

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE OF THE GOVERNING BODY OF SOUTHERN REGIONAL COLLEGE HELD ON TUESDAY 6 FEBRUARY 2024 AT 18.30 BOTH IN THE BOARDROOM, PORTADOWN CAMPUS AND ONLINE VIA TEAMS.

MEMBERS PRESENT:

Mrs Hilary Singleton (Chair)
Mrs Geraldine Campbell
Mrs Patricia McCaffrey
Mrs Sharon O’Hare
Dr Eileen Stewart (via TEAMS)

IN ATTENDANCE:

Dr Thomas Moore, Governing Body Chair
Mrs Lee Campbell, Temporary Chief Executive & Accounting Officer
Mrs Heather Sampson, 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 18.31.

Mrs Singleton welcomed Mrs O’Hare, Audit and Risk Committee Member to her first meeting.

The Chair extended thanks to Mr Raymond Sloan for his contribution to the work of the Committee during his term as Interim Principal and CEO.

The Chair proposed that discussion regarding Corporate Risks 18 and 19 be convened under confidential business.

A01. APOLOGIES FOR ABSENCE

No apologies for absence were received.

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 20 NOVEMBER 2023

The minutes of the meeting of the Audit and Risk Committee (ARC) held on the 20 November 2023 were verified for accuracy and unanimously approved as an accurate record.

A04. MATTERS ARISING

- **Actions Log**

Mrs L Campbell informed that environmental, social and governance (ESG) considerations are being progressed with RSM Internal Auditors and advised that the Governing Body will be appraised of emerging risks at their meeting in June 2024.

Mrs L Campbell advised that considerations for IOSH training for Governing Body Members is ongoing.

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A05. CHAIRPERSON'S BUSINESS

Mrs Singleton confirmed that the slides relating to the DfE audit training in December 2023 have been uploaded to the Common Materials site and the Secretary has notified Governors of same.

The Chair informed that she served as a panel Member on the Temporary Principal / CEO post and confirmed that Mrs L Campbell has taken up position as of 5 February 2024.

Mrs Singleton informed that a presentation on ESG in conjunction with North West Regional College is to be agreed for 14 February 2024.

A06. CORPORATE RISK REGISTER 2023-2024

Mrs Singleton reminded Members that risk descriptors and cause and effect have been reviewed within the Corporate Risk Register (CRR) and has resulted in the amalgamation of nine Risks.

Mrs L Campbell reminded the Committee of a workshop convened in September 2023 to discuss risk appetite of items referred to in the CRR and subsequent agreement reached at the ARC meeting November 2023. She advised that version 2 of the 4Risk reporting system will be presented at the May meeting.

Regarding Risk 1 Failure to ensure the financial sustainability of the College, Mrs L Campbell advised that the Risk currently sits outside the risk appetite and informed that the College Development Plan is still in draft. She advised on some potential concerns which may arise relating to the Trainee and Apprenticeship Management System (TAMS) system, however cautioned that they have not materialised yet. Mrs L Campbell informed that should the risk materialise, consideration will be given to adding an additional risk to the CRR.

Members were advised that Risk 3 Inability to evolve to prevent and respond effectively to Cyber Security / ICT failure sits within risk appetite.

Mrs L Campbell informed that Risk 4 Inability of the College to recruit an appropriately skilled workforce sits within risk appetite and advised on new actions to be added.

She advised that the descriptor for Risk 5 has been changed to Inability to deliver on College Estate Strategy and informed that the Director of Client Services has been tasked to review the controls in place.

In response to a query from Mrs Singleton regarding the options appraisal, Dr Moore informed that a meeting of the Estates Project Board is to be convened by month end.

In response to a query from Mrs Singleton, Mrs L Campbell advised that considerations specific to the Craigavon estate are contained within a separate risk register reported to the Estates Project Board.

Members reviewed Risk 6 Inability of the College to maintain sustainable student numbers and discussed duplication of provision.

Dr Moore enquired about advancements of the tertiary education group and asked that developments be relayed to the full Governing Body.

Members discussed the ability to make deep dives into areas of concern, with the assistance of Internal Auditors and the possibility of inviting senior staff to report directly to the ARC. Mrs L Campbell provided assurance that the Executive instruct operational

Ms Shackels

staff to conduct deep dives into their risk areas, confirming that any issues which would impact at corporate level would be reported back through the CRR to the ARC.

