North West Regional College
Governing Body
Audit & Risk Committee
Meeting – 19 May 2026
Minutes Approved - 14 October 2026

MINUTES OF THE SEVENTY NINTH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA MICROSOFT TEAMS COMMENCING 11:35

PRESENT:
Mr B Dougherty
Mrs M Gormley, Vice Chair
Mrs S McMahon

ATTENDEES:
Mr L Murphy, Principal & CE
Mr P McKeown, Finance Director
Mr D Archibald, Internal Auditor, Henderson Loggie (until item 79.11)
Ms P Wilson, DfE
Mr R Lunny, NIAO (until item 79.11)
Mrs É Doherty, Secretary to the Governing Body

APOLOGIES:
Mrs C Shongo

79.1 WELCOME

The Committee Vice Chair noted that in the absence of the Committee Chair, she would chair the meeting. Mrs Gormley formally opened the meeting and extended a particular welcome to Mr R Lunny, NIAO, who was in attendance.

79.2 CONFLICT OF INTEREST DECLARATIONS AND OF ANY OTHER BUSINESS

No declarations of interest were made and no items of other business were notified.

79.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 17 FEBRUARY 2026

PREVIOUSLY ISSUED TO ALL MEMBERS
Draft Minutes of the Committee Meeting held on 17 February 2026.

The Committee considered the draft minutes of the previous meeting. No amendments were raised by members. The Draft Minutes were approved as an accurate record of the meeting.
Proposed by Mrs S McMahon
Seconded by Mr B Dougherty

Report 1 Matters Arising – February 2026 Committee Meeting
78.5 Invitations had been forwarded to members to join the meeting with the Permanent Secretary, DfE on 10 March 2026.

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The following were approved/accepted at the Governing Body meeting held on 11 March 2026;

78.5, Report 2 - Risk Appetite Statement
Report 3 - Conflict of Interest Policy
Report 4 - Fraud & Anti-Fraud Policy

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1.1 HR Analysis Workforce Age Profile and Strategic Implications

This was an agreed action from the November 2025 Committee Meeting (Ref AC 77.6).

The Principal & CE indicated that the Report provided useful demographic information and would help to inform workforce planning. He outlined emerging issues associated with an ageing workforce and the need to consider longer-term recruitment and retention challenges. Members contributed to the discussion and the Committee Vice Chair recommended that the report be shared more widely to ensure all members were sighted on the findings.

Agreed actions:

- The Report to be submitted to the next meetings of the Resources Committee and the Governing Body.
- The Finance Director will keep this matter under review through 'Evolving Matters' section of his Report to the Committee.

79.4 COMMITTEE VICE CHAIR'S BUSINESS

The Committee Vice Chair advised that Agenda item 79.4 would be taken at the end of the meeting to facilitate the orderly departure of those not required for the final discussion. Members were content with this arrangement.

79.5 MANAGEMENT REPORT, Mr P McKeown, Finance Director

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Report to the Audit & Risk Committee

The Finance Director reported that there had been no changes to the scoring of the ten risks on the Register since the previous meeting. He highlighted current matters in relation to curriculum quality, the HR and payroll system, cyber security, sustainability, artificial intelligence and the financial position.

Risk COR0005 – The Quality of Curriculum Delivery not meeting required Benchmarks – residual risk - medium

Issues relating to the low levels of achievement in Essential Skills, particularly at Level 2 were noted but did not require an increase in risk score at this stage.

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Risk COR0006 - Business Continuity Plan/Disaster Recovery – residual risk low
The Principal & CE advised members of ongoing issues relating to the Sector HR and payroll system (JANE HR) and outlined the discussions continuing with the vendor. He confirmed that there was no immediate risk of system failure, but that legal advice was being taken and the matter remained under active management.

Risk COR0007 – Failure to Maintain Financial Stability – residual risk – severe
In the absence of an agreed Executive Budget, as at 12 May 2026 the College received correspondence from the Department (DfE) regarding the Resource DEL Contingency Planning Envelope with an allocation of £31.5m. This represented a significant reduction on the prior year budget allocation, equating to a 6% cut in a flat cash position, thereby creating significant uncertainty and planning difficulty. The College could not assume that any further allocation would be made once the budget has been issued. Members discussed the serious operational and equality implications of any reductions, together with the need for a more sustainable multi-year budgeting framework. The Finance Director reported that scenario planning is already taking place within the Sector. The College will contribute to the sector EQIA and will also submit a return in the coming days highlighting the impact of such a reduction on meeting the Minister's four priorities.

