SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**
held on Wednesday 20 May 2026 at 09:00 am
via MS Teams

PRESENT:	Mr Tom Corr Mr Brian Ingram, Committee Chair Mrs Gillian McDowell Mr Patrick McKeown
IN ATTENDANCE:	Mr Stephen McNaught, Henderson Loggie Mr Tomas Wilkinson, NI Audit Office Mr Padraig McNamee, Deputy Chief Executive Mrs Sharon McGrath, Director of Corporate Services Mr Sean O'Donnell, Head of Finance & Governance Ms Pauline Wilson, DfE Mrs Breidge Morrison, Notetaker
APOLOGIES:	Ms Celine McCartan, Principal & Chief Executive

1.0 PRELIMINARIES AND APOLOGIES

The Chair welcomed all to the last meeting of the academic year and thanked members for their attendance and commitment.
Apologies were tendered on behalf of Ms Celine McCartan and Mrs Fiona McCauley.

2.0 CONFLICT OF INTEREST DECLARATIONS

No conflict of interest declarations were made.

3.0 MATTERS ARISING FROM MINUTES OF PREVIOUS MEETINGS

PREVIOUSLY ISSUED to all members:
- Paper 03 Minutes of 18 February 2026 Audit & Risk Committee Meeting

There were no matters arising from the minutes.

4.0 INTERNAL AUDIT

PREVIOUSLY ISSUED to all members:
- Papers 04.01 Report on Internal Audit of Student Recruitment
- Papers 04.02 Report on Internal Audit of College Performance Data
- Papers 04.03 Report on Internal Audit of Sickness Absence
- Papers 04.04 Report on Internal Audit of Procurement & Creditors/Purchasing
- Papers 04.05 Report on Internal Audit of Business Development
- Papers 04.06 2025-26 Annual Internal Audit Assurance Report
- Papers 04.07 Report on Follow Up of 2024-25 Internal Audit Recommendations.

4.1 Report on Internal Audit of Student Recruitment

Mr McNaught reported that "good" assurance had been awarded following an internal audit of Student Recruitment. He highlighted a number of areas of good practice which were recognised during the audit and noted one Grade 3 recommendation in regard to emerging consideration of Artificial Intelligence within recruitment, requiring further development and support frameworks.

The Committee welcomed the positive report and noted management's acceptance of the recommendation.

4.2 **Report on Internal Audit of College Performance Data**

Mr McNaught reported that "good" assurance had been awarded following an internal audit of College Performance Data. He highlighted a number of areas of good practice which were recognised during the audit and there were no recommendations.

Mrs McGrath welcomed the positive report and the inclusive audit process involving cross-College personnel and noted that further work may be required to catalogue and rationalise DfE circulars to enhance clarity.

4.3 **Report on Internal Audit of Sickness Absence**

Mr McNaught reported that "satisfactory" assurance had been awarded following an internal audit of Sickness Absence. He highlighted a number of areas of good practice which were recognised during the audit and noted one Grade 3 recommendation in regard to delays in completing Return to Work (RTW) documentation.

Mrs McGrath was content with the recommendation and acknowledged that timely completion of RTW forms is essential to enable early support and reasonable adjustments and guidance and escalation processes require strengthening to ensure accountability.

AGREED: that the report be shared with the Staffing Committee for further consideration.

4.4 **Report on Internal Audit of Procurement & Creditors / Purchasing**

Mr McNaught reported that "good" assurance had been awarded following an internal audit of Procurement & Creditors/Purchasing. He highlighted a number of areas of good practice which were recognised during the audit and there were no recommendations.

Mr O'Donnell welcomed the positive report and the Audit Committee commended the strength of the processes and the outcome of the audit.

4.5 **Report on Internal Audit of Business Development**

Mr McNaught reported that "good" assurance had been awarded following an internal audit of Business Development. He highlighted a number of areas of good practice which were recognised during the audit and noted two Grade 3 recommendations in regard to enhancing the Business Development Risk Register to include opportunity risks and strengthening intellectual property management arrangements.

Mrs McGrath reported that management welcomed the feedback and confirmed that actions would be implemented to strengthen processes relating to the recommendations.

4.6 **Annual Internal Audit Assurance Report 2025-26**

Mr McNaught reported a clean audit opinion for 2025/26, confirming that the College has adequate arrangements for governance, risk management and control.

