

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

PRESENT:

Mrs C Shongo, Committee Chair
Mr B Dougherty
Mrs M Gormley
Mrs S McMahon (from 11:34)
Ms V Toland (until 12:06)

ATTENDEES:

Mr L Murphy, Principal & CE
Mr P McKeown, Finance Director
Mr D Archibald, Internal Auditor, Henderson Loggie (until item 78.10)
Ms P Wilson, DfE
Mr Ross, NIAO (until item 78.10)
Mrs É Doherty, Secretary to the Governing Body

APOLOGIES: none - the meeting had full attendance

78.1 WELCOME

The Committee Chair formally opened the meeting and extended a welcome to all members and attendees.

78.2 CONFLICT OF INTEREST DECLARATIONS AND DECLARATIONS OF ANY OTHER BUSINESS

No declarations of interest or other business were received.

78.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 11 NOVEMBER 2025

PREVIOUSLY ISSUED TO ALL MEMBERS

Draft Minutes of the Committee Meeting held on 11 November 2025.

The Draft Minutes of the Committee meeting were taken as read and with no amendments, were agreed as a true and accurate record.

Proposed by Mrs M Gormley

Seconded by Mr B Dougherty

Report 1 Matters Arising – November 2025 Committee Meeting

The following were approved/accepted at the Governing Body meeting held on 19 November 2025;

- 78.4, Audit & Risk Committee Annual Report to the Governing Body
- 78.5, Report 1 - Annual Report & Financial Statements for the year end 31 July 2025

- 78.5, Report 2 - Student Council Report & Financial Statements year end 31 July 2025
- 78.5, Use of AI Co-pilot transcription tool to support future minute taking.
- 78.6, The Internal Audit Strategic Plan 2025-28, the Audit Plan 2025-26 and Charter.
- 78.6, Advice has been requested from HR in relation to the age profile of staff – in progress.

78.4 COMMITTEE CHAIR'S BUSINESS

The Committee Chair had no further business to discuss.

78.5 MANAGEMENT REPORT, Mr P McKeown, Finance Director

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1	Report to the Audit & Risk Committee
Report 2	Risk Appetite Statement
Report 3	Conflict of Interest Policy – January 2026
Report 4	Fraud Policy (including Anti-Fraud) January 2026

Report 1 Report to the Audit & Risk Committee

The Finance Director highlighted that Mr P Wisener, Head of Faculty, Business, Media & Technology is now a member of the Risk Management Committee, replacing Dr Hegarty.

There were no changes to the ten risks on the Register. There has been changes to the scoring in a number of risks.

Risk COR0002 – Impact of Reduced Enrolment Numbers – residual risk - medium

The risk scoring had been updated to reflect improved enrolment performance for the 2025/26 academic year. Overall residual risk is now medium.

Risk COR0005 – The Quality of Curriculum Delivery Not Meeting Required Benchmarks – residual risk - medium

The Risk Management Group have added a potential risk in relation to the non-achievement of Essential Skills specifically at Level 2. The scoring under the risk remains unchanged. This item was discussed at length at the Education Committee meeting held on 16 February 2026.

Risk COR0007 – Failure to Maintain Financial Stability – residual risk - severe

The Committee noted that financial performance for the current year remains stable, with ongoing oversight of future funding uncertainty and the transition to a March financial year-end effective from March 2026. The College is actively preparing for this change, including aligning budgeting, reporting and audit timelines to ensure smooth implementation and compliance.

To date no formal notification has been received from the Department (DfE) regarding the 2026/27 budget allocation with early indications of a flat budget settlement. This together with inflationary pressures could result in an approximate 12.5% pressure for the Department (DfE).

The scoring of this risk has been increased to an overall residual risk of severe.

The Committee discussed the impact of the one-year versus three-year Executive budget position and the practical constraints on carrying forward and flexibility.

Invitations will follow to the Governing Body members to join a meeting with the Permanent Secretary, DfE on 10 March 2026 to discuss the budget matter.

Risk COR0011 – Impact of Industrial Action – residual risk - very low

The Committee noted that workforce matters continued to be monitored, including confirmation on lecturer and support staff pay awards for 2025/26. Senior staff pay was identified as an emerging issue across the FE sector. The scoring of this risk has been decreased to an overall residual risk of very low.

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

Sickness absence levels had increased slightly and were subject to active monitoring and Occupational Health support. The Committee further noted discussion regarding the impact of an ageing workforce.

The Committee noted the updated risk scores and was assured that appropriate mitigation and monitoring arrangements remain in place.

The Finance Director referred to evolving matters and noted continued oversight of major projects and systems, including progress towards approval of the Causeway Growth Deal, Outline Business Case. CPD's have costed the project higher than the cost within the OBC. Management will engage with DfE and CPD to clarify and address.

