

## SOUTH EASTERN REGIONAL COLLEGE

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

held on Thursday 12<sup>th</sup> September 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 (via Microsoft Teams), Mrs Nicola Wilson, Mrs Nuala Reid

In attendance: Mr John Nugent (Chair of the Governing Body) Mr Tommy Martin (Interim Principal & CEO), Mrs Claire Williamson (Secretary to the Governing Body), Mr Ian McCartney (RSM), Ms Heather Sampson (DfE), Mr Patrick Barr (NIAO Representative), Mr Andrew Emmett (Acting Director of IT & Finance), Mr Gary Ritchie (Deputy Principal Curriculum), Mrs Emma Carson (Acting Director of HR & Facilities), Ms Claire Ward (Deputy Head of Finance)

Apologies: Mr Michael McQuillan

In the Chair: Mr Hagen

### b) Declarations of Conflict of Interests

The following conflicts were declared:

- The Interim Principal & CEO 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.

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

### c) Minutes of the meeting held on 12<sup>th</sup> June 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:** Vikki Pinkerton

d) Action Points from the meeting held on 12<sup>th</sup> June 2024

*Previously issued to all Members.*

e) Annual Audit committee effectiveness review

The Secretary advised that due to the late return of the reviews she would work with the Chair to bring an action plan to the November meeting.

**Action:** Action plan to be presented to members at the next meeting on any improvements or training requirements identified in the effectiveness exercise.

## 2) Correspondence

*Papers previously issued to all Members.*

a) Accounts Direction 24-25

Members were asked to note the correspondence that sets out the requirements for FE colleges to prepare their 2023/24 Annual Report and Financial Statements.

b) National Fraud Initiative (NFI) in Northern Ireland: Data Matching Exercise 2024-25

Members were asked to note the enclosed correspondence. The Interim Principal & CEO highlighted that the College is participating in the NFI which is a data lift process across all public sector bodies, the exercise takes all raw data and cross references to see if any unusual matches can be identified across the organisations. Mr. Barr added that NIAO have published a report on the effectiveness of NFI participation as there is a total outcome to date of over £48m through this exercise and so he confirmed that it was productive to engage with the process.

c) Assurance on College Performance Data

The Chair asked members to note the enclosed correspondence and that this will impact on the internal audit plan for 2025/26.

d) Role Of Departmental Representatives at Audit And Risk Committees

Members were asked to note the enclosed correspondence.

## 3) Internal Audit

On the invitation of the Chair, Mr. McCartney presented the Internal Audit Plan 24/25 for review and approval.

Members noted that there are 5 planned internal audits over the year and Mr McCartney advised that the plan is fluid, and the current plan was developed by reviewing the strategic risk register and the College

Development Plan. He highlighted the review of these 5 risks allows internal audit to ensure that the proposed plan aligns with the organisation's assurance needs for the forthcoming and future years.

Mr McCartney set out the fee as agreed by the sector and provided some detail around the cyber security audit in response to a member's questions.

Agreed: The Internal Audit Plan was approved on the proposal of Nuala Reid and seconded by Carolyn King.

#### 4) Draft Financial Statements and Annual Report

The Deputy Head of Finance presented the Draft Financial Statements and Annual Report to committee and began by highlighting where we currently are in the process. She talked to the timeline within the report and asked committee to note she was seeking approval to allow the external audit work to commence.

The DHoF highlighted the governance statement within the report to the committee and provided a brief overview of the financial performance.

In response to a member's question the Interim Principal & CEO advised that the college still has a statutory obligation to report to the July year end, which is set out in these accounts, however work has begun to move to the March year end across the Sector.

The Chair highlighted that under section 8 of the report some items seem to be outstanding and enquired if that is a cause for concern? The DHoF advised that at this point of the year it is not unusual for some smaller items to be outstanding, however she was not anticipating any issues in completing these. The Deputy Principal Student Support Services added that the report runs in line with the College Development Plan and the final academic figures for 23/24 are not lifted until November.

**Agreed;** The Committee reviewed and approved the Draft Financial Statements and Annual Report on the proposal of Mark Huddleston and seconded by Carolyn King.

