

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee meeting on 26 January 2026 on MS Teams at 5.00pm.

Present: Mrs C McGovern (Chair), Mr B Devlin, Dr P Graham, Mrs J Taggart

In Attendance: Mr D Archibald (Henderson Loggie), Mr D Blair, Mr M Higgins, Ms K Doey (NIAO), Mr S Lavery, Ms G Samm (DfE), Ms S Scannell, Mr S Wade (NIAO), Ms P Wilson (DfE), Mrs K Wallace (Secretary)

93.1 Welcome and Introductions

The Chair, CMG, welcomed members to her first meeting as Chair of the Audit & Risk Committee and recorded thanks to the previous Chair, Mr Small, who had completed his term with the College.

She also welcomed DA and SS to their first committee meeting. Introductions and a brief outline of roles were provided.

93.2 Apologies

An apology was recorded for Mr Macauley

93.3 Declaration of Interests

None recorded.

93.4 Accounts Update

Papers outlining the NIAO position on the July 2024 Accounts and the College Work Plan for the July 2025 Accounts were circulated in advance.

SW provided an update following extensive discussions at the previous meeting. NIAO had reviewed additional information received on 9 January, including bank reconciliation material and supporting documentation for debtors and creditors. Despite significant work undertaken by the College, he advised that evidence remained insufficient to provide the required assurance for several material items. As a result, a disclaimed audit opinion on the July 2024 Accounts remained likely.

KD highlighted ongoing concerns regarding the lack of supporting documentation for multiple items, particularly the DfE recurrent grant debtor. While further clarification is being provided by SS, this is not expected to change the NIAO assessment. She acknowledged SS's engagement and understanding of the auditors' position.

CMG expressed disappointment that a disclaimer remained the expected outcome given the recent progress made.

MH acknowledged NIAO's position but emphasised the substantial improvements implemented, supported by SERC. He confirmed that the College would respond to the written record of issues provided by NIAO. SS will continue to prepare the response, which

will be shared with MH prior to submission. She also acknowledged the high level of support from SERC.

CMG requested that timelines for completion of the July 2024 Accounts be provided to the Governing Body once confirmed. SS will draft an associated timetable.

Action: Draft timeline of actions to be prepared (SS).

SW advised that, assuming no further issues arise, the process is expected to conclude within 3–4 weeks following receipt of responses from the College and Accounting Officer. GS queried whether resolving the DfE grant debtor issue would alter the NIAO position. KD confirmed that a disclaimer would still be likely given the scale of the other affected items. MH outlined strengthened oversight arrangements, quality enhancement measures and continued use of SERC expertise to support the College team. SW acknowledged progress in planning and welcomed actions to streamline processes. He put on record his absolute support to move this forward as quickly as possible.

CMG requested additional information be incorporated into the Workplan.

Action: Workplan to be updated (SS).

Departmental concerns regarding bank reconciliations were noted. MH and DB confirmed that reconciliations are now up to date and monthly reconciliations are being provided. SS confirmed a meeting with DfE Central Finance scheduled for 2 February to address remaining issues.

93.5 Draft Recovery Plan

The draft plan was shared in advance. MH detailed its development, including governance lessons learned, EY findings and key checkpoints. FAIC feedback has been incorporated. The plan will be submitted to the Governing Body next week alongside the EY review. A workshop with DfE is planned within 1–2 weeks, followed by a workshop with Committee members.

CMG asked that face-to-face meetings between Committee members and internal auditors and between Committee members and external auditors, be added to the plan.

BD queried the number of “green” items; MH confirmed no item will turn green until verified by audit.

PG noted presentation issues on iPad; MH advised a shorter reporting pack is being developed.

SW highlighted that audit timelines in Section 6 (Line 51) are still estimates; NIAO cannot yet confirm dates.

GS requested updates on completion timelines, particularly in relation to sector wide work on the accounting year end. SW confirmed that sectoral discussions are ongoing.

CMG asked if any further concerns existed. SW confirmed none at present, subject to high-quality, readily available working papers being provided.

93.6 Lessons Learnt Update

The paper, already considered by FAIC and submitted to DfE on 16 January, was shared in advance.

DB summarised key gaps identified across audits and reviews, including issues in payables, debtors and Agresso processes. Capacity has been strengthened through support from SERC and BMC. SS continues regular monitoring of progress.

CMG welcomed confirmation of resumed sectoral support and strengthened controls.

93.7 Risk Register for Accounts

The updated Risk Register, reflecting risks to both College and Departmental Accounts, was shared in advance.

MH outlined changes, noting that red (high) risks relate to capacity and resource pressures, while the black risk relates to reputational impact, including likely PAC consideration.

CMG welcomed the transparency of the assessment.

93.8 DfE ARAC Assurance Statement

SL introduced the updated statement, which now incorporates recent accounts issues.

Updates from the meeting would be included before submission to DfE on 27 January.

GS asked that cross sector issues, including HR systems, be reflected. SL agreed to update accordingly.

In response to PG's concern regarding omissions, PW advised that refinement of the returns is ongoing and improving sector wide, supported by NIFON.

CMG stressed the importance of accurate and complete documentation.

Actions:

- **Final assurance statement to be circulated to members on 27 January (SL).**
- **Any lessons learned to be added to the action log going forward (SL).**

93.9 Any Other Business

None.

93.10 Date of Next Meeting

The next full Committee meeting will be held on 18 February 2026.

Minutes of meetings from 12 November 2025, 9 December 2025, and 26 January 2026 will be tabled at that meeting.

Additional meetings will be scheduled through normal governance arrangements.

Meeting closed at 6.24pm.

CMcGovern

Mrs C McGovern, Chair

Date: 18.02.26

K Wallace

Mrs K Wallace, Secretary

Action log

Item No		Person Responsible	Date Due	Actioned
93.4	Timeline of actions on accounts to be drafted.	SS		
	Workplan to be updated.	SS		
93.8	Final finalised assurance statement to be circulated to members	SL	27.01.26	
	Any lessons learnt to be recorded as an action going forward.	SL		