

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**
held on Wednesday 14 May 2025 at 3:30 pm
in the Boardroom, Dungannon Campus

PRESENT:	Mr Tom Corr Mr Brian Ingram, Committee Chair Ms Anne McCleary (<i>via MS Teams</i>)
IN ATTENDANCE:	Mr Michael Heery, NI Audit Office Mrs Camilla James, Head of People & Culture (<i>item 7 only</i>) (<i>via MS Teams</i>) Mr Ian McCartney, RSM Mrs Sharon McGrath, Director of Corporate Services Mr Pdraig McNamee, Director of Curriculum Mrs Nicola Nugent, Executive Support Officer Mr Sean O'Donnell, Head of Finance & Governance (<i>via MS Teams</i>) Ms Pauline Wilson, DfE
APOLOGIES:	Mrs Libby Armstrong Ms Alana Jones Campbell Ms Celine McCartan, Chief Executive Mrs Fiona McCauley, Secretary to the Governing Body Mr Patrick McKeown

1.0 PRELIMINARIES AND APOLOGIES

Mr Ingram welcomed all to the meeting, extending a particular welcome to the NIAO representative, Mr Heery, on his first attendance at a meeting of South West College's Audit & Risk Committee.

Apologies were tendered on behalf of Mrs Armstrong, Ms Jones Campbell, Ms McCartan, Mr McKeown and Mrs McCauley.

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 19 February 2025 Audit & Risk Committee Meeting

Noted that the action (Item 5.4) on RSM to advise on the likelihood of the introduction of Financial Health Assessments for colleges as required in other parts of the UK to be reassigned to DfE.

4.0 INTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Internal Audit Progress Report
- Paper 04.02 Report on Internal Audit of GDPR

- Paper 04.03 Report on Internal Audit of Budgetary Management & Financial Control
- Paper 04.04 Report on Internal Audit of Recruitment & Selection Processes
- Paper 04.05 Global Internal Audit Standards (GIAS)
- Paper 04.06 Application Note – Global Internal Audit Standards
- Paper 04.07 Emerging Risk Radar

4.1 Internal Audit Progress Report

Mr McCartney explained that the internal audits of GDPR, Budgetary Management & Financial Control and Recruitment & Selection Processes have been finalised and will be presented forthwith. He added that the planned internal audit of Compliance with Policies Framework had been substituted with a sectoral Artificial Intelligence workshop. He further outlined the proposed agenda for the workshop which will be held over two half days.

4.2 Report on Internal Audit of GDPR

Mr McCartney reported that five low priority and one medium priority recommendations had been made following an advisory internal audit of GDPR.

Mrs McGrath welcomed the audit outcome and acknowledged the impact of recent staff transitions during the review period.

4.3 Report on Internal Audit of Budgetary Management & Financial Control

Mr McCartney reported that 'satisfactory' assurance had been awarded following an internal audit of Budgetary Management & Financial Control with no recommendations. He highlighted a number of areas of good practice which were recognised during the audit.

4.4 Report on Internal Audit of Recruitment & Selection Processes

Mr McCartney reported that 'satisfactory' assurance had been awarded following an internal audit of Recruitment & Selection Processes with three low priority recommendations. He highlighted a number of areas of good practice which were recognised during the audit.

The Chair commended staff who, along with the Senior Management Team, had successfully reduced the number of outstanding actions over the past three years.

4.5 Global Internal Audit Standards

Mr McCartney reported that the Global Internal Audit Standards would be used throughout the public sector.

The Chair directed members' attention to pages 60-63, noting their particular relevance to the Audit & Risk Committee.

4.6 Emerging Risk Radar Report

Mr McCartney outlined the report which identifies 24 emerging risks, marking an increase of six compared to the previous edition. He advised that the new risks reflect broader trends affecting all sectors, including private, public, and not-for-profit organisations, namely: rising regulatory and compliance demands; operational resilience of technology; potential for epidemics or pandemics; barriers to market access; surge in fraudulent activity; and shifts in business culture.

