

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of an Online Meeting of the **Audit & Risk Committee**
held on Wednesday 09 September 2020 at 3:30 pm

PRESENT:

Mr Peter Archdale
Ms Siobhan Breen
Mrs Patricia McCaffrey (Committee Chair)
Mrs Monica McGeary
Mrs Joanne Moore
Mr Michael Skuce

IN ATTENDANCE:

Dr Jill Cush, Deputy Chief Executive
Mrs Eimear Grugan, Project Sponsor (*Item 7 only*)
Ms Helena Kelly, PWC
Mrs Joanne Lucas, Risk & Compliance Officer
Mr Michael McAlister, Chief Executive
Mr Ian McCartney, RSMUK
Mrs Sharon McGrath, Head of Services (Item 9.2 only)
Mr Sean O'Donnell, Head of Finance
Mr Brian O'Neill, NI Audit Office
Dr Nicholas O'Shiel, Chair of the Governing Body
Mrs Shirley Patterson, Acting Secretary to the Governing Body
Ms Lisa Randall, RSMUK
Ms Heather Sampson, Department for the Economy

PRELIMINARIES

At the outset the Chair explained that the meeting would be recorded for minute taking purposes and that this recording would be destroyed when the minutes had been agreed.

1.0 APOLOGIES

None.

2.0 CONFLICT OF INTEREST DECLARATIONS

No declarations were made.

3.0 MINUTES OF AND MATTERS ARISING FROM PREVIOUS MEETING

PREVIOUSLY ISSUED to all members:

- Paper 03 – Minutes of 13 May 2020 Audit & Risk Committee Meeting

There were no matters arising from the minutes.

With reference to item 13, there were no matters arising from outstanding actions.

4.0 **INTERNAL AUDIT REPORTS**

PREVIOUSLY ISSUED to all members:

- Paper 04 – Internal Audit Report

Mr McCartney provided an overview of paper 04, explaining the key areas of the document. He detailed the areas for review in the audit plan as risk management framework; cyber security; budgetary control and financial management information; student engagement; and appeals and complaints.

Mrs McCaffrey thanked Mr McCartney for his presentation and noted that the committee will concentrate on the 5 audits and KPIs that he has outlined. She highlighted a requirement for a student focus from the committee, this will be captured within the student engagement audit but in addition to this it would be beneficial to include a student focus in the terms of reference in all audits.

Mrs McGeary highlighted the need for the student engagement audit terms of reference to include the relevance of the course content, to ensure the content is fit for purpose and not outdated. Mr McCartney advised he has taken note and will include in the assignment planning sheet. Mr McAlister supported Mrs McGeary's comments and offered assistance to Mr McCartney with advance planning to ensure the correct evidence base is provided. Furthermore, Dr O'Shiel supported Mrs McGeary's comments and noted sufficient time should be allocated to this.

AGREED: that Mr McCartney will review the terms of reference for each audit to include a focus on the student. In particular, course content to be included in the student engagement audit terms of reference.

5.0 **FRAUD REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 05 – Internal Audit Report

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

6.0 **REPORT ON WHISTLEBLOWING**

PREVIOUSLY ISSUED to all members:

- Paper 06.01 – Report on Whistleblowing
- Paper 06.02 – NIAO Raising Concerns Good Practice Guide

Mrs Lucas referenced paper 06.02, noting that the Northern Ireland Audit office have recommended that the term 'raising a concern' should be used instead of whistleblowing. She proposed that the whistleblowing policy should be reviewed to become a raising a concern policy. In addition, paper 06.02 advocates the appointment of a raising a concern champion and Mrs Lucas asked for approval from the committee to proceed with an appointment. Mrs McCaffrey confirmed the committee's approval of the policy review and supports the appointment of a raising a concern champion.

AGREED: Review of the whistleblowing policy to become raising a concern policy and appointment of a raising concern champion.

7.0 RISK MANAGEMENT IN THE ERNE CAMPUS DEVELOPMENT

PREVIOUSLY ISSUED to all members:

- Paper 07.01 – Erne Campus 5 Year Plan
- Paper 07.02 – Erne Project Risk Management Report

Mrs Grugan, Project Sponsor, joined the meeting at this juncture.

Mrs Grugan presented the Erne Project Risk Management report, detailing that due to the impact of COVID-19 the completion date has been revised and is now 14 January 2021. Additionally, the contractor has issued a revised and extended programme and is seeking reimbursement under the deed of variation mechanism devised by CPD. She highlighted the delayed decant to the new campus and explained that there may be a requirement for a phased decant. With regard to finance the project is on budget, and additional funding has been confirmed from DfE to cover the cost associated with COVID-19. Mrs Grugan outlined the progress in relation to PassivHaus and BREEAM, the anticipated certification percentage is 90.74%, the project team are satisfied that this is a good margin to meet the requirement. In relation to an Erne project audit from 2019/20 Mrs Grugan provided clarification of recommendations which had been closed within the audit.

