

Northern Regional College

Governing Body

Minutes of the Governing Body meeting held on 3 November 2025 in Newtownabbey campus commencing at 5.00pm.

Present: Mr C McKenna (Chair), Mr P Burke, Mr B Devlin (online), Dr P Graham (online), Ms J Hemphill, Mr M Higgins, Mr G McAllister, Mr D Macauley (online), Mrs C McGovern, Ms D McIlwaine, Mr R McKernan, Mr I Murphy, Mr B Patterson (online), Mr S Shevlin (online), Mr D Small, Mrs J Taggart

In Attendance: Mr S Laverty, Mrs K Wallace (Secretary)

Also present: Ms L Watson (DfE)

131.1 Welcome/Apologies

The Chair welcomed Louise Watson, DfE and Parker Burke, new student governor, to the meeting. Members noted that Julie had again agreed to act as mentor for the student governor.

There were no apologies.

131.2 Declaration of Interests

None.

131.3 Minutes of Last Meeting

Document shared in advance: Draft minutes 24.09.25

On the proposal of IM and seconded by RMK, the minutes of the meeting were approved subject to a minor amendment.

Action: The minutes would be amended.

131.4 Accounts Update

Documents shared in advance: Update; NIFON Letter

131.4.1 Update: SL noted that the update referred to a specific point in time. He highlighted that feedback was still awaited from NIAO on the July '24 accounts and the March '25 component accounts; EY review is ongoing; action on process improvements; July '25 accounts preparation; and timing risks.

5.12pm SS joined the meeting

MH reported on an earlier meeting with NIAO when he and CMK had been told that the Department March '25 accounts, which had been finalised on 31.10.25, had been disclaimed

on 3 areas, one of which specifically named the College.

CMK highlighted that this had been due to specific information not being available to the audit office to complete the full component due to the difference in DfE and college year-end dates.

MH emphasised that the College was keen to carry out all necessary work to ensure the disclaimer would be lifted as soon as possible and this would be taken forward with the Department.

CMK noted that the disclaimer would apply for a minimum of 2-years due to carry through of figures at year-end. The Department would advise on any further work to be carried out on the March '25 component accounts.

In relation to the July '24 accounts, MH was very disappointed to have to report that these were likely to receive a qualified opinion based on extrapolation of sample errors.

CMK was content with the audit office's timescale of 2-3 weeks for completion of work, which would be reported to the GB meeting on 26.11.25. He noted the importance of closing the July '24 accounts down to allow progress on the July '25 accounts.

In response to members' requests for further information, MH provided detailed clarification on the materiality issue which would lead to qualification; the reason for NIAO closing the March accounts to allow the Department to meet their timeframe; and revised work taking place on the PID, which would be presented to the ARAC for sign-off on 12.11.25.

IM asked for further information on materiality and risk relating to the 3 substantive accounting issues of VES payment, depreciation and treatment of rent. SL advised adjustments previously made were now being treated by NIAO as errors. He explained the change made to application of depreciation policy, to bring in line with the rest of the sector, and the resultant effect on the March '24 and future accounts.

CMK noted that the Director of NIAO was conscious of the need to get accounts closed out over the next 2-3 weeks, and this would be pursued ahead of the next GB meeting.

LW couldn't comment as she hadn't seen the latest update on the Departmental accounts today.

131.4.2 NIFON Letter: SL explained the sector discussion on interim accounts resulting in the letter of response to DfE.

LW confirmed that she had sight of the letter which had been discussed with the Permanent Secretary, who had some concerns and would be writing to accounting officers within days. She noted that discussions were ongoing.

CMK considered the response letter to be somewhat negative and noted the College's

perspective that this was a 1-year transition phase to ensure proper processes going forward.

MH would ensure compliance with any comments coming forward.

LW agreed with SL on a need to collaborate on treatment for preparation of partnership accounts.

131.5 Lessons Leant Recommendations

Documents shared in advance: Update; Appendix

131.5.1 Update: MH presented the update. He referred to progress made through engagement with SERC and acknowledged rebuilding reputation with key stakeholders as a key issue.

131.5.2 Appendix: SL took members through the paper and outlined progress on controls already approved by the team.

DS welcomed extensive improvements to date but queried whether all weaknesses had been identified.

CMK noted that it was early in the process with outputs still to be incorporated from the AAB review, the EY review commissioned by the Department and Internal Audit work, once completed.

LW noted good progress with weekly meetings taking place with EY to look at issues. She thanked College staff for making themselves available for interviews and oversight. A draft report was expected within the next 2-weeks and a final report by the third week in November, which would be important for the Department's decision on oversight going forward.

