Northern Regional College

Audit & Risk Committee

Minutes of Meeting on 2 June 2026 at 5.00pm online

Present: Mrs Carla McGovern (CM) (Chair); Mr Brendan Devlin (BD); Dr Philip Graham (PG); Mr Sam Snodden (SS).

In Attendance: Mr Mel Higgins (MH) (Principal); Mrs Sinead Scannell (SS) (Interim Finance Director); and Mr David Blair (DB) (Head of Finance, Governance & Risk).

External Attendees: Mrs Pauline Wilson (PW), DfE; Ms Grainne Samm (GS), DfE; Emma Tilley (ET), Internal Auditor; Mr Seamus Wade (SW), NIAO; and Ms Kathy Doey (KD), NIAO.

98.1 Welcome and Apologies

The Chair welcomed all members, with a particular welcome extended to Sam Snodden on his first meeting of Committee.

An apology was received for Donal MacAuley.

The Chair noted Jayne Taggart's departure from the Audit & Risk Committee, noting that she had joined the Education Committee.

98.2 Declaration of Interests

None declared.

98.3 Minutes of Last Meeting

PG proposed and BD seconded approval of the minutes of the meeting held on 22 April 2026.

98.4 Matters Arising

The Committee reviewed the Actions Log and noted:

- Revised workplan, follow up on monthly bank reconciliations and incorporation of DfE feedback into recovery plan, had been completed.
- Paper on audit sequencing and expanded IA progress report were in progress.
- Updates to Work Action Plan is ongoing.

CM noted the requirement to agree the draft IA plan for 2026/27 by the end of August/ early September, to allow for review at the next ARC meeting on 21/9/26.

No additional matters were raised.

98.5 Chair's Communications/Correspondence

CM advised that MH and Colm McKenna met with the Comptroller & Auditor General (C&AG), NIAO and noted this was a positive meeting.

Updates to ToR regarding membership noted.

98.6 External Audit

CM referred to the draft Report to Those Charged with Governance (RTTCWG) and the Draft Audit Report received from NIAO, she noted it was difficult reading but acknowledged the work ongoing to effect improvements through the College's Recovery Plan.

KD referred to the draft report and noted that there should be no surprises. She noted the disclaimed Audit Opinion. She advised that the college has confirmed the factual accuracy. KD advised that the responses will be added to the report prior to signing by the C&AG. Regarding the RTTCWG, management responses will follow the signing of the accounts.

MH noted that it has been a long journey to reach this stage and advised that he was extremely disappointed to read the report and the issues raised within it; he noted that the Report and RTTCWG have been shared with the Finance Team who have reflected on this and also noted that there have been meetings with the Team to discuss the specific issues; he noted his disappointment relating to the information which was not provided by the team when requested by NIAO. He noted that they have reviewed the report in detail and talked through the recommendations with the Team. We have also met with the Senior Management Team and outlined the contents of the C&AG report and advised them of the implications of the recommendations.

MH noted that the findings have been extensively discussed with teams to make them aware and to advise that no further issues like this will be tolerated or expected going forward. The teams have been advised that the steps being implemented by SS must be followed; there must be no action taken by any staff member which would jeopardise the improvements being implemented. We need to recognize where we are and follow our plan to move forward, we have to accept this. When information requests are received from auditors, all staff must comply as a priority. It has been emphasised to team members that the way they process transactions must change and noting it currently is changing. We have taken the time to meet with the teams, draw the line, move forward and make improvements.

PG welcomed MH's comments regarding implications and moving forward and asked about consideration of the reputational damage caused to the ARC members and what action would be taken on this matter.

CM noted the frustration of members but also noted the reassurance that we are moving in the right direction, she hopes the March 2026 accounts will be of much better quality. The Auditors and DfE have the assurances they need to ensure we are on the right path to recovery. She noted her disappointment that there was no opinion on the regularity of transactions, she understands the reasonings, noting that as far as she is aware, there are no concerns over regularity; if there was any evidence of wrongdoing it would have been presented. She sought reassurance that there is no issue, and the opinion is based on the fact that there isn't enough evidence.

SW in response noted that audit standards are very clear in respect of the true and fair opinion; he noted they are not at liberty to give an opinion on regularity. He confirmed there is no assurance but added that they did not find anything irregular or they would have brought this to the College's attention.

CM thanked SW for the confirmation.

