## SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**
held on **Wednesday 21 October 2026** at 10.00 am in the Boardroom, Dungannon Campus and via MS Teams

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**PRESENT:** Mr Tom Corr
Mr Brian Ingram, Chair
Ms Celine McCartan, Principal & Chief Executive *(via MS Teams)*
Ms Anne McCleary *(joined at Item 6.7 via MS Teams)*

**IN ATTENDANCE:** Mr David Archibald, Henderson Loggie
Ms Emma Finney, SERC
Ms Helen Hampsey, NRC
Ms Rachel Linton, DfE Corporate Governance *(via MS Teams)*
Mrs Sharon McGrath, Director of Corporate Services *(via MS Teams)*
Mr Padraig McNamee, Deputy Principal & Chief Executive *(via MS Teams)*
Mrs Nicola Nugent, Acting Secretary to the Governing Body
Mr Sean O'Donnell, Head of Finance & Governance
Mr Tomas Wilkinson, NI Audit Office

### 1.0 PRELIMINARIES AND APOLOGIES

Mr Ingram welcomed all present to the meeting, including Emma Finney and Helen Hampsey who were shadowing members of the Senior Leadership Team that week as part of the LEAD Programme.

### 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 09 September 2026 Audit & Risk Committee Meeting

There were no matters arising from the minutes.

### 4.0 EXTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Papers 04 Draft Report to Those Charged with Governance for the year ended 31 March 2026.

Mr Wilkinson, Northern Ireland Audit Office, presented the draft Report to Those Charged with Governance and advised that, subject to completion of the outstanding audit procedures, it was anticipated that an unqualified audit opinion would be issued with no adjustments to the financial statements. There were no Priority 1 recommendations and no issues were anticipated from the remaining work relating to pensions, property, plant and equipment and the final quality review. Mr Wilkinson summarised the findings relating to title deeds, the recording of canteen receipts within the

bank reconciliation process and the accounting treatment of assets with a zero net book value. Management confirmed that the title deeds exercise was nearing completion, the process for recording canteen receipts had been amended and procedures were now in place to prevent a recurrence. The Committee noted that further assurance remained outstanding in relation to pensions information and that NIAO hoped to certify the financial statements within the coming weeks.

Members welcomed the anticipated unqualified opinion but expressed concern regarding the length of the audit process and the concentration of feedback towards its conclusion. Management outlined the substantial work undertaken in relation to asset valuations and confirmed that the relevant accounting policy had been revised and submitted to DfE, with asset relifing now incorporated into business-as-usual arrangements.

Mr Wilkinson also provided an update on NIAO's wider review of the financial sustainability and efficiency of the FE sector, advising that fieldwork was under way, with a draft report expected to be provided to DfE by February 2027 and publication anticipated in March/April 2027.

**AGREED: That the Committee accepted the two recommendations and the suggestion relating to the assets register, endorsed management's decision not to adjust the uncorrected misstatement and noted that the final Report to Those Charged with Governance remained subject to completion of the outstanding audit procedures.**

**AGREED: that delegated authority would be sought at the next Governing Body meeting to enable the Audit & Risk Committee to sign off the final Report to Those Charged with Governance upon receipt.**

## 5.0 INTERNAL AUDIT

PREVIOUSLY ISSUED to all members:

- Papers 05 Internal Audit Annual Plan 2026-27
- Paper 06.18 FE Sector Internal Audit Assurance Arrangements.

Mr Archibald, Henderson Loggie, presented the final Internal Audit Annual Plan 2026/27 and confirmed that the timing of the approved programme had been agreed. The planned reviews would be appropriately spaced throughout the year, with the Health, Safety and Wellbeing and Risk Management reviews scheduled for presentation to the Committee in February 2027 and the remaining three reviews in May 2027. He confirmed that the programme remained achievable and advised that a proposed sector-wide review of Work-Based Learning would now take place during 2027/28.

