

## SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**  
held on Wednesday 10 February 2021 at 3:30 pm  
via Microsoft Teams

---

**PRESENT:**

- Mr Peter Archdale
- Mrs Patricia McCaffrey (Chair)
- Mrs Monica McGear
- Mr Michael Skuce
- Mrs Siobhan Breen
- Mrs Joanne Moore

**IN ATTENDANCE:**

- Mr David Conliffe, DfE
- Dr Jill Cush, Deputy Chief Executive
- Mr Michael McAlister, Chief Executive
- Mrs Joanne Lucas, Risk & Compliance Officer
- Mr Sean O'Donnell, Head of Finance
- Dr Nicholas O'Shiel, Chair of the Governing Body
- Mr Ian McCartney, RSM
- Mr Brian O'Neill, NI Audit Office
- Mr Ahsan Sarwar, PwC
- Mr John Moss, Head of Faculty (Item 7.1 only)
- Mr Ciaran McManus, Assistant Chief Executive (Item 7.0 only)
- Ms Sheila Lynd, Acting Secretary to the Governing Body

### 1.0 **APOLOGIES**

None.

### 2.0 **CONFLICT OF INTEREST DECLARATIONS**

There were no conflict of interest declarations.

### 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 4 November 2020.

There were no matters arising from the minutes.

#### **4.0 INTERNAL AUDIT**

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Internal Audit Progress Report
- Paper 04.02 Review of Cyber Security
- Paper 04.03 Review of Budgetary Control & Financial Management
- Paper 04.04 Further Education Benchmarking Report 2019/20

#### **4.1 Internal Audit Progress Report**

Mr McCartney provided an overview of the internal audit progress report (paper 04.01). He commenced by confirming that both the review of Cyber Security and Budgetary Control and Financial Management Information had been completed and would be reported to the Committee. The reviews of Student Engagement and Appeals and Complaints will be completed on time and reported to the May Audit and Risk Committee meeting. Mr McCartney noted that the review of Student Engagement was due to be presented to the February Committee meeting but due to a delay in confirming the terms of reference for the review it was thought best not to rush the field work and therefore present to the May Committee. Mr McCartney confirmed that from the reviews completed to date there were no areas of concern.

#### **4.2 Review of Cyber Security**

Mr McCartney provided a summary of the review of Cyber Security. He noted that overall there is a satisfactory assurance rating in this area with three medium and one low priority risks identified and referred to some areas of good practice identified. He provided a summary of the detailed findings and actions and referred to the Questionnaire Results from a staff survey in Appendix A of paper 04.02. Mr McCartney then welcomed any questions from the Committee.

In response to a query from Dr O'Shiel regarding issues arising from home working, Mr McCartney confirmed issues are similar to those raised in Appendix A with sharing devices being the main issue. Members raised further queries regarding the sharing of devices and security issues due to remote working and both the Chief Executive and Mrs Lucas confirmed that reminders and guidelines are regularly issued to staff. Mrs Lucas also suggested that a lot of staff do not have College laptops therefore there is a need to share devices. The Chief Executive confirmed that FE Colleges do not provide all staff and students with laptops but during the pandemic a substantial number of laptops have been procured by the College and these have been issued out, primarily to students. Mr Archdale suggested that staff should be supported to create separate accounts on their personal devices to improve security. He also queried why staff and students are not required to change passwords more frequently.

Mr Skuce enquired what measures are in place to prevent accessing of inappropriate sites in the College, the traceability and responsibility.

**AGREED: Technical Services Manager to provide an update on:**

- (a) security arrangements around dark web and inappropriate sites;**
- (b) advice given to staff regarding safe remote working and, in particular, use of personal devices; and**
- (c) controls around passwords.**

Mrs Moore raised a query regarding the college not seeking ISO 27001 certification, Mr McCartney stated that ultimately it is a decision for the College but confirmed the audit would have followed ISO 27001 and that assurance can be taken from this.

**AGREED: Mr McCartney to confirm if other Colleges are seeking ISO 27001 certification.**

#### **4.3 Review of Budgetary Control & Financial Management**

Mr McCartney provided a summary of the Review of Budgetary Control and Financial Management and noted there is a satisfactory assurance rating in this area with only one low priority risk arising. He provided detail of the risk and actions required.

