

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a special meeting of the **Audit & Risk Committee**
held on Monday 16 December 2024 at 10:00 am
via Microsoft Teams

PRESENT:	Mr Tom Corr Mr Brian Ingram, Committee Chair Ms Alana Jones Campbell Ms Anne McCleary
IN ATTENDANCE:	Mrs Kristina Lucas, NI Audit Office Ms Celine McCartan, Chief Executive Mrs Fiona McCauley, Secretary to the Governing Body Mrs Sharon McGrath, Director of Corporate Services Mr Sean O'Donnell, Head of Finance & Governance Ms Heather Sampson, DfE
APOLOGIES:	Mr Ian McCartney, RSM Mr Patrick McKeown

1.0 PRELIMINARIES AND APOLOGIES

Mr Ingram, Committee Chair, welcomed all present and explained that the purpose of the meeting was to review the 2023/24 Annual Report & Financial Statements and to receive the associated Report to Those Charged with Governance.

Apologies were tendered on behalf of Mr McCartney and Mr McKeown.

2.0 CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

3.0 EXTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Paper 03.01 2023/24 Annual Report & Financial Statements
- Paper 03.02 Cover Letter to Report to Those Charged with Governance
- Paper 03.03 Draft Report to Those Charged with Governance.

Mr Ingram invited Mrs Lucas to present the findings of the NI Audit Office's (NIAO) audit of the 2023/24 Annual Report & Financial Statements.

Mrs Lucas confirmed that an unqualified audit opinion has been proposed following completion of the audit and advised that the Comptroller & Auditor General has indicated her intention to revise the draft Report to Those Charged with Governance presented in paper 03.03 to amend the paragraph currently classified as 'Other Matters' to an 'Emphasis of Matter' paragraph.

Mrs Lucas then provided an overview of the draft Report to Those Charged With Governance highlighting:

- the Committee's responsibility in reviewing the findings of the report;

- the adjustments made in relation to misstatements identified and the £21k net effect of these adjusted misstatements;
- the uncorrected misstatement identified and its immaterial value of £171k;
- the non-identification of irregular expenditure;
- the non-identification of issues in relation to the two significant risks set out in the Audit Strategy;
- the three audit recommendations made;
- and the implementation of the prior year recommendation in relation to PFI contracts.

She also drew members' attention to the draft Letter of Representation to be signed by the Accounting Officer and the draft Audit Certificate to be signed by the Comptroller & Auditor General subject to a revision to the paragraph currently classified as 'Other Matters' to an 'Emphasis of Matter' paragraph.

Ms McCartan commented on her disappointment with the inclusion of an 'Emphasis of Matter' paragraph as well as on her concern regarding the issues raised with the accounting treatment of pensions and PFI at the latter stages of the audit despite no such issues being raised previously with the same accounting treatment. She also noted the College's consistent adherence to its cash budget and the detrimental impact of the adjustments made to non-cash items such as pension and PFI valuations on external perception of the College's financial status.

Mr O'Donnell spoke of the protracted nature of the audit and on the associated risk to college operations and compliance requirements and requested a return to onsite audit fieldwork for the 2024/25 audit as well as consistency in the audit team. He also queried the accuracy of the classification of the prior year PFI adjustment as a misstatement.

Members remarked on the reliance placed on actuaries and other external specialists, on the time and expense involved in the adjustments required and on the need for clarity on the accounting treatments to be applied in advance of the preparation of the 2024/25 Financial Statements

In response to the comments made, Mrs Lucas apprised the meeting of the purpose of an 'Emphasis of Matter' paragraph, of the reason for the classification of the prior year PFI adjustment as a misstatement, of the Comptroller & Auditor General's right to change her opinion on any aspect within the Report to Those Charged with Governance until the Audit Certificate has been signed and of the reasonable assurance but not absolute assurance provided through the audit of the College's Annual Report & Financial Statements.

On conclusion of the discussion, members agreed to recommend the 2023/24 Annual Report & Financial Statements presented to the Governing Body for approval and noted the delegated authority provided by the Governing Body to the Chair of the Governing Body, the Vice Chair of the Governing Body, the Chair of the Audit & Risk Committee and the Chief Executive, as Accounting Officer, to consider any such recommendation made by the Audit & Risk Committee in relation to the 2023/24 Annual Report & Financial Statements on behalf of the Governing Body.

AGREED: that the 2023/24 Annual Report & Financial Statements be recommended to the Governing Body for approval.

5.0 ANY OTHER RELEVANT BUSINESS

No further business was raised.

The meeting concluded at 10:30.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
5 FEBRUARY 2025**

CHAIRMAN



DATE 05/02/2025