

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**
held on Wednesday 9 February 2022 at 3:30 pm
via Microsoft Teams

- PRESENT:** Ms Siobhan Breen
Mrs Patricia McCaffrey (Committee Chair)
Mr Michael Skuce
- IN ATTENDANCE:** Ms Karen Beattie, NI Audit Office (*from item 4.0*)
Mr David Conliffe, DfE (*from item 4.0*)
Dr Jill Cush, Deputy Chief Executive
Mr Colin Lewis, Interim Chief Executive
Mrs Joanne Lucas, Risk & Compliance Officer
Mr Ian McCartney, RSM
Mrs Fiona McCauley, Secretary to the Governing Body
Mr Ciaran McManus, Assistant Chief Executive (*Item 8.2 only*)
Mr John Moss, Head of Built Environment, Creative & Life Sciences Faculty (*Item 8.1 only*)
Mr Sean O'Donnell, Head of Finance
Dr Nicholas O'Shiel, Chair of the Governing Body
- APOLOGIES:** Mrs Joanne Moore

1.0 APOLOGIES

An apology was tendered on behalf of Mrs Moore.

2.0 CONFLICT OF INTEREST DECLARATIONS

No conflict of interest declarations were made.

3.0 MATTERS ARISING FROM MINUTES OF PREVIOUS MEETING

PREVIOUSLY ISSUED to all members:

- Paper 03 Minutes of the Audit & Risk Committee meeting held on Wednesday 10 November 2021.

There were no matters arising from the minutes.

Mr Conliffe joined the meeting at this juncture.

4.0 INTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Report on Audit of Covid-19 Student Funding Initiatives
- Paper 04.02 Internal Audit Progress Report
- Paper 04.02a Example Risk Appetite Statement
- Paper 04.02b Risk Management Deep Dive Guidance
- Paper 04.02c Slides from Sectoral Risk Management Workshop.

Mr McCartney reported that a satisfactory assurance rating has been awarded following an internal audit of Covid-19 Student Funding Initiatives with one low priority and two medium priority recommendations made. He advised that fieldwork on the reviews of Procurement & Contract Management and Marketing & Employability Arrangements have been completed and will be presented to the Committee at its May 2022 meeting following the receipt of management responses. He added that reviews of Data Protection / GDPR and the sectoral review of the Learner Management System will commence shortly and confirmed that no themes have emerged following the reviews undertaken to date. He referenced the supplementary papers provided in papers 04.02a, 04.02b & 04.02c which had arisen from the sector wide Risk Management Workshop held in November 2021 and reported that positive feedback has been received following a recent review of RSM's quality assurance systems.

Ms Beattie joined the meeting during Mr McCartney's report.

5.0 FRAUD REPORT

PREVIOUSLY ISSUED to all members:

- Paper 05 Fraud Report.

It was noted that no fraud had been identified in the reporting period.

6.0 RAISING A CONCERN REPORT

PREVIOUSLY ISSUED to all members:

- Paper 06 Raising a Concern Report.

With reference to paper 06, Mrs Lucas provided an analysis of the five concerns raised both through the Work in Confidence platform and directly with the Raising a Concern Champion. She advised that four concerns have been closed while one remains under investigation. She went on to provide an overview of the activities undertaken to raise awareness of the Raising a Concern Framework, including the Work In Confidence platform, and explained that a pulse survey has been launched to ascertain the effectiveness of these initiatives.

In response to questions, Mrs Lucas advised that concerns raised are forwarded to an appropriate manager to investigate and are closed only when the initiator confirms his / her satisfaction with the response. She also detailed the record keeping systems in place and commented on the use of the Work In Confidence platform to make suggestions for improvements as well as to raise concerns.

7.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 07 Management Report
- Paper 07.01 Internal Audit Actions
- Paper 07.02 Corporate Risk Register 2021 – 22
- Paper 07.03 Corporate Risk Register Review Report
- Paper 07.04 Technical Services Report
- Paper 07.04a Wolfberry Cyber Audit Executive Summary
- Paper 07.05 Direct Award Contracts Report
- Paper 07.06 Data Services Report

- Paper 07.07 Report on Conflict of Interest Declarations
- Paper 07.08 Report to Those Charged with Governance 2020/21
- Paper 07.08a Anti-Fraud and Corruption Policy
- Paper 07.08b Fraud Response Plan
- Paper 07.09 Information Security Policy
- Paper 07.10 Penetration Testing and Vulnerability Assessment Policy.

