

## SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**  
held on Wednesday 13 November 2024 at 3:45 pm  
in the Boardroom, Dungannon campus

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**PRESENT:** Mrs Libby Armstrong  
Mr Tom Corr  
Mr Brian Ingram, Committee Chair  
Ms Alana Jones Campbell  
Mr Patrick McKeown

**IN ATTENDANCE:** Mr Ian McCartney, RSM  
Mrs Fiona McCauley, Secretary to the Governing Body  
Mrs Sharon McGrath, Director of Corporate Services  
Mr Pdraig McNamee, Head of Curriculum  
Mrs Kristina Lucas, NI Audit Office  
Ms Pauline Wilson, DfE

**APOLOGIES:** Ms Celine McCartan, Chief Executive  
Mr Sean O'Donnell, Head of Finance & Governance

### **1.0 PRELIMINARIES AND APOLOGIES**

Mr Ingram welcomed all present to the meeting, extending a particular welcome to Ms Lucas on her first attendance at a meeting of South West College's Audit & Risk Committee.

Apologies were tendered on behalf of Ms McCartan and Mr O'Donnell.

### **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 25 September 2024 Audit & Risk Committee meeting.

In response to a query from the Committee Chair on sectoral findings in relation to the internal audits undertaken of the manual processes employed by colleges to overcome the deficiencies of the Traineeship and Apprenticeship Management System (TAMS), Mr McCartney spoke of the differing terms of reference for each audit in light of the various workarounds in place in each college and undertook to collate and share the recommendations made.

It was noted that whilst satisfactory assurance had been awarded in relation to the sufficiency of the manual processes employed to overcome the deficiencies of the system, outstanding issues remain which are resource intensive and inefficient in nature. At the request of the Committee Chair, Ms Wilson undertook to relay this feedback to relevant colleagues within the Department for the Economy (DfE).

**ACTION: Mr McCartney to collate and circulate recommendations made following internal audits of the manual processes employed by colleges to overcome the deficiencies of TAMS.**

#### **4.0 EXTERNAL AUDIT**

Mrs Lucas advised that a draft Report to Those Charged with Governance had been issued with early indications of an unqualified audit opinion subject to resolution of a number of matters including the valuation of NILGOSC pension surpluses sectorally for 2022/23 and 2023/24. She confirmed that no uncorrected misstatements or irregular expenditure were identified and that two minor recommendations had been made.

She explained that actuarial revaluations are likely to be available by end November 2024 and that adjustments to the financial statements will subsequently be made by colleges and audited by the NIAO, noting that the 29 November 2024 target for the completion of the audit is unlikely to be met.

The Committee Chair advised that a special meeting of the Audit & Risk Committee would be convened in early December 2024 to review the 2023/24 Annual Report & Financial Statements and Report to Those Charged with Governance with a view to recommending the former to the Governing Body for approval.

Mr McKeown commented on the low number and severity of recommendations made as a result of the audit and paid tribute to the finance team in achieving this outcome.

**AGREED: to convene a special meeting of the Audit & Risk Committee to consider the 2023/24 Annual Report & Financial Statements and the Report to Those Charged with Governance.**

#### **5.0 INTERNAL AUDIT**

PREVIOUSLY ISSUED to all members:

- Paper 05.01 Internal Audit Progress Report
- Paper 05.02 Report on Internal Audit of Health & Safety
- Paper 05.03 Emerging Risk Radar
- Paper 05.04 Benchmarking Report of 2022/23 FE Internal Audit Findings
- Paper 05.05 Internal Audit Code of Practice.

##### **5.1 Internal Audit Progress Report**

Mr McCartney explained that planning for the forthcoming audit of Student Experience and Engagement had commenced. The alignment of this area with the corporate risk that learners will not receive a high quality learning experience was highlighted and it was noted that this risk will be reflected in the terms of reference for the audit.

##### **5.2 Report on Internal Audit of Health & Safety**

Mr McCartney reported that 'satisfactory' assurance had been awarded following a 2023/24 internal audit of Health & Safety with eight low and one medium priority recommendations made.

In response to questions from members, Mrs McGrath confirmed that all recommendations have been implemented and that the risk score has remained unchanged since the September 2024 committee meeting. She also advised that a deep dive of the risk associated with Health & Safety will be presented to the Committee at its February 2025 meeting.

### **5.3 Emerging Risk Radar**

Mr McCartney provided an overview of RSM's July 2024 Emerging Risk Radar highlighting risks related to artificial intelligence (AI), climate change, geo-political instability and the change in UK government.