#### **4.4 Further Education Benchmarking Report 2019/20**

Mr McCartney referred to the Benchmarking Report and pointed out that the data currently covers all FE clients in the UK excluding Northern Ireland Colleges. He provided a comparison in the assurance ratings and hoped the College would find the report useful.

### **5.0 MANAGEMENT REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 05a Report to Those Charged with Governance
- Paper 05b Annual Report & Financial Statements 2019/20
- Paper 05.01 Report on Review of Cyber Security
- Paper 05.02 Report on the Review of Budgetary Control and Financial Management
- Paper 05.03 Outstanding Audit Recommendations
- Paper 05.04 Draft Terms of Reference for the Review of Student Engagement
- Paper 05.05 Risk Management at South West College Presentation
- Paper 05.06 Corporate Risk Register
- Paper 05.07 Technical Services Security Report
- Paper 05.08 Direct Award Contracts
- Paper 05.09 Data Services Report
- Paper 05.10 Social Media Policy.

#### **5.1 External Audit Update**

*Ref: Management Report Section 1.0 and Papers 05a & 05b*

Mr O'Donnell informed the meeting that following the previous Audit and Risk Committee meeting he had been contacted by Mr Sarwar from PwC regarding a potential issue with the treatment of the Fairview campus in the 2020 financial statements. Following a significant amount of consultation, a solution was reached, and adjustments have been reflected in the updated financial statements. On the advice of the Department of Finance, a provision has also been added regarding a potential liability for lecturers' holiday pay. The Annual Report & Financial Statements will now

be presented to Governing Body for sign off. Mr O'Neill confirmed that accounts will be checked and duly certified after they have been signed by the Governing Body.

**AGREED: that the Annual Report & Financial Statements 2019/20 be recommended to the Governing Body for approval.**

**5.2 Internal Audit Activity 2020-2021**

*Ref: Management report section 2.0 and Papers 05.01, 05.02, 05.03 & 05.04*

Mrs Lucas referred to the Student Engagement Review and asked for agreement on the proposed Terms of Reference. Following discussion, it was agreed the audit should proceed on the terms shared and include a student survey; any curriculum element will be picked up in the curriculum audit as planned in the strategy.

**5.3 Audit Recommendations Follow Up Review – Management Schedule**

*Ref: Management report section 3.0 and Papers 05.03 & 05.05*

Mrs Lucas confirmed that there are several Internal Audit recommendations being followed up, this work is on schedule and will continue.

**5.4 Corporate Risk Register Review**

*Ref: Management Report section 4.0 and Paper 05.06*

Noted.

**5.6 Technical Services Data Security Report**

*Ref: Management Report section 6.0 and Paper 05.07*

Noted.

**5.7 Report on Direct Award Contracts**

*Ref: Management Report Section 7.0 and Paper 05.08*

Noted.

**5.8 Data Services Report**

*Ref: Management Report Section 8.0 and Paper 05.09*

Noted.

**5.9 NI Government Annual Theft & Fraud Report**

*Ref: Management Report Section 9.0*

Noted.

## **5.10 Policy Review**

*Ref: Management Report Section 10.0 and Paper 05.10*

Mrs Lucas confirmed that the Social Media Policy has been reviewed by the new Marketing Manager. All changes have been included in the change log with the main change being around increased vigilance regarding use of social media pages. Mrs McCaffrey referred to the term 'moderator' which is used in the policy and enquired if staff who are carrying out this role have adequate and appropriate training. Mrs Lucas undertook to raise this issue with the Marketing Manager.

**AGREED: that the Social Media Policy be recommended to the Governing Body for approval.**

## **5.11 Progress in the Establishment of a Raising a Concern Culture**

*Ref: Management Report Section 11.0*

Noted.

## **5.12 Signing of Replacement Guarantor Documentation**

*Ref: Management Report Section 12.0*

Noted.

## **5.13 External Data Breach**

*Ref: Management Report Section 13.0*

Noted.

