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## SOUTH EASTERN REGIONAL COLLEGE

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

held on Tuesday 14<sup>th</sup> April 2026 at 17:30, Meeting room, D Floor, Lisburn Campus and Via Microsoft Teams

### 1. Chairs Business

Attendance and apologies

Present: Mr Samuel Hagen, Mrs Nicola Wilson, Mrs Carolyn King, Dr Daniel McConnell, Mr Darren Stewart, Ms Grainne McVeigh, Ms Majella Corrigan, Mr Paul Finnegan

In attendance: Mr Tommy Martin (Principal & CEO) Mr Colin McGuckin (Deputy CEO) Mrs Claire Williamson (Secretary to the Governing Body) Mr Andrew Emmett (Chief Technology Officer) Mr Richard Girvan (NIAO Representative) Mr John Nugent (Chair of the Governing Body), Ms Pauline Wilson (DfE), Mr David Archibald (Henderson Logie)

Apologies: None

In the Chair: Mr Hagen

### 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.
- Ms Corrigan declared she is employed by DENI. She is a current member of the Governing Body of Stranmillis College
- The Principal and Deputy CEO declared a conflict with agenda item 5A where the strategic risk on senior staff pay was documented. The Chair noted the conflict and advised any discussion on this

matter would not involve any decision making so there would be no need for the staff members to leave the meeting.

### c) Minutes of the meeting held on 3<sup>rd</sup> February 2026

*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 Danny McConnell and seconded by Majella Corrigan.

### d) Action Points from the meeting held on 3<sup>rd</sup> February 2026

Previously issued to all Members.

On the invitation of the Chair the Deputy CEO provided verbal updates on the following:

#### **Procurement and Contractual Arrangements**

The Committee was advised that overall risk has been reduced following the extension of the Technical Services contract, which is now in place until 30 January. Work is continuing across the sector to put new contracts in place, with standard engagement progressing over the next three to four weeks. Sector-wide procurement activity is ongoing, with the procurement specification work nearing completion. The project is being progressed under the leadership of the Sector Responsible Owner, supported by the Sector Asset Management Group. It is anticipated that the Technical Services contract will be awarded in October and the Professional Services contract in November.

#### **Business Continuity and Cyclical Testing**

By way of update, Members were advised that the Business Continuity and cyclical testing programme is progressing as planned. Testing at Downpatrick and Bangor was completed on 27 March. Lisburn testing is scheduled for 15 April, with the final session due to take place on 13 May. Outcomes from each session will be collated following completion of the programme. The Principal added that the BCP plan will be presented to committee at its autumn in line with the normal cycle of business.

## 2) Correspondence

*Papers previously issued to all Members.*

### a) FE Accounts Direction

Members noted the revised financial reporting timetable and the implications for delivery. It was noted that, while there is some increased pressure on internal deadlines, particularly around April, the approach is considered manageable, albeit with additional workload for the finance team over the summer period.

From the Committee's perspective, it was confirmed that draft accounts are expected to be presented to the June meeting. Final audited accounts are anticipated later in the year, with Committee consideration likely in late October, ahead of submission in November.

Members sought clarification on the accounting periods to be presented. It was confirmed that the accounts will include an eight-month period (September to March) with comparative figures based on a full twelve-month period (April to March). A full twelve-month pack will also be prepared to support audit requirements. It was noted that, as deadlines align in future years, this will be the final year in which two sets of accounts and audits are required, with a return to a single set of accounts from March 2027 onwards.

In response to a query regarding seasonality and comparability, assurance was provided that no significant issues are anticipated. While some monthly movements (for example, utilities) may be evident, overall patterns are expected to remain stable. The closer alignment of the two sets of accounts will support reconciliation and consistency across reporting.

The Committee noted the update and confirmed it was content with the proposed approach.