CM, referring to the next steps and noting that the reports are in draft format, advised that we are not requesting formal approval today. The team is compiling a recommendations log with implementation dates. CM noted that there is nothing major within the Reports of which she was not already aware. She noted that MH will complete a reconciliation to the work plan of issues already known. There may be a few additional items, but they are not material; the full list of recommendations will be monitored and tracked at each ARC. It will be important for us, as a committee, to ensure the recommendations are being taken seriously and corrective action controls are put in place as soon as possible. CM noted that the final draft of the reports and the 2023/24 Accounts will be presented to ARC members immediately following the scheduled FMOC meeting on Monday, 15 June 2026. Members will consider and, if content, provide a recommendation to the GB for their meeting on 17 June 2026. It was agreed that the final version of the Accounts would be shared with ARC members by COP on Tuesday, 9 June 2026, to allow adequate time to review.

SW noted that whilst he couldn't provide assurance over regularity, he highlighted the issue raised within the report at Finding No 6 regarding VSS; he noted that whenever there is a disclaimer, they cannot provide overall assurance, but he drew attention to that one point.

MH advised we will add the recommendations to our issues log, noting that when we submit the RTTCWG with the management response, there will be implementation dates which will be included within the log. He noted the scheduled reporting to ARC, FMOC, GB, DfE Stocktake and DfE Accountability. MH also referred to the Assurance

Statement submitted to DfE which will include the Priority 1 and 2 recommendations. Progress with recommendations will be tracked through all these measures.

MH noted that the RTTCWG has been shared with Internal Audit to allow them to cross reference the points against their audit findings; this will allow IA to close out their 3 financial audits. MH advised that we will provide updates at every ARC, noting that the implementation of the recommendations won't be cleared out until NIAO review as part of their annual process; we will reflect as we move forward with implementing improvements, but there will be no assurance until NIAO review as part of their annual audit process.

98.7 July 2024 Accounts

SS advised that she will work with KD to ensure that the final 2023/24 Annual Report and Accounts is ready for sharing with members by 9 June 2026.

SS referred to the Revised Audit Committee Annual Report for 23/24, noting it has been updated following RTTCWG, for members' review; she noted that finalising this will allow us to proceed and present to GB.

CM confirmed that she is content with the changes highlighted within the report, reflecting the NIAO findings, whilst noting that she was neither a member of ARC nor the ARC Chair during the period of the report. CM noted that ARC had previously reviewed the early draft. CM confirmed that we will take forward to present with the accounts to GB at their meeting on 17 June 2026.

SW noted that if the process to certify the accounts can be accelerated, we can make that happen through the C&AG. He advised of the normal protocol, whereby the C&AG will issue a press release following the signing of the accounts. SW noted that he will share the draft narrative with MH and with DfE, so that lines can be prepared.

CM thanked SW, advising it would be appreciated if we get sight of it prior to release.

MH noted that, following the meeting with the C&AG, we have external lines prepared.

MH, in response to SW's comment regarding accelerating the process, noted that our GB meeting is scheduled for 17 June 2026 and it is our preference to retain that date which will ensure enough time for formal review by GB, in light of the disclaimed opinion; he added that it is unlikely that we can bring this date forward.

98.8 College Component Accounts March 2026

SS noted that the component accounts were submitted to DfE on 22 May 2026, with the primary statements balanced; we submitted 3 weeks behind schedule but have been continuously working closely with DfE to ensure that improvements were being made. SS noted that some areas not without risk, ie Property Plant & Equipment, Deferred

Capital Grants and Reserves. She noted the delay in receiving the LPS valuation, impacting on the submission. SS advised that we continue to work with DfE to finalise the pack and allow them to consolidate their adjustments, she noted that the key action is to get the NDPB checklist signed off by 5 June 2026. In respect of the monitoring through the Work Plan on MS Project, she noted we are currently at 95% completion, which is an improved position upon 12 months ago. She noted that not all improvements are in the system yet, but it is work in progress, key recommendations and findings have been included within the component accounts.

GS was pleased to note that no issues have arisen with the pack to date, welcoming the close working between DfE and SS to ensure progress.

98.9 College July 2025 Accounts

SS provided an update on the position with the July 2025 accounts, she noted that the Team had been working initially in sequential order, to complete the first draft for 31 March 2026, but due to Opening Balance issues, they moved the focus to the March 2026 component pack and parked the July 2025 accounts in mid-March. As we have worked through the March component accounts, this was reflected with adjustments to the July 2025 accounts, so the 2 sets of accounts have progressed in parallel. The completion rate for the July 2025 accounts is 80%. Once PPE, DCG and Reserves are finalised, we will then be able to get the statutory March 2026 accounts. SS noted that the priority was to complete the component accounts so there would be no impact on the DfE accounts.

CM noted that we may be close to finalising these and then consider the audit plan.

