

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee meeting on 01.10.25 on MS Teams at 4.30pm.

Present: Mr D Small (Chair), Mr B Devlin, Dr P Graham, Mr D Macauley

In Attendance: Mr D Blair, Mr M Higgins, Mrs K Costley (NIAO), Ms K Doey (NIAO), Mr S Lavery, Ms G Samm (DfE), Ms P Wilson (DfE)

Mrs K Wallace, Secretary

90.1 Apologies

An apology was recorded for Mrs Brown.

90.2 Declaration of Interests

No new declarations were made.

90.3 Minutes of Last Meeting

Document shared in advance: Draft Minutes of meeting 17.09.25

On the proposal of PG and seconded by BD, the minutes were approved.

90.4 Matters Arising

Members noted the list of actions which had been completed.

The following actions would be carried over to the next meeting:

- Appointment of Committee Vice-Chair.
- Appointment of additional Committee member.
- Summary of self-assessment issues and actions/responses.
- PID update.

90.5 Chair's Communications/Correspondence

None.

90.6 Accounts Update

MH referred to feedback from NIAO which had been welcomed by members at the previous meeting and the expectation of an unqualified opinion on the July '24 accounts. He advised, however, that a letter from NIAO had since been received advising that the C&AG had made the decision to curtail work on the March '25 component accounts.

MH outlined discussion with NIAO at a meeting earlier in the day and a subsequent email just received advising further query and requests for information on the component audit.

KD reported progress on 23/24 statutory accounts and noted further adjustments which would need reaudited. She explained the basis on which the possibility of an unqualified opinion had previously been predicated and noted that auditors were now less comfortable with that view due to other issues identified by the component audit team, which would require further investigation. She highlighted the need for SW, KC and herself to take time to liaise closely to assess the risk and to possibly extend testing.

DS asked how long further review work was likely to take. KC couldn't confirm, noting that SW is on leave until 15.10.25, and would depend on whether information is readily available. She referred to the considerable NIAO and College resources already put into the audit, the possibility of further work needing done before assurance could be achieved and the possibility that a decision would have to be made at some point.

DS asked what would happen if the audit was stopped. KC replied that auditors would have to assess their opinion in light of the nature of issues.

PG asked what the impact would be on the audit opinion of stopping the audit and what the options would be.

KC explained that if necessary assurance couldn't be gained, it would most likely form a limitation of scope, of which there were 2 levels. Level 1 would be normal, relating to a particular issue on a particular accounting area. Level 2 would be a disclaimer as they would be unable to form an opinion. She noted that currently some issues were specific to an accounting area, others were more related to system and other areas.

DS asked for confirmation as soon as possible and noted that the College finance team will do whatever is needed.

SL advised that the team had been standing by waiting for updates and requested specific points in writing to allow them to review and respond.

KC advised that auditors needed thinking time to formulate that document.

MH noted his disappointment at the decision on the July '24 accounts, which had not been expected. He had told the finance team to prioritise any requests coming forward on the July '24 and/or March '25 accounts. He emphasised the need to close out both sets of accounts, noting the possible impact of any negative opinions on July '25 /March '26 accounts work. In order that everything possible is done and to provide as much assurance as possible in auditing testing, he asked auditors to flag any issues to SL or himself if response hadn't been forthcoming within 1-2 days.

DS and PG expressed concern that any significant issues in earlier years would have carried over into following years as processes hadn't changed and queried why rental issues now being raised hadn't been identified in 2024.

KD responded that the sampling process hadn't picked this up in previous years, but it had come up in the component audit and explained the issue.

DS asked if there were any specific things the College could do to help auditors.

KC replied that auditors would look at information provided and noted the importance of responding to any information requests as soon as possible. Once auditors had taken some thinking time, a decision would be made on the best way forward.

DS reiterated the College's desire and actions already taken to get to a place where higher quality material is being provided on a timely basis and again asked auditors to notify the team of anything they could do to help towards closing off matters.

MH noted that the assurance statement which had been recommended to GB for approval by the ARAC, had been submitted and was currently being reviewed by the Department. However, he would resubmit a revised statement to indicate NIAO's concerns and the possibility of impact on the audit opinion for 2023/24.

In response to a question from DS, KC clarified audit timelines and advised that it would not be possible for the College to make it to the end of the component audit. She explained the impact from any disclaimer.

Members and NIAO expressed disappointment at the situation given the levels of work put in on both sides. MH noted work which had taken place on additional recruitment and the improvement work with SERC to commence on 6.10.25.

DS commended the massive efforts made by the finance team and recognised the disappointment which would be felt. He noted, however, the potential for next year to be better as a result of massive effort being made on the recruitment process to get expertise in place and on actions going forward from lessons learned.

BD echoed the disappointment especially following more positive updates previously given. He asked how this left things in relation to requirements for future component audits.

In response to members' queries, KC outlined issues which had impacted on Department accounts and the likelihood of being able to reduce the time impact of a disclaimer.

DS thanked KC and KD for their oral update and they left the meeting at 5.25pm.

90.7 Any Other Business

None.

90.8 Date of Next Meeting

The next meeting would take place on 12.11.25. An earlier meeting would be arranged if necessary.

The meeting ended at 5.40pm.

Mr D Small, Chair *D Small*

Date: 12.11.2025

Mrs K Wallace, Secretary *K Wallace*

Action log

Item No		Person Responsible	Date Due	Actioned
90.3	Amendment to minutes of ARAC meeting 16.06.25	KW	Immediate	completed
90.5	ARAC Vice-Chair appointment – to be agreed with Chair	Chair	8/10/25	
	Additional ARAC member appointment – to be agreed with Chair	GB Chair	8/10/25	
	Summary of self-assessment issues and actions/responses would be drawn up for the next meeting	MH/DB/KW	12/11/25	
90.6	Clarification on the timeframe for retention of student records	CM	Immediate	completed
90.7	An overall live update on all policy information and progress would be developed for monitoring purposes	FMD / LM	25/9/25	completed
90.9	PID to be updated based on lessons learnt review and shared with NIAO for consideration	SL	12/11/25	
90.10	Update Assurance Statement to reflect Accounts year-end position prior to submission to DfE	SL	25/9/25	completed
90.11	Members were asked to feed any comments on the register back to SL	SL	Immediate	completed
	Members were asked to feed back any comments on risks 6 and 8 to SL, including whether or not they considered these were 2 separate risks.	SL	Immediate	completed
90.13	Benchmarking of the TOR against other colleges to be included in the summary of issues raised from the self-assessment exercise, along with proposal for frequency for review	KW	Immediate	completed
90.15	Poll meeting date	KW	Immediate	completed