#### b) HLA Digitization Update

Members noted the update on the proposed digitisation of the HLA process. The Deputy Chief Executive advised that the Department intends to undertake an initial fact-finding exercise with each College prior to the commencement of software development. It was noted that no implementation timeline had been provided at this stage and that College visits would be arranged over the coming weeks as part of this exercise. Members welcomed the Department's acknowledgement of the shortcomings of the previous TAMS system and the indication that any future solution would move away from paper-based processes. While concern was expressed regarding the lack of detail, timelines and project planning, it was acknowledged that a more cautious and co-designed approach with end-users may represent a positive departure from previous implementation arrangements. It was further noted that, unlike the prior system, Colleges had no alternative following the cessation of TAMS, which limited flexibility at the time.

#### c) NIAO Report: Partnership Working: Departments and Arm's Length Bodies

Members considered the NIAO report, noting that it contains a number of recommendations. Two key points were highlighted for the record. Firstly, the importance of ensuring that Partnership Agreements are current, published and subject to three-yearly review. It was confirmed that the College's Partnership Agreement is published online, was last updated on 19 December 2023, and remains valid until 20 December 2026, thereby confirming compliance with this requirement.

Secondly, Members noted the emphasis on the sector providing evidence of engagement with the Sponsor Department, with a view to avoiding unnecessary duplication.

The Committee noted the report.

The Chair commented that, in the context of the emerging budget environment and future challenges facing the sector, engagement with the Permanent Secretary and evolving approaches to oversight may become increasingly important. It was suggested that future arrangements may need to be less onerous and more proportionate, with reduced duplication, and that the Partnership Agreement could play a positive role in supporting appropriate oversight and autonomy as sector reforms progress. This comment was noted.

#### d) NI Sustainability Guidance

The Deputy CEO advised members of new ICS sustainability reporting requirements issued on 25 March, noting that, from 2025–26, public bodies will be required to include an ICS Sustainability Report within the Annual Report and Accounts.

It was noted that the first year will focus on governance and narrative disclosures, with no requirement to set targets. The College will be required to report on Scope 1 and Scope 2 emissions, with limited Scope 3 reporting, alongside narrative information on areas including paper usage, ICT waste, sustainable procurement and single-use plastics.

Members were advised that this represents an additional reporting requirement. Initial work is underway to assess requirements, with engagement continuing across the sector and internally to clarify data inputs. It was noted that future years will require a more developed approach, including baselines and the integration of sustainability into strategic and performance management frameworks.

In response to a member query, assurance was provided that the majority of required information is already available from recent sustainability submissions. While the timescale was acknowledged as challenging, it was confirmed that the College is required to comply and that the necessary disclosures will be included in the 2025–26 Annual Report and Accounts.

Members raised concerns regarding the application of the principle of “appropriate and proportionate effort”, noting potential ambiguity in the guidance and the risk of unnecessary duplication or onerous assurance processes. It was acknowledged that expectations remain emergent and are being discussed across the sector.

Management confirmed that sector engagement will continue to support a coordinated and proportionate approach, with professional judgement applied, particularly in the first year of reporting.

The Committee noted the update and discussion.

### 3) Internal Audit

#### a) Space Management / Room Utilisation BPR Review

On the invitation of the Chair, Mr. Archibald, Internal Auditor, presented the Space Management / Room Utilisation BPR Review.

The Internal Auditor advised that this was not a standard internal audit report but a business process review, which was unusual as a first report to Committee. Consequently, the report did not include an overall assurance grading. This approach reflected the Global Internal Audit Standards introduced last year, which encourage internal audit to move beyond traditional controls-based reviews towards more consultative, process-focused work.

The review examined space utilisation across the College estate, using staff focus groups and one-to-one discussions to gain a detailed understanding of how teaching, office and social spaces were used and how this aligned with timetabling processes. The review identified a number of strengths and confirmed that good practice was already in place, including effective use and repurposing of space following changes arising from COVID-19.

Two recommendations were made. The first related to the standardisation of room-booking processes to ensure that bookable spaces were used efficiently and as intended. The second recognised capacity pressures at the Lisburn campus and highlighted the need for associated risks to be reflected within the College's estates strategy and future planning.