Agreed action: The Committee noted the significant budget risk and agreed that this should continue to be closely monitored and reported through the appropriate Committees.

Risk COR0010 – Cyber Security -residual risk high
The Finance Director noted the recent sector-wide incidents, including the C2K incident and the recent Canvas cyber incident. He advised that there had been no material impact on the College, but that the College had informed the Department (DfE) and its insurance provider accordingly.

Risk COR0014 – Lack of Resources and Funding to Progress Sustainability/ESG Agenda – residual risk high
The challenges associated with sustainability targets, noting that expectations needed to be realistic in light of the College estate, capital constraints and the limited resources available to support implementation. Targets had therefore been adjusted to reflect what was realistically achievable.
A recent Internal Audit Review on Sustainability highlighted a concern regarding the limited staffing resource available in this area. The significant volume of reporting and compliance work was noted.

Under evolving matters, the Finance Director updated the Committee on the areas listed in the Report that may present a risk to the College going forward.

Prompt Payment performance was showing 97% for 30 days for April 2026 and year to date 97%.

The correspondence within the Report was noted (Ref AC 79.5, Report 1, Appendix D) concerning the DfE Consolidated Group Accounts together with the College response. The Finance Director emphasised the practical difficulties of incorporating formal Governing Body approval within the current timetable for submission of the College Component Accounts. Ms P Wilson (DfE) advised

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that the Department (DfE) was gathering information across the sector and that further discussion and consultation with Colleges would take place in due course.

The Committee Vice Chair thanked Mr McKeown and invited Mr Archibald to present the Internal Audit Reports.

79.6 INTERNAL AUDIT – Mr D Archibald, Henderson Loggie

The Internal Auditor acknowledged the compressed timetable within which the work had been completed. He advised that, notwithstanding the timing pressures, the reports provided strong assurance and reflected positively on the College.

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Annual Report on the Provision of Internal Audit Services 2025/26

The Internal Auditor confirmed the independence of the Internal Audit service and advised that the work undertaken was compliant the Global Internal Audit Standards (GIAS) and the Global Internal Audit Standards in the UK Public Sector.

The planned follow-up review (3 days) and the contingency (5 days) were not utilised. No major internal control weaknesses were identified through the internal audit work carried out during the year. All reports were graded as 'good'. A few areas for further strengthening or improvement were identified during the Risk Management review and an Action Plan has been agreed to address these. The overall opinion was that the College has adequate and effective arrangements for risk management control and governance.

The Finance Director and Committee Vice Chair thanked the Internal Auditor and his colleagues for completing the work within a very challenging timescale. The Committee Vice Chair also noted the work of the staff in the College resulting in positive reports.

Report 2 Internal Audit Review Report – Data Protection

The Internal Auditor reported a strong outcome with no recommendations. He advised that the College had robust arrangements in place for data protection governance, maintenance of departmental records, monitoring compliance and reporting breaches, subject access requests and related matters. The Principal & CE formally commended the team responsible for this work and asked that his appreciation be passed on.

Report 3 Internal Audit Review Report – Climate Change NI Act 2022

The Internal Auditor advised that the Review received an overall 'good' level of assurance with no recommendations. The College had made a sound start in responding to new climate reporting requirements. He recognised the limitations created by the estate profile, funding constraints and staff capacity, but confirmed that there was evidence of cross-college commitment, action planning and governance oversight.

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Report 4 Internal Audit Review Report – DfE Assurances on College Performance Data

The Internal Auditor advised that the Review received an overall 'good' level of assurance with no recommendations. This was a DfE mandated sector review and confirmed that the College had strong controls over the collection, validation, reporting and security of performance data. He reported that testing had identified no significant issues in relation to accuracy, completeness, error explanations or access controls. He did, however, note that the Department (DfE) was undertaking a wider review of legacy circulars to clarify which remained in force.

