

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**
held on Wednesday 12 November 2025 at 3:30 pm
via MS Teams

PRESENT:

Mr Tom Corr
Mr Brian Ingram, Committee Chair
Ms Anne McCleary
Mrs Gillian McDowell (*via MS Teams*)
Mr Patrick McKeown (*via MS Teams*)

IN ATTENDANCE:

Mr David Archibald, Henderson Loggie
Mr Michael Heery, NI Audit Office
Ms Celine McCartan, Chief Executive (*via MS Teams*)
Mrs Fiona McCauley, Secretary to the Governing Body
Mrs Sharon McGrath, Director of Corporate Services
Mr Michael McNally, NI Audit Office
Mr Sean O'Donnell, Head of Finance & Governance
Ms Heather Sampson, DfE (*via MS Teams*)

1.0 PRELIMINARIES AND APOLOGIES

It was noted that all members were present.

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 24 September 2025.

There were no matters arising from the minutes.

4.0 EXTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Cover Letter to Draft Report to those Charge with Governance
- Paper 04.02 Draft Report to those Charge with Governance.

Mr Heery explained that the Northern Ireland Audit Office (NIAO) is unable to form an opinion on the College's 2024/25 Annual Report & Financial Statements due to an ongoing issue in relation to a concern that assets held at nil book value on the Fixed Asset Register pose a risk of material misstatement. He went on to explain that sample audit testing has found a volume of assets which have been depreciated in line with the Depreciation Policy, but where the useful economic life as per the Fixed Asset Register is inaccurate, thereby posing a risk to the accuracy of the annual depreciation charge and the asset book values. He added that sufficient evidence is now sought to support a conclusion that any error in relation to depreciation and asset values is not material.

A lengthy discussion then ensued covering:

- An acknowledgement of the perspective of the audit team;
- The need for a review of the Depreciation Policy to ensure that it accurately reflects the true economic life of assets;
- The College's responsibility to achieve value for money from assets;
- The curriculum need to retain assets in certain circumstances;
- The lessons for the sector and the similar issue faced by other colleges in previous accounting periods;
- The assurance provided by the review of the matter by the NIAO's Technical Team;
- The work underway to find a satisfactory and sustainable solution to the matter to facilitate the Comptroller & Auditor General's certification of the College's 2024/25 Annual Report & Financial Statements;
- The need to ensure that the accounting policies used by the sector are appropriate and fit for purpose; and
- An acknowledgement of the support of the NIAO in addressing the issue.

On conclusion of the discussion, it was noted that the remainder of the audit is substantially complete with no other issues identified to date and that external resource may be required to support a resolution, and it was agreed that a meeting with relevant South West College (SWC) and NIAO personnel, along with the Chair of the Audit & Risk Committee, is convened to receive an update on the assessment of the Technical team with a view to finding a sustainable resolution to the matter.

5.0 INTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Paper 05.01 Proposed Internal Audit Strategy & Plan
- Paper 05.02 PSIAS Compliance Certificate
- Paper 05.03 Proposed 2025/26 Internal Audit Key Performance Indicators.

5.1 Proposed 2024/25 Internal Audit Plan

With reference to paper 05.01, Mr Archibald took the Committee through the proposed 2025/26 Internal Audit Plan and 2025/26 – 2027/28 Strategy, highlighting the five audits proposed for 2025/26, the audit scopes provided for four of these audits, the work underway to clarify the scope of the Department for the Economy (DfE) mandated audit of performance data, the consultations and reviews undertaken to inform the plan and compliance with the Global Internal Audit Standards (GIAS).

Members confirmed their satisfaction with the Internal Audit Plan and Strategy proposed, noted the need to review the 2026/27 and 2027/28 plan in due course, and offered flexibility to defer a scheduled 2025/26 audit to 2026/27 in light of the late commencement of the plan due to the timing of Internal Audit procurement exercise.

AGREED: acceptance of the proposed 2025/26 Internal Audit Plan.

