

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

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**PRESENT:**

Mrs C Shongo, Committee Chair  
Mr B Dougherty  
Mrs M Gormley  
Mr F Smyth (from 11:37)  
Ms V Toland

**ATTENDEES:**

Mr P McKeown, Finance Director  
Mr I McCartney, Internal Auditor, RSM  
Ms H Sampson, DfE  
Ms L Murphy, NIAO  
Mrs É Doherty, Secretary to the Governing Body

**APOLOGIES:**

Mrs S McMahon

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**74.1 WELCOME**

The Committee Chair welcomed everyone to the meeting.

**74.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS**

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

**74.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 12 NOVEMBER 2024**

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 12 November 2024

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

**PROPOSED,** Mrs M Gormley

**SECONDED,** Mr B Dougherty

**Report 1      Matters Arising – November 2024, Committee Meeting**

**71.4, Report 1**      The Committee Chair reported that a request was sent to the Sector Audit & Risk Committee Chairs and it is planned that a meeting date will be arranged during March 2025.

**72.4**      The Governing Body accepted the Audit & Risk Committee's Annual Report 2023/24 at the meeting held on 20 November 2024.

**72.5 Report 2** Student Council Report & Financial Statements Year Ended 31/07/24

**72.5 Report 4** Bribery Policy – October 2024

The Report and Policy were approved at the Governing Body meeting held on 20 November 2024.

**72.5 Report 3** The Finance Director has provided for this meeting information on the College risk appetite (Ref AC 74.6, Report 2.1). This will be discussed at that point in the Agenda.

#### **74.4 DRAFT MINUTES OF THE SPECIAL COMMITTEE MEETING HELD ON 9 DECEMBER 2024**

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

**PROPOSED**, Mrs C Shongo

**SECONDED**, Ms V Toland

**Report 1 Matters Arising – December 2024, Committee Meeting**

**73.3 Report 2** Annual Report & Financial Statements Year Ended 31 July 2024

The Governing Body approved the Annual Report & Financial Statements Year Ended 31 July 2024 at the Special Governing Body meeting held on 9 December 2024.

#### **74.5 COMMITTEE CHAIR'S BUSINESS**

The Committee Chair had no other business to discuss.

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

#### **74.6 MANAGEMENT REPORT, Mr P McKeown, Finance Director**

##### **➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

**Report 1 Report to the Audit & Risk Committee**

Referring to the eleven Corporate Risks the Finance Director reported on changes to risk scoring and other updates.

**Risk COR0001 – Impact on performance/availability of information relating to third party hosting** – this risk will be removed from the Risk Register at the end of February 2025.

**Risk COR0002 – Impact of Reduced Enrolment Numbers**

The Department (DfE) has expressed concern regarding the College's enrolment numbers. The scoring of this risk remains high. It will be challenging to increase enrolment numbers within the financial landscape for 2025/26.

**Risk COR0005 – The Quality of Curriculum Delivery not meeting required**

**Benchmarks** - Positive feedback from inspections and increased confidence in the Quality Assurance processes has led to the scoring under this risk being decreased. Likelihood now moves from a score of 3 to 2.

**Risk COR0007 – Failure to Maintain Financial Stability – Severe category**

The Department (DfE) has indicated uncertainty regarding available funding for the 2025/26 year. A draft Budget Allocation was issued by DfE on 5 February 2025. The Department (DfE) is facing a £42m reduction (7.9%), £18m of which relates to FE. There are a number of scenarios being considered by the sector on how to split this reduction between the six Colleges. The Finance Director provided detail on these. Reductions from NWRC range from £2.2m - £2.9m. The scoring under this risk has been increased. Likelihood now moves from a score of 1 to 5.

Following a request from the Department (DfE) the sector has drafted an Equality Impact Statement. Meetings are ongoing between the Sector Principals, Finance Directors and Curriculum Directors.

A time for questions was afforded to the Committee. A robust discussion ensued on the serious impact on College provision should such cuts to budget be implemented. The importance of a sector strategic review was emphasised.

**Risk COR0011 – Impact of Industrial Action**

Recent correspondence was received from NASUWT and UCU regarding the ongoing matter on workload issues and noted a potential ballot for strike action.

**Risk COR0012 – Staffing – Impact of Staff Recruitment, Staff Retention, Pay Levels & Sickness on College Business**

Certain College Departments continue to experience high absence levels due to sickness which have created operational challenges within the affected areas. When compared to sector-wide benchmarks, the College's overall absence levels remain low. Recruitment and Retention remains challenging in some areas. The scoring under this risk has been increased. Likelihood now moves from a score of 2 to 3.

**Risk COR0014 – Lack of Resources and funding to progress Sustainability/ESG Agenda.**

The Department (DfE) has allocated £177k for this area. This was welcome news.

