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

PRESENT:

Mrs M Gormley, Committee Vice Chair
Mr B Dougherty
Mr F Smyth

ATTENDEES:

Mr L Murphy, Principal & CE
Mr P McKeown, Finance Director
Mr I McCartney, Internal Auditor, RSM
Ms P Wilson, DfE
Mr B O'Neill, NIAO
Ms T Foden, NIAO
Mrs É Doherty, Secretary to the Governing Body

APOLOGIES:

Mrs S McMahon, Mrs C Shongo, Ms V Toland

76.1 WELCOME

The Committee Chair welcomed everyone to the meeting with an extended welcome to Ms T Foden (NIAO) to her first Committee meeting with the College.

76.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

76.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 25 FEBRUARY 2025**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 25 February 2025

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

PROPOSED, Mr B Dougherty

SECONDED, Mrs M Gormley

Report 1 Matters Arising – February 2025 Committee Meeting

75.6, Report 2 The Governing Body approved the Risk Management Policy (Jan 2025) at the meeting held on 12 March 2025.

76.4 COMMITTEE VICE CHAIR'S BUSINESS**➤ PREVIOUSLY ISSUED TO ALL MEMBERS****Report 1 Self-Assessment Exercise 2024/25 template****Report 1.1 Summary of Results**

The Committee Vice Chair reported that in advance of the meeting the Self Assessment Exercise for 2024/25 was issued to Committee members to complete. The Summary Report will be discussed at the end of the meeting.

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

76.5 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.

Risk COR0001 – Impact on performance/availability of information relating to third part hosting - This risk was closed off and removed from the Corporate Risk Register in February 2025.

Risk COR0006 – Business Continuity Plan/Disaster Recovery - All College departments have updated their individual plans as part of the College's Business Continuity Plan (BCP). The review is almost complete. There has been no change to the scoring of this risk.

Risk COR0007 – Failure to Maintain Financial Stability – Following the last Committee meeting the College received a revised 2025/26 Draft Budget position on 28 April 2025 with an improved allocation. The Draft Budget now provides £16.7m to FE Colleges towards pay pressures including Employers' National Insurance. The £6.4m previously allocated to meet Sector non-pay pressures has been removed. The College proportion of this is £907k together with a remaining gap from the budget allocation of £125k. Work continues to finalise the budget and the Draft Budget will be brought to the Resources Committee and Governing Body meetings in June for approval. The scoring of this risk will remain as severe.

Risk COR0010 – Cyber Security - The annual Phishing Simulation exercise was conducted for all staff on 19 February 2025. The results of the phishing simulation were improved on the previous exercise. The scoring of this risk remains unchanged.

Risk COR0011 – Impact of Industrial Action - The Principal as lead negotiator in the Sector in regard to academic staff pay remits reported that following negotiations a settlement has been reached on the pay offer for 2024/25 and 2025/26. There is also a commitment to review teacher pay scale parity in 2025/26, to review the industrial relations framework and to progress the work of the Workload Task and Finish Group.

The Finance Director added that in relation to Support staff, the National Employers have made a full and final offer of 3.2% for 2025/26. The scoring under this risk has been increased to high. Likelihood now moves from a score of 2 to 3. The scoring will be reviewed again on the back of the lecturers pay settlement.

In response to a Governors query the Finance Director confirmed that the costs relating to staff pay rises are baselined and covered in the revised draft budget for 2025/26.

Risk COR0013 – Inefficient and inappropriate use of Artificial Intelligence (AI) –

Following the recent restructure of the Quality & Performance Department a further new appointment has been made for a Principal Lecturer in Digital Learning, Quality & Performance. The new appointee will chair the AI Working Group and meetings will resume in the coming weeks.

It was suggested to invite Mr T Moore, PL in Digital Learning, Quality & Performance to present at a future Board meeting.

The Finance Director provided updates on evolving matters that may present a risk to the College going forward including the Causeway Growth Deal, PFI Handover and PPM Frameworks for Consultants and Contractors.

FE Review – The Principal reported that discussions have taken place between Ms L Watson, Director of FE and Sector Principals on the way forward.

Holiday Pay - The payment of holiday pay has not yet commenced. One condition from the approval granted in November 2024 was that implementation should commence in 2024/25. The Sector sought an extension to this timeframe and approval to that request was granted on 30 April 2025 with the extension granted to August 2025.

In response to a Governor's comments a discussion ensued on the shortcomings of Business Cases. The College with a fellow sector College has agreed on a shared appointment to recruit a Business Case Writer.

The Finance Director highlighted the revisions made to the College Procurement Control Limits in March 2025. There were no Direct Award Contracts to report. Prompt Payment for 30 days to April 2025 was 97% and year to date 96%.

Insurance – Approval was received from the Department of Finance (DoF) and DfE on 6 May 2025 for Insurance Services to the NI, FE Sector. UMAL will provide these insurance services.

In conclusion the Finance Director reported that the Department (DfE) commenced an audit in April 2025 of the Skills for Life and Work programme.