The Finance Director was pleased to report that Causeway Coast & Glens Council are hoping to have the Financial Deal signing for the Growth Deal in the Limavady, Main Street Campus.

The successful completion of the PFI handover following 25 years was noted, with 47 staff transferring and only minor issues reported.

Ongoing operational issues with TAMS were highlighted, with continued engagement to resolve system functionality issues.

The Committee also noted that current holiday pay arrangements were operational and the College is now compliant with legal requirements moving forward. The legacy position remains subject to wider legal outcomes. There has been an increase in the number of staff raising backdated claims.

Prompt Payment – for 30 days for January 2026 was 94% and year to date is 96%.

The Finance Director provided an update to the Committee on the three actions from the External Audit, year to 31 July 2025.

The Finance Director brought the Committee through the following reports and sought agreement from the Committee to recommend approval to the Governing Body;

- **AC 78.5, Report 2 Risk Appetite Statement – Approved**

Proposed by Mrs S McMahon

Seconded by Mrs M Gormley

Note – the College’s general risk appetite will be cautious, however the level of risk appetite will be considered when reviewing each risk. The statement appropriately reflects the College’s current risk exposure and appetite.

- **AC 78.5, Report 3 Conflict of Interest Policy – Approved**

Proposed by Mrs S McMahon

Seconded by Mrs M Gormley

Note - an additional reporting provision was noted requiring conflicts declared at internal committees/working groups to be escalated for senior management review and onward reporting via the Governing Body Secretary for presentation to the Committee.

- **AC 78.5, Report 4 Fraud and Anti-Fraud Policy – Approved**

Proposed by Mrs C Shongo

Seconded by Mr B Dougherty

Note - The Committee noted that no substantive policy changes were proposed and that updates were primarily clarificatory/strengthening in nature.

The Committee Chair thanked Mr McKeown and invited Mr Archibald to present the Internal Audit Reports.

78.6 INTERNAL AUDIT – Mr D Archibald, Henderson Loggie

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Internal Audit Progress Report – February 2026

The Internal Auditor summarised progress on the Internal Audit Plan, including completed fieldwork for data protection and climate change reviews and scheduled work on student data and follow-up of previous recommendations. Contingency days remain available for additional work if needed.

Report 2 Internal Audit Review Report – Risk Management

The Internal Auditor reported on the Risk Management review noting positive engagement and well-embedded arrangements at both strategic and departmental levels. The overall level of assurance was good (system meets control objectives). There were three recommendations in relation to assurance mapping and strengthening policy language to clarify roles and responsibilities.

The Internal Auditor invited feedback from the Committee on the format of the internal audit reports.

The Committee Chair thanked Mr Archibald and invited Mr Ross to report to the Committee.

78.7 EXTERNAL AUDIT – Mr R Ross, NIAO

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Final Report To Those Charged With Governance

The External Auditor reported that the previous audit cycle is closed, with accounts signed and an unqualified opinion issued. The only issue was an uncorrected misstatement related to asset reliving, which will be addressed in future cycles. The next Audit & Risk Committee will focus on the Audit Strategy for the 2025-26 year.

The Committee recorded thanks to Internal Audit, External Audit and College staff for preparation and the effective management of the audit process.

The Committee Chair thanked Mr Ross for his report.

78.8 CORRESPONDENCE

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Correspondence from NIAO

The correspondence noted the change of Engagement Director.

Report 2 Correspondence

The correspondence noted the response from Ms McCamley, Interim Director of FE, DfE regarding public appointments, quorum requirements, and audit committee membership, clarifying current processes and future priorities for filling vacancies and maintaining governance standards.

Ms Wilson, DfE added that there are not enough vacancies across the sector to merit a full public appointments process, however discussions with the Public Appointments Unit are planned for the second quarter to explore joint competitions and address priorities in specific colleges.

78.9 ANY OTHER BUSINESS

There was no other business to discuss.

78.10 RESERVED BUSINESS – taken separately

The meeting ended at 12:44.

DATE OF NEXT MEETING: 19 May 2026

Signed Mary Gormley
Mrs M Gormley, Committee Vice Chair

Date 19 May 2026

Appendix 1

SUMMARY OF AGREED ACTIONS FROM THE FEBRUARY 2026 COMMITTEE MEETING

NO	MINUTE REF	REPORT	ACTION	OWNER
1	78.5	Management Report	Invitations to be issued to members to join the meeting with the Permanent Secretary, DfE on 10 March 2026	ED
2	78.5, R2	Risk Appetite Statement	To recommend approval to the Governing Body	CS/ED
3	78.5, R3	Conflict of Interest Policy	To recommend approval to the Governing Body	CS/ED
4	78.5, R4	Fraud & Anti-Fraud Policy	To recommend approval to the Governing Body	CS/ED