The Committee discussed the risks related to AI and sustainability, noting the inclusion of the latter as a control issue in the 2024/25 mid-year assurance statement and the need for resources to fund AI and Environmental, Social & Governance (ESG) requirements as detailed in the submission to DfE on forecast pressures over £100k in the forthcoming three years. Management undertook to consider whether these risks merit reflection on the Corporate Risk Register.

**ACTION: Management to consider whether the risks relating to AI and ESG merit reflection on the Corporate Risk Register.**

### **5.4 Benchmarking of Sectoral Internal Audit Findings**

Mr McCartney outlined the contents of the benchmarking report of 2022/23 internal audit findings in the Further Education (FE) sector and advised that a benchmarking report for 2023/24 internal audit findings will be available at the February 2024 committee meeting.

### **5.5 Internal Audit Code of Practice**

Mr McCartney drew attention to the revised Internal Audit Code of Practice effective from January 2025, which aligns with the new Global Internal Audit Standards and the revised UK Corporate Governance Code.

## **6.0 REPORT ON FRAUD AND RAISING A CONCERN**

PREVIOUSLY ISSUED to all members:

- Paper 06 Report on Fraud and Raising a Concern.

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

She went on to report on a concern raised with the Raising a Concern Champions, noting that an investigation into the matter had recently completed with no issues found. She also apprised the meeting of the awareness raising undertaken amongst staff on the channels available to raise concerns.

## **7.0 GOVERNANCE REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 07 Governance Report
- Paper 07.01 2024/25 Mid Year Assurance Statement
- Paper 07.02 2024/25 Mid Year Assurance Statement Certificate
- Paper 07.03 Non Compliance Follow Up Report
- Paper 07.04 Corporate Risk Register
- Paper 07.05 Draft 2023/24 Annual Report & Financial Statements
- Paper 07.06 Direct Award Contracts Report
- Paper 07.07 2023/24 Complaints & Compliments Report
- Paper 07.08 Electronic Communications Policy
- Paper 07.09 Freedom of Information Publication Scheme

- Paper 07.10 Proposed Electric Vehicle Salary Sacrifice Scheme
- Paper 07.11 2021/22 NI Government Theft & Fraud Report
- Paper 07.12 Report on 2024 National Fraud Initiative in NI.

### **7.1 Mid Year Assurance Statement**

*Ref: Governance Report Section 1.0 and Papers 07.01, 07.02 & 07.03*

Mrs McGrath highlighted the four areas of non-compliance documented in the 2024/25 Mid-Year Assurance Statement to DfE as well as the update provided in paper 07.03 on the two areas of non-compliance documented in the 2023/24 End-Year Assurance Statement.

### **7.2 Corporate Risk Register Review**

*Ref: Governance Report Section 2.0 and Paper 07.04*

Mrs McGrath commented on management’s detailed review of the Corporate Risk Register resulting in the amendments highlighted in section 2 of the Governance Report.

Members discussed the congruity between risk 3 (Failure to provide a safe and healthy environment for staff, students and visitors), risk 5 (Failure to protect students (mental health and safeguarding)) and risk 9 (Learners at all levels will not receive a high quality student experience) and it was suggested that the introduction of a Trauma Informed Practice approach may be beneficial in mitigating the risks.

### **7.3 Draft 2023/24 Annual Report & Financial Statements**

*Ref: Governance Report Section 3.0 and Paper 07.05*

Mrs McGrath commented on the four issues raised by the NIAO in the previous week resulting in a delay in the finalisation of the 2023/24 Annual Report & Financial Statements. She apprised the meeting of the resource intensive nature of the adjustments required to current and prior year accounts and paid tribute to the finance team for their continued work in striving to finalise the 2023/24 Annual Report & Financial Statements.

### **7.4 Audit Recommendations Follow Up Review – Management Schedule**

*Ref: Governance Report Section 4.0*

It was noted that no recommendations have been made in relation to the 2024/25 Internal Audit Plan.

### **7.5 Report on Direct Award Contracts**

*Ref: Governance Report Section 5.0 and Paper 07.06*

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

### **7.6 2023/24 Complaints & Compliments Report**

*Ref: Governance Report Section 6.0 and Paper 07.07*

Mrs McGrath reported that 17 complaints had been received in the 2023/24 year. She highlighted the disproportionate number of complaints emanating from the Erne Campus, advised that no trends have been identified following analysis and noted that this disproportion has not continued into 2024/25.

In response to questions and comments from members, Mrs McGrath confirmed that all complaints had been lodged by students, added that staff and members of the public

may also lodge complaints and acknowledged that Action Short of Strike and press coverage may have had an impact on the number of complaints.

Members commented on the assurance received from the low number and severity of complaints received relative to the scale of the organisation.