Committee members commended the team on the successful progress of BREEAM. Following a number of questions from the committee members Mrs Grugan confirmed that she is satisfied with the DfE framework for PassivHaus Buildings, and that a plan will be in place for any issues with energy management, furthermore she elaborated to the potential of a SIB energy study over a 5-year period.

Mrs Grugan was thanked for her presentation and withdrew from the meeting at this juncture.

8.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 08 – Management Report
- Paper 08.01 – Internal Audit Report
- Paper 08.02 – Outstanding Recommendations (spreadsheet)
- Paper 08.03 – Corporate Risk Register
- Paper 08.04 – Corporate Risk Register (spreadsheet)
- Paper 08.05 – HM Government the Orange Book
- Paper 08.06 – Technical Services Report
- Paper 08.07 – Direct Award Contracts (spreadsheet)
- Paper 08.08 – Annual Theft and Fraud Report
- Paper 08.09 – Complaints Summary Report
- Paper 08.10 – Freedom of Information and Data Protection Activity Report
- Paper 08.11 – Conflict of Interest Policy

- Paper 08.12 – Policy and Procedure for the Declaration and Handling of Criminal History Disclosures
- Paper 08.13 – Disaster Management Policy
- Paper 08.14 – ILT Security & Auditing Policy
- Paper 08.15 – Customer Complaints and Compliments Policy
- Paper 08.16 – Customer Guide
- Paper 08.17 – Staff guide to Handling Customer Complaints
- Paper 08.18 – Report on Losses

8.1 External Audit Update

Ref: Management Report Section 1.0

NOTED.

8.2 Internal Audit Activity 2020-2021 and Three Year Strategy

Ref: Management Report Section 2.0 and paper 08.01

It was noted that the internal audit report had been undertaken in item 4.

8.3 Audit Recommendations Follow Up Review – Management Schedule

Ref: Management Report Section 3.0 and paper 08.02

NOTED.

8.4 Annual Corporate Risk Register Review

Ref: Management Report Section 4.0 and papers 08.03, 08.04 and 08.05

Mrs Lucas explained that following a review of the annual corporate risk register that eleven categories of risk have been identified. The main risks are business resilience; meeting performance targets; and systems technology risks. She explained that COVID-19 has not been identified as a discrete risk but the effect of this crisis is acknowledged and identified across all risks. Dr O’Shiel agreed that COVID-19 is identified across all risks but commented that it should be considered as a separate risk, Mr McAlister and Mr Archdale made comment to agree that COVID-19 should be included as a risk.

Mrs Moore asked if there had been consideration to the percentage of students on campus compared to other education providers and how that will impact on their education experience. In response Dr Cush explained that the college has to adhere to the two-meter social distancing and at a high level the strategy is to get as many students on site as possible. The recovery plan has developed a model based on curriculum levels and curriculum areas, she reassured the committee that the college is doing their best to optimise student activity on site safely and that data will be available.

AGREED: COVID-19 to be added as a risk to the annual corporate risk register

8.5 Data Security Update Report

Ref: Management Report Section 5.0 and paper 08.06

Mr Archdale and Mrs McCaffrey commented on the requirement for additional technical resources to manage the security systems and noted it as positive progress in this area.

NOTED

8.6 Report on Direct Award Contracts

Ref: Management Report Section 6.0 and paper 08.07

NOTED

8.7 NI Government Annual Theft and Fraud Report

Ref: Management Report Section 7.0 and paper 08.08

NOTED

8.8 Draft Annual Report and Financial Statements 2019/20

Ref: Management Report Section 8.0

NOTED

8.9 Erne Campus Five Year Operational Plan

Ref: Management Report Section 9.0

NOTED

8.10 Complaints and Compliments Report

Ref: Management Report Section 10.0 and paper 08.09

In relation to an anonymous complaint within paper 08.09 Mrs McGeary questioned if the issues were addressed, Mrs Lucas advised the issue was actioned and she is satisfied that it has been resolved. Mr Skuce suggested it would be beneficial for Mrs McCaffrey and Mrs Lucas to identify the trends in complaints.

AGREED: that Mrs McCaffrey and Mrs Lucas will look at the trends in complaints.

8.11 Losses Report

Ref: Management Report Section 11.0 and paper 08.18

NOTED

8.12 Report on Freedom of Information and Data Protection Activity 2019/20

Ref: Management Report Section 12.0 and paper 08.10

Mr Archdale asked Mrs Lucas if consideration had been given to data protection in relation to staff working from home. Mrs Lucas advised that in relation to all policies the college will be looking at compliance.

