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**MINUTES OF THE SEVENTY SEVENTH MEETING OF THE AUDIT & RISK COMMITTEE HELD VIA MICROSOFT TEAMS COMMENCING 11:30**

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**PRESENT:**

Mrs C Shongo, Committee Chair  
Mr B Dougherty  
Mrs M Gormley  
Mrs S McMahan  
Ms V Toland

**ATTENDEES:**

Mr L Murphy, Principal & CE  
Mr P McKeown, Finance Director  
Mr D Archibald, Internal Auditor, Henderson Loggie  
Ms P Wilson, DfE  
Mr B O'Neill, NIAO (from 11:53)  
Ms L Murphy, NIAO (from 11:46-11:56)  
Mrs É Doherty, Secretary to the Governing Body

**APOLOGIES:** the meeting had full attendance

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**77.1 WELCOME**

The Committee Chair formally opened the meeting and extended a welcome to Mr D Archibald, Internal Auditor at Henderson Loggie, attending his first Committee meeting. For the benefit of Mr Archibald, a round of self-introductions was made.

**77.2 CONFLICT OF INTEREST DECLARATIONS AND DECLARATIONS OF ANY OTHER BUSINESS**

No declarations of interest or other business were received.

**77.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 9 SEPTEMBER 2025**

**PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Committee Meeting held on 9 September 2025

The Draft Minutes were taken as read with no amendments, were agreed as a true and accurate record of the meeting.

**PROPOSED,** Ms V Toland

**SECONDED,** Mr B Dougherty

**Report 1 Matters Arising – September 2025 Committee Meeting**

**76.3** Governor, Mrs M Gormley was content to second the May 2025 Committee Minutes.

**76.4, Report 1** The Committee noted that no response has yet been received from Ms L Watson, Director of FE, regarding the re-establishment of the ARC Forum (correspondence sent 29 October 2025).

**76.5** The Finance Director will report on the holiday pay issue within his report later on the Agenda, item no 77.5, Report 3.

Prior year prompt payment figures have been included with Report 77.5, Report 3.

#### **77.4 COMMITTEE CHAIR'S BUSINESS**

##### **PREVIOUSLY ISSUED TO ALL MEMBERS**

###### **Report 1 Audit & Risk Committee's Annual Report to the Governing Body**

The Report was taken as read. Members were content to **accept** the Report and present it to the Governing Body.

**PROPOSED**, Mrs M Gormley

**SECONDED**, Mrs S McMahon

The Committee Chair then invited Mr McKeown, Finance Director to present his report.

#### **77.5 MANAGEMENT REPORT, Mr P McKeown, Finance Director**

##### **PREVIOUSLY ISSUED TO ALL MEMBERS**

###### **Report 1 Annual Report & Financial Statements Year Ended 31 July 2025**

The Finance Director reported the external audit was almost completed. There is one recommendation noted in the Draft Report To Those Charged With Governance. Further detail on this matter will be reported later in the meeting by the External Auditor (Ref 77.7). Minor adjustments will be made to the Draft Annual Report and Financial Statements and will be available for the Governing Body meeting on 19 November 2025.

The Principal thanked the Finance Team for the work in preparing the financial statements and the positive outcome of the External Audit.

The Finance Director alerted the Committee to the financial year end which will now move to 31 March 2026, resulting in one external audit taking place per year.

The Finance Director answered a query from Governor, Mrs S McMahon in relation to the depreciation of College vehicles. The Finance Director reported that NIFON will consider a review of the Depreciation Policies.

The Committee agreed to **recommend approval** of the Annual Report & Financial Statements Year ended 31 July 2025 to the Governing Body, subject to the presentation of and receiving an unqualified audit opinion from the External Auditor (Agenda item 77.7, Report 1, the Draft Report To Those Charged With Governance).

**Report 2 Student Council Report & Financial Statements Year Ended 31 July 2025**

An independent auditor prepared the Student Council Report and Financial Statements. The Finance Director answered some queries from members.

Members were **content to recommend approval** of the Student Council Report & Financial Statements to the Governing Body.