7.1 Audit Recommendations Follow Up Review – Management Schedule

Ref: Management Report section 1.0 and Paper 07.01

Mrs Lucas apprised the meeting of the ongoing progress in addressing the eighteen outstanding internal audit recommendations. She reported that eight of the recommendations are overdue and will be actioned through Governing Body committees in the forthcoming weeks.

7.2 Corporate Risk Register Review

Ref: Management Report section 2.0 and Papers 07.02 & 07.03

Mrs Lucas advised that the residual ratings allocated to the risks related to the Covid-19 pandemic, cyber security and failure to meet the requirements of Awarding Organisations remain high and reported that a new risk has been recorded relating to a potential failure to meet part-time further education and higher education enrolment targets. She explained that a further new risk has been identified in recent days relating to student retention and that the Retention and Achievement Working Group has been reinstated to mitigate this risk.

In response to questions and comments on the challenges faced by the Technical Services team as a result of resourcing pressures and the risk of cyber-attacks, Mr Lewis, supported by Dr Cush, spoke of the significant challenge presented to both the Technical Services and Digital Services teams by the transition to remote working and learning and of the ongoing concerns regarding resourcing, infrastructure, capacity and business continuity. They apprised the meeting of the short term measures in place to address the resourcing pressures whilst permanent resources are sought as well as of the focus placed by management on the wider issues to include the development of an action plan to address the problems identified. Members commented on the business critical nature of the IT function and welcomed the priority placed on finding solutions to the issues encountered.

In response to other questions, Mrs Lucas undertook to consider whether the residual rating for the risk relating to the pandemic may be reduced in light of the effectiveness of the mitigations in place and Mr Lewis commented on the effect of budget constraints on the ability to increase enrolments.

7.3 Technical Services Data Security Report

Ref: Management Report section 3.0 and Paper 07.04 & 07.04a

It was noted that the issues within the Technical Services Report had been covered under item 7.2.

7.4 Report on Direct Award Contracts

Ref: Management Report Section 4.0 and Paper 07.05

Referring to paper 07.05, Mrs Lucas reported that one Direct Award Contract had been awarded since the previous committee meeting. Mr O'Donnell confirmed that two further Direct Award Contracts have been approved by the Accounting Officer since the

issue of paper 07.05 to the Committee, and that both relate to the ongoing Change Management process.

7.5 Data Services Report

Ref: Management Report Section 5.0 and Paper 07.06

With reference to paper 07.06, Mrs Lucas apprised the meeting of an ongoing recruitment exercise to fill the vacancy in the MIS / Data Services Manager position; explained that enrolment targets for full-time Higher Education and Traineeships are unlikely to be achieved and identified the factors leading to this result as a decline in progression from further education programmes, competition from universities, the popularity of Higher Level Apprenticeships and the need for further awareness raising of the new Traineeship programme; pointed to the good retention rates listed as evidenced in the reporting period and re-iterated her earlier comments on more recent concerns regarding retention and the mitigations subsequently put in place; and advised that the Project Board established to steer the STS project is expected to be replaced by a Contract Manager at the end of March.

7.6 Conflicts of Interest Report

Ref: Management Report Section 6.0 and Paper 07.07

Mrs Lucas provided an overview of the Conflicts of Interest Report noting in particular that five relationships between employees and one business interest had been identified as potentially posing a material conflict and that mitigating measures are in place in all cases.

In response to queries, it was noted that that all declared interests are reviewed by the Deputy Chief Executive and the Risk & Compliance Officer and decisions taken on the materiality of any conflicts. It was also noted that the interests of governors and senior managers are listed in the College's Annual Report and Mr Lewis commented on his observation of robust Conflicts of Interest management within the College.

7.7 Report to Those Charged with Governance

Ref: Management Report Section 7.0 and Paper 07.08

The Report to Those Charged with Governance 2020/21 was noted.