The Finance Director apprised the Committee on the evolving matters and drew attention to a potential risk in relation to the College meeting its statutory obligations in relation to planned preventative maintenance. The current Sector Framework for a Design Team completes in March 2025 and the Contractors Framework completes in July 2025. Progress regarding the procurement of New service providers are not scheduled to conclude until early 2026, therefore There is an operational requirement for the continuation of the existing Frameworks. Representatives of the Estates Managers Group are currently liaising with Legal Advisors and CPD to establish how best to progress this issue.

In updating the Committee on the Holiday Pay matter the Finance Director reported that final terms are currently being negotiated with the Trade Unions. In answer to Governor, Mrs Gormley's question the Finance Director indicated he was hopeful payments to the relevant staff will be made within the timescales of the Business Case.

The NFI exercise results have been received. The College is currently in the process of working through these. To date no matches have raised any concerns.

There were no Direct Award Contracts to report.

The Prompt Payment figures for 30 days for January 2025 was 94% and year to date was 95 %.

The Finance Director reported that the final Business Case for insurance was submitted to the Department (DfE) in December 2024. The preferred option is that all insurance covers to be placed with or through UMAL.

In line with the College Fraud Policy the Finance Director reported he had informed the Department (DfE) of a suspected fraud.

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

**Report 2 Risk Management Policy – January 2025**

Members noted the tracked changes and were content to recommend approval to the Governing Body.

**PROPOSED**, Mrs C Shongo

**SECONDED**, Mr F Smyth

**Report 2.1 Risk Appetite Statement**

The Finance Director brought members through the report noting that the statement is intended to define the risk appetite for the College and establish a consistent view of the risk parameters within which the College operates. The College's general risk appetite will be 'cautious' however the level of risk appetite will be considered when reviewing each risk.

The Committee Chair thanked Mr McKeown and invited Mr McCartney to present the Internal Audit Report to the Committee.

**74.7 INTERNAL AUDIT – Mr I McCartney, RSM**

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Internal Audit Progress Report – February 2025

Report 2 Internal Audit Review Report – HR – Pre-employment Process

Report 3 Internal Audit Review Report - Safeguarding

**Report 1 Internal Audit Progress Report – February 2025**

The Internal Auditor reported on the progress of the Internal Audit Review to date. Two reviews have been completed and presented to the Committee today. The Review on Compliance with DfE Letters of Offer is in progress.

Following an agreed action from a previous Committee meeting, four of the Sector Colleges have agreed to pool a number of days from each of their Internal Audit Plans for 2024/25 to facilitate an advisory AI review.

**Report 2 Internal Audit Review Report – HR – Pre-employment Process**

The Review on Pre-Employment Processes has been issued with a satisfactory opinion with one low priority finding.

**Report 3 Internal Audit Review Report - Safeguarding**

The review on Safeguarding has been issued with a satisfactory opinion.

The Further Education – Emerging Issues Report and Further Education – Benchmarking of Internal Audit Findings 2023/24 will be presented at the May Committee meeting.

The Committee Chair thanked Mr McCartney (RSM) and invited Ms Murphy (NIAO), to report to the Committee.

**74.8 EXTERNAL AUDIT – Ms L Murphy, NIAO****➤ PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1 Final Report To Those Charged with Governance 2023/24**

The External Auditor noted the Report was now finalised. The findings were accepted by Management with work to be undertaken in conjunction with the sector on the recommendations.

The Committee Chair thanked Ms Murphy for her report.

**74.9 CORRESPONDENCE****➤ PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1 DfE Letter to NWRC ARC Chair – ARAC Forum – January 2025**

The Committee noted the correspondence.

**Report 2 DfE Correspondence to the Principal – Group Annual Report & Accounts Year Ended 31 March 2025**

The Finance Director indicated the College did submit the Accounts pack on time to the Department (DfE) for the years indicated within the correspondence. The intention is that the March 2025 year end accounts will also be submitted within the deadline of 30 April 2025. There will be challenges this year for the Sector with Easter falling on 20 April. This has been relayed to the Department (DfE) with a request for consideration of a few days' extension.

A discussion ensued and dissenting views were expressed on the validity of the letter from the Permanent Secretary considering the College had met the agreed deadlines.

**74.10 ANY OTHER BUSINESS**

There was no any other business to discuss.

The Committee Chair thanked everyone; the meeting ended at 12:42.

**DATE OF NEXT MEETING:** 20 May 2025

Signed Mary Gormley  
Mrs M Gormley, Vice Chair

Date 20 May 2025

APPROVED

## Appendix 1

## SUMMARY OF AGREED ACTIONS FROM THE FEBRUARY 2025 COMMITTEE MEETING

NO	MINUTE REF	REPORT	ACTION	OWNER
1	74.6 Report 2	Management Report	To recommend approval of the Risk Management Policy (Jan 2025) to the Governing Body	CS/ed

APPROVED