5.0 EXTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Paper 05.01 Cover Letter to 2024/25 Audit Strategy
- Paper 05.02 2024/25 Audit Strategy
- Paper 05.03 Cover Letter to Effective Audit & Risk Assurance Committees Good Practice Guide
- Paper 05.04 NIAO Good Practice Guide – Effective Audit & Risk Assurance Committees

With reference to paper 05.02, Mr Heery took the Committee through the proposed strategy for the audit of the College's financial statements to 31 July 2025. He highlighted the materiality and error reporting threshold to be applied, the two presumed risks for special audit consideration, the audit fee and the actions for the Audit & Risk Committee. He also drew members' attention to the NIAO Good Practice Guide, particularly the Self-Assessment Checklist which would be beneficial to the College for future self-assessments.

The Chair drew members' attention to the responsibilities of the Audit & Risk Committee and members agreed that they had no concerns regarding risk and that management plans were in place to address the risks identified by NIAO.

Members further agreed that they had no knowledge of any actual, suspected or alleged fraud; any instances of non-compliance with laws and regulations that could be expected to have a fundamental effect on the operations; or actual suspected or alleged irregularity affecting South West College.

It was further noted that the College had recently completed the NIAO online annual survey of Audited Bodies 2025.

AGREED: acceptance of the strategy for the audit of the College's 2024/25 Financial Statements.

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 2024/25 End Year Assurance Statement
- Paper 06.03 2024/25 End Year Assurance Statement Certificate
- Paper 06.04 Mid Year Assurance StatementNon-Compliance Follow Up
- Paper 06.05 Corporate Risk Register
- Paper 06.06 Annual Review of Corporate Risk Register 2024/25
- Paper 06.07 Internal Audit Actions Tracking Report
- Paper 06.08 2025 Procurement Report
- Paper 06.09 Web Management Policy
- Paper 06.10 Data Protection Policy
- Paper 06.11 Access to Information Policy
- Paper 06.12 Conflict of Interest Policy
- Paper 06.13 Special Category Appropriate Policy Document
- Paper 06.14 Risk Management Policy
- Paper 06.15 Risk Appetite Statement
- Paper 06.16 Accountability Meeting Slide Pack

- Paper 04.05 Global Internal Audit Standards (GIAS)
- Paper 04.06 Application Note – Global Internal Audit Standards
- Paper 04.07 Emerging Risk Radar
- Paper 05.03 Cover Letter to Effective Audit & Risk Assurance Committees
Good Practice Guide
- Paper 05.04 NIAO Good Practice Guide – Effective Audit & Risk Assurance
Committees.

6.1 Report on Fraud and Raising a Concern

Ref: Governance Report Section 1.0 and Paper 06.01

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

She went on to advise that one issue raised under the NFI Matching Exercise for 2023/24 was still under investigation.

6.2 2024/25 End Year Assurance Statement

Ref: Governance Report Section 2.0 and Papers 06.02, 06.03 & 06.04

With reference to paper 06.02, Mrs McGrath highlighted the four areas of non-compliance recorded in the End Year Assurance Statement on the date of completion and, by way of update on the four areas, explained that training for staff on commercial management was a new requirement and training would be arranged; uncertainty around 2025/26 budgetary position would continue to progress; adequate expertise and resources are in place to manage the compliance and accountability around new SEUPB funded projects; and there is active participation in the Colleges' Employers Forum and further engagement with Trade Unions and DfE regarding the ongoing industrial relations.

Mr O'Donnell provided a brief update on budget engagement with DfE and advised that a further update would be provided at the Finance & General Purposes Committee at its meeting on 4 June 2025.

Mr McNamee provided an update on ongoing industrial relations, specifically regarding teacher pay scale parity, progression of the work of the Workload Task and Finish Group and a commitment to undertake a review of the industrial relations framework. He acknowledged the support from DfE on this contentious matter.

6.3 Corporate Risk Register Review

Ref: Governance Report Section 3.0 and Paper 06.05 & 06.06

Mrs McGrath provided an overview of the current risk landscape, highlighting key areas of concern. She noted that while significant progress has been made in Health & Safety through extensive training and reinforcement of safe systems of work, the risk remains due to the ongoing nature of the work required.

It was noted that Mr O'Donnell had previously provided a summary of the financial risk, particularly the challenge of returning a balanced budget for 2025/26. As a result, a Budget Oversight Committee has been established to support financial decision-making and ensure effective oversight.

