
MINUTES OF THE SEVENTY SEVENTH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA MICROSOFT TEAMS COMMENCING 11:30

PRESENT:

Mrs C Shongo, Committee Chair
Mr B Dougherty
Ms V Toland

ATTENDEES:

Mr L Murphy, Principal & CE
Mr P McKeown, Finance Director
Ms C Keenan, Internal Auditor, RSM (for Agenda item 77.6 only)
Ms P Wilson, DfE
Mr B O'Neill, NIAO
Ms L Murphy, NIAO
Mr G McCole, IT Services Manager (for presentation item 77.0 only)
Mrs É Doherty, Secretary to the Governing Body

APOLOGIES:

Mrs M Gormley
Mrs S McMahan

77.0 PRESENTATION – Mr G McCole, IT Services Manager

The Committee Chair welcomed Mr McCole. Mr McCole provided a comprehensive overview on the key strategies and advancements in Cyber Security for the College. The Audit has recently been completed for the Cyber Security Plus re-certification. The outcome is pending. The enhancements and continuous protective measures, threat intelligence and monitoring in place within the IT Department were noted.

Mr McCole apprised the Committee that AI global driven attacks increased by 65% in 2025 and there are increased risks with Autonomous AI cyber operations and Ransomware-as-a-Service. The mitigations in place to maintain the security of the College IT system were noted.

Due to the increased levels of threat, Mr McCole highlighted the limited resources and the budget challenges to be able to continue to protect and enhance the IT systems.

A short question and answer session followed.

The Committee Chair on behalf of the Committee acknowledged the ongoing, challenging work of the IT team including the preparation for the Cyber Security Plus re-certification.

Mr McCole left the meeting at this juncture (11:55).

77.1 WELCOME

The Committee Chair formally opened the meeting.

77.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

There was no conflict of interest declarations. There were no declarations of any other business.

77.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 20 MAY 2025➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 20 May 2025

The Draft Minutes were taken as read and agreed as a true and accurate record of the meeting.

Members present at the May 2025 meeting were not all present at this meeting. This resulted in the Minutes not able to be approved. It was agreed that a request be made to Mrs M Gormley, Governor who attended the May 2025 Committee meeting to seek her agreement to second the Minutes. The Committee were content that this was the best way to manage in these circumstances.

PROPOSED, Mr B Dougherty

SECONDED, Mrs M Gormley (agreement received on 10/09/25)

Report 1 Matters Arising – May 2025 Committee Meeting

76.5 Management Report – Mr T Moore has been invited to the Governing Body meeting on 24 September 2025 to present the College Digital Strategy and deliver AI training to the Board members.

76.6 Internal Audit – A request was sent from the Committee Chair to Ms L Watson, Director of FE on 04/09/25 for the Department to consider taking a role in developing and delivering AI training across the sector.

76.4 Committee Chair's Business – An Action Plan has been drafted from the Self-Assessment Exercise completed by the Committee in May 2025 (Ref 77.4, Report 1).

77.4 COMMITTEE CHAIR'S BUSINESS➤ **PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1 Self-Assessment Action Plan**

The Committee Chair brought members through the six points arising from the Self Assessment. Two actions are now complete with four in progress.

It was agreed that the Committee Chair follow up on the correspondence sent to the Department (DfE) in relation to point 2, to re-establish the ARC Forum.

Report 2 Review of Committee's Terms of Reference**Report 2.1 Summary of Proposed Changes to the Committee's Terms of Reference**

Members noted the Terms of Reference with the tracked changes and were content to recommend approval to the Governing Body.

PROPOSED, Ms V Toland

SECONDED, Mr B Dougherty

The Committee Chair then invited Mr McKeown to present his report.

77.5 MANAGEMENT REPORT, Mr P McKeown, Finance Director➤ **PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1 Report to the Audit & Risk Committee**

The Finance Director reported on changes to risk scoring and other updates. There are currently ten corporate risks on the Corporate Risk Register. Since the last report there has been one change to the scoring of risk (COR0011).

Risk COR0002 – Impact of Reduced Enrolment Numbers – Very high risk

Initial data is showing a growth in enrolments – numbers are still to be finalised but the growth could be in the order of 5%. This risk will be reviewed and updated as the term progresses.

Risk COR0007 – Failure to Maintain Financial Stability – Severe risk

The College revised 2025/26 draft budget position was updated on 30 June 2025. This indicated further funding reductions totalling £179k. The MaSN allocation was reduced by £238k. The College is continuing to report a deficit position.

No additional funds were made available through the June Monitoring Round – bids have been resubmitted to the October Monitoring Round. A detailed budget revision is scheduled to take place during September and October 2025 to reflect the updated financial position, including actual enrolments. An updated Budget will be brought to the Board in November 2025. The Finance Director noted that if further cuts are required, curriculum will be protected, where possible.

Risk COR0011 – Impact of Industrial Action – Medium risk

For lecturing staff, the trade unions have accepted a 5.5% pay increase for the 2024/25 academic year, and a further 3% increase for 2025/26. The conditions attached to this agreement are being worked through. Support Staff trade unions have accepted a 3.2% pay increase for 2025/26. The scoring under this risk has been reduced accordingly. The Principal as Lead Negotiator on the management side added it was positive to achieve agreements for pay rises in year.