Mr Ingram welcomed the clean audit opinion on a good year's work.

Mr McNamee thanked Henderson Loggie and the Internal Audit Team for its work over the year.

It was further noted that planning for the 2026/27 Audit Plan should commence earlier, with engagement between SLT and the Audit Committee over the summer period.

4.7 Follow Up of 2024-25 Internal Audit Recommendations

It was reported that 10 recommendations had been successfully implemented, demonstrating strong progress.

5.0 EXTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Papers 05.01 Cover Letter to the Strategy for the Audit of the 2025/26 Annual Report & Financial Statements
- Papers 05.02 Strategy for the Audit of the 2025/26 Annual Report & Financial Statements

Mr Wilkinson outlined the Strategy for the Audit of the College's 2025/26 Financial Statements, noting the audit approach, scope and timescale (commencement late July). He highlighted the materiality, error reporting and the audit fee of £52,000 which has increased quite significantly on last year.

The Chair outlined his concerns at the fee increase and members confirmed that this major spend needs to be recognised in the hope that no further increase will be applied next year.

The Chair confirmed the Committee had no concerns regarding risk and that management plans were in place to address the risks identified by NIAO.

Members further agreed that they had no knowledge of any actual, suspected or alleged fraud; any instances of non-compliance with laws and regulations that could be expected to have a fundamental effect on the operations; or actual, suspected or alleged irregularity affecting South West College.

AGREED: acceptance of the Strategy for the Audit of the College's 2025/26 Financial Statements.

Anne McClearly left the meeting at this juncture.

6.0 GOVERNANCE REPORT

PREVIOUSLY ISSUED to all members:

- Paper 06 Governance Report
- Paper 06.01 Fraud and Raising a Concern
- Paper 06.02 End Year Assurance Statement

- Paper 06.03 Mid Year Assurance Statement
- Paper 06.04 Corporate Risk Register
- Paper 06.05 Annual Review of the Corporate Risk Register
- Paper 06.06 Tracking Actions Internal Audit Programme 2024-25
- Paper 06.07a Compliance with Climate Change and ESG Requirements
- Paper 06.07b Climate Change Public Body Adaptation Report
- Paper 06.07c NI Sustainability Reporting Guidance Letter
- Paper 06.07d NI Sustainability Reporting Guidance and Template
- Paper 06.08 Update on Management of Risk associated with Artificial Intelligence
- Paper 06.09 Direct Award Contracts
- Paper 06.10 Procurement Report
- Paper 06.10a Contracts Register
- Paper 06.10b Annual Public Procurement Policy Assurance Statement
- Paper 06.11 User Account Management Policy
- Paper 06.12 Declaration and Handling of Criminal History Disclosures Policy
- Paper 06.13 Business Continuity Management Policy
- Paper 06.14 Conflict of Interest Policy
- Paper 06.15 Information Security Policy
- Paper 06.16 Risk Appetite Statement
- Paper 06.17 Updates to Articles of Government to Reflect changes of Accounting Date
- Paper 06.18 NIAO Letter of Understanding
- Paper 06.19 Commissioning Letter to GB Chairs on ARC role in review of component accounts
- Paper 06.20 Update on DfE 2025 Test Drill Exercise
- Paper 06.21 Annual Website Review

6.1 <u>Fraud and Raising a Concern</u>

Ref: Governance Report Section 2.0 and Papers 06.01

Mrs McGrath confirmed that assurances had been provided by senior managers that no fraud, bribery or corruption had been identified in the reporting period.

6.2 <u>Assurance Statements</u>

Ref: Governance Report Section 3.0 and Papers 06.02 and 06.03

Mrs McGrath confirmed there were no updates on ongoing matters relating to Senior Pay Award and Lecturer Pay Award implementation.

6.3 <u>Corporate Risk Register</u>

Ref: Governance Report Section 4.0 and Papers 06.04 and 06.05

Mrs McGrath reported the escalation of the risk of failure to ensure financial stability and Mr McNamee reported that, due to significant funding pressures, including a required reduction to 94% of previous budget levels, a substantial financial gap is inevitable. Immediate mitigations are being implemented and will be included in the response which is due by close of play on 21.05.26; however, he noted that longer-term structural changes cannot be achieved within the 2026/27 timeframe and will require sector-wide planning. Members continued a discussion on this with input from Mr McKeown as Chair of NIFON.