The Committee Vice Chair thanked Mr Archibald and invited Mr Lunny to report to the Committee.

79.7 EXTERNAL AUDIT – Mr R Lunny, NIAO

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Audit Strategy 2025/26

The External Auditor brought the Committee through a summary of the Audit Strategy for 2025/26. He outlined the proposed audit approach, timetable, materiality level, audit team arrangements and the principal matter required to be communicated to those charged with governance.

Members noted the revised deadline for submission of certified accounts to the Department (DfE) of 6 November 2026. The Committee emphasised the importance of ensuring that the proposed timetable adequately reflected staff availability and annual leave across both the College and the audit team during the summer period.

The Committee discussed the proposed audit fee, noting the increase from £46,000 in the previous year to £50,500 for the current year. Members expressed concern regarding the scale of the increase. The External Auditor acknowledged the concerns raised and confirmed that the matter would be referred to the relevant team for a fuller explanation.

Agreed action: The Committee agreed that the concern regarding the increase in the external audit fee should be pursued further and that a fuller explanation should be sought from the relevant external audit team.

Agreed action: The Committee noted the proposed audit timetable and requested that confirmation be provided, in due course, that the timetable appropriately reflects staff availability and annual leave arrangements on both sides.

The Committee Vice Chair thanked Mr Lunny for his report.

79.8 CORRESPONDENCE

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Correspondence Sent to DfE – April 2026

Report 2 Correspondence received from DfE

The Committee Vice Chair referred to the correspondence which related to the re-establishment of the Audit & Risk Committee Chairs' Forum to assist sector learning and shared assurance. The matter will be discussed further at the next Sector Chair's meeting.

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79.9 SCHEDULE OF COMMITTEE MEETINGS 2026/27

Members noted the schedule of Committee meetings for 2026/27, which had been aligned to the reporting requirements for the College financial statements for the year end to March.

79.10 ANY OTHER BUSINESS

No further business was raised.

Mr D Archibald and Mr R Lunny left the meeting at this juncture.

79.11 RESERVED BUSINESS

Taken separately.

Ms P Wilson, Mr L Murphy, Mr P McKeown left the meeting at this juncture.

The Committee Vice Chair returned to item 79.4.

79.4 COMMITTEE VICE CHAIR'S BUSINESS

PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1 Self-Assessment Exercise Action Plan 2024/25 Update

The Committee Vice Chair brought members through the outstanding matters from the 2024/25 Self-Assessment Exercise. Two items were brought forward to the 2025/26 Action Plan and all other items from the 2024/25 Action Plan were closed off.

Report 2 Self-Assessment Exercise 2025/26

Report 2.1 Summary of Results

All Committee members completed the Self-Assessment. The Committee Vice Chair brought members through the Summary of Results (Report 2.1). **An Action Plan will be drafted and brought to the next Committee meeting.**

The meeting concluded at 13:08

DATE OF NEXT MEETING: 14 October 2026

Signed Mary Gormley

Mrs M Gormley, Committee Vice Chair

Date 14 October 2026

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Appendix 1

SUMMARY OF AGREED ACTIONS FROM THE MAY 2026 COMMITTEE MEETING

NO	MINUTE REF	REPORT	ACTION	OWNER
1	79.3 R1.1	HR Analysis Workforce Age Profile and Strategic Implications	• The Report to be submitted to the next meetings of the Resources Committee and the Governing Body. • The Finance Director will keep this matter under review through 'Evolving Matters' section of his Report to the Committee.	ED PMcKed
2	79.7, R 1	Audit Strategy 2025/26	• The Committee agreed that the concern regarding the increase in the external audit fee should be pursued further and that a fuller explanation should be sought from the relevant external audit team. • The Committee noted the proposed audit timetable and requested that confirmation be provided, in due course, that the timetable appropriately reflects staff availability and annual leave arrangements on both sides.	NIAOed NIAOed
3	79.8	Correspondence	• Re-establishment of the Audit & Risk Committee Chairs' Forum – follow up with the GB Chair - the matter will be discussed further at the next Sector Chair's meeting.	ED
4	79.4	Self-Assessment Exercise 2025/26	• An Action Plan will be drafted and brought to the next Committee meeting.	ED

APPROVED