The Finance Director noted that the updated Outline Business Case for the Causeway Growth Deal, the Foodovation & Skills Centre will progress through the Resources Committee/Board September meetings.

PFI Handover - the handover continues with the final stages of works. The TUPE process for staff is progressing well.

Holiday Pay – payments going forward have not commenced to date. Following a question from Mr B O'Neill, NIAO, the Finance Director replied that to avoid potential irregular payments, the College if required, will request a further extension of time from the Department (DfE).

It was agreed that the Finance Director contact his fellow Sector Finance Directors and Ms C McCartan, Chair of the Principals' Group to consider seeking further legal advice from the College solicitors in this matter.

Direct Award Contracts - The contract for the support and hosting of the finance system Agresso is due to expire in November 2025. To maintain continuity of the current system while the extensive procurement process is undertaken, the College on behalf of the sector, has submitted a Direct Award Contract (DAC) request. The DAC was approved by the DoF on 21 August 2025 and subsequently by DfE's Permanent Secretary on 26 August 2025. This DAC will enable the contract to run from November 2025 through to March 2029.

Prompt Payment – for 30 days to July 2025 was 95% and year to date 95%.

It was agreed that the Finance Director provides data on the prior year figures going forward.

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 2 Draft Statement of Comprehensive Income & Expenditure – Year Ended 31 July 2025

Report 2.1 Draft Statement of Reserves for the Year Ended 31 July 2025

Report 2.2 Draft Statement of Financial Position for Year Ended 31 July 2025

The Finance Director reported that the Financial Statements have been prepared in accordance with the Accounts Direction and relevant accounting standards. The College intends to submit the Annual Report and Financial Statement to the Department (DfE) on 22 September 2025.

The financial year will now move to 31 March with effect from 2026.

The Committee Chair thanked Mr McKeown and welcomed Ms Keenan to the meeting.

77.6 INTERNAL AUDIT – Ms C Keenan, RSM

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Internal Audit Final Follow Up Report 2024/25

As part of a review to follow up on the progress by the College in implementing previously agreed management actions, evidence confirmed that all six actions have been fully implemented (two medium and four low priority).

Report 2 Annual Internal Audit Report 2024/25 – RSM

The Internal Auditor reported that overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on achievement of system objectives. During 2024/25 four reviews took place all receiving satisfactory assurance. These included two low priority issues. The wider value added delivery was noted. KPI's were all within target.

The Committee Chair on behalf of the Committee thanked the RSM Team for their support to the College and Committee over their time as Internal Auditors.

Ms Keenan left the meeting at this juncture.

The Committee Chair invited Mr O'Neill (NIAO), to report to the Committee.

77.7 EXTERNAL AUDIT – Mr B O'Neill, NIAO

The External Auditor advised that work is completed with the March 2025 year end audit in relation to the Department's (DfE) group accounts. There are no significant items or concerns to report.

The work on the 31 July 2025 College audit will commence in a few weeks.

The Committee Chair thanked Mr B O'Neill for his report.

77.8 CORRESPONDENCE**➤ PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1 Letter sent to Ms P Wilson, Head of Corporate Governance & Accountability**

This item was mentioned earlier in the meeting under item 77.4, Report 1. Ms Wilson stated she will reply to the correspondence shortly.

Report 2 Letter to Ms L Watson, Director of FE

This matter was covered earlier in the Agenda under item 77.4, Report 1.

77.9 ANY OTHER BUSINESS

There was no any other business to discuss.

Mr B O'Neill, Ms L Murphy, Ms V Toland left the meeting at this juncture.

77.10 RESERVED BUSINESS

Taken Separately

The meeting ended at 12:35

DATE OF NEXT MEETING: 11 November 2025

Signed *Charlene Shongo*

Mrs C Shongo, Committee Chair

Date 11 November 2025

APPROVED

Appendix 1

SUMMARY OF AGREED ACTIONS FROM THE SEPTEMBER 2025 COMMITTEE MEETING

NO	MINUTE REF	REPORT	ACTION	OWNER
1	77.3	Draft Minutes of the Committee meeting held on 20 May 2025	Governing Body Secretary to contact Governor, Mrs M Gormley post meeting to seek her approval of the Draft May 2025 Minutes.	ED
2	77.4 Report 1	Committee Chair's Business-Self-Assessment Action Plan	Committee Chair to follow up on the correspondence sent to the Department (DfE) in relation to point 2, to re-establish the ARC Forum.	CS/ed
2.1	Report 2	Committee's Terms of Reference	Members noted the Terms of Reference with the tracked changes and were content to recommend approval to the Governing Body.	CS/ed
3	77.5	Management Report - Holiday Pay	It was agreed that the Finance Director contact his fellow Sector Finance Directors and Ms C McCartan, Chair of the Principals' Group to consider seeking further legal advice from the College solicitors.	PMcK/ed
3.1		Prompt Payment	It was agreed that the Finance Director provides data on the prior year figures going forward.	PMcK/ed