

NORTHERN REGIONAL COLLEGE

AUDIT AND RISK COMMITTEE

Minutes of meeting on 8 July 2026 on MS Teams at 5.00 pm

Present: Mrs Carla McGovern (CMG), Chair; Mr Brendan Devlin (BD); Dr Philip Graham (PG); Mr Sam Snodden (Sam)

In Attendance: Mr David Archibald (DA), Henderson Loggie; Ms Kathy Doey (KD), NIAO; Dr Kate Guy (KG), (100.10); Mr Mel Higgins (MH), Principal; Mrs Sinead Scannell (SS); Mr Seamus Wade (SW), NIAO; Mrs Pauline Wilson (PW), DfE; Mrs Karen Wallace (KW), Secretary

100.1 Apologies

Apologies were recorded for D Macauley.

100.2 Declaration of Interests

None declared.

100.3 Minutes of Previous Meetings

On the proposal of BD and seconded by PG, the minutes of 2 June 2026 and 15 June 2026 were approved.

100.4 Matters Arising

Committee considered the action log provided. In relation to item MA12, MH advised that feedback had been provided by DfE and incorporated into the Recovery Plan which would be used going forward. Members noted that recommendations from the recent RTTCWG would also be incorporated.

100.5 Chair's Communications and Correspondence

Committee noted invitations received from both the Economy Committee and the Public Accounts Committee (PAC). CMG advised that confirmation had now been received that given the forthcoming PAC appearance on 17 September 2026, attendance at the Economy Committee was no longer required. The GB Chair and MH would represent the College at PAC and would continue liaising with the Department regarding arrangements and preparation.

PW advised that preparatory discussions for Departmental attendance were taking place within the Department and that engagement with the College would be considered as part of those arrangements.

100.6 Updated Terms of Reference

Committee considered the updated Terms of Reference previously provided. CMG noted that oversight of complaints had been removed from the Committee's remit and would be considered exclusively by the Education Committee going forward. This reflected existing

reporting arrangements whereby complaints are reviewed regularly by that committee. The Complaints Register was present on today's agenda for completeness.

The revised Terms of Reference were noted.

100.7 Internal Audit

NITPS and Data Returns Audits

DA reported substantial assurance regarding the Northern Ireland Teachers' Pension Scheme (NITPS) processes, confirming that procedures had been appropriately followed and returns submitted accurately.

The Data Returns audit also provided positive assurance. While no significant concerns were identified regarding submitted returns, ongoing issues relating to the complexity of departmental circulars and the lack of clarity over the continued applicability of historic guidance were highlighted. The Department had indicated that this issue was being reviewed.

CMG queried the context for the sector wide audit and PW clarified that it originated from a Departmental IA recommendation.

MH queried areas of best practice across all UK colleges and DA noted wider sectoral challenges associated with eg attendance recording and consistency of practice across colleges.

Finance Audits – General Ledger, Cash and Bank, and Income Debtors

The Committee received three detailed finance audit reports. DA advised that while improvements had been made since previous reviews, a number of control weaknesses remained. He noted the time constraints on the College for taking forward recommendations with general improvements made across all reports. Particular concerns related to the absence of fully documented financial procedures, reliance on key individuals, manual processes and difficulties obtaining supporting documentation for testing purposes were identified. Some issues around reconciliation and financial control tasks were also noted.

CMG expressed disappointment that some of the weaknesses previously highlighted by the NIAO and IA had not yet been fully addressed. She also noted progress made by management and that some issues pre-date recent changes within the finance function and the Committee membership.

A detailed discussion followed regarding the need for:

- comprehensive financial procedure manuals;
- greater consistency in the application of controls;
- improved documentation and record keeping;
- additional assurance work by IA;

- potential short-term resourcing support to accelerate implementation of improvements.

Management outlined ongoing work to develop finance manuals, recovery plans, process documentation and monthly procedures. Members emphasised the importance of embedding controls, ensuring staff accountability and maintaining realistic implementation timescales.

