

NORTHERN REGIONAL COLLEGE

AUDIT & RISK COMMITTEE

Minutes of the Audit & Risk Committee meeting held on 30 September 2024 on MS Teams commencing at 4.00pm.

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

In Attendance: Mr D Blair, Mr S Brannigan (NIAO), Mrs C Brown, Mrs K Costley (NIAO), Mr M Higgins, Mr S Lavery, Mr I McCartney (RSM), Ms M Morgan (NIAO), Ms P Wilson (DfE)

Apology: Mrs Crilly

Secretary: Mrs K Wallace

Members noted that Mrs Costley would be delayed and agreed to defer the External Audit item until she arrived.

82.1 Welcome/Apologies

Mrs Martin welcomed Ms Wilson and Ms Morgan to the meeting. She also welcomed Mr Blair in his new role with the College as Head of Finance.

82.2 Declaration of Interests

None.

82.3 Minutes of the Last Meeting

The draft minutes of meeting on 22 May 2024 were approved.

Proposed: Mr Small Seconded: Mr Macauley

82.4 Matters Arising

Members noted that information governance items from the previous meeting had been actioned and PID dates had been reviewed with NIAO. Updates to the Corporate Risk Register would be dealt with later in the meeting.

A rolling log of actions would be recorded for meetings going forward.

The Chair requested an update on the position with the postponed Electrical Installation course. Mrs Brown reported that 1 FT lecturer had been recruited, with interviews to take place shortly for 1 PT lecturer, with the intention to restart the course with at least 1 cohort in January 2025. Drawing from lessons learnt, it was also intended to build a PT lecturer register for future use. She also outlined the rationale for recruitment of a further PT lecturer as a new resource.

82.5 Chair's Communication / Correspondence

Members noted the DfE letter re assurances on college performance, confirming that assurance work would commence with the 2025/26 audit programme, with terms for the work

to be reviewed in 2024/25. The Principal outlined assurance measures already in place through annual data accuracy verifications and compliance testing by a number of bodies eg ETI and DfE.

Members noted the NAO Self-Assessment checklist for annual completion and return to the secretary by Friday 18 October. The Principal highlighted that the completed survey could be used to feed into the upcoming Board Effectiveness Survey, which would be discussed at GB on 2 October.

The Secretary would circulate the NAO Self-Assessment survey for members' use.

Mrs Martin announced that she would be stepping down as Committee Chair at the end of the meeting. Mr Small, the current Vice-Chair, had agreed to assume the Chair position subject to GB agreement. Mrs Martin would continue as a member of the Committee.

82.6 Information Governance

Members were advised that Mrs Kerr had left the College.

The Principal presented the Information Governance report and registers. The Chair and members queried the validity of all issues as raising concerns and suggested more appropriate classification could be used.

The Principal advised that a committee had already been established to carry out initial assessments to identify which procedure/policy to deal with matters from an unbiased perspective, with public interest as the fall back threshold. All complaints would be kept on the register for 1 year, when closed issues would be removed.

The Chair recorded thanks to Mrs Kerr for her service to the Committee and extended best wishes for the future.

Mr Lavery noted that the DPO role would be reviewed and Departmental training and audit requirements would influence how the position would be taken forward. He noted the benefit of introducing a panel to categorise issues.

82.7 Internal Audit

Mr McCartney presented the following 2024 reports:

- Exams: Satisfactory assurance.
- TAMS: Satisfactory assurance. The Principal noted the work of staff in achieving this opinion. The Chair was content with this report and paid tribute to staff involved, although members noted that the system was still not in a steady state, with a number of recommendations yet to be fully implemented.
- Procurement and Contract Management: Satisfactory assurance. Mr Lavery welcomed this report which would be taken forward based on action detailed.
- Follow-Up Report: Good progress with all management actions reviewed implemented.
- Draft Audit Plan: Members noted the 5 audits proposed for the coming year and the Principal explained the reason for bringing the New Build audit forward.

Members approved the Draft Audit Plan 2024/25.

Mr McCartney explained the reason for not being able to present the Enrolments/Admissions and Annual Report/Year-end Assurance reports. Mr Lavery confirmed that he would engage internally to ensure this is provided over the next week.

Committee agreed to receive these reports by email over the next week, for members' approval.

Mr Blair presented the NRC Progress on Outstanding Issues report and highlighted that, of the internal audit recommendations, 79% were implemented and 21% were part implemented, with external audit points raised by NIAO being kept under review.

Mrs Costley joined the meeting at 4.45pm.