Members were advised that assurances had been provided to NIFON regarding audit coverage, the grading structure and DfE's future involvement in the internal audit procurement process. The revised grading structure would apply prospectively to individual internal audit reports and the Annual Report, with no requirement for retrospective changes. Ms Linton, DfE, emphasised that the matters raised did not represent a challenge to the quality or professional judgement of Internal Audit but were intended to support consistency and provide greater strategic oversight. The Committee confirmed that it was content with the Plan.

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

## 6.0 GOVERNANCE REPORT

PREVIOUSLY ISSUED to all members:

- Paper 06 Governance Report
- Paper 06.01 Fraud and Raising a Concern (Public Interest Disclosure)
- Paper 06.02 Mid-Year Assurance Statement 2026-27 Commissioning Letter
- Paper 06.03a SWC DfE Partner Organisation Assurance Statement Mid Year
- Paper 06.03b Reform to Save – September 2026
- Paper 06.04a Corporate Risk Register
- Paper 06.04b FE Sector College Risks 2026
- Paper 06.05 Draft Annual Report & Financial Statements 2025-26
- Paper 06.06 DfE Communication Re: Interim Accounts to 30 September 2026
- Paper 06.07 Tracking Actions Internal Audit Programme 2025-26
- Paper 06.08 Climate Change Risk Assessment
- Paper 06.09 Update on Management of Risk associated with Artificial Intelligence
- Paper 06.10 Direct Award Contracts
- Paper 06.11 Complaints and Compliments Report 2025-26
- Paper 06.12 2025-26 Register of Interests
- Paper 06.13 Gifts and Hospitality Register 2025-26
- Paper 06.14 Electronic Communications Policy
- Paper 06.15 Freedom of Information Publication Scheme
- Paper 06.16 Fraud Policy
- Paper 06.17 Raising Concerns Policy
- Paper 06.18 FE Sector Internal Audit Assurance Arrangements
- Paper 06.19 Invitation to DfE Group Finance Component Event – 09 November 2026

### 6.1 Fraud and Raising a Concern

*Ref: Governance Report Section 2.0 and Papers 06.01*

Mrs McGrath confirmed that senior managers had provided assurance that they were not aware of any instances of fraud, bribery, corruption or other serious wrongdoing within their areas of responsibility. No fraud or suspected fraud had been reported internally during the period from 09 September to 09 October 2026 and no concerns had been raised through the College's Raising a Concern process or with the Speak Up Champions.

### 6.2 Mid-Year Assurance Statement 2026-27

*Ref: Governance Report Section 3.0 and Papers 06.02, 06.03a and 06.03b*

Ms McCartan presented the Mid-Year Assurance Statement, which had been submitted to Ian Snowden on 19 October 2026 using the revised, more concise reporting format. In her capacity as Accounting Officer, Ms McCartan had indicated for the first time that she was not satisfied with the College's budget sustainability, given the absence of an approved budget and the uncertainty surrounding the financial position.

Members noted the forecast overspend of £3.449 million against the contingency planning budget and were advised that the College was projected to move into a deficit position around February/March 2027. The Committee welcomed the open and transparent assessment and emphasised the importance of clearly reporting the position to the Governing Body.

The Statement also highlighted outdated sectoral HR policies, pay-related issues and matters associated with the implementation of the HR and payroll systems, which were being progressed at sectoral level. Ms Linton acknowledged that this was the first use of the revised template, welcomed feedback for consideration by the sector group and thanked the College for meeting the submission deadline.

**AGREED: that the College's projected financial position should be clearly reported to the Governing Body.**

**6.3 Corporate Risk Register**

*Ref: Governance Report Section 4.0 and Papers 06.04a and 06.04b*

Mrs McGrath reported on the dedicated risk workshop held on 6 October 2026, which had considered feedback from the previous Committee meeting. The residual score for the financial stability risk had increased to reflect the current position, while the risks relating to health and safety, migration to the new HR and payroll system and cybersecurity remained unchanged. The forthcoming Health and Safety Internal Audit would provide further assurance on the effectiveness of the controls in place. Following attendance at a Jisc cyber risk event, Mrs McGrath proposed delivering a cybersecurity workshop to the wider Governing Body, which the Committee supported.