5.2 PSIAS Compliance Certificate

With reference to the requirement under within paragraph 21.5 of the Partnership Agreement between DfE and SWC, Mr Archibald confirmed Henderson Loggie's

externally verified compliance with Public Sector Internal Audit Standards (PSIAS), recently superseded by GIAS, and undertook to report on this annually in the Annual Internal Audit Assurance Report.

5.3 Internal Audit Key Performance Indicators

AGREED: adoption of the proposed 2025/26 Internal Audit Key Performance Indicators.

6.0 GOVERNANCE REPORT

PREVIOUSLY ISSUED to all members:

- Paper 06 Governance Report
- Paper 06.01 Report on Fraud and Raising a Concern
- Paper 06.02 2025-26 Mid-Year Assurance Statement to DfE
- Paper 06.03 2024-25 End-Year Assurance Statement Non-Compliance Follow Up
- Paper 06.04 Corporate Risk Register
- Paper 06.05 Draft 2045-25 Annual Report and Financial Statements
- Paper 06.06 Tracking Actions Internal Audit Programme 2024-25
- Paper 06.07 Report on Compliance with Climate Change and ESG Requirements 2025
- Paper 06.07a Climate Change Public Body Mitigation Report 2025
- Paper 06.08 Report on Management of Risk associated with Artificial Intelligence
- Paper 06.09 Report on Direct Award Contracts
- Paper 06.10 2024-25 Complaints and Compliments Report
- Paper 06.11 2024-25 Register of Management Interests
- Paper 06.12 Freedom of Information Publication Scheme
- Paper 06.13 Risk Appetite Statement
- Paper 06.14 Proposed Scope for Deep Dive of Risk Associated with IT.

Reporting by exception, Mrs McGrath provided the following updates.

6.1 Report on Fraud and Raising a Concern

Ref: Governance Report Section 2.0 and Paper 06.01

In response to questions and comments from members on the two instances of suspected fraud reported at the last committee meeting, Mrs McGrath explained that one instance has been confirmed as fraud and that ownership has been transferred to DfE for further action, and advised of the continuing investigations underway in relation to the second case.

6.2 Mid Year Assurance Statement

Ref: Governance Report Section 3.0 and Papers 06.02 & 06.03

Mrs McGrath confirmed the submission of the 2025/26 Mid-Year Assurance Statement to DfE and provided an overview of progress in relation to the four areas of non-compliance listed within.

6.3 Corporate Risk Register Review

Ref: Governance Report Section 3.0 and Paper 06.04

Mrs McGrath acknowledged the short period since the previous review of the Corporate Risk Register in advance of the September 2025 committee meeting and highlighted the de-escalation of one risk for management at directorate level, the reduction in the residual risk scores of three risks and the maintenance of the residual risk score of five risks.

In response to a query on emerging risks, Mrs McGrath spoke of the consideration of the level of risk posed by Artificial Intelligence and of management's satisfaction with the management of this risk at directorate level at this time in light of the controls in place.

6.4 Draft 2024/25 Annual Report & Financial Statements

Ref: Governance Report Section 5.0 and Paper 06.05

Mr O'Donnell referenced the earlier discussion on the 2024/25 Annual Report & Financial Statements and noted the draft nature of the version presented.

6.5 Audit Recommendations Follow Up Review – Management Schedule

Ref: Governance Report Section 6.0 and Paper 06.06

Mr O'Donnell reported on progress in addressing areas of non-compliance in the 2024/25 End Year Assurance Statement to DfE as well as recommendations made in 2024/25 internal audit reviews, noting that all outstanding actions are on target for completion within the recommended timescale.

6.6 Report on Compliance with Climate Change and ESG Requirements

Ref: Governance Report Section 7.0 and Papers 06.07 & 06.07a

With reference to papers 06.07 and 06.07a, Mrs McGrath confirmed the submission of the Public Body Climate Change Mitigation Report and spoke of the College's favourable position in relation to compliance with climate change and Environmental, Social & Governance (ESG) requirements.

In response to questions from members, she outlined the governance framework in relation to compliance with climate change and ESG requirements, commented on the skilled resource available to the College in this field, noted the benefits and challenges in relation to the use of internal resource for related reporting, acknowledged the synergies with the Green Accelerator Skills Programme (GRASP) project and reported satisfaction with progress in reporting on Scope 3 emissions data.

