

## **NORTHERN REGIONAL COLLEGE**

### **AUDIT & RISK COMMITTEE**

#### **Minutes of the Audit & Risk Committee meeting held on 16 June 2025 on MS Teams at 4.30pm.**

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

**In Attendance:** Mr D Blair, Mrs C Brown, Ms K Doey (NIAO), Mr M Higgins, Mr I McCartney (RSM), Dr L Monteith (item 87.6), Ms L Watson (DfE), Ms P Wilson (DfE)

**Secretary:** Mrs K Wallace

#### **87.1 Apologies and welcome**

The Chair welcomed the DfE and NIAO representatives to the meeting.

Apologies were noted for SL.

#### **87.2 Declaration of Interests**

None.

#### **87.3 Minutes of the Last Meeting**

Documents previously supplied: Draft minutes of meeting 21.05.25

PG referred to communications at 87.9 and asked that an amendment be made to clarify provision of FAIC communications.

MH noted that minutes are shared with ARC once signed off by the FAIC committee and not held until the next ARC meeting.

On the proposal of BD and seconded by PM the draft minutes were approved subject to the amendment.

#### **87.4 Matters Arising**

No outstanding actions.

#### **87.5 Chair's Communication / Correspondence**

Documents previously supplied: Link to Effective Audit & Risk Assurance Committees; FAIC minutes 12.05.25 and draft minutes 27.05.25;

Referring to the good practice guide available via the link, DS considered that the Committee met the requirements for an ARC but noted that completion of the associated self-assessment template would help to identify any potential areas that could strengthen how the committee operates and identify any necessary skills training.

**Action: KW to send out copy of self-assessment form for completion by end of June. This would be summarised and brought back to Committee**

DS noted that the minutes supplied reflect the requests made for timely papers and provision of minutes, demonstrating the level of enhanced scrutiny FAIC is now giving to the accounts process. He noted the context for the change to red risk with the level of scrutiny to continue.

PM referred to the minutes of 12.05.25 and requested the record of all correspondence mentioned.

**Action: Papers provided to the FAIC meeting 12.05.25 would be shared with Committee.**

DS reminded members that the post of Committee Vice-Chair was now vacant. Recruitment of another member to Committee was discussed.

**Action: A request for expressions of interest in the post of Committee Vice-Chair would be circulated within the next week**

**Action: The Chair would be asked to assess skills for an additional member through the governor assessment process, with the caveat that ARC members cannot also sit on Resources Committee.**

LM joined the meeting at 5.50pm.

LW apologised for breaking protocol and asked for clarification of the governance and reporting lines between the ARC, FAIC and GB.

DS outlined the context for establishment of the FAIC. The FAIC had a very specific purpose which was around oversight of the production of accounts, along with actions needed to improve the associated processes and supporting financial systems. The ARAC continued to retain all of the normal responsibilities of an audit and risk committee.

MH explained the FAIC objectives, reporting lines, sharing of communications and ARC responsibilities.

PM noted the amount of work taking place and the very high level of fundamental issues which have been addressed as identified with this enhanced focus by the Committee.

PG re-stated his concern about having to request information which was not otherwise received. In relation to bilateral phone calls referred to in the minutes, he noted that he had never received a phone call.

DS explained the context for the phone calls (a number of GB members received a phone call but not all members) and agreed that the wording could have been clearer. He stated that all relevant papers would be circulated as quickly as possible in order to optimise the relationship between the FAIC and ARC.

**Action: KW to share FAIC ToR with the Department representatives.**

## **87.6 Policy Position**

Documents previously supplied: Policy Review Group update June 2025

LM took members through her presentation and elaborated on the key activities outlined. She highlighted the work which had taken place, currently taking place and still to do.

DS asked for and received clarity on how work was prioritised and LM confirmed that the finalised schedule of work would be brought back to GB.

PG welcomed the timely document and noted the importance of a 2-3 yearly strategy review based on the 2 elements of legal policy and operational policy.

In relation to providing assurance to members, LM referred to the rigorous process outlined in order to get the document through Education Committee.

PM emphasised the importance of policy in guiding the organisation. She detailed information which needed to be included in the policy register and asked that it be brought through ARC. LM confirmed that all information referred to was already available in the form of a spreadsheet and standardised policies, with the goal to maximise process efficiency.

In response to concern raised by BD, LM confirmed that rationalisation of policies would be part of the policy management process.

MH thanked LM for her presentation and thanked governors for their feedback which would be taken on board. He noted work taking place with the sector and TUs on sectoral policies along with a need to carry out an EQIA and the statutory requirement for key policies to come to GB.

DS agreed the importance of an overall management process in providing assurance to GB.

CB would liaise with LM after the meeting to look at how relevant curriculum strategies could be aligned to policy work

DS thanked LM for the presentation and asked that GB be kept fully informed on the ongoing process.

LM left the meeting at 5.22pm.

## **87.7 Internal Audit**

Documents previously supplied: Progress Report; FE Emerging Issues

DS noted the Satisfactory assurance opinions received from IA during the year.

In relation to the ASF audit, CB advised that a meeting had taken place with IA on 11.06.25 and a summary of the discussion had been provided to RSM earlier in the day.

IMC welcomed this and hoped to be able to finalise the ASF report within the next few days.

PM referred to areas of financial process which need to be included in the audit plan to provide an enhanced level of scrutiny at transaction and control level for appropriate assurance for the year ahead. MH noted that the draft audit plan would come to ARC at the beginning of the next academic year and would outline key focus areas along with specific areas for a deeper dive.