Members considered the sectoral comparison and horizon-scanning matters, including increased demand for Special Educational Needs support, potential industrial action and the management of externally funded projects. It was agreed that the risk relating to support for students with Special Educational Needs would be added to the Corporate Risk Register, while industrial action and the management of externally funded projects would continue to be monitored but would not be added at this stage. The Committee also discussed the challenges of protecting legacy systems, the increased level of cybersecurity insurance and the current position regarding pay claims for lecturing and support staff.

**AGREED: That the revised Corporate Risk Register be approved and that the risk relating to support for students with Special Educational Needs be added.**

**ACTION: Mrs McGrath to arrange a cybersecurity workshop for the wider Governing Body.**

**6.4 Draft Annual Report and Financial Statements 2025-26**

*Ref: Governance Report Section 5.0 and Papers 06.05 and 06.06 and Section 14.0 and Paper 06.19*

Mr O'Donnell advised that the draft Annual Report and Financial Statements covered the eight-month period from 01 August 2025 to 31 March 2026 and had been submitted to DfE and NIAO on 26 June 2026. Members noted NIAO's revised view on the accounting treatment of assets that had previously reached nil net book value and that this is being treated as an unadjusted misstatement on the basis that the net value was below the materiality threshold.

The Committee was also advised of the new requirement to prepare interim accounts for the six-month period ending 30 September 2026 and the nine-month period ending 31 December 2026. The six-month accounts were due for submission by 23 October 2026, with the nine-month accounts to be submitted in January 2027.

The Committee also noted that DfE had invited finance representatives to a Group Finance Component Event on 09 November 2026. The event would review lessons from the 2025/26 accounts process and

consider arrangements for improved and more timely reporting during 2026/27.

**6.5 Audit Recommendations Follow-Up Review**
*Ref: Governance Report Section 6.0 and Paper 06.07*

Mr O'Donnell provided an update on the four recommendations arising from the 2025/26 Internal Audit Programme, confirming that none had been assessed as major. While some work remained ongoing, management would ensure that the recommendations were fully implemented ahead of the scheduled follow-up review in May/June 2027.

Members noted that, once the final Report to Those Charged with Governance had been received, all outstanding internal and external audit recommendations would be consolidated into a single tracking document for ongoing monitoring by the Committee.

**6.6 Draft Climate Change Risk Assessment**
*Ref: Governance Report Section 7.0 and Papers 06.08*

Mrs McGrath presented the Draft Climate Change Risk Assessment, which evaluated current and projected risks across the College's buildings and infrastructure, people, campus environment and biodiversity, digital and operational services and supply chains. She acknowledged the difficulty in predicting the position for 2030 to 2050 and advised that an action plan was being developed for each identified risk. Members noted that more frequent incidents or the need for additional measures, such as flood protection, could have budgetary implications.

The Committee welcomed the assessment and recognised the need for increased awareness of climate-related risks. Members noted that blended learning arrangements provided operational resilience and discussed the College's wider role in demonstrating good practice, supporting business and industry and embedding sustainability and carbon literacy throughout the curriculum. It was agreed that the action plan arising from the assessment would be shared with the Committee once developed.

**ACTION: Mrs McGrath to share the Climate Change Risk Assessment Action Plan with the Committee once developed.**

**6.7 Management of Risks associated with Artificial Intelligence**
*Ref: Governance Report Section 8.0 and Paper 06.09*

Mrs McGrath advised that the AI Needs Analysis had identified increasing use of Artificial Intelligence, differing levels of staff confidence and concerns regarding reliability, data protection, academic integrity and clarity of guidance. The College was developing a proportionate approach involving central oversight, policy and guidance, role-specific training and appropriate pilot activity.

Members noted plans to appoint a voluntary AI Champion at each of the Dungannon, Enniskillen and Omagh campuses. Further work would include finalising the AI roadmap, establishing the AI Champions network and embedding AI considerations within policy, procurement, risk management, data protection and academic integrity arrangements.

*Ms McCleary joined the meeting during the above discussion.*

**6.8 Direct Award Contracts**

*Ref: Governance Report Section 9.0 and Paper 06.10*

The Committee noted that four Direct Award Contracts remained live and that no new Direct Award Contracts had been entered into since the previous Committee meeting.