The Committee agreed that IA should be asked to undertake further targeted work, including a follow-up review of Cash and Bank controls and additional testing of General Ledger controls, early in the 2026/27 audit cycle. A dedicated follow-up discussion would be arranged during August to consider the findings once members have the opportunity to go through the reports in greater detail.

PG asked for assurance from SS that the detailed instruction provided to the finance team was being followed.

SS confirmed that production of a finance manual was being looked at with a timetable for some monthly procedures and reporting in place. She noted that the need for further resource to get this piece of work done had been raised at a recent stocktake meeting and she was working closely with DfE on this business critical piece of work.

PG confirmed Committee's support for additional resource to be put in place.

CMG agreed with these comments and noted the need to focus on the abilities and responsibilities of the core team to ensure controls are carried out properly.

SS noted that a review of the existing finance structure would be carried out to ascertain whether additional resource would be via independent expertise.

Sam queried the viability of target dates for actions identified. MH noted that the finance team had been involved in putting together and agreeing the timeframes with March '27 identified as the cut-off point.

Internal Audit Annual Report

DA advised that all planned audit work for 2025/26 had now been completed and that the Annual Report had been prepared. The report included the proposed IA programme for 2026/27 and updates relating to previous recommendations. The Committee agreed that the report should be circulated to members for detailed review and feedback.

CMG proposed that an audit of procurement and creditors also be carried out early in the new year.

Actions:

- **SS to circulate IA Annual Report when available**
- **SS to liaise with KW on a date for an August meeting**

100.8 External Audit and Accounts

July 2025 Financial Statements

Representatives from the NIAO provided a verbal update on preparations for the July 2025 audit.

KD noted that discussions had commenced regarding the audit approach and timetable. The NIAO expected to issue its audit strategy during August, with fieldwork commencing thereafter. Members were advised that the audit would involve significantly enhanced levels of testing due to the elevated risk profile. IA reports would be reviewed as part of the plan.

MH noted the importance of Committee and the Department getting sight of all documents as soon as possible.

SW noted that NIAO would support the finance team as much as possible to provide a set of reports of a quality to pass the hot review test. He also noted that the audit strategy would be provided as early as possible

The Committee discussed the importance of completing high-quality financial statements and supporting documentation prior to audit commencement. While approximately 80% of the July 2025 accounts were complete, SS advised that additional quality assurance work remained necessary.

The NIAO indicated that, subject to satisfactory progress, certification could potentially be achieved by mid-November 2026, although this would depend on the quality of submissions and any issues identified during audit. Members stressed the importance of avoiding further delays, noting the future requirement to complete the March 2026 audit cycle.

The audit strategy and draft financial statements would be presented for review at the August meeting of Committee. MH advised work on pre-planning for the hot review and confirmed an approach of early disclosure was being taken on any issues of concern.

CMG would pick up with SS offline on timeline for submission of accounts.

100.9 Re-lifing: Fully Depreciated Assets Net Zero

The Committee considered a paper detailing the findings of the College-wide fixed asset verification exercise undertaken in response to NIAO recommendations.

DB reported that verification work was substantially complete and that a significant number of fully depreciated assets had been reviewed.

BD sought assurance regarding assets that could not be physically located. MH explained that many related to historic IT infrastructure and equipment associated with former campuses and buildings that are no longer in use due to new campus builds in Coleraine and Ballymena.

SS highlighted a full list of details provided later in the paper. She confirmed that she would ensure assets are fully documented and detailed for the audit paper.

The Committee:

- noted the findings of the verification exercise;
- approved the proposed removal of fully depreciated assets from the Fixed Asset Register;
- approved the transfer of appropriate low-value operational items to local inventory records where ongoing monitoring remained necessary.

100.10 Information Governance

The Committee received the DPO's update report, including the Subject Access Request (SAR) log, Annual Information Governance Report and extended report on measures being taken.

Members noted that all SAR requests had been completed within required timescales and that no outstanding Freedom of Information requests remained. The Committee also noted actions taken to ensure compliance with new legislative requirements concerning access to information and publication obligations.

