

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**
held on Wednesday 24 September 2025 at 3:30 pm
via MS Teams

PRESENT:

Mr Tom Corr
Mr Brian Ingram, Committee Chair
Ms Anne McCleary (*from item 4.0*)
Mrs Gillian McDowell (*from item 4.0*)
Mr Patrick McKeown (*items 1.0 – 5.8*)

IN ATTENDANCE:

Mr David Archibald, Henderson Loggie
Mr Michael Heery, NI Audit Office
Mr Stuart Inglis, Henderson Loggie
Ms Celine McCartan, Chief Executive
Mr Ian McCartney, RSM (*items 1.0 – 4.0 only*)
Mrs Fiona McCauley, Secretary to the Governing Body
Mrs Sharon McGrath, Director of Corporate Services
Mr Sean O'Donnell, Head of Finance & Governance
Ms Pauline Wilson, DfE

1.0 PRELIMINARIES AND APOLOGIES

Mr Ingram welcomed all present to the first committee meeting of the 2025/26 year, extending a particular welcome to Mrs McDowell, new committee member, and Mr Archibald and Mr Inglis, representatives of Henderson Loggie, the College's new Internal Audit provider, on their first attendance at a meeting of South West College's Audit & Risk Committee. He also noted the departure of Mrs Armstrong and Ms Jones Campbell from the Committee as well as Mr McCartney's last meeting as the representative of the outgoing Internal Audit provider.

It was noted that no apologies had been received and that Ms McCleary and Mrs McDowell would join the meeting imminently.

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 03.01 Minutes of the Audit & Risk Committee meeting held on Wednesday 14 May 2025.

There were no matters arising from the minutes.

Ms McCleary and Mrs McDowell joined the meeting at this juncture.

4.0 INTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Internal Audit Assurance Report 2024/25
- Paper 04.03 Review of Performance Against Internal Audit Key Performance Indicators 2024/25.

4.1 2024/25 Internal Audit Assurance Report

Mr McCartney took the Committee through the 2024/25 Internal Audit Assurance Report highlighting the 'satisfactory' assurance level awarded in relation to the system of governance, risk management and control in place within the College. Members welcomed the satisfactory outcome awarded.

In response to a query on the Artificial Intelligence workshops delivered by RSM, an outline of the content of the workshops was provided as well as feedback on their value.

4.2 Review of 2024/25 Internal Audit Key Performance Indicators

The report on the review of the performance of RSM against the key performance indicators set for the Internal Audit provider in 2024/25 was noted by the Committee.

Mr McCartney withdrew from the meeting at this juncture.

5.0 GOVERNANCE REPORT

PREVIOUSLY ISSUED to all members:

- Paper 05 Governance Report
- Paper 05.01 Report on Fraud and Raising a Concern
- Paper 05.02 Corporate Risk Register
- Paper 05.03 Tracking Actions Internal Audit Programme 2024/25
- Paper 05.04 Draft 2024/25 Annual Report and Financial Statements
- Paper 05.05 Cybersecurity Update Report
- Paper 05.06 Report on Direct Award Contracts
- Paper 05.07 2024/25 Report on Losses
- Paper 05.08 Report on Freedom of Information and Data Protection Activity 2024/25
- Paper 05.09 2024/25 Hospitality & Gifts Register
- Paper 05.10 Clear Desk & Screen Policy
- Paper 05.11 Acceptable Use Policy
- Paper 05.12 Software Compliance Policy
- Paper 05.13 IT Security & Auditing Policy
- Paper 05.14 IT Asset Lifecycle Policy
- Paper 05.15 Apprenticeships NI Annual Assurance Statement Template
- Paper 05.16 2025/26 Mid-Year Assurance Statement Commissioning Letter.

5.1 Report on Fraud and Raising a Concern

Ref: Governance Report Section 2.0 and Paper 05.01

Mrs McGrath confirmed that assurances have been provided by senior managers on their awareness of their responsibilities in relation to fraud, bribery and corruption and that no such matters have been identified within their departments.

She went on to explain that two instances of suspected fraud are under investigation, and, in response to queries from members, provided an overview of the circumstances

in each case, confirmed that both have been reported to the Department for the Economy (DfE) as required and advised that investigations by external agencies may arise.

5.2 Corporate Risk Register Review

Ref: Governance Report Section 3.0 and Paper 05.02

With reference to the Corporate Risk Register in paper 05.01, Mrs McGrath reported on the reduction of the risk score of the risk associated with the failure to operate within budget in 2025/26 due to enhanced clarity on income projections and the identification of cost saving measures; the reduction of the risk score of the risk associated with the loss of key management staff due to the implementation of alternative resourcing arrangements whilst a review is undertaken; and the reduction of the risk score of the risk associated with the loss of support for the College's financial management solution due to progress made in the procurement of an alternative solution and an extension of the current arrangement in the interim.