#### 5) Items for Information

##### a) Strategic Risk Management Report

The Interim Principal and CEO advised that in this interim period he will continue to chair the risk management meetings and report on the risks to committee. The Interim Principal & CEO provided members with an overview of the current register provided at 004C.1 and highlighted there are currently 3 red and 3 amber risks. He began by highlighting that although the risk around financial viability remains challenging for the College, the £300k pressure reported to committee in June has been mitigated with an increase to the income for Business Services.

Moving on, the committee had a robust discussion on the risk around 'Maintaining qualification availability and delivering qualification reform'. The Deputy Principal Curriculum set out the current position of qualifications being withdrawn from awarding bodies particularly around motor vehicle and hospitality. He emphasised that staff have so far managed to mitigate the risks to students already enrolled in these

courses, but these are only short-term measures. The Interim Principal & CEO added that this issue is not within the gift of the College to solve, and so work has been done to engage with key stakeholders to ensure there is awareness of the risk currently posed. In response to a query on the internal risk score the Interim Principal & CEO advised that he understood this risk to already be on the Department's risk register.

**Action:** Committee asked the risk on maintaining qualifications was escalated to Education Committee for a full discussion at their next meeting in September as an urgent agenda item

b) [Update on operational risk reports](#)

The Interim Principal & CEO advised there is no operational report for this meeting because the new management structure is still embedding. He highlighted the importance of the operational risk reports on the annual cycle for committee and provided members with an overview of how the internal process works at IMPMS with budget holders.

c) [IT Resilience Statement](#)

The Acting Director of IT & Finance talked to the written report provided, he provided new members of the committee with a brief background to the purpose of this report. He advised the document is intended to provide governors with an update and assurances in relation to the security of college systems and information.

Moving on, the AD of IT & Finance provided members with a brief summary of the report and highlighted the progress of current projects such as GovAssure, Cyber Assessment Framework and Cyber Security Maturity Assessment (CSMA). The CSMA was conducted by Cybit and a report has been produced with a range of recommendations, although the average score looks stark at 2 out of 5, many of the areas marked down need improvement on documentation rather than process. The AD highlighted that the secure score is still high.

In concluding the report the AD emphasised the red risk around the replacement of IT kit and advised members that the College have submitted a bid to the Department for additional funding.

**Action:** Will bring progress and action plan for CSMA back to committee for review

[6\) Policies](#)

Nothing to note.

[7\) Internal Audit](#)

*Papers previously issued to all Members.*

a) [Training Assistance Management System \(TAMS\)](#)

Mr McCartney presented the report and advised this was a sector report conducted in response to the functionality issues with the TAMS systems, an overall Satisfactory Assurance was provided, that there are adequate and effective controls in place at SERC in relation to operation of the TAMS system, including action taken in light of system functionality issues. He added the committee can take assurance the manual workarounds in place in the College are working effectively.

b) Internal Audit Progress/Annual Assurance Report

In presenting the annual assurance report Mr McCartney began by advising overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

c) Follow Up Review

Mr McCartney advised that follow up reviews had been carried out in Safeguarding and HR (Absence Management reviews) and it was evident the College had made good progress implementing the recommendations from both reviews, all 6 recommendations have been fully implemented.

In response to a member's question on the recommendation raised under the Safeguarding report the Acting Director of HR & Facilities advised that this was around using emergency staff under supervision who had not had Access NI clearance and the issue was that the supervision element had not been evidenced. This has since been rectified by developing additional processes..

d) FE Benchmarking

Members were asked to note the enclosed report and the Chair commented it was useful to see how SERC performs in relation to the rest of the sector and is good assurance for the committee.

8) Summary of Actions taken in Response to External & Internal Audit recommendations  
*Papers previously issued to all Members*

Members were asked to note there is one outstanding action relating to the

9) Fraud Update  
*Paper previously issued to all Members.*

Members noted the Fraud report at 009.

10) Any other business

Nothing to note.

**The Chair declared the meeting closed at 7.12pm**