Mrs McGrath further advised that in relation to IT, a full review was completed in April. The College has achieved Cyber Essentials re-accreditation, and an assessment for Cyber Essentials Plus re-accreditation is scheduled for 16 May 2025. These developments were welcomed as positive steps in strengthening cyber resilience.

The risk associated with failure to meet targets, particularly around student retention and achievement, was discussed. Reporting mechanisms have been enhanced, and current indications suggest that targets for the current year have been met. However, it was acknowledged that target setting for the next academic year may be constrained by budget limitations, which could impact curriculum planning and the College Development Plan (CDP).

Mr McNamee noted the importance of a shorter quality assurance cycle and incorporating the student voice into action planning. The Committee was assured that a real-time system is now in place to support this.

It was confirmed that the Strule Campus will be added to the Risk Register, given the implications of a new shared education campus being located near an existing SWC site.

It was noted that REAP has received reduced funding for one year, with staffing and delivery models adjusted accordingly. The Step Up programme is expected to continue, albeit with a reduced budget, and confirmation of funding is still awaited.

The inability to meet the terms of the College's contract with learners and DfE risk was de-escalated from the Corporate Risk Register following the February Audit & Risk Committee meeting and will continue to be monitored in light of action short of strike being reinstated.

Mrs McGrath concluded by confirming that all risks remain scored as previously, with the Corporate Risk Register having reduced from 12 to eight risks following the annual review.

6.4 Audit Recommendations Follow Up Review – Management Schedule

Ref: Governance Report Section 4.0 and Paper 06.07

Mr O'Donnell reported on the progress of the implementation of audit recommendations.

6.5 Report on Direct Award Contracts

Ref: Governance Report Section 5.0

Mr O'Donnell reported on five direct award contracts currently in place, detailing the reasons for the direct award nature of these contracts.

In response to a member's query, Mr O'Donnell confirmed that one contract was awarded to the same company to maintain continuity. It was noted that a full tender exercise would be undertaken if further requirements were necessary.

6.6 Procurement Report

Ref: Governance Report Section 6.0 and Paper 06.08

Mr O'Donnell outlined the introduction of new procurement thresholds, which define the procurement route based on the total value of purchases. These range from informal price comparisons for purchases under £10,000 to formal tenders for those exceeding £139,688 (including VAT).

6.7 Policy Review

Ref: Governance Report Section 7.0 and Papers 06.09 – 06.15

AGREED: that the Web Management Policy, Data Protection Policy, Access to Information Policy, Conflict of Interest Policy, Special Category Appropriate Policy

Document, Risk Management Policy and Risk Appetite Statement are recommended to the Governing Body for approval.

Mrs McGrath provided an overview of the Risk Appetite statement and advised on the consideration of bringing the statement in line with the format that DfE use. A proposal to combine Health & Safety into Governance and include a Strategy section would be further discussed at MOT and a copy provided to members for review.

6.8 Accountability Meeting

Ref: Governance Report Section 8.0 and Paper 06.16

Noted.

6.9 Correspondence

Ref: Governance Report Section 9.0 and Papers 04.05, 04.06, 04.07, 05.03 & 05.04

Noted.

7.0 DEEP DIVE OF RISKS ASSOCIATED WITH STAFF RECRUITMENT & RETENTION

PREVIOUSLY ISSUED to all members:

- Paper 07.01 Management of Risk Associated with Staff Recruitment & Retention
- Paper 07.02 Description of Risk Associated with Staff Recruitment & Retention.

Mrs James joined the meeting for this item.

Mrs McGrath set the scene on the deep dive on the failure to recruit and retain suitably qualified and experienced staff which was undertaken.

Mrs James outlined the steps taken in the review and highlighted the revised causes and effects, such as challenges in attracting applicants and salary competitiveness. She advised that mitigations now include enhanced external promotion, flexible recruitment practices, and the ability to appoint lecturers at higher salary points based on experience.

In response to a member's query, Mrs McGrath confirmed that there was ongoing engagement with Trade Unions to develop a supportive mechanism for job evaluation.

Members acknowledged the efforts of the College to alleviate the risk and welcomed the continued prioritisation.

