

SOUTH EASTERN REGIONAL COLLEGE

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

held on Thursday 13th June 2024 at 17:30, Lisburn Campus and via Microsoft Teams

Videoconference

1. Chairs Business

Attendance and apologies

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

In attendance: Mr John Nugent (Chair of the Governing Body) Mr Tommy Martin ((Deputy CEO (the “CFO”)
Mr Ken Webb (Principal), Mrs Claire Williamson (Secretary to the Governing Body), Mr Ian McCartney (RSM), Ms Heather Sampson (DfE), Mr Patrick Barr (NIAO Representative), Mr Andrew Emmett (Chief Technology Officer), Mr William Greer (Chief Training and Contracts Officer), Mrs Emma Finney (Head of Business Engagement), Ms Victoria Boyd (Head of Training Programmes & Apprenticeships) Garfy Ritchie (Deputy Principal Curriculum

Apologies:

In the Chair: Mr Hagen

b) Declarations of Conflict of Interests

The following conflicts were declared:

- The Deputy Chief Executive declared his daughter is employed as a lecturer at the College.
- The Deputy Principal Curriculum declared his wife and siter were employees of the College.
- 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.

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

c) Minutes of the meeting held on 25th April 2024

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: Carolyn King

Seconder: Darren Stewart

d) Action Points from the meeting held on 25th April 2024

Previously issued to all Members.

The DCEO advised that at a recent NIFON meeting, colleagues had agreed to share their strategic risk registers among the sector.

Members noted that the Maintaining qualification availability and delivering qualification reform risk had been discussed at Governing Body as agreed and the Principal advised he had raised the issue with Departmental colleagues. The Principal had been asked by the FE Director to formally write to the Department to set out the risk to the sector.

Action: Heather Sampson to issue a note on the Department's position to the Governing Body Secretary on the risk around qualifications

e) Review of Committee Terms of Reference

Previously issued to all Members.

Agreed: Members agreed that the ToR were still fit for purpose and asked for a slight change to grammar and titles changes to reflect the new staffing structure within the College. The terms of reference were agreed on the proposal of Carolyn King and seconded by Mark Huddleston.

2) Correspondence

Papers previously issued to all Members.

a) Assurances on College Performance 030524

The Chair directed members to the correspondence and highlighted the recommendation from the DfE audit that further assurance is needed on the verification of College data and should be included regularly in an internal audit plan.

In a brief discussion the Department's representative Ms Sampson noted that the committee can decide on the frequency of the reviews however the Department would want input into the terms of reference as they want assurance on specific areas.

Agreed: The committee agreed to include a review on college data in the 3-year internal audit plan

Action: DfE agreed to share the internal audit report and a copy of the risk that was associated with findings

b) Governance and Accountability Issues from TOA

Members were asked to note the enclosed correspondence for information.

3) External Audit

Papers previously issued to all Members.

a) External Audit Strategy 2023/24

On the invitation of the Chair Mr. Barr presented the external audit strategy for 2023/24, he highlighted the key aspects and approach of the audit and the specific actions for the audit committee members to consider and discuss.

In response to a question from a member of the committee the DCEO confirmed he was content with the timeline proposed, however, he highlighted that with the additional work required for the March year end this is not a sustainable workload for the finance team. He added that there is a significant amount of work going on within the sector to move away from the July year end.

The Chair enquired if the two risks identified are specific to SERC or if they are generic, Mr. Barr confirmed that the first risk is generic and the second is applied depending on amount of revenue and transitions, so it is broadly generic also. He confirmed that the NIAO are aware of some of the issues with the TAMS systems and will be reporting on it.

In concluding the discussion, the Chair directed members to the specific actions for this committee on page 3 of the report and asked them to review and highlight any issues they are aware, none were noted.

Agreed: The External Audit Strategy for 23/24 was agreed on the proposal of Mark Huddleston and seconded by Michael McQuillan.

4) Items for Information

a) Operational Risk Report

The Business Services Team presented an overview of the operational risks within their directorate, the following risks were discussed:

Training Organisation

- Failure to meet income targets for Skills for Life and Work and ApprenticeshipNI
- Failure to meet Contract targets for TfS 2017/AppNI 2017/SFL&W/AppNI 21

- Inability to operate the Trainee & Apprentice Management System (TAMS) due to implementation issues

Business Services

- Failure to meet Business Services income targets
- Failure to control delivery costs

In a robust discussion the committee noted the volatility of the funding for business services and the current challenges facing the team, for example the focus on intertrade by DfE. The Principal added that FGP were advised this week that income for this area was reduced by £800k and the next day a letter was received advising there was potential funding of £425k. The Principal highlighted this is another demonstration why the sector need a consolidated budget and he stressed the importance of this to the Minister at a recent meeting.

b) Report on Financial Reconciliations on TAMS System

The Head of Training Programmes & Apprenticeships provided an overview of the report provided at 004B and highlighted the financial reconciliations that were done in relation to the TAMS system. She added that 8 errors were functionality errors of the system rather than SERC staff. The Chair noted that this provided a high level of assurance for the committee and commended the amount of work the staff have put into this particular area of work.

c) Strategic Risk Management Report

The CFO provided members with an overview of the current register provided at 004C.1 and highlighted there are currently 3 red and 3 amber risks. A new risk has been identified in relation to the new staffing structure and has been graded amber, the DCEO advised there is a lot of work being done across the organisation to implement the new structure.

A robust discussion took place on the risk to managing qualifications and members noted that the Department have been asked to escalate the risk to their own strategic risk register. The Chair highlighted the risk will be discussed at Education Committee and Governing Body to help mitigate the risk to the College.

d) IT Resilience Statement

The Chief Technology Officer talked to the written report provided at 004D and highlighted some of the key areas within the report. He highlighted that some funding had been allocated for the replacement of kit and 185 PC's have been replaced, however there is still a significant risk as 755 PC's still need to be replaced.

5) Policies

Review of Financial Policies

Review of BCMP

The DCEO advised there had been a review of Governance and policies around the new staffing structure, the risk management and BCMP have been updated to reflect the new job titles and contacts lists.

The policy was approved on the proposal of Carolyn King and seconded by Mark Huddleston.

6) Internal Audit

Papers previously issued to all Members.

a) HR-Absence management

Mr McCartney presented the audit report and advised that it had been given a satisfactory assurance rating and 3 low priority recommendations with several areas of good practice identified.

b) Internal Audit progress report

Members were asked to note the enclosed progress report. The Chair enquired if there had been any issues that prevented the 10 day response KPI being met as set out on page 11 of the report. The DCEO advised this was solely to do with the HR report, management believed they had responded and had not.

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

Papers previously issued to all Members.

The CFO highlighted the papers at 007 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. The recommendation on absence management for 23/24 was approved by CMT this week.

8) Fraud Update

Paper previously issued to all Members.

Members noted the Fraud report at 008.

9) Any other business

Nothing to note.

The Chair declared the meeting closed at 7.36pm