6.7 Report on Management of Risk Associated with Artificial Intelligence

Ref: Governance Report Section 8.0 and Paper 06.08

Mrs McGrath explained that the report on the management of the risk associated with Artificial Intelligence (AI) is complemented by the report provided to the Governing Body on the College's AI preparedness and provides an overview of the risk areas, governance, challenges and planned interventions. She also advised of the establishment of the Digital Steering Committee and, in response to a query from a member, explained that proposed departmental AI Champions are likely to be subject specialists rather than Technical Services representatives.

6.8 Report on Direct Award Contracts

Ref: Governance Report Section 9.0 and Paper 06.09

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

6.9 2024/25 Complaints & Compliments Report

Ref: Governance Report Section 10.0 and Paper 06.10

With reference to paper 06.10, Mrs McGrath noted the marginal increase in complaints received in 2024/25 compared with 2023/24.

6.10 Register of Management Interests

Ref: Governance Report Section 11.0 and Paper 06.11

The Register of Management Staff Interests was noted by the Committee.

6.11 Policy Review

Ref: Governance Report Section 12.0 and Papers 06.12 & 06.13

Mrs McGrath provided an overview of the amendments made to the Freedom of Information Publication Scheme and the Risk Appetite Statement.

AGREED: that the Freedom of Information Publication Scheme and the Risk Appetite Statement are recommended to the Governing Body for approval.

6.12 Proposed Scope of Deep Dive of Risk Associated with Information Technology

Ref: Governance Report Section 13.0 and Papers 06.14

Following a review of the proposed scope of a deep dive of the risk associated with Information Technology (IT), it was agreed to schedule a presentation of the management of such risks at the February 2026 committee meeting to include an assessment of additional controls required to enhance assurance.

ACTION: Presentation of a Deep Dive of the Risk Associated with Information Technology to be provided at the February 2026 Audit & Risk Committee meeting.

7.0 2024/25 AUDIT & RISK COMMITTEE ANNUAL REPORT

PREVIOUSLY ISSUED to all members:

- Paper 07 Draft 2024/25 Audit & Risk Committee Annual Report.

The Committee Chair explained that the Audit & Risk Committee Annual Report details the work of the Committee in the preceding year and it was noted that commentary on the meeting in hand will be included prior to submission to the Governing Body, the Accounting Officer and DfE.

AGREED: approval for the submission of the 2024/25 Audit & Risk Committee Annual Report to the Governing Body, the Accounting Officer and DfE subject to the inclusion of relevant information relating to the current meeting.

8.0 ANY OTHER RELEVANT BUSINESS

PREVIOUSLY ISSUED to all members:

- Paper 08.01 DfE Memo on Public Office (Accountability) Bill
- Paper 08.02 Annex B - Draft Public Office (Accountability) Bill
- Paper 08.03 Annex C - PO(A) Bill Explanatory Notes
- Paper 08.04 DfE Letter on 2025-26 Group Accounts and Interim Accounts Requirements.

Ms McCartan outlined the adjustments required to ensure compliance with the proposed Public Office (Accountability) Bill, including a review of relevant policies and awareness raising of responsibilities, and confirmed that a response will be submitted to DfE as required. Members welcomed the introduction of the Bill and acknowledged the challenge it presents.

Ms McCartan highlighted the enhanced financial reporting requirements as outlined in paper 08.04 and provided assurances on the College's compliance in this regard. Members acknowledged colleges' role in facilitating the preparation of DfE Group Accounts, discussed the high level of scrutiny faced by colleges, noted the associated resourcing challenges presented, and queried the value of such extensive reporting.

9.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 09.01 Outstanding Actions.

It was noted that all actions have been address, that the level of cyber insurance required for the Apprenticeship NI contract remains unchanged and that such insurance has been procured.

A revised list of actions is provided in Appendix A.

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	12/11/2025	6.13	Presentation of a deep dive of the risk associated with Information Technology to be provided at the February 2026 Audit & Risk Committee meeting.