SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**
held on **Wednesday 09 September 2026** at 10.15 am via MS Teams

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PRESENT:	Mr Brian Ingram, Chair Ms Celine McCartan, Principal & Chief Executive Mrs Gillian McDowell
IN ATTENDANCE:	Mr David Archibald, Henderson Loggie Mrs Sharon McGrath, Director of Corporate Services Mr Padraig McNamee, Deputy Principal & Chief Executive Ms Suzanne Murphy, NI Audit Office Mrs Nicola Nugent, Acting Secretary to the Governing Body Mr Sean O'Donnell, Head of Finance & Governance Ms Heather Sampson, DfE
APOLOGIES:	Mr Tom Corr Ms Anne McCleary

1.0 PRELIMINARIES AND APOLOGIES

Mr Ingram welcomed all present to the first Committee meeting of the 2026/27 year and expressed his appreciation to members for accommodating the change from an in-person afternoon meeting to a virtual meeting that morning, due to a personal appointment.

Mr Ingram noted that this was Mrs McDowell's final meeting as a member of the Audit & Risk Committee and, on behalf of the Committee, thanked her for her contribution to its work. Members joined the Chair in expressing their appreciation and best wishes to Mrs McDowell.

Apologies were tendered on behalf of Mr Corr and Ms McCleary.

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 20 May 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 Draft Internal Audit Annual Plan 2026-27
- Papers 04.02 Review of Performance against Internal Audit Key Performance Indicators

2025-26.

4.1 Draft Internal Audit Annual Plan 2026-27

Mr Archibald, Henderson Loggie, took the Committee through the draft Internal Audit Annual Plan 2026/27, advising that the plan was based on the allocation of audit days within the Strategic Internal Audit Plan 2025–2028.

Members noted the proposed programme of work for 2026/27, comprising reviews of Health, Safety and Wellbeing; Curriculum Planning and Timetabling Business Processes; Payroll and Part-Time Lecturer Payments; Risk Management; and Cybersecurity, together with follow-up reviews where required.

Mr Archibald advised that the Internal Audit Charter had been updated to reflect new statutory requirements and confirmed that the detailed Terms of Reference had been developed for each proposed review. He noted that the scope and timing of individual reviews would continue to be refined in consultation with the relevant managers.

Mr Archibald further advised that a sector-wide review of Work-Based Learning may be undertaken during 2027/28 within two other colleges.

Mrs McGrath confirmed that the proposed Internal Audit Plan had been considered by the Governance Meeting in August and that management was content with the proposed programme.

In discussing the proposed plan, Mr Ingram emphasised the importance of retaining sufficient flexibility to accommodate emerging issues during the year. Mr Archibald confirmed that where no follow-up work was required, unused follow-up days could provide additional capacity within the plan and would not incur any associated cost to the College.

The Committee considered the proposed audit assignments, the detailed Terms of Reference and proposed timescales for delivery and was satisfied that the programme appropriately reflected the key areas of risk and assurance for the College.

AGREED: Acceptance of the Internal Audit Annual Plan 2026/27 and the detailed Terms of Reference for each of the proposed audit assignments. It was further agreed that the Chair sign the Internal Audit Annual Plan on behalf of the Committee.

4.2 Review of 2025-26 Internal Audit Key Performance Indicators

The report on the review of the performance of the Internal Audit provider against the key performance indicators set for 2025/26 was noted by the Committee.

5.0 GOVERNANCE REPORT

PREVIOUSLY ISSUED to all members:

- Paper 05 Governance Report
- Paper 05.01 Fraud and Raising a Concern (Public Interest Disclosures)
- Paper 05.02 Corporate Risk Register
- Paper 05.03 Tracking Actions Internal Audit Programme 2025-26
- Paper 05.04 Draft Annual Report & Financial Statement 2025-26
- Paper 05.05 DfE Communication Group Accounts 2025-26
- Paper 05.06 Cybersecurity Update Report

- Paper 05.07 Direct Award Contracts
- Paper 05.08 Losses Report 2025-26
- Paper 05.09 Freedom of Information and Data Protection Activity 2025-26
- Paper 05.10 Fraud Policy
- Paper 05.11 Data Protection Policy
- Paper 05.12 Raising Concerns Policy
- Paper 05.13 DfE Guidance on Losses and Special Payments
- Paper 05.14 AD Security Tools Assurance Update

5.1 Fraud and Raising a Concern

Ref: Governance Report Section 2.0 and Papers 05.01

Mrs McGrath confirmed that assurances had been provided by senior managers that they were not aware of any instances of fraud, bribery, corruption or other serious wrongdoing within their departments.