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

76.6 INTERNAL AUDIT – Mr I McCartney, RSM**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Internal Audit Progress Report – May 2025
Report 2	Internal Audit Review Report – Additional Support Funding and Funding Allocation Processes for Students with Learning Difficulties and Disabilities
Report 3	Internal Audit Review Report – Compliance with DfE Letters of Offer
Report 4	Global Internal Audit Standards
Report 4.1	Application Note – GIAS April 2025
Report 5	RSM Emerging Risk Radar Spring 2025
Report 6	RSM Further Education – IA Benchmarking 2023-24
Report 7	RSM Further Education – Emerging Issues Autumn 2024

Report 1 Internal Audit Progress Report – May 2025

The Internal Auditor provided the Committee with updates within the Internal Audit Progress Report. The Internal Auditor in response to the Committee Vice Chair's request provided further detail to the forthcoming webinar arranged with the Sector to facilitate advisory AI Workshops.

A discussion took place on the opportunities and challenges of AI.

The potential need for training from the Department (DfE) for Board members was highlighted.

Report 2 Internal Audit Review Report – Additional Support Funding and Funding Allocation Processes for Students with Learning Difficulties and Disabilities

This review received a satisfactory assurance opinion with no findings/management actions raised.

Report 3 Internal Audit Review Report – Compliance with DfE Letters of Offer

This review received a satisfactory assurance opinion with one low priority finding/management action.

Report 4 Global Internal Audit Standards**Report 4.1 Application Note – GIAS – April 2025**

The Internal Auditor noted the changes to the Internal Audit Standards.

Report 5 RSM Emerging Risk Radar - Spring 2025

The Internal Auditor highlighted the six emerging areas of risks.

Report 6 RSM Further Education – IA Benchmarking 2023-24

The Internal Auditor reported that in comparison with the benchmarking data the College performed very well in terms of the Sector and the wider UK, FE client base.

Report 7 RSM Further Education – Emerging Issues Autumn 2024

Members noted the report.

The Internal Audit Contract with RSM is due to complete in July 2025. The Finance Director took the opportunity to thank Mr I McCartney and the RSM Team for their provision of the internal audit service. The Principal and Committee Vice Chair echoed these sentiments.

The Finance Director reported that SERC are leading on the procurement for the internal audit service going forward for the Sector.

The Committee Vice Chair thanked Mr McCartney (RSM) and invited Mr O'Neill (NIAO), to report to the Committee.

76.7 EXTERNAL AUDIT – Mr B O'Neill, NIAO

➤ PREVIOUSLY ISSUED TO ALL MEMBERS Report 1 Audit Strategy 2024-25

The External Auditor brought the Committee through a summary of the Audit Strategy for 2024/25. The Committee Vice Chair queried the significant increase of the Audit fee (£46k) on the previous year (£40k). The External Auditor provided explanation to the increase of the fee and indicated it was an estimated fee. The Finance Director referred to the PFI handover that is due to take place in January 2026. The College has consistently applied the PFI accounting model. The College discussed the accounting treatment with the Audit Office at the planning meeting in March.

Report 2 NIAO Effective Audit & Risk Assurance Committees – A Good Practice Guide, March 2025

The External Auditor referred to the updated Guide noting the Self-Assessment Checklist that the Committee recently completed for 2024/25. The External Auditor invited Committee members and Finance Team to the official launch of the guide on 6 June 2025.

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

76.8 SCHEDULE OF COMMITTEE MEETINGS 2025/26

Members noted the schedule.

76.9 CORRESPONDENCE

There was no further correspondence to report.

76.10 ANY OTHER BUSINESS

There was no any other business to discuss.

The Committee Vice Chair thanked everyone.

Mr I McCartney, M B O'Neill and Ms T Foden left the meeting at this juncture.

The Committee Vice Chair returned to Agenda item 76.4 Report 1, the Self-Assessment Exercise 2024/25.

76.4 COMMITTEE VICE CHAIR'S BUSINESS

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1 Self-Assessment Exercise 2024/25 template

Report 1.1 Self-Assessment Summary Report

Four out of six Committee members completed the Self-Assessment. Pending the completion of the Assessment from the two remaining members the Summary of Results Report will be updated.

Members were brought through the points within the Self-Assessment that members had a query or made a response of 'no'. The Committee Vice Chair provided the Committee with explanations to these matters. **An Action Plan will be drafted and brought to the next Committee meeting.**

76.11 RESERVED BUSINESS

Taken Separately

The meeting ended at 12:38.

DATE OF NEXT MEETING: 9 September 2025

Signed


Mrs M Gormey, Committee Vice Chair

Date 9 September 2025

Appendix 1

SUMMARY OF AGREED ACTIONS FROM THE MAY 2025 COMMITTEE MEETING

NO	MINUTE REF	REPORT	ACTION	OWNER
1	76.5	Management Report	It was agreed to invite Mr T Moore, PL in Digital Learning, Quality & Performance to present at a future Board Meeting	CS/ed
2	76.6	Internal Audit	The potential need for AI training from the Department (DfE) for Board members was highlighted	CS/ed
3	76.4	Committee's Chair's Business	Action Plan to be drafted from the Self-Assessment Exercise and brought to the September 2025 Committee meeting	CS/ed