Mrs James was thanked for her report and withdrew from the meeting at this juncture.

8.0 ANNUAL AUDIT & RISK COMMITTEE SELF-ASSESSMENT/REVIEW OF EFFECTIVENESS

PREVIOUSLY ISSUED to all members:

- Paper 08 Partially Completed Annual Audit & Risk Committee Self-Assessment/ Review of Effectiveness.

With reference to Paper 08, Mr Ingram advised that the self-assessment checklist had been completed, where a factual response was available, and sought members' views on remaining questions. The resulting review is attached at Appendix A.

It was noted that a comprehensive Self-Assessment Checklist is contained within the

new NIAO Good Practice Guide and that this will be used as a basis for the Committee's self-reflection going forward.

9.0 SCHEDULE OF MEETINGS 2025/26

PREVIOUSLY ISSUED to all members:

- Paper 09 Schedule of Meetings 2025/26.

The Committee accepted the proposed schedule of meetings for 2025/26.

AGREED: acceptance of the proposed schedule of Audit & Risk Committee meetings for 2025/26.

10.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 10 Outstanding Actions.

It was noted that all outstanding actions had been addressed with action 2 on the likelihood of the introduction of Financial Health Assessments of colleges as required in other parts of the UK to be reassigned to DfE.

A revised list of actions is provided in Appendix B.

11.0 ANY OTHER RELEVANT BUSINESS

No further business was raised.

12.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members indicated their satisfaction with the proceedings of the meeting.

The meeting concluded at 5:10 pm.

CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY 18 JUNE 2025

PRESIDING CHAIR Brian Ingram DATE 18/06/2025

APPENDIX A

		Yes	No	N/A	Comment
Terms of Reference					
1	Does the Audit & Risk Committee have written terms of reference?	✓			
2	Do the written terms of reference comply with the model terms of reference provided in the Department of Finance's Audit & Risk Assurance Committee Handbook (NI)?	✓			
3	Are the terms of reference approved by the Governing Body and reviewed annually?	✓			Reviewed by the Committee in September 2024 and approved by the Governing Body Committee in November 2024.
4	Has the Committee complied with the provisions of its terms of reference in its proceedings throughout the year?	✓			
Membership					
5	Has the membership of the Committee been formally agreed by the Governing Body and has a quorum been set?	✓			Membership approved by the GB. Quorum set at three.
6	Are all Committee members free of executive management responsibility; have no significant interests in the College; are not members of the Finance & General Purposes Committee, and do not hold the position of Governing Body Chair?	✓			
7	Has each member declared his or her business interests and have appropriate steps been taken if an interest has been identified?	✓			Register of governors' interests compiled annually and invitation to declare conflicts a standing agenda item.
Skills, Knowledge and Competences of Members					
8	Does membership of the Committee include at least one member with recent and relevant experience in finance, accounting or auditing?	✓			Member co-opted for to bring this experience.

		Yes	No	N/A	Comment
9	Are new Committee members provided with an appropriate induction?	✓			All members have received Audit & Risk Committee training.
10	Have all members' skills and experience been assessed and training given for any identified gaps?	✓			
11	Does the appropriate mix of skills, knowledge and competences exist within the Committee to perform most effectively?	✓			Mr Patrick McKeown has been co-opted to the Committee to provide relevant finance, accounting or auditing experience in the 2024/25 year. Options are being explored to ensure that these skills are available to the Committee in 2025/26.
Meetings					
12	Does the Committee meet at least four times per year and do meetings coincide with key dates in the financial reporting and audit cycle?	✓			Meetings held on 25/09/2024, 13/11/2024, 16/12/2024, 19/02/2025 & 14/05/2025.
13	Are separate, private meetings, held with the internal and external auditors?	✓			Private meetings held immediately prior to each Audit & Risk Committee meeting.
14	Are the agenda and papers circulated in advance of meetings to allow adequate preparation by members?	✓			Papers circulated at least 7 days in advance of meetings.
15	Are members invited to declare any potential conflict of interest with any of the business items on the agenda?	✓			Standing agenda item.
16	Does the Committee have the benefit of attendance of appropriate officers at its meetings?	✓			Chief Executive, Director of Corporate Services and Head of Finance & Governance in attendance at each meeting.
17	Does the Chair encourage full and open discussion and invite questions?	✓			
18	Do all members provide sufficient and informed input to Committee discussions as appropriate?	✓			

