mr Lunney advised that he will be supporting the NIAO audit process. Mrs McCaffrey was welcomed as a new Member to the Board and Committee. Mrs Singleton passed on her best wishes for a speedy recovery to Mrs G Campbell who is currently unwell and is a new Member to the Audit and Risk Committee. Mrs Singleton welcomed Mrs Lavery, Boardroom Apprentice and Mr Sloan, Interim CEO and Accounting Officer to their first meeting of SRC's Audit and Risk Committee.

Mrs Singleton commented on the range of skills that are brought to the Committee and advised that the Audit and Risk Committee provides a helicopter view of all college functions. She remarked that she is impressed by the strong ethos for continued improvement, policy of no surprises and good relations with regular attendees from the sponsor department, NIAO and internal auditors. Attendees made their introductions.

Mrs Singleton advised that queries raised will be addressed at the appropriate point during the meeting and commented on the good practice of addressing any concerns prior to the meeting through the office of the Secretary.

A01. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mrs Geraldine Campbell.

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. No interests were declared.

A03. MINUTES OF THE MEETING 16 MAY 2023

The minutes of the meeting of the Audit and Risk Committee held on the 16 May 2023 were verified for accuracy and approved as an accurate record on proposal of Mr Turner and seconded by Dr Stewart.

ACTION BY WHOM

A04. MATTERS ARISING

- **Actions Log**

Mrs Singleton referred Members to the actions log. Mr Sloan clarified that zoned heating in the older campuses is not a viable value for money option.

Mr O'Neill advised on an increase in auditing fees accumulated and transferred to colleges due to the changes to international auditing standards. He informed on the first pilot year and advised that fees will be reviewed next year.

Mrs Singleton informed that environmental, social and governance (ESG) considerations will be discussed as part of the Internal Audit strategy with regard given to a possible advisory piece of work or presentation to the Audit and Risk Committee by the responsible college party.

A05. CHAIR'S BUSINESS

Mrs Singleton confirmed that she was a panel member on the appointment process for the Interim Principal and Chief Executive position.

She informed that she met with Internal Auditors on 11 August to discuss the parameters of the 2023-2024 Internal Audit strategy.

Mrs Singleton spoke to the success of the Annual SRC Corporate Health and Wellbeing Day on 21 August.

She informed that she had met with Miss Armstrong on 22 August to formalise Committee induction processes and the development of a dedicated folder to collate relevant auditing policies and guidelines.

Mr O'Neill advised on useful seminars being delivered by the Chief Executives Forum on public accountability and governance.

Mrs Singleton informed that she had met with the Director of Finance and Planning to discuss the Committee agenda.

She spoke to the success of the farewell luncheon on 31 August and HE Graduation on 1 September in the Armagh City Hotel and commended staff and students on their achievements.

Mrs Singleton advised on the Risk Appetite workshop convened 6 September and facilitated by Richard Mackie, RSM.

A06. CORPORATE RISK REGISTER

Mrs Singleton referred Members to the Corporate Risk Register (CRR) which is supported by fourteen operational Risk Registers and Governance Risk Register. She advised that the Governance Risk Register is maintained by the Secretary.

Mr Sloan advised on an Executive Risk Management Committee meeting convened on 30 August and confirmed it was decided that six residual risks be reduced on the thirteen risks reviewed. He confirmed that Risks 1, 5, 9, 11 and 18 currently sit outside the risk appetite and advised on the inclination to move Risk 10 off the CRR.

Mrs Campbell referred Members to Risk 1 Financial uncertainty inhibits long term planning and delivery of College strategic objectives and advised on considerations given to amending the descriptor.

She informed that the Risk was within the confines of risk appetite in April 2023 following receipt of the residual budget but that this position has now changed. Members were advised that the College continues to monitor cost savings, financial pressures and appropriate funding allocation.

Mrs Campbell referred Members to Risk 5 Failure to deliver the new Craigavon campus as set out in the Estates Strategy and relayed suggestions arising from the workshop to review the risk appetite.

Mrs Campbell referred Members to Risk 9 Failure to provide a safe working environment and advised that although impact is rated high, due to the controls in place the likelihood is relatively low. Mr Sloan confirmed that the HASMAP report will be presented to the next meeting of the Finance & General Purposes Committee and thereafter the Audit and Risk Committee. He commented on 100% compliance across all assessed areas.

Members were informed on the systems and processes reviewed by the Health and Safety Management Committee and the maintenance of a 'near miss' register.

Mrs Campbell referred Members to Risk 11 Provision of effective Safeguarding processes and advised that the residual risk currently sits outside the risk appetite. Mr Sloan confirmed that the safeguarding register was presented to the full Governing Body on 29 August and advised that although the number of 'cause of concerns' is reducing, the complexity of concerns has not diminished in any sense. Mrs Singleton commented that it may be appropriate to increase the risk appetite.