## **6.0 RISK MANAGEMENT IN THE ERNE CAMPUS DEVELOPMENT**

PREVIOUSLY ISSUED to all members:

- Paper 06                      Erne Campus Development Risk Update

Mr McAlister provided a summary update on the Erne Campus development and noted the agreed completion date of 4<sup>th</sup> February had now passed. Discussions are ongoing regarding further delay and the possible trigger of the damages clause of the contract. Good progress has been made on the site and the building is at a very advanced stage with finishings being completed. Mr McAlister confirmed that additional funding had been provided by DfE to cover Covid-19 related costs.

Mr McAlister referred to an issue around rock and provided an overview of a dispute resolution process which is currently underway and should be completed by the end of February. He also referred to the Gateway 4 review which is due to commence on 8<sup>th</sup> March; this will focus on the readiness for service of the building. Mr McAlister confirmed that monitoring and tracking continues for both BREEAM and PassivHaus standards and no areas of concern have been identified. All standards have effectively been met therefore it is expected final certification will be received, which is a fantastic

achievement. Mr McAlister confirmed that a decant plan is in place and ongoing in line with final fit out. Finally, Mr McAlister noted that although provision had been made for the possible impact of Brexit nothing major had materialized.

Mr Archdale expressed his delight in the BREEAM and PassivHaus results. In response to a query from Mr Archdale regarding the risk related to the operation and running of the building, Mr McAlister confirmed that a detailed document regarding plans for the first three to five years is currently available and also a workshop is planned at the end of February with all interested stakeholders to identify key issues and agree actions required going forward.

Mr Skuce raised a query regarding previous media coverage of a potential traffic issue around the College. In response Mr McAlister confirmed that recent discussions with Fermanagh and Omagh District Council confirmed the Council's view that planning permission has been granted and the issue is now closed. He did also note there are still some rumblings that have the potential to cause negative press and therefore the College do need to continue to monitor this issue. The Chair thanked Mr McAlister for his project summary.

## **7.0 DEPARTMENTAL RISK REGISTER REPORTS**

PREVIOUSLY ISSUED to all members:

- Paper 09.01 Built Environment, Creative & Life Sciences Risk Register
- Paper 09.02 Centres for Excellence Risk Register.

***Mr Moss, Head of Faculty Built Environment, Creative & Life Sciences, and Mr McManus, Assistant Chief Executive – Industry Partnerships & Centres for Excellence, joined the meeting at this juncture.***

### **7.1 Faculty of Built Environment, Creative & Life Sciences Risk Register Update**

Mr Moss presented an overview of risk management for the faculty of Built Environment, Creative & Life Sciences. Seven risks are identified for the Faculty, two of which are escalated and five remain the same.

Mr Moss focused on the top three risks, the first being the impact of changes to DfE and DE policies due to COVID-19 and the uncertainty around Brexit in respect of capacity to deliver courses, physical space restrictions, potential budget implications and the impact on future growth. Close and constant monitoring is being undertaken and appropriate action is being taken on Government policies as required. Mr Moss stated it is important to protect part-time courses as they will be a very important factor for both the College and community when a return to more normal provision recommences.

He continued by giving an overview of the second risk, the uncertainty of meeting curriculum KPIs of Recruitment, Retention, Achievement and Progression and the potential impact from Government and the Universities. To mitigate this risk Mr Moss stated that digital marketing events have been arranged, the first of which was very successful. Close monitoring will also continue alongside Internal Assessment Panels through the Quality Unit. Communication with the Awarding Organisations in respect of assessment requirements is also ongoing, this is important to enable lecturing staff to work with students.

Mr Moss continued by outlining the third risk which is the changes to DfE and University policies and the potential adverse effect on the ability to develop and deliver Level 6 Honours Degree provision and any impact on the student body. He explained that the mitigation for this is the HE and FE review and that Curriculum Managers are encouraged to respond to DfE surveys received. Mr Moss gave a brief overview of the remaining four risks, which remain at the same risk level.

In response to a question from the Chair regarding concerns in meeting KPIs, Mr Moss confirmed that the main factor is the part-time provision which has been limited to accommodate needs of other provision. That said, some new part-time provision has commenced recently and will continue to be closely monitored.

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

## **7.2 Centres for Excellence Risk Register Update**

Mr McManus presented an overview of the risk management for the Centres for Excellence. He commenced by referring to the early stage of the Centres for Excellence at his presentation 12 months prior and his process for arriving at the risks identified.