#### **7.7 Register of Staff Interests**

*Ref: Governance Report Section 7.0*

Mrs McGrath referenced the statistics provided on staff submission of declarations of interests and advised that non-compliance will be followed up by managers.

#### **7.8 Staff Compliance with Completion of Corporate Modules**

*Ref: Governance Report Section 8.0*

Mrs McGrath reported progress in completion of corporate training modules and advised that non-compliance will be followed up by managers.

In response to questions and comments from members, it was noted that corporate training modules must be undertaken in order of priority and be completed by all staff annually, and it was acknowledged that Action Short of Strike may have impacted compliance. The importance of adherence with college regulations in this regard was highlighted by members and it was suggested that a link on the Corporate Modules page to the Staff Declaration of Interests form may result in increased submissions of declarations of interests.

#### **7.9 Policy Review**

*Ref: Governance Report Section 9.0 and Paper 07.08 & 07.09*

Mrs McGrath explained that the former Internet, Email Usage and Monitoring Policy has been redeveloped to form the new Electronic Communications Policy in paper 07.08 and advised on the minor amendments made to the Freedom of Information Publication Scheme.

Mrs McGrath undertook to amend the Email Communications Policy to reflect feedback provided by members in relation to age discrimination, the definition of personal data and the protocol to be followed in cases where emails are received in error. She also undertook to liaise with the IT team regarding the installation of LAN School software on pool laptops.

**AGREED: that the Electronic Communications Policy and the Freedom of Information Scheme are recommended to the Governing Body for approval subject to the amendments outlined above.**

#### **7.10 Proposed Electric Vehicle Salary Sacrifice Scheme**

*Ref: Governance Report Section 10.0 and Paper 07.10*

Members discussed the benefits and drawbacks of the proposed Electric Vehicle Salary Sacrifice Scheme including the risks posed to the College. It was agreed to defer the matter to the Finance & General Purposes Committee for consideration in the first instance with the risks involved in any such scheme to be reported to the Audit & Risk Committee in due course.

**7.11 Annual Theft & Fraud Report**

*Ref: Governance Report Section 11.0 and Paper 07.11*

The 2021/22 NI Government Theft & Fraud Report was noted by the Committee.

**7.12 National Fraud Initiative NI 2024 Report**

*Ref: Governance Report Section 12.0 and Paper 07.12*

The National Fraud Initiative NI 2024 Report was noted by the Committee.

**8.0 2023/24 AUDIT & RISK COMMITTEE ANNUAL REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 08 Draft 2023/24 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.

**AGREED: approval for the submission of the 2023/24 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.**

**9.0 ANY OTHER RELEVANT BUSINESS**

No further business was raised.

**10.0 REVIEW OF OUTSTANDING ACTIONS**

PREVIOUSLY ISSUED to all members:

- Paper 10 Outstanding Actions.

Following a review of the outstanding actions listed in paper 10, it was noted that actions 1, 2, 6 and 7 have been implemented and that actions 3, 4, 5 and 8 should remain along with further actions agreed during the course of the meeting.

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.

***Mr Corr, Mrs Lucas and Mr McCartney withdrew from the meeting at this juncture and the meeting went into confidential session.***

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY 20 NOVEMBER 2024**

CHAIRPERSON 

DATE 20/11/2024

**SUMMARY OF OUTSTANDING ACTIONS**

|   | <b>Meeting Date</b> | <b>Minute Ref</b> | <b>Action</b>  |
|---|---------------------|-------------------|--|
| 1 | 25/09/2024          | 4.3               | Management to present a deep dive of the risk associated with Health & Safety later in 2024/25.  |
| 2 | 25/09/2024          | 6.1               | Management to provide evidence of the implementation of the controls required to mitigate the risk associated with Health & Safety at the February 2025 committee meeting. |
| 3 | 25/09/2024          | 6.1               | Management to present a deep dive of the risk associated with Staff Recruitment & Retention later in 2024/25.  |
| 4 | 25/09/2024          | 6.1               | Management to consider and report on the severity of the risk associated with the achievement of de-carbonisation targets.   |
| 5 | 13/11/2024          | 3.0               | Mr McCartney to collate and circulate recommendations made following internal audits of the manual processes employed by colleges to overcome the deficiencies of TAMS.    |
| 6 | 13/11/2024          | 4.0               | Special meeting of the Audit & Risk Committee to be convened to consider the 2023/24 Annual Report & Financial Statements and the Report to Those Charged with Governance. |
| 7 | 13/11/2024          | 5.3               | Management to consider whether the risks relating to AI and ESG merit reflection on the Corporate Risk Register.   |