In response to a question from MH, KG confirmed a variety of requests across colleges with no overall trends emerging.

Members welcomed the additional assurance provided through the annual compliance checklists and thanked the DPO for the comprehensive report.

100.11 Complaints

The Committee reviewed the Complaints Register. CMG noted limited analysis within the report and suggested including trend information.

MH advised that complaints are reviewed routinely by the Education Committee, with the majority relating to facilities and access issues, along with service related to curriculum delivery. Members were also advised that incidents relating to data breaches and cyber security had reduced significantly due to improved staff awareness, training and technological controls.

CMG was content with assurance provided and the Committee noted the report.

100.12 Anti-Fraud

The Committee received the updated Anti-Fraud Policy for information. Members noted that the policy remained aligned with departmental guidance and would be reviewed again in September as part of the normal policy review cycle.

100.13 Depreciation Policy

The Committee considered the outcome of the NI FE Sector Depreciation Policy Review and the sector-wide response to NIAO recommendations.

Members approved the revised useful economic lives for the College's non-property assets with effect from 1 April 2026. Members also discussed the need for regular review of asset

depreciation assumptions to ensure they remained appropriate and reflective of the College's asset base.

100.14 Risk Register

The Committee reviewed the Corporate Risk Register and received an update on budget contingency planning.

MH highlighted key developments relating to budget pressures, funding reductions and the ongoing requirement to deliver efficiencies. Particular risks related to apprenticeships funding, skills programmes and wider staffing pressures were detailed and the likely impact on enrolment was recognised.

Members noted mitigation measures in place for cyber security risks, including enhanced 24/7 monitoring arrangements through Jisc and ongoing security upgrades across the College estate.

DB presented the specific financial risk paper. The Committee welcomed the inclusion of a detailed risk deep-dive and acknowledged the increasingly challenging financial environment facing the sector. Management was asked to update several risk review dates to reflect more realistic timescales.

100.15 Registers

The Committee noted that the DAC Register, Fraud Register and Raising Concerns Register all recorded nil returns as at 30 June 2026.

Members also noted four new pieces of accounting guidance that were being monitored through an implementation tracker. DB advised that none of the new guidance was expected to have a material impact on the College at present.

100.16 DfE ARAC Return

The Committee considered the commissioning letter and draft assurance return for the Department's Audit and Risk Assurance Committee.

Members noted the purpose of the return and the key risks identified within the submission. It was agreed that references to committee attendance should be updated to reflect no requirement to attend the Economy Committee while maintaining attendance at PAC. Subject to those amendments, the Committee was content with the draft return ahead of submission by the required deadline.

100.17 Any Other Business

Members discussed arrangements for the additional August meeting required to consider audit matters and requested that a date be confirmed as soon as possible.

100.18 Date of Next Meeting

Date for a meeting during August 2026 to be confirmed.

The meeting closed at 7.05pm.

Handwritten signature of Mrs C McGovern in black ink.

Mrs C McGovern, Chair

Date: 24 August 2026

Handwritten signature of Mrs K Wallace in black ink.

Mrs K Wallace, Secretary

Audit & Risk Action Log

Ref	Page (item)	Action	Raised	Owner	Due Date/Action	Status
Meeting 93: 26.01.26						
MA-08	2 (5)	EA to provide paper to ARAC/GB on audit sequencing and timelines	CMG	MH / SS	March meetings	In Progress
Meeting 95: 18.02.26						
MA-10	3 (11)	Add reporting dates, planned start/end dates to IA Progress Report	CMG	DA	Next ARAC meeting	In Progress
MA-11	4 (12)	Continue updates to Work Action Plan incl. RAG rating QA process	SS	SS	Ongoing	Open
Meeting 100: 08.07.26						
MA-13	3 (7)	IA Annual Report to be circulated when reviewed by management	CMG	SS/KW		
MA-14	3 (7)	Date for August meeting	All	SS/KW		