MH confirmed that we had been working through the July 2025 accounts and following engagement with NIAO, we focused primarily on the Component accounts to close these out; he noted that we are now working DfE and NIAO to agree the way forward.

In respect of the way forward with NIAO's Audit Plan, MH noted the options paper provided by NIAO which had been shared with members along with the supplementary summary; he advised of the engagement with DfE and NIAO to discuss the options. MH noted that the priority for the College is that there will be no detrimental impact on the Department accounts in the light of any decision. He noted that the College does not have a statutory timeframe for completing accounts, whilst DfE do have a deadline. MH advised that NIAO, with DfE are exploring alternative options to proceed. He noted the potential for limitation of scope to be imposed with 2 of the options presented.

MH noted that the College's aim is to work through the disclaimers to have them removed and thereafter for the accounts to follow in sequence.

MH noted that ultimately, the DfE Permanent Secretary will make the call regarding the DfE accounts, and this will have implications for us. We are still working through this with DfE. MH noted that the options have been shared with ARC for information, in summary the options are either prioritise DfE Accounts; prioritise College Accounts; or work through in sequence resulting in DfE missing their laying deadline. MH acknowledged the expertise and guidance applied by NIAO to allow us to move forward.

SW advised these documents were produced for DfE and the Finance team, acknowledging that they are technical, he noted the necessary time taken to consider the approach and provide options. He noted that it was complicated by the fact there were multiple disclaimed opinions; the earliest opportunity to have clean accounts would be March 2028. He advised that it was not possible for them to carry out all the audits sequentially and also meet the DfE laying deadline. He noted that it is helpful that from March 2026, the DfE and College accounts would be coterminous.

SW noted that in summary, DfE has a choice; if we do the audits as quickly as we can on the assumption that there is going to be improvement in records and working papers then, it will take us to February 2027 to complete the audits on 3 sets of accounts and DfE would miss the statutory deadline; the other options will incur criticism due to the limitation of scope. We await the Permanent Secretary’s decision. Once we get DfE’s decision we can have a more detailed discussion on the way forward.

SW noted NIAO’s preference to start auditing the July 2025 accounts at the beginning of July 2026, if there is a clean opinion, then assurance can be rebuilt this way.

CM asked when it was likely that a response will be received as we need to try and mitigate the risk of any further potential reputational damage.

SW is hopeful this will be within the next couple of weeks.

CM noted that ARC will be keen to review the External Audit Plan; receipt of this will be dependent upon the response from DfE.

CM sought and received clarification from SW on Option 1 within the paper shared. If the March 2026 component accounts are prioritised, then there will be very limited review of July 2025 accounts. SW noted that their preferred approach is Option 3, to audit the accounts in order; they will meet with SS to plan the next steps.

CM agreed this was the best approach.

GS advised that the final audit opinion and signed accounts will have to be shared with the PS, so he can advise the Minister; there will be no decision until that is complete.

In discussion on bringing forward the GB meeting to accelerate the signing process, MH noted that the preference is to follow the scheduled arrangements which will ensure adequate oversight in terms of review of the accounts and associated papers.

98.10 Internal Audit

ET provided a summary of progress with the Internal audits, noting that the mandatory DfE review is currently in draft, to be reviewed for factual accuracy; she noted the good outcome with no recommendations. ET noted that the second phase of follow up audits is ongoing. Regarding the 3 financial audits, these are being reviewed following receipt of the RTTCWG and will await sight of the management responses.

CM sought clarification if, until SS and team revert with management responses, the 3 Finance IA reports will not be released.

ET advised that IA will be content with a verbal update on the recommendations.

It was agreed that IA would work with SS to finalise by the end of June.

MH noted that within ToR for financial audits there is a requirement to cross-check with the RTTCWG. He requested that IA finanlise the 3 reports for the ARC meeting scheduled for 8 July at which members can review the IA report, to allow the Team to commence addressing any issues prior to the commencement of External Audit. He noted that if there are issues identified within the IA reports, we can request re-audit of the relevant area within 2026/27, emphasizing the need to receive these prior to setting out the 2026/27 IA plan.

94.11 Any Other Business

98.12 Date of Next Meeting

CM noted that the next meeting of ARC is scheduled for 8 July 2026, she noted this will be a very important meeting before the summer break.

CM expressed thanks to NIAO for their hard work and to SS and Team for their continued hard work on submitting the component accounts and closing out 2023/24.

The meeting closed at 6.15 pm.

CM^cGovern

Mrs C McGovern, Chair Date: 8 July 2026

R Toms

Mrs R Toms, Acting Secretary: