

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**
held on Wednesday 25 September 2024 at 3:30 pm
via MS Teams

PRESENT: Mr Tom Corr
Mr Brian Ingram, Committee Chair
Ms Alana Jones Campbell
Ms Anne McCleary

IN ATTENDANCE: Ms Celine McCartan, Chief Executive
Mr Ian McCartney, RSM
Mrs Fiona McCauley, Secretary to the Governing Body
Mrs Sharon McGrath, Director of Corporate Services
Ms Suzanne Murphy, NI Audit Office (*from item 4.1*)
Mr Sean O'Donnell, Head of Finance & Governance
Ms Pauline Wilson, DfE

APOLOGIES: Mrs Libby Armstrong
Mr Patrick McKeown

1.0 PRELIMINARIES AND APOLOGIES

Mr Ingram welcomed all present, extending a particular welcome to Ms McCleary and Ms Wilson on their first attendance at a meeting of South West College's Audit & Risk Committee.

Apologies were tendered on behalf of Mrs Armstrong and Mr McKeown.

2.0 CONFLICT OF INTEREST DECLARATIONS

No conflict of interest declarations were made at this stage of the meeting.

Ms Jones Campbell declared her business association with Inspire Wellbeing during the discussion at item 6.1.

3.0 MATTERS ARISING FROM MINUTES OF PREVIOUS MEETINGS

PREVIOUSLY ISSUED to all members:

- Paper 03.01 Minutes of the Audit & Risk Committee meeting held on Wednesday 24 April 2024
- Paper 03.02 Minutes of the Audit & Risk Committee meeting held on Thursday 23 May 2024.

There were no matters arising from the minutes.

4.0 INTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Report on Internal Audit of TAMS Manual Processes
- Paper 04.02 Internal Audit Annual Assurance Report
- Paper 04.03 Report on Internal Audit Recommendations Follow Up Review

- Paper 04.04 Proposed Internal Audit Plan 2024/25
- Paper 04.05 2024/25 Internal Audit Key Performance Indicators.

4.1 Report on Internal Audit of TAMS Manual Processes

Mr McCartney reported on the ‘satisfactory’ assurance awarded following an internal audit of the manual processes employed by the College to overcome the deficiencies of the Traineeship and Apprenticeship Management System (TAMS) and noted the lack of improvement recommendations made.

Management then updated the Committee on the progress made in the functionality of TAMS as well as on the capacity challenges remaining and noted that a review of its risk score will be undertaken following the College’s busiest registration period during the Autumn term.

In response to questions from members, the Committee was informed of the purpose of TAMS, the volume of transactions made through the system, the potential for cashflow issues due to the inability to drawdown funding from the Department for the Economy (DfE) and the special measures taken by staff to ensure timely payments to students. It was also noted that internal audits had been undertaken of the manual processes employed by all six Further Education (FE) Colleges and that sectoral findings will be captured by RSM.

Members commented on the reassurance gained through the satisfactory assurance rating awarded and extended thanks to the staff involved in designing and implementing workarounds to avoid negative impacts on students.

Ms Murphy joined the meeting during the above report.

4.2 Report on Internal Audit Recommendations Follow Up Review

Mr McCartney reported that ‘good’ progress had been awarded in the implementation of 2023/24 internal audit recommendations noting that eight of the nine recommendations had been fully implemented with the remaining low priority recommendation partially implemented.

4.3 2023/24 Internal Audit Assurance Report

Mr McCartney provided an overview of the 2023/24 Internal Audit Assurance Report highlighting the ‘satisfactory’ assurance level awarded in relation to the governance, risk management and control framework in place within the College.

A concern was raised on the low level of staff compliance with completion of mandatory online safeguarding training in a timely manner, as identified during the 2023/24 internal audit of Safeguarding. It was noted that Action Short of Strike had impacted compliance in 2023/24 and that revised processes had been put in place in 2024/25 to enhance management monitoring of compliance and to prioritise safeguarding and health & safety training.

ACTION: Report on staff compliance with completion of mandatory corporate training modules to be provided at the 13 November 2024 Audit & Risk Committee Meeting.

A concern was also raised in relation to the practical implementation of health and safety protocols despite the existence of agreed policies and procedures. It was noted that an additional resource in the Estates Team had enabled the dedication of a standalone Health & Safety Officer and that inspection of documentation has been assigned as a focus for the team in 2024/25. It was agreed that a deep dive of the risk associated with Health & Safety would be presented to the committee in-year.

ACTION: Management to present a deep dive of the risk associated with Health & Safety later in 2024/25.

The Committee Chair commented on the importance of consultation with RSM's Emerging Risk Radar in informing the Corporate Risk Register.

4.4 Proposed 2024/25 Internal Audit Plan

With reference to paper 04.04, Mr McCartney listed the five areas proposed for internal audit in 2024/25, noting the flexibility to amend the Internal Audit Plan in-year should a need arise.

In response to questions and comments, the meeting was made aware of the alignment of the internal audit of HR Recruitment & Selection Processes with operational plans, of the availability of qualitative and quantitative data to inform the internal audit of Student Experience & Engagement and of the immediate priority placed on resourcing the audit of the Annual Report & Financial Statements to 31 July 2024.

AGREED: acceptance of the proposed 2024/25 Internal Audit Plan.

4.5 Internal Audit Key Performance Indicators

It was noted that Key Performance Indicators (KPIs) had been set by the Committee at the April 2024 meeting to assess the performance of the internal audit function in 2024/25 in the context of the requirement within paragraph 21.5 of the Partnership Agreement.

5.0 REPORT ON FRAUD AND RAISING A CONCERN

PREVIOUSLY ISSUED to all members:

- Paper 05 Report on Fraud and Raising a Concern.

Mrs McGrath advised that no concerns had been raised since the last report on fraud and raising a concern to the April 2024 committee meeting and confirmed that assurances had been provided by senior managers that no fraud, bribery or corruption has been identified in the reporting period. She noted that no concerns had been raised with the Raising a Concern Champions and reported that enhanced awareness raising amongst staff of the various channels available to raise concerns would be undertaken.

In response to questions and comments from members, it was confirmed that all previously reported concerns have been closed, that staff are required to undertake online training on Fraud, Bribery & Corruption annually and that the College has provided a response to an enquiry from the Department to inform a concern raised directly with DfE.

6.0 GOVERNANCE REPORT

PREVIOUSLY ISSUED to all members:

- Paper 06 Governance Report
- Paper 06.01 Report on Fraud and Raising a Concern
- Paper 06.02 Corporate Risk Register
- Paper 06.03 DfE Letter on Assurances on College Performance Data
- Paper 06.04 Draft 2023/24 Annual Report and Financial Statements
- Paper 06.05 Cybersecurity Update Report
- Paper 06.06 Report on Direct Award Contracts

- Paper 06.07 2023/24 Report on Losses
- Paper 06.08 Report on Freedom of Information and Data Protection Activity
- Paper 06.09 2023/24 Hospitality & Gifts Register
- Paper 06.10 Bribery Act Policy
- Paper 06.11 2024/25 Mid-Year Assurance Statement Commissioning Letter
- Paper 06.12 Letter on 2024/25 NI NFI Data Matching Exercise
- Paper 06.13 DfE Partner Organisation Governance & Performance Update.

6.1 Corporate Risk Register Review

Ref: Governance Report Section 2.0 and Paper 06.02

Mrs McGrath commenced her report on the review undertaken of the Corporate Risk Register by advising of the reduction of the residual risk score of five risks, of the maintenance of the residual risk score of a further five risks and of the addition of two new risks.

Mrs McGrath then provided an overview of each of the 12 risks on the Corporate Risk Register, and, in response to questions and comments from members:

- acknowledged the value of documenting business as usual controls in some cases;
- undertook to de-escalate the risk associated with Poor Governance and Loss of Faith in College Management from the Corporate Risk Register for review at directorate level in light of the progress made in relation to organisational change as well as DfE's normalisation of monitoring of this matter;
- spoke of the continued risk in relation to the TAMS system in light of ongoing functionality issues;
- undertook to provide evidence of the implementation of the controls required to mitigate the risk associated with Health & Safety at the February 2025 committee meeting;
- welcomed the balanced budget forecast for 2024/25 and highlighted concerns regarding future year budgets;
- commented on the resiliency workshops provided for students, on the drive to ensure staff compliance with completion of mandatory online safeguarding training and of the high demand for counselling services amongst students;
- noted the continued risk of cyberattacks despite the achievement of the Cyber Essentials and Cyber Essentials Plus accreditations;
- noted the positive impact of the cessation of action short of strike on the risk associated with Student Recruitment and Success;
- referenced the unchanged nature of the risk score of the risk associated with Staff Recruitment and Retention despite the implementation of mitigations and undertook to present a deep dive of this risk later in the 2024/25 year;
- reminded members of the agreed focus on the enhancement of the student experience in 2024/25;
- informed the meeting of the increased complexity of the requirements of awarding organisations leading to the addition of the risk associated with Failure to Meet Curriculum Standards and Accreditation Requirements and undertook to de-escalate this risk from the Corporate Risk Register for management at directorate level at the agreement of the Committee;