A further issue regarding the development of a standardised methodology for measuring space utilisation across all six regional colleges was noted but not included as a formal recommendation. It was confirmed that this would be progressed separately through the NI-FEC sector, enabling consistent data capture, benchmarking and the sharing of good practice.

The Internal Auditor confirmed that no significant issues or control weaknesses had been identified. The recommendations were intended to build on strong foundations already in place and to support continuous improvement.

The Committee considered the review of space utilisation across the College estate, including teaching accommodation, office space and the balance between assembly halls, social areas and open learning environments. Members noted that a number of open areas had been successfully repurposed as informal study spaces, providing students with access to power and workspace outside timetabled teaching rooms.

The Committee acknowledged ongoing pressures on teaching accommodation and the need to balance core teaching requirements with broader operational uses of the estate. Reference was made to historic issues in relation to room-booking preferences and instances of under-utilisation, and it was noted that periodic, sample-based physical checks could support the accuracy of utilisation data.

Management advised that timetabling arrangements had been significantly overhauled in recent years, including the introduction of a centralised, online timetabling system. Responsibility for room allocation had transferred from curriculum areas to a central timetabling function, enabling a more holistic approach to space utilisation across campuses and reducing dependence on individual preferences. It was reported that physical walk-arounds had been undertaken to address legacy practices and that timetabling now commenced earlier to better align curriculum planning with available accommodation, particularly at the Lisburn campus. Management confirmed that this represented the first full year of operating the new system and that further refinement would follow evaluation.

Members also noted innovative work to repurpose accommodation through supervised student projects, undertaken with insurer approval, which had enabled the development of new facilities while providing valuable practical learning opportunities.

The Committee was reminded that longer-term accommodation pressures at the Lisburn campus were recognised within the Estates Strategy, including an aspirational proposal to develop the adjacent brownfield site, subject to the availability of funding.

## 4) Items for Approval

### a) Report to Those Charged with Governance

The Committee received the External Audit findings and management update. It was reported that budget holders were currently reviewing fixed assets, with all zero netbook value assets removed from the fixed asset register. New asset categories and updated estimated useful lives were implemented from 1 April, with further progress to be reported at the next audit engagement.

An update was provided on prompt payment performance, which had improved to 94% as at 25 March, with management confirming continued efforts to return to the 95% target threshold.

The Chair highlighted the audit report was an unqualified audit opinion with no modifications. The significant risk relating to management override of controls was considered, with no instances identified during the audit. No issues of fraud, irregularity, impropriety or losses were identified. There were no adjusted or uncorrected misstatements, with the exception of regular expenditure.

The Committee noted that the two audit findings had been addressed through management actions and confirmed that the report represented a strong overall outcome, reflecting a high standard of financial management and governance.

The Committee formally approved the audit report, on proposal and seconder, and thanked management and staff for their work in achieving a positive audit conclusion.

## 5) Items for Information

*Papers previously issued to all Members.*

### a) Strategic Risk Management Report

The Deputy CEO provided a high-level update on the strategic risk register, highlighting the following salient points.

The financial viability of the College remains a significant risk. The operational budget was presented to CMT on 27 March 2026 and to the Finance and General Purposes Committee, identifying a potential £1.8m funding gap. Following discussion, CMT agreed that this risk should remain rated Red.

Cyber security continues to be assessed as a high risk, particularly in light of the recent cyber incident affecting the Education Authority over the Easter period. Members noted that the College has achieved Cyber Essentials Plus certification and that senior staff are participating in a cross-sector Cyber Security Working Group, chaired by the Deputy Director of Digital Services within the Department of Finance. Ongoing mitigation work is in place; however, the risk remains Red.

The risk relating to student numbers and funding pressures was discussed. While demand and funding requirements continue to increase, members agreed that the risk remains Amber at this time, noting that it has been effectively managed over the previous financial year but will continue to be closely monitored.

