

NORTHERN REGIONAL COLLEGE

Minutes of Audit & Risk Committee meeting on 24 August 2026 on MS Teams at 10.00am

Present: Mrs Carla McGovern (CMG), Chair; Dr Philip Graham (PG); Mr D Macauley; Mr Sam Snodden (Sam)

In Attendance: Ms Caroline Long (CL), DfE; Mr Declan Cooper (DC), Ms Kathy Doey (KD) and Mr Seamus Wade (SW), NIAO; Mr David Archibald (DA), Henderson Loggie; Mr Mel Higgins (MH); Mrs Sinead Scannell (SS); Mr David Blair (DB), Mrs Karen Wallace (KW), Secretary

101.1 Apologies

Apologies were recorded for B Devlin.

101.2 Declaration of Interests

None declared.

101.3 Minutes of Previous Meetings

On the proposal of PG and seconded by Sam, the minutes of 8 July 2026 were approved.

101.4 Matters Arising

The Committee noted the ARC Annual Report 2023/24, which had been previously circulated.

The Chair referred to the Action Log and noted that actions relating to audit sequencing and timelines, the IA Programme, updates to the Work Action Plan, circulation of the IA Annual Report and arrangements for the August meeting had all been concluded satisfactorily. The Committee recorded its satisfaction with progress and agreed that all actions could be closed.

101.5 Chair's Communications and Correspondence

The Committee noted the NIAO Letter of Understanding.

Members considered the draft response to the ISA Inquiries of Those Charged with Governance. CMG proposed strengthening the response relating to oversight of internal controls. It was agreed that reference should be included to the Committee's regular engagement with IA in the absence of executive officers; the appointment of experienced additional members to the Committee; and the Committee's enhanced focus on internal audit strategy and internal controls.

The Committee also considered correspondence from DfE acknowledging progress made by the College. Members welcomed the offer from Departmental finance representatives to attend a future meeting to discuss Departmental requirements and related matters.

CL joined the meeting.

Action: KW to liaise with Departmental officials and agree an appropriate future meeting date.

101.6 External Audit & Accounts

(i) Draft Financial Statements for the Year Ended July 2025

CMG referred to review points shared in advance of the meeting with the Finance team seeking clarification and revisions to be incorporated in the next version of the annual accounts.

SS presented the submission paper on accounts, Draft Annual Report 31 July 2025 and supporting presentation, and outlined the significant work undertaken to improve the QA process surrounding their preparation.

The Committee was advised that the accounts had been subject to extensive review and verification procedures. Weekly meetings with the NIAO had been established to support the audit process and maintain focus on agreed deadlines.

Members discussed a number of areas within the narrative reporting section of the accounts, including the need for greater transparency around reputational impacts, financial challenges and significant risks facing the College. Clarification was also provided on notable movements in expenditure, including increases in staff costs, direct teaching costs, support and administration expenditure, premises costs and the overall deficit position.

SS explained that additional staffing associated with expanded curriculum provision, business engagement activities, transfer of catering staff through TUPE arrangements, enhanced maintenance activity across campuses and other operational factors had contributed to movements within expenditure categories. Members were advised that further explanatory narrative would be included where appropriate.

DC joined the meeting.

The Committee received assurance regarding the quality improvement measures implemented during the preparation of the accounts, including review against elements of the NIAO hot review checklist. Members noted management's intention to continue refining the document before submission. SS advised that some sections would remain yellow. These would be disclosures or narrative.

MH thanked CMG for her feedback on the papers and commended SS and her team for the significant progress achieved in strengthening financial reporting arrangements. Members acknowledged the increased level of scrutiny, review and assurance applied during the preparation process. It was noted that this had led to a little slippage in the timetable whilst increasing confidence in accuracy. MH recommended figures presented for endorsement.

CMG invited comment from NIAO representatives who advised that no significant concerns had emerged at this stage, although final conclusions would be dependent upon completion of the formal audit process.

Members discussed the impact of revised audit timelines and the implications for the March 2026 reporting cycle. SS advised that it is her understanding the final NRC audit strategy

timetable would potentially impact the Departmental audit timetable by 4 weeks. The NIAO advised that successful delivery remained dependent upon the quality of supporting documentation and timely responses to audit queries.

The Committee noted management's plans to secure additional temporary resource to support financial recovery activity, internal control improvements and future reporting requirements. Members welcomed these arrangements. SS noted preparations for March 2026 (8 month stat accounts) audits was based on indicative timelines. There is not yet an agreed 2025-26 Audit Strategy.

CMG expressed reassurance on this arrangement.