She added that no fraud or suspected fraud had been reported internally during the period from 9 May to 28 August 2026 and that no concerns had been raised through the College's Raising a Concern process or with the Raising a Concern Champions.

5.2 Corporate Risk Register

Ref: Governance Report Section 3.0 and Papers 05.02

With reference to the Corporate Risk Register, Mrs McGrath reported that Risk Owners and Risk Leads had reviewed the register during August 2026.

She drew attention to updates made to the risks associated with the financial stability of the College; the provision of a safe and healthy environment; migration to the new HR and payroll system; prevention of a successful cyberattack; the quality of the student experience; recruitment and retention of suitably qualified and experienced staff; and potential reductions in funding for REAP and Going Places.

It was noted that five risks remained unchanged and that two risks had been de-escalated. The risk associated with the quality of the student experience had been de-escalated following positive student feedback and improvements arising from the shortened quality assurance cycle. The risk relating to potential reductions in funding for REAP and Going Places had also been de-escalated following the reallocation of affected staff to other funding streams and the introduction of contractual arrangements providing greater flexibility across funding streams.

In discussing the financial stability risk, members noted the continued uncertainty surrounding the College's 2026/27 budget position. Mrs McCartan suggested that the residual risk score may require further review, given the absence of a confirmed budget and the significant financial pressures facing the sector. Mr McNamee noted that achieving a balanced budget remained a key challenge and highlighted the potential financial implications arising from future pay negotiations following the conclusion of the current two-year lecturers' pay agreement.

Members also considered the staffing risk and noted that recent recruitment activity had reduced a number of vacancy pressures. It was suggested that future reviews may place greater emphasis on staff retention rather than recruitment.

With regard to health and safety, members noted the importance of maintaining robust controls, particularly during the start of the academic year when students were commencing practical activities in workshops and training facilities. Mrs McCartan also sought clarification regarding the reporting of accidents and incidents.

During discussion, Mr Ingram asked that consideration be given to developing a horizon-scanning report to accompany future iterations of the Corporate Risk Register. Members agreed that such a report would assist the Committee in monitoring emerging issues and pressures, including budget uncertainty, industrial relations matters and other developing risks that had not yet reached the threshold for inclusion on the Corporate Risk Register.

ACTION: Mrs McGrath to develop a horizon-scanning report for consideration alongside future Corporate Risk Register reviews.

It was noted that Mrs McDowell left and subsequently rejoined the meeting during discussion of this item.

Following Mrs McDowell's temporary absence, the meeting became inquorate. Members agreed to continue the meeting on the basis that discussions and recommendations would be noted and reported accordingly.

5.3 Audit Recommendations Follow-Up Review – Management Schedule
Ref: Governance Report Section 4.0 and Papers 05.03

With reference to Paper 05.03, Mr O'Donnell provided an update on areas of non-compliance identified through the 2025/26 End-of-Year Assurance Statement and on progress against the four recommendations arising from the 2025/26 Internal Audit Programme.

Mr O'Donnell advised that all recommendations arising from the 2024/25 Internal Audit Programme had been fully implemented and closed. He further reported that four Priority 3 recommendations arising from the 2025/26 Internal Audit Programme remained ongoing and related to Business Development, Student Recruitment and Sickness Absence. Progress was being made in respect of all recommendations and it was anticipated that these would be completed by the next meeting of the Committee, with the exception of one recommendation relating to Sickness Absence which remained subject to a longer implementation timescale.

