

SOUTH EASTERN REGIONAL COLLEGE

Minutes of a Meeting of the Audit Committee of the Governing Body (the “Committee”)

held on Thursday 1st February 2024 at 17:30, via Microsoft Teams Videoconference

1. Chairs Business

Attendance and apologies

Present: Mr Samuel Hagen, Mrs Carolyn King, Mr Darren Stewart, Mr Mark Huddleston, Mr Michael McQuillan, Miss Vikki Pinkerton

In attendance: Mr John Nugent (Chair of the Governing Body) Mr Tommy Martin (Chief Finance Officer) (the “CFO”) Mr Ken Webb (Principal), Mrs Heather McKee (Director of Strategic, Planning, Quality and Support) Mrs Claire Williamson (Secretary to the Governing Body), Mr Ian McCartney (RSM), Mr David Conliffe (DfE), Mr Patrick Barr (NIAO Representative), Mr Andrew Emmett (Chief Technology Officer)

Apologies: Ms Wilma Fee

In the Chair: Mr Hagen

b) Declarations of Conflict of Interests

The following conflicts were declared:

- Mr McQuillan declared he is Chief Executive of Enterprise NI and a board member of Invest NI. No action was taken in relation to the declared conflicts.
- The CFO declared his daughter is employed as a lecturer at the College.

No action was deemed necessary on any of the declarations made.

c) Minutes of the meeting held on 16th November 2023

Previously issued to all Members.

The minutes from the previous meeting were reviewed and members agreed they were a true and accurate reflection of the meeting.

Proposer: Mark Huddleston

Seconder: Carolyn King

d) Action Points from the meeting held on 16th November 2023

Previously issued to all Members.

The Chair highlighted the actions were complete.

2) Correspondence

Papers previously issued to all Members.

a) Report to those Charged with Governance 22/23

The Chair advised members that the correspondence at 002A.1 is the formal signed off version of what they had viewed previously.

b) SERC Budget allocation 23/24

The CFO talked to the paper provided at 002B.1 that sets out SERC's budget position after the January 2024 monitoring rounds. He highlighted the amendments made to the budget and in particular advised members the pressure has been reduced to £295k from £800k as allocations had been made to cover pay awards and further funding was received for traineeships.

A member enquired how much risk there was to the College next year, in the middle of the reform to save scheme and without a consolidated budget? The Principal highlighted in the absence of the NI executive a consolidated budget is not going to be provided and so the College is unable to financially plan for the year ahead. He added that in the incoming year there is no additional funding to cover pay pressures and another year of RtS will impact delivery and so there will be overall less funding.

The Chair commented that public funding is very uncertain for all public bodies and noted that Departmental colleagues are aware of the College's financial position.

3) Items for Information

Papers previously issued to all Members.

A) Strategic Risk Management Report

The CFO provided members with an overview of the current register provided at 004A.1 and highlighted there are currently 5 red and 2 amber risks. In summary the following points were highlighted:

- The CFO began by advising members that the risk on the Reform to Save scheme has been downgraded as the scheme is progressing in line with the agreed timetable.
- Members noted that escalation of action short of strike by lecturers and withholding marks has now become critical in terms of managing this risk, the CFO advised the committee that contingency plans are being reviewed and the Chair of the Principals' Group has been asked to contact JCQ urgently to discuss putting contingencies in place with Awarding Bodies.
- The Chair commented that this risk is significant and the impact on students goes to the heart of what we do as a College.
- The Chair of the Governing Body advised that this situation is being closely monitored and a special GB meeting will be held if necessary to agree appropriate action.

a) Operational Risk Report

The Director of Strategic, Planning and Support presented an overview of a sample of operational risks within her directorate. She highlighted risks across learning support, customer services and marketing.

The Chair of the GB enquired if there are any current constraints on the learning support service given the current budget pressures. The Director advised that the service is across all the campuses, and it is allocated based on the need of each individual student. She highlighted that learning support is not the same as a school classroom assistant and so it is not fulltime, the service is about enabling an independent learner with the hope of going into employment and so is very much tailored to the individual. She added that the demand for the service is high, and the College could absolutely do with more resource if it was available.

The Chair thanked the Director for her update and noted that is useful for the committee to see the risks presented by the financial situation, coming through in the day-to-day operations of the College and the impact on the learner.

b) SERC Submission to DfE A&R committee

The CFO referenced the submission at paper 004B and advised that he was presenting it to the committee as the College has reported that industrial action, the lack of a consolidated budget, inflationary and funding pressures are having a significant impact on the College delivery.

c) IT Resilience Statement

The Chief Technology Officer talked to the written report provided at 004C and highlighted some of the key areas within the report. To begin he advised members there had been two serious incidents within the last 90 days, both of which were 'Distributed Denial of Service'. He explained the mitigations in place and advised that in the first incident there had been minor disruption to the service in the Lisburn Campus.