**PROPOSED**, Mrs S McMahon

**SECONDED**, Ms V Toland

*Ms L Murphy, NIAO joined the meeting during this item.*

**PREVIOUSLY ISSUED TO ALL MEMBERS**

**Report 3 Report to the Audit & Risk Committee**

The Finance Director reported on changes to risk scoring and other updates. There are currently ten corporate risks on the Corporate Risk Register. Since the last report there has been one change to Risk COR0007, 'Failure to Maintain Financial Stability'.

**Risk COR0002 – Impact of Reduced Enrolment Numbers – very high risk**

There are positive movements in student numbers. There has been no change to the scoring of this risk. It will be reviewed and updated at the next review.

**Risk COR0006 – Business Continuity Plan/Disaster Recovery – low risk**

The review of the College Business Continuity Plan has now been completed. The College's new insurers, UMAL have appointed Ashton Resilience to conduct an evaluation of the finalised plan.

There has been no further communication on the Exercise Pegasus.

**Risk COR0007 – Failure to Maintain Financial Stability – high risk**

The scoring of this risk has been reduced. There have been recent movements within the 2025/26 Budget. The main variances include a reduction in teaching staff costs mainly due to a reduction in projected teaching hours. The Department (DfE) has notified the College of additional funding primarily for Cyber Security, ESG and Business Support. These adjustments result in a breakeven position to 31 March 2026.

The Department (DfE) have also notified the College of funding allocated for traineeships of approximately £500k.

*Ms L Murphy, NIAO left the meeting during this item.*

**Risk COR0010 – Cyber Security – high risk**

The Finance Director reported on the need to reflect on the demands on staff in achieving Cyber Essentials and Cyber Essentials Plus recent certifications.

The College has increased its cyber Insurance liability coverage from £2m to £5m to comply with the contract conditions for the ApprenticeshipNI and Skills for Life and Work programmes as directed by DfE. This increased the College premium for cyber by £13k.

**Risk COR0013 – Inefficient and Inappropriate Use of Artificial Intelligence (AI) – high risk**

Additional funding requested from DfE has not been granted. A discussion took place in Committee. The Staff Governor Academic shared the concerns of staff on the need for guidance/training/policy direction from the Department (DfE). In the interim the Sector have agreed to draft their own policy. The Principal acknowledged the concern.

The Committee Chair proposed that the Governing Body Secretary use the AI co-pilot transcribe tool to assist with minute taking.

**PROPOSED**, Ms V Toland

**SECONDED**, Mrs M Gormley

**Trainee Apprentice Management System (TAMS)** - the Finance Director indicated this matter was previously on the Risk Register (Ref: AC 72.5, Report 3). The College along with others in the Sector have highlighted some issues. The situation will be closely monitored.

**Holiday Pay** - referring back to matters arising (Ref: 76.5) the Finance Director updated the Committee on the implementation of Holiday Pay within the FE Sector. A payment will be made to all eligible staff for the period from 1 August 2024. This will be made in the November 2025 payroll at a rate of 8.33% and going forward Holiday Pay will be paid monthly on all approved claims.

**DfE Group Accounts 2025/26** - The Finance Director referred to the Department's (DfE) Group Accounts for 2025/26. DfE have requested that interim accounts be prepared to the end of October 2025. NIFON have acknowledged this request however they have raised concerns regarding current resources within Finance teams verses additional requests from DfE. This work will place additional pressure on College finance staff.

**Prompt Payment** – for 30 days to October 2025 was 99% and year to date 95%.

**Health & Safety** – members noted the report. The College recorded one incident that was reportable to the Health and Safety Executive under the RIDDOR regulations.

The Committee Chair thanked Mr McKeown and invited Mr D Archibald to present the Internal Audit Report.

## **77.6 INTERNAL AUDIT – Mr D Archibald, Henderson Loggie**

### **PREVIOUSLY ISSUED TO ALL MEMBERS**

#### **Report 1 Draft Strategic Internal Audit Plan 2025/28 & Internal Audit Annual Plan 2025/26**

Mr Archibald provided some background to Henderson Loggie noting their core work is within the FE and HE sector. He reported the Department (DfE) have mandated a sector review to take place in 2025/26 on Assurances on College Performance Data. This is included within the plan.