In relation to the End-of-Year Assurance Statement, Mr O'Donnell advised that two areas of non-compliance remained under review, namely the sector-wide Equal Pay issue and updates to HR and Pay Award policies. An update would be provided to DfE as part of the Mid-Year Assurance Statement due to be submitted in October 2026.

It was noted that the management schedule would continue to be developed throughout 2026/27 to support ongoing monitoring and reporting of audit recommendations and assurance actions.
The Committee noted the progress reported.

5.4 Draft Annual Report and Financial Statements 2025-26
Ref: Governance Report Section 5.0 and Papers 05.04 and 05.05

With reference to Paper 05.04, Mr O'Donnell advised that the draft Annual Report and Financial Statements 2025/26 had been submitted to DfE and NIAO on 26 June 2026.

He reminded members that, following the change in the statutory year-end date to 31 March, the 2025/26 Annual Report and Financial Statements covered the eight-month period from 1 August 2025 to 31 March 2026. Members noted the new requirement to produce interim accounts at six months, to 30 September, and nine months, to 31 December, during the 2026/27 financial year. He confirmed that the College had the necessary finance capacity and expertise to meet these additional requirements.

Providing an update on the progress of the external audit, Mr O'Donnell advised that significant sample testing had been completed across a range of financial areas and that no significant issues had been identified to date. Ms Murphy, Northern Ireland Audit Office, confirmed that the audit remained on track and was expected to conclude by the end of October 2026. It was noted that a draft Report to Those Charged with Governance was expected to be presented to the Committee at its October meeting.

Members noted that the consolidation pack for DfE Group Accounts for the year ended 31 March 2026 had also been submitted and remained subject to audit. Ms Murphy advised that assurance work undertaken in respect of the period April to July 2025 had been combined with the current eight-month audit to support the Department's Group Accounts process and that no significant issues had arisen.

Members discussed the new reporting requirements and agreed that it would be beneficial to invite a representative from DfE to a future meeting of the Committee to provide additional context on the Group Accounts process.

AGREED: That Mr O'Donnell make initial contact with DfE regarding attendance at a future Committee meeting, with arrangements to be coordinated through the Governing Body Secretariat.

5.5 Cybersecurity Update Report

Ref: Governance Report Section 6.0 and Paper 05.06

Mrs McGrath advised that the College's Cyber Essentials certification had been successfully renewed and reported on progress made in strengthening technical resilience through planned firewall upgrades, implementation of the updated telephony system, completion of external penetration testing and continued improvement in Microsoft Secure Score metrics.

Mrs McGrath reported that the College was working towards achieving Cyber Essentials Plus accreditation by October 2026. She noted that the implementation of the new telephony system had formed an important element of this work and placed the College in a strong position to meet the Cyber Essentials Plus requirements.

Members were advised that previously vacant cyber infrastructure posts had now been filled, strengthening the College's internal capacity in this area. It was noted that external support continued to be provided by VM Group and BT to assist with Cyber Essentials and firewall replacement projects respectively. While some supplier resource issues had resulted in delays to aspects of the firewall project, appropriate mitigations had been implemented and progress continued.

The Committee noted that the firewall replacement programme represented a significant infrastructure investment and would provide enhanced protection and resilience for the College's network environment.

Mrs McGrath confirmed that regular staff training and phishing awareness exercises remained in place and advised that the education sector continued to be a frequent target for cyber-attacks. She also drew attention to the need to balance curriculum requirements, particularly within IT and Cyber Security programmes, with the security of the College network and highlighted an internal risk associated with the use of wireless hacking tools within teaching environments.

It was noted that internal and external cyber risks continued to be actively monitored and that additional safeguards, including the review of alternative dark web monitoring solutions, were being explored.

In relation to a previous Committee action, Mrs McGrath advised that additional assurance regarding the College's Active Directory security assessment tools had been provided separately under Paper 05.14.

5.6 Report on Direct Award Contracts

Ref: Governance Report Section 7.0 and Papers 05.07

The Committee noted that four Direct Award Contracts remained live, relating to access guides for the FE Colleges; maintenance of the MOT test lane and workshop; maintenance of Koni vehicle workshop equipment; and the hosting and support of the College's financial accounting system.