CMG referred to the next ARC meeting when she hoped a date would be confirmed for receipt of the audit strategy for the March '26 accounts audit.

Following discussion it was agreed that submission of the July 2025 Draft Financial Statements to the NIAO for audit could take place, subject to CMG and Sam being content with response to queries raised.

Action: Response to queries raised to be provided to CMG and Sam prior to submission to NIAO.

(ii) Draft Audit Strategy July 2025

The NIAO presented the Draft Audit Strategy and highlighted the principal audit risks, planned audit approach, materiality levels and indicative timetable.

The Committee heard that, based on discussion with management and awareness of the progress that has taken place, the aim was for certification by mid-December dependent on quality of accounts, supporting documents and response to requests for information.

Members noted that the strategy reflected areas already familiar to the Committee through previous reporting and ongoing recovery activity. The Committee welcomed the collaborative approach being adopted by management and external audit in progressing the audit.

The Committee confirmed that it was not aware of any additional matters requiring notification to external audit at this stage.

(iii) Final Report to Those Charged with Governance (RTTCWG) July 2024

The Committee noted the final RTTCWG and welcomed confirmation from external audit that management responses had been accepted and that the 2023/24 audit could now be formally concluded.

101.7 Internal Audit

(i) Finance Audits

The Committee revisited the General Ledger, Cash and Bank, and Income Debtors audit reports, which had previously been considered at the July meeting.

CMG confirmed that she had raised a number of questions on these and noted no further observations from members.

Members supported an early follow-up review of Cash and Bank controls and agreed that financial audits should remain a priority area within the 2026/27 IA Plan.

(ii) IA 2025/26 Annual Report

DA presented the Annual Report, summarising audit work completed during the year. Members noted that, with the exception of the Cash and Bank and General Ledger reviews, IA had concluded that the College maintained adequate and effective arrangements for governance, risk management and control.

The Committee welcomed completion of the annual programme and noted that all recommendations had been accepted by management.

A detailed discussion took place regarding future priorities, including strengthening of financial controls, embedded assurance arrangements and follow-up activity.

Members agreed that a dedicated session should be organised to consider the 2026/27 IA Plan.

The Committee indicated that financial audits, follow-up reviews, curriculum planning, student experience and other high-risk areas should feature prominently within the programme.

Action: A separate meeting to be arranged to consider the IA Strategy and Plan for 2026/27.

(iii) Internal Audit Tracker

DB presented the IA tracker and members reviewed progress against IA recommendations. It was reported that 24 recommendations were currently being monitored and that no Priority 1 recommendations remained outstanding.

The Committee noted that work had commenced on actions not yet due and was content with progress reported.

(iv) IA Follow-Up Report

The Committee noted IA's follow-up report and welcomed evidence of progress against the recommendations reviewed. It was however disappointing to member to see numerous procurement follow ups outstanding. The need and value of including procurement as part of the internal audit plan for 26/27 was discussed and agreed.

Members agreed that the strengthened follow-up process was providing valuable oversight and assurance.

PG left the meeting at 11.05am.

101.8 Risk Register

MH advised that the full RR would be presented at the September meeting.

Members were informed that there had been no significant changes to the principal risks previously reported. Discussion focused on financial reporting, audit delivery, budget pressures and recent reductions in funding for business engagement and apprenticeship activity.

The Committee noted that cyber security accreditation had been successfully renewed and that broader operational risks remained under active review

101.9 Any Other Business

NIAO representatives agreed to join the next two ARC meetings 15mins early, to provide brief progress updates on the July 2025 audit. Members welcomed this proposal.

It was noted that an additional meeting would be arranged to consider the Internal Audit Plan.

Members noted that, as there was no longer a quorum for decision making, draft minutes of the last reserved business meeting would be carried forward to the next meeting.

101.10 Date of Next Meeting

The next scheduled meeting will take place on 21 September 2026.

The meeting closed at 11.17am.



Mrs C McGovern, Chair

Date: 21 September 2026



Mrs K Wallace, Secretary

Audit & Risk Action Log

Ref	Page (item)	Action	Raised	Owner	Due Date/Action	Status
101/01	2 (5)	Liaise with Departmental finance representatives and agree attendance at a future Committee meeting.	CMG	KW		
101/02	3 (6i)	Response to be provided on queries raised prior to audit submission.	CMG/S am	MH/SS	Before submission to NIAO on 26.08.26	
101/03	4 (7ii)	Arrange dedicated meeting to consider the 2026/27 IA Strategy and Plan.	CMG	SS/KW	By 7 September	