

## NORTHERN REGIONAL COLLEGE

### AUDIT & RISK COMMITTEE

#### Minutes of the Audit & Risk Committee meeting on 17.09.25 on MS Teams at 4.30pm.

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

**In Attendance:** Mr Higgins, Mrs C Brown, Mrs K Costley (NIAO), Ms K Doey (NIAO), Mr S Lavery, Mr I McCartney (RSM – 89.7); Ms F McDowell (89.7), Mrs C Murdoch, Mr S Wade (NIAO), Ms P Wilson (DfE)

Mrs K Wallace, Secretary

#### 89.1 Apologies None

It was agreed to take items 7 and 6 next on the agenda.

#### 89.7 Internal Audit

Documents shared in advance: ASF Audit Report; Update on Actions from ASF Audit Report; Draft Follow-up Internal Audit Report 24/25; Annual Internal Audit Report 24/25

IMC presented the internal audit reports:

**ASF Report/Update on Actions:** Members noted Limited assurance with 1 High, 3 Medium and 3 Low Priority recommendations.

IMC reported that information on progress against actions which had been received after the Report had been written, had now changed the Audit Opinion to Satisfactory assurance.

FMD took members through the significant progress recorded in the Update on Actions.

DS congratulated the team for the speedy response on this report.

PM asked for information on policy documents and transactions referred to at the last meeting and whether students had been impacted by these issues.

DB advised discussion on taking forward policy documents and explained timing issues on transactions.

FMD noted no impact on students in terms of records processing or outcomes.

PM queried reporting line of the Policy Working Group (PWG).

MH stated that updates on routine activity would be reported to GB through Resources Committee. Specific activity, such as action related to a business continuity exercise currently in operation, Exercise Pegasus, would be reported directly to GB.

DS and PG requested an overall plan for GB on policies and updates.

**Action: An overall live update on all policy information and progress would be developed for monitoring purposes.**

**Draft Follow Up IA Report 24/25:** Members noted completion of 5 out of 6 advised management actions, with 1 ongoing.

DS was content that recommendations were acted on speedily by the College.

**Annual IA Report 24/25:** IMC reported overall Satisfactory assurance and outlined factors which had informed the Opinion.

DS thanked IMC and welcomed the positive reports. He referred to recent challenges and the intention that ARAC would provide input to the audit plan going forward.

IMC was thanked for work carried out for the College and the sector.

IMC and FMD left the meeting at 4.49pm.

SL would confirm detail on the sector provider for IA services for 2025/28 when agreed. He noted that an approximate 2-month timescale for provision of a draft audit plan for the College.

Members were keen that this be carried out as quickly as possible and that key risks be reflected in initial audits.

Members and management thanked IMC for their internal audit services.

## **89.6 Information Governance**

Document shared in advance: Information Governance Report 17.09.25

CM took members through the report noting a low number of issues. In response to members' requests she clarified the basis for not reporting issues to the ICO and explained the reasons for late response to FOIs.

In response to a query from PM, CM advised that retention of information on the old EBS student records system is no longer required by PRONI.

MH outlined the retention policy currently being implemented by the FE sector Information Governance Group, with guidance provided by PRONI.

PM noted the information provided and strongly questioned whether the current retention period was the right timeframe on which to base the policy.

**Action: CM noted concerns and would revert to Committee with clarification on the timeframe for retention of student records.**

**89.2 Declaration of Interests** None

## **89.3 Minutes of Last Meeting**

Document shared in advance: Draft Minutes of meeting 16 June 2025

On the proposal of PM and seconded by BD, the minutes were approved subject to a minor amendment. The minutes would be amended.

## **89.4 Matters Arising**

All actions from the last meeting had been completed.

## **89.5 Chair's Communications/Correspondence**

Document shared in advance: ARAC Self-Assessment Feedback

- Committee Vice-Chair appointment:

**Action: This would be discussed with the new Chair and taken forward at the GB meeting on 24.09.25.**

- Additional Committee member:

**Action: To be agreed with the new Chair.**

- ARAC self-assessment feedback. Members noted the list of issues and comments.

**Action: A summary of issues and actions/responses would be drawn up for the next meeting.**

## **89.8 External Audit**

KD updated Committee on progress with the 2023/24 statutory audit, The current position is indicating an unqualified audit opinion accompanied by a significant C&AG report. However NIAO team are still working through the revised accounts and internal review is not yet complete. Certification of the statutory accounts and issue of a draft RTTCWG would take place after finalisation of the Department's March '25 accounts. The results of the March '25 component audit will need to be considered for impact on the 23-24 statutory audit.

KC outlined the background and current position on the 24/25 component audit and NIAO's work with the College over the past weeks. She noted delay with commencing the component audit caused by the knock-on impact of delays with the 23-24 statutory accounts, as well as General Ledger reconciliation issues and continued slow response to information requests. She indicated the significant impact delays would have on the audit timetable for Department's account.

SW noted that work required to complete the component audit could not be achieved in the timeframe available. He outlined the impact for completion of the Department audit arising from this situation and would keep the ARAC Chair advised on developments.

DS queried level of risk attached to the situation and SW advised that this was high, with a decision on the way forward to be made with the C&AG and Department shortly.

MH welcomed the anticipated unqualified position on the 2023/24 audit and advised that the finance team were doing everything they could to help auditors with the work. He emphasised that the College did not want to be in the position of contributing to the Department failing to meet their statutory deadline. SL concurred with these comments.

In response to a query from DS on significant individual issues causing concern, KC noted working papers in some areas were still insufficient to allow auditors to move forward.

PM noted the ongoing effect for the College of the options referred to and questioned how things could be improved for the future.