In response to questions and comments from members management provided an overview of the early warning system in place to identify students at risk of withdrawal; outlined the remaining pressures in the 2025/26 budget and the potential income streams to alleviate these pressures, noting the need to prioritise pressures in the event that these potential income streams do not transpire; advised of a recently identified risk in relation to support for the College's Personnel Management System; and explained that a redistribution of any uncommitted hardship fund to support cost of living impacts on students is not guaranteed.

5.3 Audit Recommendations Follow Up Review – Management Schedule

Ref: Governance Report Section 4.0 and Paper 05.03

With reference to paper 05.03, Mrs McGrath advised that commercial management training will be provided to address the outstanding area of non-compliance within the 2024/25 End Year Assurance Statement to DfE and noted the new nature of this requirement.

She also provided an update on the progress of internal audit recommendations made in 2024/25, advising that two have been completed and that the remaining eight are on target for completion within the recommended timescale.

5.4 Draft 2024/25 Annual Report & Financial Statements

Ref: Governance Report Section 5.0 and Paper 05.04

With reference to paper 05.04, Mr O'Donnell highlighted the substantially complete nature of the draft Annual Report & Financial Statements 2024/25, confirmed their preparation in alignment with DfE's Accounts Direction and advised of their planned submission to the NI Audit Office later in the week as required.

He added that the Chairs of the Audit & Risk Committee and Finance & General Purposes Committee received an overview of the draft accounts and that the feedback provided by the committee chairs has been incorporated into the draft presented.

In response to a query from the Committee Chair, he outlined next steps in relation to the audit of the accounts and paid tribute to the Deputy Head of Finance and the wider finance team for their work in collating the 2024/25 Annual Report & Financial Statements.

AGREED: approval for the submission of the 2024/25 Annual Report & Financial Statements, when complete, to the NI Audit Office for audit.

5.5 Cybersecurity Update Report

Ref: Governance Report Section 6.0 and Paper 05.05

Mrs McGrath advised of the College's Cyber Essentials and Cyber Essentials Plus re-accreditations and commented on the ongoing challenge in maintaining the standards required. She went on to report on the results of the security assessments recently undertaken, noting the exceeding of the College's Microsoft Secure Score target.

Mrs McGrath also drew attention to the risk of internal cyber attack as well as the collaboration between curriculum and Technical Services staff to provide students with practical cyber security experience within a controlled environment.

5.6 Report on Direct Award Contracts

Ref: Governance Report Section 7.0 and Paper 05.06

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

5.7 2024/25 Losses Report

Ref: Governance Report Section 8.0 and Paper 05.07

It was noted that the losses listed in paper 05.07 relate to student debt and have been reported to the Finance & General Purposes Committee and approved for write off by the Chief Executive as required. In response to a query from a member, Mr O'Donnell explained that the relatively high value of the student debt written off is due to the debt accrued during the Covid 19 pandemic period.

5.8 2024/25 Report on Freedom of Information and Data Protection Activity

Ref: Governance Report Section 9.0 and Paper 05.08

Mrs McGrath noted the decrease in Freedom of Information requests in 2024/25, confirmed that all requests had been responded to within the required timeframe and commented on the resource intensive nature of a number of the requests received.

She went on to report on the increase in Subject Access Requests received, providing assurance on the lack of concern with this increase and providing a breakdown of the source of the requests.

She also reported on data breaches identified during the 2024/25 year, highlighting the increase in volume and commending staff and students for their increased awareness of data breaches and data protection measures.

Mr McKeown withdrew from the meeting at this juncture.

5.9 2024/25 Gifts & Hospitality Register

Ref: Governance Report Section 10.0 and Paper 05.09

The Committee noted the 2024/25 Gifts & Hospitality Register.

5.10 Policy Review

Ref: Governance Report Section 11.0 and Papers 05.10, 05.11, 05.12, 05.13 & 05.14

Reflecting on the policies reviewed, the Committee Chair commented on the risk posed by Information Technology generally, not limited to infrastructure, cyber security and

artificial intelligence, and on the need for close monitoring of identified risks as well as horizon scanning for emerging risks.

Management then outlined the control framework in relation to such risks noting the need for a mid-point review of the College's Digital Strategy 2023-28 and the establishment of a Digital Steering Committee.

ACTION: Digital Strategy 2023-28 to be circulated to the Committee.

AGREED: that the Clear Desk & Screen Policy, Acceptable Use Policy, Software Compliance Policy, IT Security & Auditing Policy and IT Asset Lifecycle Policy are recommended to the Governing Body for approval subject to the review as detailed above.