An update on industrial relations was provided. Constructive engagement with local trade unions is continuing through regular JNC meetings, and positive progress is being made on the senior staff pay agreement. A recent meeting with trade union representatives regarding lecturer workload and pilot arrangements was reported as very positive, with management proposals well received. It was noted that this work forms part of a wider regional, multi-year programme, and that improved joint communication will be pursued to support clarity and consistency.

### b) Operational Risk Report

The Deputy Principal Curriculum provided an overview of operational risks within the Schools under his remit, noting that risks were presented alphabetically and not in order of priority.

### **School of Business, Health and Hospitality**

Members discussed staffing pressures arising from reliance on additional hours, part-time staff and, historically, emergency appointments to deliver the full curriculum offer, particularly within Skills for Life and Work, essential skills, business, health and hospitality. It was noted that this presents potential risks in relation to quality, staff wellbeing and financial pressures. The Director advised that the risk is currently well mitigated through robust quality assurance arrangements, including established monitoring processes throughout the academic year.

Members noted that significant progress has been made in expanding the part-time lecturer (PTL) register, resulting in a reduction in the use of emergency appointments, with particular improvement in health, childcare and hospitality. Further work is underway to refine the delivery model for Skills for Life and Work, recognising the challenges presented by its year-round delivery model.

Members were advised that three-year curriculum planning is being developed across the College, alongside the timetabling project, to enable earlier identification of staffing capacity gaps and alignment of core and part-time provision. This will allow risks to be identified and addressed earlier in the planning cycle. The importance of monitoring staff workload, health and wellbeing was also noted.

### **School of Business, Health and Hospitality – Industrial Relations**

An operational risk relating to industrial relations issues within the childcare department was outlined, including the potential impact on staff morale and learner experience. Members noted that mitigating actions are in place and that the immediate risk to learners has been fully managed.

It was reported that a temporary management structure has been introduced, with an independent manager appointed from outside the department to provide stability and reduce the risk of further complaints. An independent investigation has been commissioned, alongside a broader independent internal review examining working practices, management arrangements, communication and culture. Members were advised that while the review is expected to conclude in the early part of the next academic year, implementation of recommendations may take longer. The College is progressing the matter in line with established policies and procedures.

### **School of Engineering and Science**

Members noted a marginal decline in enrolments within Engineering and Science over the past two years, particularly within access provision and apprenticeship pathways, and agreed that this constituted an appropriate operational risk given the strategic importance of the area.

Members were advised that detailed analysis has been undertaken at departmental level and that access, engagement and curriculum teams are now working jointly to redesign provision to better meet local community needs. Workshops held earlier in the year were reported as productive, and work is underway to redesign the Restart and Access offer as part of the three-year curriculum planning process.

It was noted that the College is developing an “engagement champion” model to strengthen community outreach, recognising the specialist nature of engagement activity and the limited capacity of the central engagement team. Outreach activity, including apprenticeship and engineering engagement events, is ongoing, and members were advised that the actions in place are expected to support an uplift in enrolments for the 2026–27 academic year.

### **Building Management Capacity – Risk Mitigation**

Members noted the actions being undertaken to build management capacity within the College without increasing management headcount. It was explained that, due to recruitment constraints, capacity is being created by rebalancing roles and reducing the teaching load undertaken by existing managers, enabling them to focus more effectively on their management responsibilities rather than frontline delivery.

It was reported that a review of roles and practices identified that managers, particularly at Deputy Head of School level, were undertaking a disproportionate level of teaching and non-management activity compared with other colleges. This was recognised as inefficient and contributing to operational pressure. Actions are therefore being taken to ensure managers adhere more closely to their job descriptions, with an appropriate balance between management duties and limited teaching, to maintain currency.

Members noted that steps have also been taken to reduce administrative burden on managers, including the introduction of dedicated roles such as Higher-Level Apprenticeship Assessors, and changes to assessment and verification arrangements. In addition, a more flexible approach to programme delivery has been adopted, with reduced teaching contact for lecturers undertaking roles such as Programme Coordinator and Lead Internal Verifier.