PG stated the need for audit opinion to provide more narrative on individual processes rather than a single word opinion.

DS concurred with PG and reminded members that lessons learned would inform areas to be looked at.

IMC referred to the quarterly report on emerging issues and noted a few areas applicable to NI. MH confirmed that the report would be shared in the College for consideration. He reminded members about the RSM AI seminar on 17/18 June and was happy to report the College's success in the TeacherMatic awards, having received a bronze award for organisational use of AI.

## **87.8 Accounts Update**

Documents previously supplied: GB Members Update on DfE Reporting Pack 09.06.25; Submission to DfE Permanent Secretary

MH referred members to the papers provided, which have been sent to all GB members. He reported on subsequent developments including a meeting with the Department Finance Director and a further update to the PS to advise that the College would impact on the Department draft account deadline of 30.06.25, and an offer to meet at the Partnership Event on 17.06.25. He outlined the contents of a response from the PS reminding of the implications of the situation. MH recapped work taking place with the support of SERC and of the lessons learned review which had been commissioned and had now commenced.

DS referred to the update document and queried the status of other colleges and ALBs in relation to impact on Department Accounts. MH confirmed that all other colleges had completed their packs to a sufficient standard and that the College was the final ALB impacting on the Department's timeline.

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PG welcomed the clear and comprehensive reporting pack provided but remained less than assured about improvements in place and would like to see interviews for some members included in the review process.

DS accepted that improvements had been made as outlined in the report and looked forward to receiving the outcomes of the review to give assurance going forward.

PM thanked MH for the comprehensive and sobering report. She sought and received confirmation that processes used by SERC would be adopted and challenged the meaning of the term "resolvable" in the conclusion.

BD also asked for clarification on this point and whether all outstanding issues in relation to the consolidation pack would be rectified

BD queried the position on the College accounts and in relation to the NIAO timetable. MH briefly summarised communications and information provided to Committee, and work with SERC on new systems and processes which would be the format used in future. He referred to the action plan being drawn up by SERC to provide technical training to the College team and support already taken place. He confirmed this as the basis for saying the position was resolvable, along with oversight which would be provided by SERC over the coming year. He confirmed that the College was working with the Department on a timeline for submission of the March '25 accounts. . He would meet with the Department Finance Director and the NIAO in the coming week to agree the best way to reconcile and close out the 2024 year and deal with any impact going forward.

DS asked that feedback be provided from the meeting with the Department and NIAO. He noted the July '25 accounts would then need attention and recognised the continual volume of ongoing work and the time pressure. He reiterated the need for regular, frequent and timely information to be provided to Committee.

MH confirmed that he would provide an update after the upcoming meeting with NIAO. In relation to the review, he confirmed that an opportunity would be extended to any member wishing to interview or provide comments.

DS noted Committee's disappointment at missing the Department timeline and being in the same position for a second year. Every effort should be made to resolve remaining accounts issues and get the accounts to the department at the earliest date.

DMA left the meeting at 5.55pm.

## **87.9 External Audit**

Documents previously supplied: Letter to NIAO 03.06.25; Reply email from S Wade 04.06.25

MH noted an upcoming meeting with NIAO on 25.06.25 with feedback from a pre-meeting on 18.06.25.

KD noted no further progress on audit of statutory accounts since last ARC meeting and stated the intention to recommence College audit work at the end of July. She noted the time challenge in completing the March '25 consolidation pack, with the July '25 audit to commence shortly after but would work with MH and the team to get the best possible outcome.

DS recognised the current challenges and voiced his appreciation to NIAO. He emphasised the focus on putting in place actions to ensure a better position next year.

PG and DS thanked DB and the finance team for their sustained efforts and commitment to date.

DB would pass Committee's thanks to the team.

### **87.10 Corporate Risk Register**

Documents previously supplied: Risk Workshop 02.06.25 notes; Proposed Risk Category and Classifications

MH thanked members who had attended the risk workshop on 02.06.25, when risk categories were aligned with the Department risk categories, with additional risks since identified to be added from the Senior Management meeting.

The presentation would be updated before being brought to GB and key risks for incorporation into the Corporate Risk Register would be highlighted.

PG asked for another iteration of the document with consolidation between SMT and members.

DS noted good discussion at the workshop and acknowledged the value of routinely considering risks and risk appetite.

MH would bring the document to GB as a draft and ask for views before finalising.

### **87.11 Any Other Business**

None.

### **87.12 Date of Next Meeting**

To be confirmed. A schedule of meetings for the new academic year would be brought to GB. MH noted that, subject to status, a further meeting of ARC would be convened over the summer period, following engagement with NIAO, with delegated authority from GB to sign off on accounts.

**Action: KW would poll members on a date for the additional meeting.**

The meeting ended at 6.09pm.

Mr D Small, Chair *D Small*

Date: 31.07.25

Mrs K Wallace, Secretary



## Action Log

Item No		Person Responsible	Date Due	Actioned
87.5	Circulate copy of self-assessment form for completion by end of June.	KW	immediate	complete
	Share papers provided to the FAIC meeting 12.05.25 with Committee.	KW	immediate	complete
	Request expressions of interest in the post of Committee Vice-Chair.	KW	23.06.25	complete
	Chair would to be asked to assess skills for an additional member through the governor assessment process with the caveat that ARC members cannot also sit on Resources Committee.	MH	immediate	complete
	Share FAIC ToR with the Department representatives.	KW	immediate	complete
	Poll members on a date for an additional meeting.	KW	After meeting with NIAO	