5.11 Correspondence / Returns

Ref: Governance Report Section 12.0 and Papers 05.15 & 05.16

Mrs McGrath apprised the meeting of an enhanced cyber insurance cover requirement for the new Apprenticeship NI contract and of the significant additional unbudgeted cost involved. Ms Wilson undertook to liaise with DfE colleagues to ascertain whether a lower level of cyber insurance cover could be negotiated.

ACTION: Ms Wilson to liaise with DfE colleagues to ascertain whether a lower level of cyber insurance cover could be negotiated in relation to the new Apprenticeship NI contract.

The Apprenticeships NI Annual Assurance Statement template and the commissioning letter for the 2025/26 Mid-Year Assurance Statement to DfE were noted by the Committee.

6.0 DEPARTMENT OF FINANCE AUDIT & RISK ASSURANCE COMMITTEE HANDBOOK

PREVIOUSLY ISSUED to all members:

- Paper 06.01 DoF Audit & Risk Assurance Committee Handbook.

It was noted that the Department of Finance's (DoF) Audit & Risk Assurance Committee Handbook, providing guidance on the operation of Audit & Risk Committees, was tabled for information.

7.0 AUDIT & RISK COMMITTEE TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

- Paper 07.01 Proposed Audit & Risk Committee Terms of Reference
- Paper 07.02 Proposed Amendments to Audit & Risk Committee Terms of Reference.

It was noted that the Audit & Risk Committee Terms of Reference had been amended to include information requirements as set out in the NI Audit Office Good Practice Guide on Effective Audit & Risk Committees

AGREED: to recommend the revised Audit & Risk Committee Terms of Reference to the Governing Body for approval.

8.0 PROPOSED 2025/26 PROGRAMME OF BUSINESS

PREVIOUSLY ISSUED to all members:

- Paper 08.01 Proposed 2025/26 Programme of Business.

Reflecting on discussions held earlier in the meeting on Information Technology, the Committee Chair proposed that a deep dive of associated risks is undertaken and presented to the Committee. It was subsequently agreed that a proposed outline of such an exercise would be tabled for consideration at the November 2025 meeting with a view to scheduling a comprehensive presentation later in the academic year.

ACTION: Proposed outline of a deep dive of the risks associated with Information Technology to be tabled for consideration at the November 2025 committee meeting.

In relation to the scheduled reports on compliance with climate change and environmental, social & governance requirements and the management of associated risks, it was noted that a high level update would be provided at the November 2025 meeting with a more comprehensive update at the May 2026 meeting.

AGREED: acceptance of the proposed 2025/26 Programme of Business with the amendments detailed above.

9.0 ANY OTHER RELEVANT BUSINESS

PREVIOUSLY ISSUED to all members:

- Paper 09.01 Report on Post Office Scandal – A Failure of Governance.

With reference to paper 09.01, the Committee reflected on the lessons to be learnt from the report on the governance failings in the Post Office and agreed to recommend the report to the Governing Body for consideration. Mr Inglis apprised the meeting of an investigation into financial oversight and decision making at the University of Dundee and undertook to circulate the associated report.

AGREED: to recommend the Report on the Governance Failings in the Post Office to the Governing Body for consideration.

ACTION: Report on the investigation into financial oversight and decision making at the University of Dundee to be circulated to the Committee.

10.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 10.01 Outstanding Actions.

In relation to the first action listed, the transparency provided by the former FE College Health Check Reports in relation to colleges' finances was highlighted and it was noted that the matter will be raised at a forthcoming NIFON meeting.

In relation to the second action listed, Mrs McGrath explained that a revised Risk Appetite Statement will be provided to the Committee at its November 2025 meeting for review.

A revised list of actions is provided in Appendix A.


11.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members indicated their satisfaction with the proceedings of the meeting.

The meeting concluded at 17:25.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
19 NOVEMBER 2025**

GB CHAIRPERSON



DATE 19/11/2025

SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	14/05/2025	6.7	A revised Risk Appetite Statement to be considered at MOT and provided to Committee Members for review.
2	24/09/2025	5.10	Digital Strategy 2023 - 2028 to be circulated to the Committee.
3	24/09/2025	5.11	Ms Wilson undertook to liaise with DfE colleagues to ascertain whether a lower level of cyber insurance cover could be negotiated in relation to the new Apprenticeship NI contract.
4	24/09/2025	8.0	Proposed outline of a deep dive of the risks associated with Information Technology to be tabled for consideration at the November 2025 committee meeting.
5	24/09/2025	9.0	Report on the investigation into financial oversight and decision making at the University of Dundee to be circulated to the Committee.