5.7 2025-26 Losses Report

Ref: Governance Report Section 8.0 and Papers 05.08

It was noted that the losses recorded during 2025/26 related to debtor write-offs and that bad debt totalling £9,009.25, relating to historical tuition fees, had previously been presented to the Finance & General Purposes Committee.

The 2025/26 Losses Report was noted by the Committee.

5.8 2025-26 Report on Freedom of Information and Data Protection Activity

Ref: Governance Report Section 9.0 and Paper 05.09

Mrs McGrath advised that 12 Freedom of Information requests had been received during 2025/26, representing an increase from 10 in the previous year. She confirmed that all requests had been closed and responded to within the required 20-working-day timeframe and that no requests for internal review had been received.

Mrs McGrath also reported on Subject Access Request activity, noting a significant increase in volumes during the year. Members were advised that all requests had been responded to within the relevant statutory timescales and that no internal reviews or appeals had been received.

The Committee noted the substantial volume of work associated with managing Freedom of Information requests, Subject Access Requests, Records of Processing Activities, Data Protection Impact Assessments and wider information governance responsibilities. Members were advised that additional support had been identified through a development opportunity to provide resilience, cover during periods of absence and assistance with particularly complex or high-volume requests.

Members also noted that the number of reported data breaches had reduced during the year and were advised that none of the reported incidents met the threshold for notification to the Information

Commissioner's Office.

Mrs McCartan welcomed the report and acknowledged the significant body of work undertaken in this area. Members agreed that the report provided useful transparency and assurance regarding the College's management of Freedom of Information and Data Protection responsibilities.

The Committee noted the Report on Freedom of Information and Data Protection Activity.

5.9 Policy Review

Ref: Governance Report Section 10.0 and Papers 05.10, 05.11 and 05.12

Mrs McGrath presented the Fraud Policy, Data Protection Policy and Raising Concerns Policy, outlining the principal amendments made as part of the review process.

In relation to the Fraud Policy, Mrs McGrath advised that a comprehensive review had been undertaken to ensure alignment with Departmental guidance, *Managing Public Money Northern Ireland* and current counter-fraud best practice. She noted that the revised policy reflected a strengthened zero-tolerance approach and clarified the arrangements for the reporting of suspected fraud.

Turning to the Raising Concerns Policy, Mrs McGrath advised that the document had been updated to better reflect current terminology and governance arrangements. Members noted that additional sections had been included and the language simplified to make the policy more accessible to staff.

The Committee also considered the revised Data Protection Policy. During discussion, members sought clarification regarding the reference to off-site data storage. Mrs McGrath undertook to confirm whether the wording accurately reflected the College's current cloud storage arrangements.

Members welcomed the inclusion of Annex 3 to the Fraud Policy and agreed that the guidance on fraud risk assessment would provide a useful reference for managers.

During discussion, Mr Ingram drew members' attention to Section 6.8 of the Fraud Policy and encouraged members to familiarise themselves with the responsibilities of the Audit & Risk Committee in relation to fraud prevention, detection and oversight.

Members discussed the importance of supporting policy implementation through practical staff guidance. Mr Ingram suggested that concise summaries of the key points contained within each policy could be developed for staff. Mrs McGrath advised that this could be incorporated into existing corporate training modules and supporting guidance materials.

Ms Murphy suggested that the revised Fraud Policy be shared with relevant officials within DfE, for review prior to final approval. Mrs McGrath agreed to seek comments and advised that any substantive amendments arising would be reported back to the Committee.

AGREED: That the Fraud Policy, Data Protection Policy and Raising Concerns Policy be recommended to the Governing Body for approval, subject to any final amendments arising from the DfE review.

ACTION: Mrs McGrath to confirm the accuracy of the references to off-site storage within the Data Protection Policy.

Mrs McDowell left the meeting at this juncture.

As the meeting was no longer quorate, members agreed to continue the remainder of the meeting on a note-and-report basis.

5.10 Correspondence/Other Matters

Ref: Governance Report Section 11.0 and Papers 05.13 and 05.14

The Committee noted the updated DfE Guidance on Losses and Special Payments.