**6.9 Complaints and Compliments Report 2025-26**

*Ref: Governance Report Section 10.0 and Papers 06.11*

Mrs McGrath presented the Complaints and Compliments Report 2025/26 and advised that nine complaints had been received during the reporting period. Three were upheld or partially upheld, two progressed to internal appeal and none progressed to external appeal. All initial complaints were responded to within the required timeframe. No formal compliments had been received.

Members noted the value of early engagement at Stage 1 in resolving concerns and the importance of maintaining appropriate records throughout the complaints process. Mrs McGrath confirmed that these arrangements would continue to be reinforced.

**6.10 Register of Staff Interests**

*Ref: Governance Report Section 11.0 and Papers 06.12*

The Committee reviewed the Register of Staff Interests for 2025/26 and noted that declarations had been considered through the College's established arrangements. Any actual, potential or perceived conflicts requiring action had been managed appropriately.

**6.11 Gifts and Hospitality Register 2025-26**

*Ref: Governance Report Section 12.0 and Papers 06.13*

The Committee reviewed the Gifts and Hospitality Register for 2025/26 and noted that no items of concern had been identified. Members were advised that the register would be published on the College website in accordance with the College's transparency arrangements.

**6.12 Policy Review**

*Ref: Governance Report Section 13.0 and Papers 06.14 to 06.17*

Mrs McGrath presented the Electronic Communications Policy, Freedom of Information Publication Scheme, Fraud Policy and Raising Concerns Policy. She advised that the Fraud Policy and Raising Concerns Policy had been reviewed by the DfE Fraud and Raising Concerns Branch, with comments incorporated into the revised documents.

Members noted that the Fraud Policy remained largely aligned with DfE guidance. The staff quick guide had been removed from the Policy and would be maintained as a separate document, the broad indicators section had been removed, and the seven principles had been referenced earlier in the Policy rather than solely within the appendix.

**AGREED: That the Electronic Communications Policy, Freedom of Information Publication Scheme, Fraud Policy and Raising Concerns Policy be recommended to the Governing Body for approval.**

## 7.0 AUDIT & RISK COMMITTEE ANNUAL REPORT 2025-26

PREVIOUSLY ISSUED to all members:

- Paper 07 Audit & Risk Committee Annual Report 2025-26.

Mrs Nugent presented the Audit & Risk Committee Annual Report for 2025/26, which summarised the Committee's membership, meetings and work undertaken during the year. The report concluded that a culture of risk management was embedded within the College and that good internal-control and governance frameworks were in place and operating effectively.

**AGREED: That, subject to the incorporation of any 2025/26 updates presented at the meeting, the Audit & Risk Committee Annual Report 2025/26 be submitted to the Governing Body for approval.**

## 8.0 ANY OTHER RELEVANT BUSINESS

Ms McCartan reported that the College had received a significant number of Assembly Questions relating to PFI contracts, capital expenditure, legal and professional fees, student numbers and reductions in courses or provision arising from budgetary pressures. Members noted that responses were often required within tight timescales and formed an additional aspect of the College's public accountability and assurance arrangements.

In response to members' questions, Ms McCartan advised that requests were generally received through DfE, with the College contributing to wider responses where required. It was noted that there could be a delay between questions being received by the Department and subsequently issued to colleges for response.

**NOTED: The Committee noted the volume and nature of Assembly Questions and the associated public accountability and assurance requirements.**

## 9.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 09 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 11.42 am.**

**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 | 21 October 2026 | 4.0 | Seek delegated authority from the Governing Body at its next meeting to enable the Audit & Risk Committee to sign off the final Report to Those Charged with Governance upon receipt. |
| 2 | 21 October 2026 | 6.2 | Ensure the College's projected financial position, including the potential move into a deficit position, is clearly reported to the Governing Body. |
| 3 | 21 October 2026 | 6.3 | Mrs McGrath to arrange a cybersecurity workshop for the wider Governing Body. |
| 4 | 21 October 2026 | 6.6 | Mrs McGrath to share the Climate Change Risk Assessment Action Plan with the Committee once developed. |