- outlined the new risk relating to the multiplicity of externally funded programmes and undertook to circulate an updated description of this risk and to consider the de-escalation of this risk from the Corporate Risk Register for management at directorate level; and
- undertook to consider and report on the severity of the risk associated with achievement of de-carbonisation targets.

Ms Jones Campbell declared her business association with Inspire Wellbeing, who provide counselling services for students, during the above report.

AGREED:

- **de-escalation of the risk related to Poor Governance and Loss of Faith in College Management from the Corporate Risk Register; and**
- **de-escalation of the risk related to Failure to Meet Curriculum Standards and Accreditation Requirements from the Corporate Risk Register.**

ACTIONS:

- **Management to provide evidence of the implementation of the controls required to mitigate the risk associated with Health & Safety at the February 2025 committee meeting;**
- **Management to present a deep dive of the risk associated with Staff Recruitment & Retention later in 2024/25;**
- **Management to circulate an updated description of the risk associated with the multiplicity of externally funded programmes;**
- **Management to consider the de-escalation of the risk associated with the multiplicity of externally funded programmes from the Corporate Risk Register; and**
- **Management to consider and report on the severity of the risk associated with achievement of de-carbonisation targets.**

6.2 Audit Recommendations Follow Up Review – Management Schedule

Ref: Governance Report Section 3.0 and Paper 06.03

Mr O'Donnell reported that prior year adjustments had been made in the draft 2023/24 Annual Report & Financial Statements as a result of an external review of the difference in the PFI liability in prior year accounts and the PFI model, as recommended by the NI Audit Office during its audit of the 2022/23 Annual Report & Financial Statements, and it was noted that a review of the supporting evidence would be undertaken by the NI Audit Office.

With reference to paper 06.03, Mrs McGrath made the meeting aware of the new DfE requirement for a triennial internal audit of the system for reporting colleges' performance data commencing in 2025/26, as well as of the annual assurance required on the accuracy of colleges' performance data.

6.3 Draft 2023/24 Annual Report & Financial Statements

Ref: Governance Report Section 4.0 and Paper 06.04

Mr O'Donnell explained that the Chairs of the Audit & Risk Committee and Finance & General Purposes Committee received a presentation of the draft 2023/24 Annual Report & Financial Statements in advance of the meeting. With reference to paper

06.04, he highlighted the substantially complete nature of the draft accounts, confirmed their preparation in alignment with DfE's Accounts Direction and advised of their planned submission to the NI Audit Office later in the week as required.

The Committee's thanks were extended to the finance team for their work in compiling the 2023/24 Annual Report & Financial Statements.

AGREED: approval for the submission of the 2023/24 Annual Report & Financial Statements, when complete, to the NI Audit Office for audit.

6.4 Cybersecurity Update Report

Ref: Governance Report Section 5.0 and Paper 06.05

Mrs McGrath referenced the report on cybersecurity in paper 06.05 and added that whilst preliminary investigations had been undertaken into the achievement of the GovAssure accreditation due to its requirement under the 2023/24 end-year assurance statement, this work has ceased due to the withdrawal of the requirement for the accreditation.

6.5 Report on Direct Award Contracts

Ref: Governance Report Section 6.0 and Paper 06.06

The Report on Direct Award Contracts was noted by the Committee.

6.6 2023/24 Losses Report

Ref: Governance Report Section 7.0 and Paper 06.07

The 2023/24 Losses Report was noted by the Committee.

6.7 2023/24 Report on Freedom of Information and Data Protection Activity

Ref: Governance Report Section 8.0 and Paper 06.08

Mrs McGrath apprised the meeting of the increase in Freedom of Information (FOI) requests from the 2022/23 year as well as of the decrease in Subject Access Requests in the same period, and confirmed that responses have been issued to all requests in a timely manner. The resource intensive nature of a number of the requests received was highlighted.

Mrs McGrath also reported on two minor non-sensitive data breaches as well as on the development of Data Processing Agreements, and, in response to a query from a member, acknowledged the risk of third party breaches of college data and provided assurances that Data Sharing Agreements are put in place to mitigate such risks.