Within the proposed allocation of audit days, five days have been allocated each year for 'contingency'. Mrs Gormley, Governor asked if any preparatory work has been completed on the age profile of staff and **suggested** a review in the area of workforce/succession planning noting this area has not been audited in several years. The Internal Auditor gave a brief outline of what the review in this area would include. It was **agreed** to take advice from the Head of HR.

Members were content **to recommend approval** of the Internal Audit Strategic Plan 2025-28, the Audit Plan for 2025/26 and Charter to the Governing Body.

**PROPOSED**, Mr B Dougherty

**SECONDED**, Ms V Toland

The Committee Chair invited Mr O'Neill (NIAO), to report to the Committee.

## **77.7 EXTERNAL AUDIT – Mr B O'Neill, NIAO**

### **PREVIOUSLY ISSUED TO ALL MEMBERS**

#### **Report 1 Report to the Audit & Risk Committee**

The External Auditor reported that it is proposed that the Comptroller and Auditor General will certify the 2024/25 Financial Statements with an unqualified audit opinion, without modification.

There is an uncorrected misstatement of approximately £261k which would increase expenditure and decrease net assets. One priority 2 recommendation was made. This issue was raised last year and the College performed a detailed review of assets however as at 31 July 2025 there were 126 assets still in operational use at £nil book value.

The actions required of the Audit & Risk Committee were noted and the Committee Chair returned to the Annual Report & Financial Statements Year Ended 31 July 2025. The Committee agreed to recommend approval of the Financial Statements to the Governing Body (Report 77.5, Report 1).

**PROPOSED**, Mrs M Gormley

**SECONDED**, Mr B Dougherty

The Committee Chair thanked Mr B O'Neill for his report.

## **77.8 CORRESPONDENCE**

### **PREVIOUSLY ISSUED TO ALL MEMBERS**

- Report 1** Correspondence to Ms L Watson, Director of FE, DfE - October 2025
- Report 2** Correspondence to Ms P Wilson, DfE – August 2025
- Report 2.1** Response from Ms P Wilson, DfE - November 2025
- Report 3** Correspondence to Ms L Watson, Director of FE - September 2025
- Report 3.1** Response from Ms L Watson, Director of FE – November 2025

The Committee Chair brought members through the various correspondence.

## **77.9 ANY OTHER BUSINESS**

There was no any other business to discuss.

*Mr B O'Neill, Mr D Archibald and Ms V Toland left the meeting at this juncture.*

The meeting ended at 13:13.

**DATE OF NEXT MEETING:** 24 February 2026 – thereafter rescheduled to 17 February 2026

Signed *Charlene Shongo*  
Mrs C Shongo, Committee Chair

Date 17 February 2026

North West Regional College  
 Governing Body - Audit & Risk Committee  
 Meeting - 11 November 2025  
 Minutes Approved – 17 February 2026

## Appendix 1

### SUMMARY OF AGREED ACTIONS FROM THE NOVEMBER 2025 COMMITTEE MEETING

NO	MINUTE REF	REPORT	ACTION	OWNER
1	77.4	Audit & Risk Committee's Annual Report to the Governing Body	To recommend the Governing Body accept the Report	CS/ed
2	77.5 Report 1	Annual Report & Financial Statements YE 31 July 2025	To recommend approval to the Governing Body	CS/ed
3	77.5 Report 2	Student Council Report & Financial Statements YE 31 July 2025	To recommend approval to the Governing Body	CS/ed
4	77.5		To recommend to the Governing Body for the Governing Body Secretary to use the AI Copilot transcribe tool to support future minute taking.	CS/ed
5	77.6	Internal Audit	To take advice from the Head of HR on any data on the age profile of staff and the suggestion for a review in this area.	CS/ed
6	77.6	Internal Audit	To recommend approval to the Governing Body of the Internal Audit Strategic Plan 2025-2028, the Audit Plan for 2025/26 and Charter.	CS/ed