82.8 External Audit

Mrs Costley recognised efforts being made by the College to engage with the audit team to progress the DfE March Year-End audit. She explained, however, that the extended audit timeframe had now led NIAO to notify the Departmental Accounting Officer that this would put the verification deadline for the DfE audit at risk. She outlined the pressures this caused for both the NIAO and the College teams but hoped that the College's statutory audit for the July year-end accounts could commence in late November, for certification around January 2025, subject to flexibility in College GB and Audit & Risk Committee meetings.

The Chair thanked Mrs Costley for her report. She summarised the impact of difficulties faced by the College during 2023/24 and welcomed the liaison taking place between the audit and College finance teams. Mrs Martin paid credit to Ms Morgan from NIAO for her work on the ground with the College's Head of Finance and College Accountant and noted that progress was being made as quickly as possible.

Mr Lavery thanked Mrs Costley and her team for ongoing work and liaison. He highlighted that the College was doing everything possible to minimise risk on outstanding queries and complete its contribution to the Department's overall accounts.

The Principal thanked the Chair for her summary of the issues and noted the College's commitment to resolving same and keeping to the Department's timeframe as a key priority.

Members welcomed the Principal's assurance and Mrs Costley's update and recognised the close working relationship in place.

The Chair noted the period of transition requiring completion of 2 sets of annual accounts required a more fluid timetable approach, and the impact on work resources from same. Regular feedback and updates provided by the College to the Committee were welcomed and the pressure on staff was emphasised along with the need for continued support. NIAO were thanked for their flexibility on timelines with special thanks given to Ms Morgan for her work with the team on the ground.

The Principal reported a meeting with Finance staff on 27 September to thank them for their significant and valued contribution, when the points above had been echoed. He emphasised the short-term nature of the current situation, which would be alleviated when colleges moved

to one year-end in March 2026. All necessary resources would be put in place to meet demands until then.

The Survey of Audited Bodies was noted.

82.9 Accounts

Mr Blair presented the update of NRC accounts and the associated action plan, the majority of points having been covered earlier in the meeting by Mrs Costley.

Members confirmed their commitment to any additional Committee/GB meetings required, to ensure reports are finalised as needed.

Mr Lavery also noted the opportunity to request delegated powers from GB for Committee to agree accounts. He highlighted the challenge posed to all colleges by the transition period but noted benefits from enhanced ongoing engagement this year.

82.10 Mid-Year Assurance Statement

Mr Lavery outlined the context for this statement and clarified comments provided by the College, which had gone to the Department and would come back for final sign-off by the Accounting Officer. Members noted that DfE had agreed to provide training for all colleges on the move to a 5-case business model.

The Principal highlighted reference to slippage where relevant and members welcomed the cautious approach to reporting.

82.11 Corporate Risk Register

Mr Lavery took members through the Register and summarised the risk position.

In response to the Chair's query on the impact of AI on student education and work, he noted examples of work being carried out across the College and the need for proper resources. Dr Graham confirmed that the Education Committee were well versed on this topic and aware of all issues.

Mr Small queried expectation of improvement in financial sustainability. Mr Lavery clarified reasons for the current position remaining red and Mrs Brown noted improvements which would result from change to curriculum staffing and future curriculum strategy.

Members discussed ways to better reflect progress made by the College to the quality risk classification and definition. The Principal explained risk scoring parameters but noted the possibility of splitting risks to better reflect specific issues.

Dr Graham and Mrs Brown agreed to work on providing more clarity within risk definitions to better reflect progress being made by the College.

82.12 Other Registers

The Gifts & Hospitality Register was noted.

82.13 Any Other Business

Members thanked Mrs Martin for her work as Committee Chair and welcomed her remaining as a member of Committee.

82.13 Date of Next Meeting

Monday 25 November to include auditors pre-meeting.

The meeting concluded at 5.35pm.

Mrs P Martin



Date: 16 December 2024

Chair

Mrs K Wallace



Secretary

Action Log

Item No	Action	Person Responsible	Date Due	Actioned
82.5	The Secretary would circulate the NAO Self-Assessment survey for members' use.	Secretary		30.09.24
82.7	Committee agreed to receive outstanding Internal Audit reports by email over the next week, for members' approval	Mr Lavery / Mr McCartney	07.10.24	03.10.24
82.9	Members confirmed their commitment to any additional Committee/GB meetings required.		As needed	Ongoing
82.11	Dr Graham and Mrs Brown to work on providing more clarity within risk definitions to better reflect progress being made by the College.	Mrs Brown	20.11.24	Ongoing