

SOUTH EASTERN REGIONAL COLLEGE

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

held on Thursday 27th March 2025 at 17:30, via Microsoft Teams Videoconference

1. Chairs Business

Attendance and apologies

Present: Mr Samuel Hagen, Mr Chris Bruton, Mrs Nuala Reid,

In attendance: Mr Tommy Martin (Principal & CEO), Mrs Claire Williamson (Secretary to the Governing Body), Mrs Emma Carson (Acting Director of HR & Facilities), Mr Andrew Emmett (Acting Director of IT & Finance), Ms Hannah Thompson (NIAO Representative), Mr John Nugent (Chair of the Governing Body), Mrs Heather McKee (Deputy Principal Planning, Performance & Engagement), Mr Ian McCartney (RSM), Ms Heather Sampson (DfE)

Apologies: Mr Michael McQuillan, Mrs Nicola Wilson, Ms Cathy McKay, Mr Darren Stewart, Mrs Carolyn King

In the Chair: Mr Hagen

Before the meeting commenced the Secretary confirmed that the meeting was quorate with 3 members in attendance.

b) Declarations of Conflict of Interests

The following conflicts were declared:

- The Principal & CEO declared his daughter is employed as a lecturer at the College.

No action was deemed necessary on any of the declarations made and no conflicts were declared in relation to the presented agenda.

c) Minutes of the meeting held on 30th January

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 on the proposal of Sam Hagen and seconded by Nuala Reid.

d) Action Points from the meeting held on 30th January 2025

Previously issued to all Members.

Members noted that most actions had been completed, and the Chair asked the Principal to update members on the request to submit a formal response to the Department on the TAMS issue. The Principal advised that it has been discussed with Departmental officials in several forums, but he would re-emphasize that there are still problems with the system. The Chair commented that while the work arounds in place are working effectively this should not become the norm and the fundamental issues in the system need to be addressed.

Action: The Principal will re-emphasise the issues with the TAMS system with the Department.

e) The Orange Book

The Secretary directed members to the Orange Book and highlighted that it is a useful resource for Committee members.

Action: The Orange Book will be added to the resource section of the Governing Body TeamSite

2) Correspondence

Papers previously issued to all Members.

a) DAO: Corporate governance in central government departments: Code of good practice NI

The Chair directed members to the correspondence and highlighted the changes made to the revised code. He noted it is useful to bring this to the attention of members as a resource tool.

Action: The Code of Good Practice NI will be cross referenced with the next review of the Committee Terms of Reference to ensure the Committee are compliant with the Code.

3) Items for Information

Papers previously issued to all Members.

a) Strategic Risk Management Report

The Principal presented the Strategic Risk Management Report and advised members that the report contains 5 risks: 3 Red Zone risks and 2 Amber Zone risks. There were no new risks identified in this period, and two risks closed which are R097: Maintaining qualification availability and delivering qualification reform and R100: Professional Services & Term Services Contract Expiry.

The Principal highlighted that the risk on the College's Financial viability remains red, and the College is entering into an extremely challenging financial period for 25/26. He advised that early indication on the sector budget for 25/26 are there will be a substantial cut of £18m across the sector. He added that this is very concerning given the reductions the sector has already made.

At the request of the Department the sector have submitted a paper detailing not only the detrimental impact of the reduced budget but scenarios where savings could be made. The paper also highlighted the significant savings already made by the sector, that further savings would be minimal in terms of operating costs, that any substantial cost saving would directly impact on provision, and therefore this would ultimately be a policy decision for the Department.

This paper will aid further discussion with the Minister, so the committee were asked to note that the budget could still improve. The Principal added that the College accountability meeting on 10th April could provide an opportunity to further discuss the situation with the FE Director.

Members noted that internally preparation has already begun to minimise the impact of a reduced budget in terms of a freeze on non-essential recruitment, budget holders are being advised that mission critical spend only will be approved and the curriculum delivery for next year is unfortunately uncertain.

The Chair noted that the new financial year begins next week and commented that this situation will need to move at pace. The Principal agreed and added that it is hoped discussions with the Department do move quickly - a final budget was not provided until the autumn it would prove to be extremely challenging for the College and staff.

Members noted the risk on Cyber Security remains red and at the request of the Chair noted this was discussed under agenda 5a, where the internal audit report on Cyber Security will be presented.

At the request of the Chair the Acting Director of HR & Facilities provided an overview of the risk on Industrial Relations. She advised the Committee that the Trade Unions are currently balloting members for action short of strike in response to lecturers pay and workload. It is anticipated that members will vote in favour of action short of strike.

The Acting Director advised that in terms of positive steps the recently formed JCF's meetings have taken place and the Industrial Relations Working Group continue to meet with UCU to work on the action plan from the A&L Goodbody review.