Mrs McGrath advised that College procedures had been reviewed to ensure continued alignment with the Department's requirements.

With reference to Paper 05.14, Mrs McGrath provided an update on the College's use of Active Directory security assessment tools and the arrangements in place for monitoring user access, permissions and system security controls.

6.0 AUDIT & RISK COMMITTEE TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

- Paper 06.01 Audit & Risk Committee Terms of Reference.

It was noted that the Audit & Risk Committee Terms of Reference had been reviewed as part of the annual review process with no proposed amendments.

NOTED: That the Audit & Risk Committee Terms of Reference remained unchanged and would be presented to the Governing Body for approval.

7.0 PROPOSED 2026-27 PROGRAMME OF BUSINESS

PREVIOUSLY ISSUED to all members:

- Paper 07.01 Proposed Programme of Business 2026-27.

The proposed Programme of Business for 2026/27 was considered by the Committee.

It was noted that the programme provided for meetings to be held on 9 September 2026, 21 October 2026, 17 February 2027 and 19 May 2027 and included the Internal and External Audit reports, governance and assurance reports, policy reviews and risk deep dives scheduled for consideration throughout the year.

NOTED: The proposed Programme of Business for 2026/27 would be presented to the Governing Body for approval.

8.0 ANY OTHER RELEVANT BUSINESS

PREVIOUSLY ISSUED to all members:

- Paper 08.01 European Court of Auditors ESF Closure Audit

8.1 European Court of Auditors' ESF Closure Audit

With reference to Paper 08.01, Mrs McCartan provided an update on the outcome of the European Court of Auditors' review of the European Social Fund Programme 2014-2020.

Members noted that the review had focused on the Youthscape project and involved extensive

evidence gathering and verification activity in conjunction with DfE. Mrs McCartan acknowledged the significant work undertaken by staff across the College in coordinating the audit response and collating the required historical records and supporting documentation.

It was reported that the audit had concluded with a positive outcome and that no issues had been identified which would impact upon funding received by the College. The successful outcome provided assurance in respect of the funding claimed under the programme and reinforced the College's reputation as a lead partner in the delivery of European-funded projects.

Members welcomed the outcome of the audit and asked that their appreciation be recorded to all staff involved in supporting the review process.

It was noted that Mrs McCartan would provide an update to the Project Oversight group and that the Chair would report the outcome to the Governing Body.

The Committee noted the update.

8.2 Audit & Risk Meeting – 21 October 2026

Members discussed arrangements for future meetings of the Committee and agreed that, in line with the Committee's preference to hold a number of meetings in person each year, the next meeting would take place at the Dungannon Campus. Members further agreed that future meetings of the Audit & Risk Committee would commence at 10.00 am.

Members expressed a preference for the next meeting of the Audit & Risk Committee to be held in person at the Dungannon Campus on 21 October 2026.

The Committee also discussed membership of the Audit and Risk Committee and noted the current challenges arising from vacancies on the Governing Body. Mrs McCartan advised that the position had been highlighted to DfE and that options to strengthen Committee membership, including the potential appointment of a new member or co-optee, would continue to be explored.

Members noted the importance of maintaining sufficient membership to ensure the Committee could continue to discharge its responsibilities effectively and make decisions where required.

During discussion, Mr Ingram emphasised that, should membership levels impact upon the Committee's ability to conduct formal business, meetings could continue on a note and report basis pending the restoration of a quorum.

9.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 09.01 Outstanding Actions

Members noted that all outstanding actions had been completed.

A revised list of actions is provided in Appendix A.

10.0 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 11:52am.

CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY 04 NOVEMBER 2026

GB CHAIRPERSON _____ DATE _____

APPENDIX A

SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	09/09/26	5.2	Mrs McGrath to develop a horizon-scanning report for consideration alongside future Corporate Risk Register reviews.
2	09/09/26	5.4	That Mr O'Donnell make initial contact with DfE regarding attendance at a future Committee meeting, with arrangements to be coordinated through the Governing Body Secretariat.
3	09/09/26	5.9	Mrs McGrath to confirm the accuracy of references to off-site storage within the Data Protection Policy.