Mrs L Campbell advised that the residual risk remains low in relation to Risk 9 Inability of the College to maintain the required regulatory and Health and Safety Standard to provide a safe working environment for our staff, students and members of the general public. She advised that assurance is obtained from adherence to the HASMAP standard.

Mrs L Campbell informed that CRR 11 Inability of the College to effectively ensure the safeguarding of students sits outside risk appetite. She explained that although controls are in place to reduce the likelihood of incidents occurring, impact remains high.

Mrs L Campbell advised Members of an Internal Audit on Safeguarding included in the 2023-2024 audit plan. Members recommended that once complete the Internal Audit report be referred to the Governance Safeguarding Lead, Dr Milner for information.

Mr McCartney presented the Emerging Risk Radar Report designed to inform horizon scanning and explained that this categorises risks, namely those that are more prevalent, those to keep monitoring and those worth watching. He informed that the report is updated every six months and 203 survey responses from board members and risk professionals have fed into the report.

Mr McCartney informed that emerging common interests are within the areas of cyber, ESG and people resources. He advised that the report serves as a checklist for organisations to minimise the likelihood and impact of potential areas of concern. Mrs Singleton spoke to an extremely useful report.

A detailed discussion took place regarding the increasing prevalence of artificial intelligence. Members agreed that the Executive consider emerging risks and policy position.

In response to a query from Mrs Singleton, Miss Armstrong confirmed that the Governance Risk Register (GRR) is regularly reviewed in conjunction with the operational risk registers by the Risk Management Team and feeds into the CRR. She confirmed that the GRR will be presented for review at the next Committee Chairs meeting.

A07. NATIONAL FRAUD INITIATIVE 2022-2023 MATCHES

Mrs L Campbell referred Members to the National Fraud Initiative data matches 2022-2023 and advised on the two-year cycle. She confirmed that SRC does 100% of the checks and no fraud has been identified. Mrs L Campbell informed that one match requires further investigation and a further update will be provided for at the May meeting.

Members noted the report.

A08. POLICY APPROVAL

- **Risk Management policy**

Mrs L Campbell referred Members to minor recommended amendments to the Risk Management policy following review of risk appetite.

The policy was approved by Committee Members, without dissent.

A09. FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE

Mr O'Neill presented the Report to Those Charged with Governance finalised following the certification of the Accounts and Financial Statements.

Miss Armstrong

Mrs L Campbell

Mrs L Campbell

He advised that recommendations regarding the depreciation of assets were accepted, and no financial adjustments, uncorrected misstatements or irregular expenditure was identified during the course of the audit.

Mrs L Campbell advised on a management action to review depreciation rates in conjunction with the sector.

Mrs Singleton enquired about the NIAO position regarding the College's depreciation policies should they be regarded as correct. Mr O'Neill advised on a number of variables to consider including findings across the sector and materiality.

A10. INTERNAL AUDIT PROGRESS REPORT

Mr McCartney spoke to the key messages contained within the Internal Audit Progress Report and advised that several TAMS reviews are underway across the sector.

He confirmed that no additional internal audit reports are available to present, advising that it was agreed that the Human Resources and Estates audit reports be presented to the May meeting.

The Committee noted the information.

A11. RECOMMENDATIONS UPDATE

Members noted one item closed out on the recommendations update report and two that are ongoing.

A12. DIRECT AWARD CONTRACTS (DAC)

Members noted the previously reported procurement of WKI licences contained within the DAC register.

A13. DfE COMPLIANCE AUDITS

Mrs L Campbell reported on the outcome of the compliance inspection which found 0% error rate and no requirement for financial recovery. She advised on one finding relating to the late registration of four students and advised that the compliance officer has accepted the rationale.

Members noted the report.

A14. DAO CORRESPONDENCE

Members noted the correspondence in relation to Managing Public Money NI, guidance on engagement with the Gateway assurance review process and appointment of a senior responsible owner and updated guidance on the government's voluntary and community sector's funders database.

Mrs O'Hare advised on tight controls assigned to the Estates' change management log.

A15. ANY OTHER BUSINESS

None to report.

A16. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled to take place on Tuesday 14 May 2024 at 18.30 in the Boardroom, Portadown campus or via TEAMS.

The meeting concluded at 19.48.




CHAIR

14 May 2024.
DATE