The College Employers Forum has now been re-established and a first meeting of the Lecturers Negotiating Committee (LNC) took place on 12th March 25 during which initial discussions took place in relation to lecturers pay. A sector Task & Finish group has also been established to review lecturer's workload with a first meeting planned prior to 31 March 25

The Principal added that management have met with the trade unions to outline the budget challenges for 25/26 and how this will impact on pay negotiations, he advised that the trade unions took this news very constructively and were encouraged by the workload piece being carried out by CEF.

In concluding the discussion the Principal advised that the employers have requested a meeting with the Minister after she recently met with the trade unions.

Action: The Chair requested that the Audit Committee are kept updated on financial mitigations along with the FGP Committee to ensure there is complete oversight of the risk on financial viability

b) Operational Risk Report

The Deputy Principal Planning, Performance & Engagement addressed the Committee to present the operational risks within her directorate. In discussion the following risks were highlighted:

1. Inability to provide enrichment opportunities for students through reduction in funding from Turing for international study.
2. Failure to have Timetabling Arrangements in place for 2025/2026 academic year
3. Failure to have sufficient Examinations Invigilation cover
4. UCAS Admissions Pilot Arrangements 2025/26 and potential loss of HE enrolments

In response to a members question how action short of strike would impact on invigilation the Deputy Principal advised that it is largely corporate staff that act as invigilators so there will be no impact on exams.

The Chair thanked the Deputy Principal for a very comprehensive presentation, he noted that this brings the reality of the day to day to the Governing Body particularly the complexities across these 4 areas.

c) IT Resilience Statement

Members noted the written report provided. The Chair advised that further discussion on the statement would be conducted under agenda 5a.

d) Sector Contract Renewal Review

The Chair reminded members that this report was requested at the last meeting in response to the risk on expiring contracts (which has since been closed). He asked members to note the report and added that this it gives a good indication of what work is being done and assurance to the committee that this risk was isolated to that set of contracts.

4) Policies

Nothing to note.

5) Internal Audit

Papers previously issued to all Members.

a) Cyber Security

On the invitation of the Chair Mr McCartney presented the internal audits for review, beginning with Cyber Security he advised this report received a limited assurance and had 3 medium, 2 low and 1 high recommendations. The recommendations centred on: the lack of penetration testing, the Bring Your Own Device to work initiative, lack of formal policy documentation and gaps in control design.

The Acting Director of IT & Finance addressed the Committee to respond to the recommendations and the following points were noted:

- Penetration testing was delayed this year due to staff workload and restructuring. A penetration test is scheduled for W/C 10/03/2025 and will run through until the end of March. This test will look at the colleges cloud services, internal identity & external facing assets. The outcome of this test will be reported at the next committee.
- In relation to the recommendation on 'BYOD', members noted that the College is currently onboarding everyone onto an MDM solution and this should be completed by June.
- In terms of staff training there are a few staff that had not completed - the Acting Director acknowledged while these aren't reflective of the majority of staff it needs to be done better.
- The audit concluded that there was a 'Medium' risk associated with the College's vulnerability management process and that it requires further development. The Cyber Security operational group will address this going forward and the work will be formally documented with priorities identified.
- RSM had identified a lack of policy documentation in some areas, for example a non-compliance policy was identified, and this is currently now in development with a view it will be presented to Committee for approval in June.

In response to a member's question if this work has been already been funded within budget, the Principal advised that these recommendations pose a challenge in terms of resource. He added that the team are still a senior member down as The Acting Director continues to act up in his current role.

The Acting Director of IT & Finance concluded this update by reminding the Committee that IT moves very quickly, therefore a focus on policy documentation is essential to ensure the College is fully compliant.

Action: The Committee asked that target dates were assigned to the Visibility Cyber Security Maturity Report

b) HR: Recruitment Process

Members noted there was a satisfactory assurance rating with 2 low and 1 medium recommendation.

c) Additional Support Funding and Funding Allocation Processes for Students with Learning Difficulties and Disabilities – Funding framework

Members noted there was a satisfactory assurance rating with 5 low and 2 medium recommendations.

d) Key Financial Controls

Members noted there was a satisfactory assurance rating with no recommendations. Several areas of good practice were identified.

- e) Internal Audit Progress report
- f) Emerging Risk
- g) Global Internal Audit Standards

Members were asked to note the reports provided at agenda items 5e-g for information.

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

Members noted there are currently no outstanding actions.

7) Fraud Update *Paper previously issued to all Members*

The Principal advised there is a slight delay in the current investigation as a number of staff that are involved are ex-employees and so contacting them has been difficult.

8) Any other business

No other business was discussed.

The Chair declared the meeting closed at 7.10pm