Mrs McGrath also reported that risks relating to HR and payroll systems, digital infrastructure and funding streams were escalated.

6.4 Audit Recommendations Follow Up Management Schedule

Ref: Governance Report Section 5.0 and Papers 06.06

Mrs McGrath reported the implementation of all outstanding internal audit recommendations.

6.5 Compliance with Climate Change and ESG Requirements

Ref: Governance Report Section 6.0 and Papers 06.07a, 06.07b, 06.07c and 06.07d

Mrs McGrath reported that climate adaptation requirements had been met however there were issues with the reporting portal. A Sustainability Officer will commence on 1 June, with an initial focus on undertaking a climate risk assessment and reviewing and merging the College's climate and sustainability action plans. She further advised that sustainability reporting is being supported by colleagues from Finance and Estates, who are working collaboratively to ensure the required data and strategic approach are in place.

6.6 Report on Management of Risk associated with Artificial Intelligence

Ref: Governance Report Section 7.0 and Papers 06.08

Mrs McGrath reported that an action plan has been developed following staff surveys, with consideration now being given to how it will be resourced. The Committee acknowledged the need to balance opportunities with risk, including in assessment processes. The importance of staff development was highlighted, with a proposal to provide CPD to support effective use of AI in teaching and learning.

6.7 Report on Direct Award Contracts

Ref: Governance Report Section 8.0 and Papers 06.09

The Report on Direct Award Contracts was noted by the Committee.

6.8 Procurement Report

Ref: Governance Report Section 9.0 and Papers 06.10, 06.10a and 06.10b

Mr O'Donnell noted that a new reporting requirement has been introduced for 2025/26, aligned to assurance statement processes. A procurement capability report has been submitted. This will be an annual requirement, and Mr O'Donnell will share the statement with members for review.

6.9 Policy Review

Ref: Governance Report Section 10.0 and Papers 06.11 - 06.16

AGREED: that the User Account Management Policy, the Declaration and Handling of Criminal History Disclosures Policy, the Business Continuity Management Policy, the Conflict of Interest Policy and the Information Security Policy, along with the Risk Appetite Statement are recommended to the Governing Body for approval.

6.10 Other Matters

Ref: Governance Report Section 11.0 and Papers 06.17 - 06.21

Mrs McGrath provided a brief update on a number of additional governance and audit related items. The papers were presented for information and note, including key correspondence and procedural updates on Articles of Government, NIAO Letter of Understanding, Letter to GB Chairs on the ARC role in the review of component accounts, DfE Test Drill Exercise and a report on the review of the College Website.

AGREED: Mr O'Donnell to forward a link to the FREM Report.

7.0 ANNUAL AUDIT & RISK COMMITTEE SELF-ASSESSMENT / REVIEW OF EFFECTIVENESS

PREVIOUSLY ISSUED to all members:
- Paper 07 Self-Assessment

The Chair confirmed he was content with the current position of the self-assessment.

8.0 SCHEDULE OF MEETINGS 2026/27

PREVIOUSLY ISSUED to all members:
- Paper 08 Schedule of Meetings 2026/27

The Committee accepted the proposed schedule of meetings.

AGREED: acceptance of the proposed schedule of Audit & Risk Committee meetings for 2026/27.

9.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:
- Paper 09 Outstanding Actions

Item 6.5 It was noted that Mrs McGrath will bring the brief to the first ARAC meeting of the 2026/27 academic year.

A revised list of actions is provided in Appendix A.

10.0 ANY OTHER RELEVANT BUSINESS

The Chair thanked Mr McKeown for his wisdom and insight and wished him well in the future.

11.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members indicated their satisfaction with the proceedings of the meeting. The Chair thanked all for their contributions and attendance.

The meeting concluded at 11:23.

CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY 24 JUNE 2026

GB CHAIRPERSON ______________________________ DATE ______________________________

APPENDIX A

SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	**Minute Ref**	**Action**
1	18/02/2026	6.5	Mrs McGrath will circulate a brief on the College's use of the active directory assessment tools brief to the first ARAC meeting of the 2026/27 academic year.
2	20/05/2026	4.3	Mrs McGrath will share the Internal Audit Report of Sickness Absence with the Staffing Committee for further consideration.
3	20/5/2026	6.10	Mr O'Donnell to forward a link to the FREM Report.