The first risk related to FE and pressure to recruit due to increased post-16 provision in schools. The College has recently initiated a review of FE provision commencing with Construction, Engineering and Travel and Tourism courses with an overall aim to increase full-time FE enrolments to 2,000 by 2025. This will be supported by a comprehensive marketing, recruitment and selection strategy which has commenced, and includes the upcoming virtual open days on 22<sup>nd</sup> – 24<sup>th</sup> February.

The second risk related to the provision of Work Based Learning courses and the ability to comply with Operational Requirements during the current pandemic. Communication with DfE continues via the Principals and Training Managers Working Groups and changes to the College processes continue to ensure compliance.

Risk three relates to HE and the impact of potential inflation of teacher assessed grades and also the Universities' reduced entry criteria. Mr McManus confirmed the College continues to engage with potential students and has commenced a marketing, recruitment and selection strategy which includes online events similar to FE. He also referred to the deployment of the Chief Executive Scholarships and how important these scholarships are.

Regarding Risk four, Mr McManus referred to the issues relating to Social Inclusion provision and the need to continue to secure external funding. Significant work continues with various tenders being submitted to secure the necessary funding.

Risk five relates to Digital Learning and the increased demands to support the enhanced remote delivery of teaching and college services. Mr McManus said the mitigations for this risk were a very focused CPD strategy which was rolled out to support both lecturing and support staff.

Risk six relates to Work Based Learning and the increased competition emerging in this area. To mitigate this risk the College is collaborating with companies to develop new

opportunities and are involved in new sectoral initiatives. Training Support Officers also continue to engage and support employers on a weekly basis.

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

## **8.0 FRAUD REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 07                      Fraud Report.

Mrs Lucas confirmed that no new cases of fraud had been reported.

## **9.0 RAISING A CONCERN REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 08                      Raising a Concern Report.

Mrs Lucas confirmed that no internal concerns have been raised. She explained that one concern had been raised externally with DfE. Mr McAlister confirmed that an overview had been provided to the Governing Body and the Education, Quality & Performance Committee and that Mrs McCauley, Secretary to the Governing Body, is dealing directly with DfE on this matter.

Mrs Lucas confirmed that a Raising Concern Champion has been appointed and that training is due to take place week commencing 15<sup>th</sup> February 2021. She stated that procurement of software to enable staff to raise a concern anonymously is imminent.

## **10.0 ANY OTHER RELEVANT BUSINESS**

Mrs Lucas referred to the Board Assurance Framework and confirmed that it had been circulated to Governing Body members. She explained that she had presented an overview of risk management to Senior Management and that discussion had taken place around risk appetite, risk maturity and the Board Assurance Framework. She noted that it had been suggested during this discussion that the Board Assurance Framework be revisited by Senior Management post Covid-19 and asked the Committee if they would agree to defer any further discussion until September; the Chair confirmed agreement.

**AGREED: that the Board Assurance Framework be reviewed in September 2021.**

## **11.0 REVIEW OF OUTSTANDING ACTIONS**

PREVIOUSLY ISSUED to all members:

- Paper 11      List of Outstanding Actions



The Chair referenced the list of outstanding actions (paper 11) noting that item 1 had been covered by Mr McCartney under Internal Audit. With reference to item 2 Mrs Lucas would provide an update to the meeting. Item 3 to remain as outstanding.

A revised list of outstanding actions is included in Appendix A.

**12.0 REFLECTION ON EFFECTIVENESS OF MEETING**

Members conveyed their satisfaction with the proceedings.

*The meeting concluded at 5.15 pm.*

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY  
10 MARCH 2021**

**CHAIRMAN** \_\_\_\_\_

**DATE** \_\_\_\_\_

## SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	04/11/2020  10/02/2021	5.0  10.0	Management to review the proposal of a Board Assurance Framework in terms of added value and resource.  Board Assurance Framework to be reviewed by Senior Management in September 2021.
2	04/11/2020	13.0	A high-level overview of the risk management system to be provided in May 2021.
3	10/02/2021	4.2	Technical Services Manager to provide an update on:  (a) security arrangements around dark web and inappropriate sites; (b) advice given to staff regarding safe remote working and, in particular, use of personal devices; and (c) controls around passwords.
4	10/02/2021	4.2	Mr McCartney to confirm if other Colleges are seeking ISO 27001 certification.