NOTED

8.13 Policy Reviews (Previously Approved by Audit and Risk)

Ref: Management Report Section 13.0 and papers 08.11, 08.12, 08.13, 08.14

Mrs McCaffrey advised that these Policies have previously been approved by the Audit and Risk Committee.

AGREED: that the revised Conflict of Interest Policy, Policy and Procedure for the Declaration and Handling of Criminal History Disclosures, Disaster Management Policy and ILT Security and Auditing Policy be recommended to the Governing Body for approval.

8.14 Policy Reviews (Not Previously Presented to Audit and Risk)

Ref: Management Report Section 13.0 and papers 08.15, 08.16, 08.17

Mrs Lucas provided an overview of the changes proposed to the Customer Complaints and Compliments Policy.

AGREED: that the revised Customer Complaints and Compliments Policy be recommended to the Governing Body for approval.

9.0. DEPARTMENTAL RISK REGISTER REPORTS

PREVIOUSLY ISSUED to all members:

- Paper 09.01 – Finance Department Risk Register
- Paper 09.02 – Services Risk Register Update

9.1 Finance Department Risk Register

Referring to paper 09.01, the Head of Finance, Mr O'Donnell, outlined the risks identified for the finance department and the work being carried out to mitigate them. He explained the impact of added pressures of COVID-19 and detailed two new risks due to the introduction of the new EBS enrolment system and world pay for student fees. Mr O'Donnell referred to the funding pressures for sectoral legacy deficit and lecturing pay remit noting that the Department for the Economy are to confirm that these will both be baselined. In relation to BREXIT, he informed the committee that the college are looking at alternative funding opportunities to replace EU funding. He also detailed five risks which have now fallen off.

9.2 Services Risk Register Update

Mrs McGrath, Head of Services, joined the meeting at this juncture.

Referring to paper 09.02, the Head of Services, Mrs McGrath, outlined the risks identified for the services department, in particular, she provided detail on new risks; renamed risks; and the one risk which has dropped off.

In response to questions from Mrs McGeary, Mrs McGrath indicated the EBS enrolment system implementation has worked well. Any issues were sector wide and a member of staff has been assigned 3 days a week to concentrate on ironing out any issues and provide training as required. A wider college review will take place to review this first stage to identify what went well and what didn't. She advised that there is visibility to those who started an application but did not complete and this was used for the summer campaign.

Following a question from Mrs Moore in relation to what mitigations are in place for students who may be not responding well to online learnings. Mrs McGrath detailed initiatives across the college teams to identify digital and teaching and learning issues and advised that level 1; level 2; and SEN students have been prioritised for on campus learning.

Mrs McGrath was thanked for her presentation and withdrew from the meeting at this juncture.

10.0 REVIEW OF AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

- Paper 10 – Audit & Risk Committee Terms of Reference

AGREED: that the revised Audit & Risk Committee Terms of Reference be recommended to the Governing Body for adoption.

11.0 PROGRAMME OF BUSINESS 2020/21

PREVIOUSLY ISSUED to all members:

- Paper 11 – Proposed Programme of Business 2020/21

AGREED: acceptance of the programme of business

12.0 ANY OTHER RELEVANT BUSINESS

PREVIOUSLY ISSUED to all members:

- Paper 12 – NIAO Report the Northern Ireland Executive’s Response to the COVID-19 Pandemic

NOTED

13.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 13.01 – Outstanding Audit Committee Actions
- Paper 13.02 – Outstanding Audit Committee Actions – Response
- Paper 13.03 – Letter to Colleges – Initial meeting re hardship fund
- Paper 13.04 – Statement of Applicability

It was noted that the review of outstanding actions following the May 2020 committee meeting had been undertaken in item 3.0.

14.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members conveyed their satisfaction with the proceedings.

The meeting concluded at 5.25pm.

CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY 16 SEPTEMBER 2020.

CHAIRMAN _____ DATE _____

SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	10/09/2020	4.0	Mr McCartney will review the terms of reference for each audit to include a focus on the student. In particular, course content to be included in the student engagement audit terms of reference.
2	10/09/2020	6.0	Review of the whistleblowing policy to become raising a concern policy and appointment of a raising concern champion.
3	10/09/2020	8.4	COVID-19 to be added as a risk to the annual corporate risk register
4	10/09/2020	8.10	Mrs McCaffrey and Mrs Lucas will look at the trends in complaints.
5	10/09/2020	8.13	The revised Conflict of Interest Policy; Policy and Procedure for the Declaration and Handling of Criminal History Disclosures; Disaster Management Policy; and ILT Security and Auditing Policy be recommended to the Governing Body for approval.
6	10/09/2020	8.14	The revised Customer Complaints and Compliments Policy be recommended to the Governing Body for approval.
7	10/09/2020	10	The revised Audit & Risk Committee Terms of Reference be recommended to the Governing Body for adoption.
8	10/09/2020	11	Acceptance of the programme of business