7.8 Policy Review

Ref: Management Report Section 8.0 and Paper 07.08a, 07.08b, 07.09 & 07.10

Mrs Lucas explained that the Anti-Fraud and Corruption Policy has been reviewed internally as well as by DfE. In response to questions and comments, the Committee was advised that preliminary investigations into suspected fraud should normally be undertaken by the line manager to the suspected perpetrator in the first instance and that specialist investigators may be used if appropriate. It was suggested that the Fraud Response Plan is reviewed by DfE and resubmitted to the Committee thereafter.

Moving on to the Information Security Policy and the Penetration Testing and Vulnerability Assessment Policy, Mrs Lucas explained that the former has been developed as an overarching policy in the IT security framework and is required for insurance purposes, and that the latter has been developed following a recommendation arising from an internal audit of Cyber Security.

AGREED: that the Anti-Fraud and Corruption Policy, the Information Security Policy and the Penetration Testing and Vulnerability Assessment Policy be recommended to the Governing Body for approval.

8.0 DEPARTMENTAL RISK REGISTER REPORTS

PREVIOUSLY ISSUED to all members:

- Paper 08.01 Built Environment, Creative and Life Sciences Faculty Risk Register Report
- Paper 08.02 Centre for Excellence Risk Register Report.

8.1 Built Environment, Creative and Life Sciences Faculty Risk Register Report

Mr Moss, Head of Built Environment, Creative and Life Sciences Faculty, joined the meeting for this item.

With reference to paper 08.01, Mr Moss took the Committee through the seven risks on the Built Environment, Creative and Life Sciences Faculty Risk Register. In doing so he detailed the mitigations in place for each risk and apprised the meeting of the inherent risk rating awarded as well as the residual risk rating awarded following the application of mitigating actions. He also drew attention to the 'Cautious' risk appetite adopted.

In response to a question on the identification and review of risk within his faculty, Mr Moss explained that risk is considered at faculty level during Faculty Management meetings as well as at school level during subject specific meetings.

Mr Moss was thanked for his presentation and withdrew from the meeting at this juncture.

8.2 Centre for Excellence Risk Register Report

Mr McManus, Assistant Chief Executive, joined the meeting for this item.

With reference to paper 08.02, Mr McManus provided an overview of the six risks on the Centres for Excellence Risk Register and detailed the mitigation measures in place in each case. He highlighted four new risks identified associated with the impact of DfE's adverse funding position, the impact of policy decisions on student recruitment including the withdrawal of the financial incentive for apprentice employers, the impact of reported difficulties with the EBS system and the impact of the shortfall in resources in the Technical Services and Digital Services teams.

In response to a question, Mr McManus commented on the fluid nature of risk management and explained that individual risk registers are maintained by the five Centres for Excellence in addition to the consolidated risk register.

Mr McManus was thanked for his presentation and withdrew from the meeting at this juncture.

It was noted that the departmental risks presented align with the risks listed in the Corporate Risk Register. It was also noted that much of the information presented by managers is performance, rather than risk, related and it was suggested that the Committee may consider moving to 'deep dives' of specific risks during 2022/23 committee meetings rather than presentation of departmental risk registers.

9.0 ANY OTHER RELEVANT BUSINESS

No further business was raised.

10.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 10 List of Outstanding Actions

Mrs Lucas referenced the sectoral risk management workshop delivered by RSM and spoke of the comfort taken from the workshop on the appropriateness of the College's risk management framework. She spoke of the complexity of RSM's governance and risk management platform and advised that the College has decided not to pursue this further.

11.0 REFLECTION ON EFFECTIVENESS OF MEETING

No comments were made on the effectiveness of the meeting.

Ms Breen, Dr Cush, Mrs Lucas and Mr O'Donnell withdrew from the meeting at this juncture. The meeting then went into confidential session and concluded at 5.10 pm.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
2 MARCH 2022**

CHAIRMAN



DATE 02/03/2022

SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	09/02/2022	7.8	Fraud Response Plan to be reviewed by DfE and resubmitted to the Committee thereafter.