SW paid credit to the College for planned improvement work on accounts. He could not provide a specific answer to PM's question but stated provision of high quality accounts, with adequate support and documentation and within submission timelines, along with adequate staff to carry out the work and respond to auditors, as the way forward. He acknowledged the College's resourcing difficulties but highlighted the importance of catching up on work and implementing the planned improvements.

Members noted an extended number of ARAC meetings over the past 12 months in an effort to move this issue forward. Auditors agreed to DS' request that they stay for Committee's reserved business meeting which would take place after the current meeting.

PG left the meeting at 5.39pm.

## **89.9 Accounts**

Documents shared in advance: Accounts Update; DfE Accounts Direction; PID for July 2025 Accounts

Accounts update: covered above.

KC indicated that her understanding was that the Department may be willing to be flexible on NRC's involvement in DfE 25/26 interim accounts and importance of ensuring the College had sufficient time and resources to allow production of the statutory 2024/25 accounts with good quality accounts and working papers.

Accounts Direction: SL noted the current priority as completing the July '24 accounts followed by the March '25 component work. The College's key issue would then be July '25 accounts, following which focus would be on March '26 when further resources would be in place.

PID: DS queried any additions needed to the PID. MH reminded members that lessons learnt would be incorporated and detailed additional and planned resource additions. He noted that the PID provided had moved the timeline for submission of July '25 accounts and finalising other issues. He also noted the increased experience of the team as a result of work over the last year.

DS queried whether all risks had been incorporated into the PID.

SL referred to a previous meeting with the Department and noted that timescales take account of extended timelines advised. The PID would also be updated to reflect the audit strategy when available.

SW emphasised that NIAO had not been consulted on the compressed audit timeframe referred to in section 3.2 and expressed serious reservations that the timeline outlined allowed for an audit to be completed in accordance with Auditing Standards, particularly in light of the difficulties in obtaining quality draft accounts and working papers and documentation from NRC over recent months.

MH noted changes which would be incorporated if the requirement for interim accounts was removed.

PM acknowledged SW's concerns. She agreed the requirement for a full audit according to audit standards and ARAC responsibilities and highlighted the importance of a realistic and achievable PID.

BD asked that updates to the PID be reviewed by NIAO before being represented to Committee.

DS noted significant concern on the challenges presented and thanked auditors for their continuing work, support and advice.

**Action: PID to be updated based on lessons learnt review and shared with NIAO for consideration**

## **89.10 Governance**

Documents shared in advance: Department ARAC Return; Draft Mid-Year Assurance Statement - Commissioning Letter, Template and Year-end Follow-up Template

SL presented the draft MYA and outlined key items to be included before being presented to GB on 24.09.25 including accounts, limited internal audit, equal pay issue, contractors' register and updates being requested by the Department.

MH noted that the assurance statement had been drafted based on the current position and would be updated to reflect NIAO comments

**Action: Update Assurance Statement to reflect Accounts year-end position prior to submission to DfE.**

## **89.11 Corporate Risk Register**

Document shared in advance: Draft Corporate Risk Register 17.09.25

Committee noted the CRR, risk levels and format of which had been revised based on agreement at the risk workshop in June 2025. The register would be presented at all ARAC meetings going forward.

**Action: Members were asked to feed any comments on the register back to SL.**

MH explained risk updates for pay, and the narrative on risks 6, in relation to meeting the needs of students and employers, and risk 8, failing to deliver full educational programme. DS suggested that it would be helpful to clearly differentiate between the two risks, which were similar.

**Action: Members were asked to feed back any comments on risks 6 and 8 to SL, including whether or not they considered these were 2 separate risks.**

## **89.12 Other Registers**

Documents shared in advance: Fraud, Raising Concerns, DAC and Gifts & Hospitality Registers 17.09.25

Members noted the content of the Fraud, Raising Concerns, DAC and G&H registers for the period to 17.09.25.

## **89.13 Terms of Reference**

Document shared in advance: ARAC Terms of Reference

Committee considered the TOR.

**Action: Benchmarking of the TOR against other colleges to be included in the summary of issues raised from the self-assessment exercise, along with proposal for frequency for review.**

## **89.14 Any Other Business**

MH updated Committee on Exercise Pegasus, with the College placed on alert that it could be contacted at any stage and that the continuity plan was updated.

**89.15 Date of Next Meeting**

A meeting to consider update from the NIAO meeting would be held within the next 3-weeks.

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

The meeting ended at 6.13pm.

Mr D Small, Chair *D Small*

Date: 01.10.2025

Mrs K Wallace, Secretary



## Action log

Item No		Person Responsible	Date Due	Actioned
89.3	Amendment to minutes of ARAC meeting 16.06.25	KW	Immediate	completed
89.5	ARAC Vice-Chair appointment – to be agreed with Chair	Chair	8/10/25	
	Additional ARAC member appointment – to be agreed with Chair	GB Chair	8/10/25	
	Summary of self-assessment issues and actions/responses would be drawn up for the next meeting	MH/DB/KW	12/11/25	
89.6	Clarification on the timeframe for retention of student records	CM	Immediate	completed
89.7	An overall live update on all policy information and progress would be developed for monitoring purposes	FMD / LM	25/9/25	completed
89.9	PID to be updated based on lessons learnt review and shared with NIAO for consideration	SL	12/11/25	
89.10	Update Assurance Statement to reflect Accounts year-end position prior to submission to DfE	SL	25/9/25	completed
89.11	Members were asked to feed any comments on the register back to SL	SL	Immediate	completed
	Members were asked to feed back any comments on risks 6 and 8 to SL, including whether or not they considered these were 2 separate risks.	SL	Immediate	completed
89.13	Benchmarking of the TOR against other colleges to be included in the summary of issues raised from the self-assessment exercise, along with proposal for frequency for review	KW	Immediate	completed
89.15	Poll meeting date	KW	Immediate	completed