It was highlighted that, while these changes may place some pressure on frontline delivery in the short term, they support sustainability, succession planning and the development of future leadership capability within the College. Members acknowledged that, while financial constraints may limit the ability to recruit additional teaching staff, the actions being taken are necessary to address excessive workload pressures and to support effective management and long-term organisational resilience.

### c) IT Resilience Statement

The Chief Technology Officer talked to the written report and provided update on cyber security arrangements, including confirmation that Cyber Essentials Plus certification was achieved in March 2026. The CTO outlined the scope of the independent assessment, noting that it followed successful completion of Cyber Essentials in December 2025 and involved external verification of systems, devices and configurations. Minor remedial actions were completed during the assessment period, and re-certification has been scheduled for the following year in recognition that standards continue to evolve.

It was reported that the College's cyber governance arrangements have been strengthened through the replacement of the former Information Security Committee with a Digital Trust and Assurance Committee. The new committee will provide broader oversight of digital risk, including cyber security, data protection and the organisational impact of digital and emerging technologies, with the aim of supporting more structured risk reporting and assurance over time.

Members were advised that cyber incidents during the reporting period were low-level and routine, largely relating to staff and student activity, with no material impact. In response to the recent C2K incident affecting the Education sector, assurance was provided that internal systems were checked promptly, including log and email reviews, and no evidence of compromise or data impact was identified. Additional precautionary security measures were applied to relevant system interfaces, and the College continues to align with sector-wide public messaging.

Members noted that a penetration test is nearing completion, with the final report expected shortly. In addition, the Cyber Security Maturity Assessment (CSMA) has been completed, with two actions formally closed as not applicable due to technical constraints within the College environment.

An update was also provided on staff cyber awareness and testing. A recent phishing simulation resulted in strong reporting rates, with a small number of repeat offenders identified. These individuals, primarily part-time staff, have been engaged directly to reinforce awareness and good practice.

Overall, Members noted the assurance provided and welcomed the continued proactive approach to cyber security, governance and staff awareness.

## 6) Policies

Members noted the following policies had been reviewed:

- Information Governance Policy
- Information Systems (Electronic) Incident Management Policy
- ITS Disaster Recovery Policy

The Deputy CEO confirmed no substantive changes were required to any of the policies and asked members to note the review.

## 7) Fraud Update

*Paper previously issued to all Members.*

Members noted that there are, currently, no live cases of suspected or actual fraud.

## 8) Any other business

The Chair noted that an update on outstanding Internal Audit recommendations would normally be reported however, it was agreed that this would be included on the agenda for the next meeting.

**Action:** Internal audit recommendations will be included on the agenda at the next meeting

Members referred to a recent discussion at the Education Committee regarding the volume of data provided to the Department. It was noted that similar information is often requested by different departmental branches, resulting in duplication. Members agreed that, from an assurance perspective, it would be useful to review what data is routinely submitted, identify areas of crossover and consider whether this could be examined as part of the Internal Audit programme for the coming year.

The Chair of the Education Committee advised that existing information has already been collated and tabulated, and outlined current assurance processes, including multiple funding streams and quarterly financial reporting arrangements. It was noted that this work could provide useful evidence base without creating additional workload for staff.

The Principal advised that this discussion was timely, noting that at a recent FE Reform meeting departmental officials confirmed their intention to engage with the sector on the simplification of performance reporting and funding arrangements. Members agreed that a fresh review of assurance and reporting requirements would align well with this wider work.

The Deputy CEO paid warm tribute to the Chief Technology Officer at his final meeting of the Committee, recognising his exceptional dedication, professionalism and significant contribution over many years. The

Chair fully endorsed these remarks and highlighted the Chief Technology Officer's consistent commitment to supporting the Committee, noting in particular his readiness at all times to provide clear assurance and expert advice when required.

**The Chair declared the meeting closed at 7.33pm**