Mrs Campbell referred Members to Risk 18 Lecturer Trade Union Industrial Action and advised that the new risk was added within the 2022-2023 academic year. She advised that the residual risk was reduced however cautioned that it will need to be reviewed and advised on the scope to merge existing risks.

In response to a comment by Mrs McCaffrey, Mr Sloan confirmed that College staff have the advantage of ongoing training and upskilling in the workplace.

Mrs McCaffrey enquired as to the need for Risk 17 Inability to make claims through the TAMS system, to be removed from the CRR and enquired about mitigations in place. Mrs Campbell advised that the Risk was originally financial in nature though due to processes put in place the finance team can adapt with operational workarounds. She informed that although TAMS is being effectively managed in SRC, other colleges are reporting an accuracy risk. Mrs Singleton commented on the potential to audit processes in the 2023-2024 Internal Audit Strategy.

Mrs Campbell informed on issues arising from the risk appetite workshop and advised on next steps to review and revise as appropriate for approval at the November Audit and Risk Committee and thereafter Governing Body endorsement.

Dr Moore advised that he was happy with the approach and emphasised that workshops are not to be regarded as a governance decision making forum.

Members noted the report.

A07. RISK MANAGEMENT ANNUAL REPORT 2022-2023

Members noted the Risk Management Annual Report and minor required amendment at 4.2.

A08. AUDIT & RISK COMMITTEE ANNUAL REPORT 2022-2023

Members reviewed the Audit and Risk Committee Annual Report 2022-2023, incorporating Members self-assessment outcomes. Mrs Singleton remarked that the financial skillset of new Members remedies previous concerns on succession planning.

The report was unanimously approved on proposal from Mr Turner and seconded by Dr Stewart.

A09. AUDIT & RISK COMMITTEE TERMS OF REFERENCE

Mrs Singleton referred Members to the Committee Terms of Reference and advised that although the Terms of Reference themselves have not changed, minor amendments have been incorporated to reflect reporting and information requirements.

Mrs McCaffrey enquired about the appropriateness of facilitating a regular pre-meeting of the Committee without management present. Mrs Singleton responded that an annual pre-meet is scheduled in the Autumn term. She advised that frequency of such had been discussed and the consensus within SRC is that an annual meeting would suffice. Mrs Singleton emphasised that there are open lines of communication between herself as Chair and the external attendees.

The Committee Terms of Reference were approved on proposal of Dr Stewart and seconded by Mr Turner.

A10. INTERNAL AUDIT ANNUAL REPORT 2022-2023

Mr McCartney referred Members to the Internal Audit Annual Report and the opinion that overall, there is a Satisfactory system of governance, risk management and control operating within SRC. He referred to the scope and limitations of the Internal Audit (IA) work, and the factors and findings which have informed the IA opinion.

Mr McCartney referred to the five reviews conducted in 2022-2023 and advised on good governance observations and areas of good practice. He confirmed that all seven recommendations have been implemented and referred Members to other areas of work adding value by the RSM Risk Assurance Technical team.

Mrs Singleton thanked the Internal Audit team for their continued assistance.

A11. INTERNAL AUDIT REPORTS

• Lost Learning

Mr McCartney referred Members to the sectoral advisory Lost Learning review and spoke to a positive report. He advised on areas of good practice and confirmed that no recommendations were identified.

Mrs Singleton advised that she was impressed by the individual approach to learners during Covid and high levels of pastoral care.

Mr Turner remarked on good use of targeted attention.

• Follow Up Report

Mr McCartney informed on progress on actions and confirmed that all recommendations have been implemented.

Members noted the reports.

A12. INTERNAL AUDIT PLAN 2023-2024

Mr McCartney informed Members that corporate objectives are the main driver of the IA strategy and advised on conversations with the Chair and responsible Director. He confirmed planned delivery of 40 days and £17k fee.

Mr McCartney referred to the audit approach and information risk management processes. He advised on proposed areas of review including human resources, estates, data protection, TAMS system and safeguarding.

Discussion took place regarding the balancing of finance and governance risks and conversation centred around the appropriateness of focusing on ESG and the timetabling of the TAMS review.

Mr McCartney advised that all colleges are reporting an interest in testing internal controls on the TAMS system and expressing a need for support in establishing an ESG roadmap.

The Committee agreed to defer approval of the Internal Audit Strategy to allow Mrs Campbell to report back on discussions taking place at the NIFON Group.

A13. DIRECT AWARD CONTRACTS

None to report.

A14. DfE TfS / Apps COMPLIANCE AUDITS

None to report.

A15. FE CIRCULAR 10/23 ACCOUNTS DIRECTION 2022-2023

Mrs Campbell confirmed that the Accounts Circular 2022-2023 was presented to the full Governing Body on 29 August for noting.

A16. ANY OTHER BUSINESS

Members agreed a pre-meet at 18.15 on 14 November to meet privately with auditors.

A17. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled to take place on Tuesday 14 November 2023 at 18.30 in the Boardroom, Portadown campus.

The meeting concluded at 19.04.

signature redacted

20th November 2023
DATE