		Yes	No	N/A	Comment
Programme of Business					
19	Are members attending meetings on a regular basis and, if not, is appropriate action taken?	✓			Average 75% attendance.
20	Did the Committee agree a programme of business for the academic year?	✓			At 25/09/2024 meeting.
21	Did the Committee cover all business listed in the programme of business?	✓			
22	Have all actions identified by the Committee been satisfactorily delivered?	✓			
23	Is there any business that members feel does not need to be covered next year?		✓		
24	Is there any additional business that members feel should be included next year?		✓		Not at present.
Relationships					
25	Does the Committee have a positive working relationship with management, the internal auditors and the external auditors?	✓			
26	Is the Committee aware of the line between oversight and management, and does it endeavour to respect that line?	✓			
27	Can the Committee access the Governing Body and other committees as necessary?	✓			
Scope of Work – Internal and External Audit					
28	Does the Committee consider the independence and effectiveness of Internal Audit?	✓			
29	Does the Committee review the strategic internal audit approach and annual plan before work commences?	✓			Reviewed in September 2024.
30	Does the Committee review internal audit reports and management responses to issues raised?	✓			Internal audit reports reviewed as they become available.
31	Does the Committee consider the external auditor's audit strategy before work commences?	✓			Strategy for audit of 2023/24 accounts reviewed and accepted in May 2024.

		Yes	No	N/A	Comment
32	Do the external auditors inform the Committee of key developments and issues at key stages of the audit?	✓			
33	Does the Committee consider the Report to Those Charged with Governance and management responses to issues raised?	✓			Considered in December 2024 for 2023/24 audit.
34	Does the Committee monitor progress made against internal and external audit and other audit based recommendations?	✓			
35	Does the Committee have performance indicators for the internal audit service?	✓			
Scope of Work – Internal Control					
36	Does the Committee consider whether effective anti- fraud and corruption policies and procedures are in place and operating effectively?	✓			
37	Does the Committee ensure that effective arrangements are in place for the management of risk generally and the embedding of risk management?	✓			
38	Does the Committee review risk management at every meeting and does it receive the Corporate Risk Register at least annually?	✓			
39	Does the Committee consider whether the Statement of Corporate Governance and Internal Control is sufficiently comprehensive and meaningful, and the evidence that underpins it?	✓			
40	Does the Committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	✓			
Work of the Committee – Financial Reporting and Regulatory Matters					
41	Does the Committee consider the College's annual financial statements prior to submission to the Governing Body?	✓			2023/24 Annual Report & Financial Statements considered by the Committee in December 2024 and subsequently approved by the Chair of the Governing Body, the Vice Chair of the Governing Body, the Chair of the Audit & Risk Committee and the Chief Executive under authority delegated by the Governing Body.

		Yes	No	N/A	Comment
42	Does the Committee specifically consider: <ul style="list-style-type: none"> any changes in accounting policy major judgemental areas significant audit adjustments the going concern assumption compliance with accounting standards and accounting direction? 	✓			
43	Does the Committee have a mechanism for keeping it aware of topical legal and regulatory issues, e.g. receiving circulars?	✓			
Communication					
44	Does the Committee submit an annual report to the Governing Body accompanied by the internal auditor's annual report and external auditor's Report to Those Charged with Governance?	✓			
45	Does the Committee submit the Corporate Risk Register annually to the Governing Body?	✓			
46	Does the Committee submit the minutes of its meetings to the Governing Body?	✓			
Compliance with Relevant Governing Body Key Performance Indicators					
47	Did attendance levels at Committee meetings average at least 65%?	✓			Average 75% attendance.
48	Did Committee meetings generally last no more than two hours?	✓			
Additional Comments					
49					

SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	19/02/2025	5.4	DfE to advise on the likelihood of the introduction of Financial Health Assessments of colleges as required in other parts of the UK.
2.	14/05/2025	6.7	A revised Risk Appetite Statement to be considered at MOT and provided to Committee Members for review.