

SOUTH EASTERN REGIONAL COLLEGE

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

held on Thursday 21ST November at 17:30, Lisburn Campus and via Microsoft Teams
Videoconference

1. Meeting with auditors and committee members

A separate note was taken for this item.

2. Chairs Business

Attendance and apologies

Present: Mr Samuel Hagen, Mrs Carolyn King, Mr Darren Stewart, Mr Chris Bruton, Mr Mark Huddleston
(via Microsoft Teams), Mrs Nicola Wilson, Mrs Nuala Reid

In attendance: Mr Tommy Martin (Interim Principal & CEO), Mrs Claire Williamson (Secretary to the
Governing Body), Mr Ian McCartney (RSM), Ms Heather Sampson (DfE), 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). Ms Hannah Thompson (NIAO Representative),
Mr Gary Currie (NIAO Representative)

Apologies: Mr Michael McQuillan

In the Chair: Mr Hagen (Items 1-5C), Mr Stewart (Items 5D-10)

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 sister were employees of the College.

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

c) Minutes of the meeting held on 12th September 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 12th September 2024

Previously issued to all Members.

The Secretary provided a verbal update on the committee effectiveness review that was undertaken by members, she advised that in agreement with the Chair the membership and skills matter highlighted in the report will be reviewed by Chairs Working group under an overall review of committee membership. She added that ESG training is planned for all members of the Governing Body in January and after this a more rounded view can be taken on the committee's role in ESG.

e) Audit committee annual report

Previously issued to all Members.

Members reviewed the annual report, and the Chair highlighted the report sets out the work of the committee over the previous year and confirms the level of assurance the committee has received.

Agreed: The committee approved the annual report and recommended it to the Governing Body for adoption on the proposal of Mark Huddleston and seconded by Darren Stewart.

f) Gifts and Hospitality Register

Members noted the register for 2023/24 and noted no declarations had been made. The Secretary reminded members of their responsibility to advise her of any gifts or hospitality they may be offered in this role.

3) Correspondence

Papers previously issued to all Members.

a) NIAO Developing the skills for Northern Ireland's future

Members noted that this report had been discussed at the Public Accounts Committee and a detailed response was expected from PAC in the New Year. The Chair suggested that education committee could

review the detail of this report as it would be more appropriate, and the audit committee will take forward any specific work from the PAC report.

Action: The NIAO report will be referred to education committee for consideration

b) The National Fraud Initiative in Northern Ireland 2024

Members were asked to note the enclosed correspondence, the Interim CEO advised that the College participate fully in the NFI initiative and have never highlighted any significant issues via any “matches”.

4) Financial Statements and Annual Report for year ending 31st July 2024

The Deputy Head of Finance presented the report to the committee, she began by highlighting that these should be the final reports, however there is one outstanding item in relation to pensions that NIAO have identified for the sector.

The DHOF talked to the written report provided setting out the pension liability issue that has been identified by NIAO. Members noted that the actuaries will review the pension asset again, the DHOF provided a full explanation of the accounting treatment that was also set out in the paper provided.

Mr. Currie from NIAO highlighted that the draft Report To Those Charged with Governance will provide the committee with assurance that there is nothing else significant within the reports to cause concern.

Ms. Thompson, NIAO representative, talked to the RTWCG and highlighted the key messages and confirmed the audit returned no recommendations.

In concluding the discussion, the Chair directed members to the Statement of Corporate Governance and Letter of Representation, the committee confirmed that they were content with the outcome as it currently was presented and would come together again to sign off formally once the pensions issue has been satisfied.

Agreed; The Committee reviewed and approved the Financial Statements and Annual Report (on the caveat the matter on pensions will be resolved) on the proposal of Darren Stewart and seconded by Nuala Reid.

5) Items for Information

a) Strategic Risk Management Report

The Interim Principal and CEO talked to the written report provided at 005A and gave an overview of the risks within the report. He highlighted two changes to committee; the TAMS risk has been downgraded to green and removed from the strategic risk register and a new risk has been added on Special Educational Needs.

The committee noted that in terms of TAMS, the functionality is much better than this time last year, the manual workarounds are working well, and the system was stress tested at a peak time. The risk will continue to be monitored at an operational level.

A new risk has been identified on 'Supporting the Increasing Number of Learners presenting with Special Educational Needs'. The Interim Principal & CEO advised that there is a substantial growth in the number of students requiring SEN support and budgetary constraints has stretched an already limited resource. This has resulted in an increase in complaints from parents, involvement of elected representatives and threats of involving the Equality Commission.

The Deputy Principal Curriculum advised that now at 4 years post pandemic, where the formative years for those children were interrupted quite drastically, the outworkings of that societal interruption is now evident.

In response to a question on how funding is distributed for SEN in FE, the Interim Principal & CEO advised that it is apportioned across the sector on the basis of relevant student numbers and is usually in arrears. He also stressed that the Department is very much aware of these funding issues.

Action: The detail around a recent MLA complaint will be provided to members of the committee

b) Operational Risk Report

The Acting Director of IT & Finance presented an overview of operational risks in his departments. In a discussion afterward on the risk to IT system due to inadequate funding the Chair noted that the regular IT resilience statement provides assurance to the committee on the work being done to mitigate the risk.

On the invitation of the Chair the Acting Director of HR & Facilities presented an overview of the operational risks across her departments. In response to a member's question if the restructuring has had an impact on staff retention, the Acting Director advised that attraction to specific roles remains challenging and not retention. The Interim Principal & CEO added that work in the sector is essential to showcase the career the Colleges can offer staff in terms of the overall package.

c) IT Resilience Statement

The Acting Director of IT & Finance talked to the written report provided and provided a summary of the report. He highlighted the recent phishing exercises and the plan to roll out a project 'Bring Your Own Device' across the organisation that aims to improve procedures for staff using their own device to access College systems.

In response to a query the Acting Director advised that Cyber Essentials has been achieved and no further work is planned at this time to go through any more certifications. He highlighted the audit requirement that would be required to completed Cyber Essentials Plus (CEP) and advised the focus is to complete the Bring Your Own Device project before moving onto the CEP. He added that it is the intention to certify the entire organisation in Summer 2025. As the College is undergoing a cyber security internal audit and evaluating Gov Assure, it will ensure a wholistic look before the summer.

d) Review of Direct Award Contracts

The Deputy Head of Finance asked members to note the report which sets out the one direct award contract for the Turing Scheme in 2023/24.

6) Policies

a) Review ICT & Financial Policies

The Acting Director of IT & Finance advised that the policies and sops have been reviewed and no substantive changes are recommended to committee.

b) Raising Concerns Policy

The Acting Director of HR & Facilities presented the policy for review, she highlighted those minor changes had been made to reflect staffing changes in the restructuring.

Agreed: The Raising Concerns Policy was approved on the proposal of Nicola Wilson and seconded by Mark Huddleston.

The Interim Principal & CEO added that he intends to standardise all policies in terms of templates and review periods.

7) Internal Audit

Papers previously issued to all Members.

- a) Progress report
- b) Audit Code of Practice

Mr McCartney asked members to note the reports provided. He advised that reports on HR and Cyber Security are ongoing and will be presented to the committee at the next meeting.

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 in progress low priority action relating to the prior year and that the actions for the low priority item flagged in relation to 24/25's TAMS review were now complete.

9) Fraud Update

Paper previously issued to all Members.

- a) Fraud Report November 2024
- b) Annual Theft and Fraud Report 2021-22

Members noted the Fraud reports at 009.

10) Any other business

No other business was discussed.

The Chair declared the meeting closed at 7.12pm