DMI questioned variation in processes and collaboration across the sector.

CMK agreed the importance of sector collaboration based on best practice and noted this as the reason for appointment of a CEF convenor.

LW confirmed the Department's preference for this approach being taken by a willing coalition of the colleges and expected the convenor would play a strong role in this.

MH noted payroll as an example of collaboration and considered use of areas of expertise to reduce duplication as a good way forward. Referring to the AAB report, LW had reviewed this with colleagues and welcomed it as a good and candid report with recommendations to be taken seriously. She agreed that the results of the EY and IA reports would complete the picture.

MH highlighted that whilst the current action plan was based on AAB recommendations, EY and IA comments would be amalgamated when available and progress would be monitored

against all recommendations.

DS noted concern around the challenge of timing on progress.

MH expected similar themes to come from the finalisation of the College accounts, whilst progress on processes and staff training would help to move forward quickly.

131.6 Accounts Risk Register

Document shared in advance: Register

Members noted that the update had been prepared prior to earlier discussion with NIAO. Going forward it was noted that risks 1, 2 and 5 would remain red, with risk 6 (reputation) likely to move to black for a minimum period of 6-months.

CMK hoped to get sight of any C&AG press statement after the Department accounts had been laid later in the week.

131.7 DfE Risk Assessment and Draft Engagement Plan

Documents shared in advance: Letter; Risk Assessment; Draft Risk Assessment Response; Engagement Plan

131.7.1 Letter: CMK referred to the changes to the engagement plan and frequency of meetings with the Department.

LW explained the decision to move the College risk level to high and advised that quarterly accountability meetings would be chaired by the Permanent Secretary. Arrangements would be kept under review as information becomes available and findings would be reported to the Department ARAC on 20 November. The importance of candid and transparent exchanges of information were emphasised. Arrangements for the first monthly meeting would be made shortly.

MH advised a key aspect from the meeting had been to agree a reporting template to share recommendations with the GB before presentation to the Department. CMK would meet with the FAIC and the ARAC on this.

In response to a question from DS, LW confirmed that challenges on reporting and concerns around both timing and confidence of decision making had led to the heightened risk level.

JT asked if risk would be adjusted in response to quarterly meetings.

LW confirmed this, especially with receipt of the EY review awaited. She outlined the range of options available to the Department, decision on which would be responsive and agile. She was happy to hear that a PID was being developed.

CMG asked for further information on frequency of audits on financial controls, given previous

lack of assurances. She was keen to ensure that everyone was fully informed and understood what was being done and why.

SL explained earlier engagement with IA, who would present their approach and context to the next ARAC meeting.

SL left the meeting at 6.12pm.

MH clarified change in focus of the new IA, with 2 specific audits at transaction level and a total period of 10-12 days for work, which would be extended if necessary. An audit testing programme would be presented to the ARAC on 12 November.

PG welcomed the Department's transparent engagement with the College. He referred to members' previous difficulty in accessing correspondence between the Department and the College and emphasised the need for the GB to be kept fully informed on discussions and information provided to relevant committees.

CMK was surprised to hear of previous difficulties in accessing information and assured members this would not be the case in future.

In response to a question from DS, MH confirmed flexibility in finalising the audit plan and the potential for adding extra days subject to cost.

CMK confirmed that where extra audit days were needed, they would be added.

131.7.2 Risk Assessment: Members noted the risk assessment which had been covered above. Response would be discussed later for feedback to the Department on 05.11.25.

131.7.4 Engagement Plan: Members noted the detail of the engagement plan, which had been covered above

The Chair thanked LW for attending and she left the meeting at 6.15pm.

131.7.3 Draft Risk Assessment Response: MH advised members on the proposed approach to respond, highlighted in red. He referred to a number of areas where he believed scoring to have been harsh and intended to respond back on those lines. He noted that the accounts situation had impacted on a number of the scores, however, a number were non-financial and he was keen that wording should reflect progress made.

CMK asked members to feed back any comments on draft responses to MH by 4 November. Responses would be shared at the meeting with the Department on 5 November.

CMG queried progress in relation to Section 5 of the document. MH confirmed that training for accounts staff has taken place as part of a detailed programme and has been included in the response.

131.8 Any Other Business

None.

131.13 Date of Next Meeting

The next meeting will take place on 26.11.25 in Causeway campus.

The meeting ended at 6.25pm.

Mr C McKenna, Chair



Date 26.11.2025

Mrs K Wallace, Secretary