6.8 2023/24 Gifts & Hospitality Register

Ref: Governance Report Section 9.0 and Paper 06.09

The Committee approved the website publication of the 2023/24 Gifts & Hospitality Register.

AGREED: that the 2023/24 Gifts & Hospitality Register is approved for publication on the College website.

6.9 Policy Review

Ref: Governance Report Section 10.0 and Paper 06.10

The Committee recommended the Bribery Act Policy for approval by the Governing Body subject to consideration of the need to include reference to blackmail, the threat of blackmail and coercion.

AGREED: that the Bribery Act Policy is recommended to the Governing Body for approval subject to the review as detailed above.

6.10 Correspondence / Returns

Ref: Governance Report Section 11.0 and Papers 06.11, 06.12 & 06.13

The commissioning letters for the 2024/25 Mid-Year Assurance Statement to DfE and the National Fraud Initiative Data Matching Exercise were noted by the Committee along with the submission of the DfE Partner Organisation Governance & Performance Update.

7.0 DEPARTMENT OF FINANCE AUDIT & RISK ASSURANCE COMMITTEE HANDBOOK

PREVIOUSLY ISSUED to all members:

- Paper 07 DoF Audit & Risk Assurance Committee Handbook.

It was noted that the Department of Finance's (DoF) Audit & Risk Assurance Committee Handbook, providing guidance on the operation of Audit & Risk Committees, was tabled for information.

8.0 AUDIT & RISK COMMITTEE TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

- Paper 08 Audit & Risk Committee Terms of Reference.

It was noted that a significant review of the Audit & Risk Committee Terms of Reference had been undertaken in 2023 to align it with DoF's Audit & Risk Assurance Committee Handbook and that no amendments are proposed following a further internal review.

AGREED: to recommend the retention of the unamended Audit & Risk Committee Terms of Reference to the Governing Body for approval.

9.0 PROPOSED 2024/25 PROGRAMME OF BUSINESS

PREVIOUSLY ISSUED to all members:

- Paper 09 Proposed 2024/25 Programme of Business.

Members requested the following additions to the 2024/25 programme of business:

- A presentation of a deep dive of the risk associated with Health & Safety;
- A presentation of a deep dive of the risk associated with Staff Recruitment & Retention;
- A report on the progress of the re-introduction of the Performance Appraisal Scheme;
- A review of the Risk Management Policy and Risk Appetite Statement.

AGREED: acceptance of the proposed 2024/25 Programme of Business amended to include the items listed above.

10.0 ANY OTHER RELEVANT BUSINESS

In response to a query relating to the change in the Data Protection Officer postholder, assurances were provided on the training provided to the postholder and the importance of the availability of adequate support, in light of the resource intensive nature of recent FOI requests, was highlighted.

11.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 11 Outstanding Actions.

It was noted that a follow up review of examinations and invigilation arrangements had taken place, that risks are managed at departmental and directorate levels where possible and escalated to the Corporate Risk Register only when necessary and that the 2023/24 Gifts & Hospitality Register had been reviewed by the Committee. Management undertook to circulate the College's response to DfE's draft revised risk assessment of South West College.

A revised list of actions is provided in Appendix A.

11.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members indicated their satisfaction with the proceedings of the meeting.

The meeting concluded at 17:30.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
20 NOVEMBER 2024**

CHAIRPERSON



DATE 20/11/2024

SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	23/05/2024	5.0	Management to circulate the College's response to DfE's draft revised risk assessment of South West College when available.
2	25/09/2024	4.3	Management to present an update report on staff compliance with completion of mandatory corporate training modules at the 13 November 2024 Audit & Risk Committee Meeting.
3	25/09/2024	4.3	Management to present a deep dive of the risk associated with Health & Safety later in 2024/25.
4	25/09/2024	6.1	Management to provide evidence of the implementation of the controls required to mitigate the risk associated with Health & Safety at the February 2025 committee meeting.
5	25/09/2024	6.1	Management to present a deep dive of the risk associated with Staff Recruitment & Retention later in 2024/25.
6	25/09/2024	6.1	Management to circulate an updated description of the risk associated with the multiplicity of externally funded programmes.
7	25/09/2024	6.1	Management to consider the de-escalation of the risk associated with the multiplicity of externally funded programmes from the Corporate Risk Register.
8	25/09/2024	6.1	Management to consider and report on the severity of the risk associated with the achievement of de-carbonisation targets.