The CTO explained that Lisburn campus was automatically placed into mitigation by JISC, but a misconfiguration on the JISC side caused minor disruption, resulting in a loss of connectivity to Microsoft services for approx. 1 hour. JISC took feedback from the College and committed to preventing a similar outage in future.

In response to a question from a member on the risk to the College using unsupported software and outdated desktop equipment the CTO advised that he is trying to include this in next years budget to mitigate the risks. The CFO added that the finance team are trying to source some extra funding to direct towards this area, although this is a high priority there are so many conflicting priorities in terms of financial pressures currently.

Action; The committee asked for an update at their next meeting on the risks associated with using unsupported software and outdated desktop equipment.

4) Policies

Policy previously issued to all members.

a) Risk Management Policy

The CFO presented the policy for review at paper 004A. He highlighted the College received legal communication in reference to a risk management plan, for a student who is part of an ongoing criminal investigation.

The recommendation was to make an explicit statement regarding risks arising from students who have complex medical, social or behavioural needs, or students with criminal disclosures, where their attendance may result in a negative impact on the student, other students, staff or on the delivery of the College's services.

A member enquired if the changes to the policy would need to be reflected in the College Safeguarding policy and processes. The Director of SPQS confirmed it would not and advised that this particular incident was managed by CMT through a risk management plan.

Agreed: The Risk Management Policy was approved and recommended to the Governing Body for adoption on the proposal of Mark Huddleston and seconded by Michael McQuillan.

5) Internal Audit

Papers previously issued to all Members.

a) Safeguarding

Mr McCartney referred to the paper 005A.1 and provided an overview of the key recommendations and areas of good practice identified, he advised that the overall report received a limited assurance rating. Members noted that a high priority recommendation was made regarding staff commencing employment before their DBS checks were finalised.

The Chair commented that it is unusual for the College to receive a limited assurance rating and asked Mr McCartney to explain why this issue was a high recommendation. Mr McCartney explained that a limited assurance is down to the categorisation and definitions of findings, the matter could have significant reputational risk to the College as safeguarding can have significant impact on reputation. He added that it was a borderline limited/satisfactory assurance rating.

The CFO commented that he took the point the rating was border line and explained that at no time were any of the staff identified working alone, they were shadowed by other members of staff. He pointed out that the formalisation of the recording/documentation of this process was where action was required.

The Chair invited the Director of SPQS to comment on the report and she reiterated that at no time were any students at risk in the College and the amount of good practice identified demonstrates that it is overall a good report.

The Chair noted the comments and advised that the committee were gratified to have that level of assurance and in his view that the classification of a priority 1 recommendation leading to a limited assurance was an unfortunate outcome for the College.

b) Absence Management

Members noted this report would be presented at the next meeting of the committee in April.

c) Progress report

Members noted the progress report provided by RSM at 005C.

d) RSM Emerging Risk Radar

Members noted the report provided by RSM at 004D for information.

Action: The Chair asked that this report was shared with the wider Governing Body.

6) Summary of Actions taken in Response to External & Internal Audit recommendations

The CFO highlighted the paper at 006 and advised there is one recommendation ongoing in relation to the Conflicts of Interest policy which is now with the sector HR working group for approval.

7) Fraud Update

Paper previously issued to all Members.

Members noted the Fraud report at 007 and the CFO highlighted there are no new cases for 23/24.

8) Any other business

Paper previously issued to all Members.

The Chair reminded all attendees that if they are providing papers to the committee that they should be with the Secretary on time to issue 7 days of advance of the meeting date.

The Secretary directed members to the paper at 008 which sets out the Effectiveness review plan and specifically the action relating to the areas of casework to review. She advised each committee were being asked to consider an option to review to ensure that it aligns with governance and strategy.

Action: Members were asked to provide casework areas to consider as part of the effectiveness review action plan.

At this juncture the Principal provided a update on RtS, he advised that applications closed at noon on Friday 26th January and 146 applications had been received. He further advised that the proposed number of staff for the scheme was 37 staff or 32 Fte's. However, this has been reduced by offering reduced hours and career breaks to 32 staff or 27 FTE's. The savings target under RtS for the College is therefore £1.4m.

The Chair declared the meeting closed at 7.05pm