

CCEA

Audit & Risk Assurance Committee

Minutes of the forty-ninth meeting of Audit & Risk Assurance Committee, held on Thursday 17 September 2020 at 11 am, via Microsoft Teams.

Present: Mr C McKinney (Chair)
Mrs K O'Hare
Dr A Kerr

Mr B Clerkin (ASM)
Dr S Kingon (DE Observer)
Ms F Magowan (NIAO)

Mr J Edwards (Chief Executive)
Mrs L Scott (Director of Finance and Corporate Services)
Miss M Farragher (Director of Education)
Mr J Daly (Financial Services Manager)
Mr D Wilson (Business Assurance Manager)

Mrs P Bowden (PA to CEO)

1 Apologies

Apologies were received from Dr G Byrne and Mrs C Harpur. The Chair advised that Mrs Harpur has been ill and wished her a prompt recovery.

2 Conflict of Interests

The Chair reminded members of their respective responsibility to declare any conflicts of interest related to any of the agenda items. There were no conflicts of interests declared.

3 Chair's Business

The Chair advised of his newly appointed role as Chairperson of this committee following Dr Caul's departure at the June meeting to take over the role as Chair of Regulation committee. He welcomed Mr Brian Clerkin (ASM), Dr Suzanne Kingon (DE) and Finula Magowan (NIAO) to the meeting.

He informed members of Mrs Marlene Kingon's resignation from CCEA Council due to ill health. It was anticipated this council vacancy would be filled in the coming months.

He advised that Mr John Daly (Financial Services Manager), and Mr David Wilson (Business Assurance) were in attendance to provide clarification as required on various items on today's agenda.

4 Minutes of the previous meeting held on 18 June 2020

The minutes of 18 June 2020 were proposed by Mrs Kathleen O'Hare, and seconded by Dr Ana Kerr as a true and accurate record of the meeting. A copy would be made available for the Chair to sign once normal business resumed.

Action Points

Members noted the status of the action points as follows.

Draft Annual Report and Accounts 2019/20 issue to Council following signature would be issued to the Audit Comptroller General – Completed.

Appointment of internal audit provider – Completed. Paper provided at AUD/49/4a.

Provide members with a copy of the Updated Treasury Guidance on Risk Management – Completed.

5 Financial Risk and Control

Risk Assurance in Awards and Purchases : June - August 2020

AUD/49/1

The Financial Services Manager (FM) drew members' attention to the detail provided in paper *AUD/49/1*. He informed there was one unauthorised purchase order greater than the £1,500 threshold in the reporting period. He provided the details of it as an administration error and outlined the mitigations implemented to prevent a reoccurrence.

Direct Award Contracts (DACs)

The FM informed members there were four DACs during the reporting period. He referred to the DAC for the Technical Expert for Regulatory, informing that in line with policy, DE approval had been secured.

The Chair commended the finance team for managing this process in the current working environment.

Members noted the information provided.

2019/2020 Annual Report & Accounts & Final Report to those Charged with Governance (RttCwG)

AUD/49/2

The Director of Finance and Corporate Services (DoFCS) updated members on the Annual Report and Accounts and the Final Report to those Charged with Governance.

She advised on progress with the approval and laying of the Annual Report & Accounts (AR&As):

- Council accepted the ARAC recommendation and approved the 2019/20 AR&A on the 24 June 2020.
- CCEA successfully had it's 2019/20 AR&As laid at the NI Assembly on 7 July 2020.

Audit and Report to those Charged with Governance (RttCwG)

The DoFCS confirmed the RttCwG summarised the key matters from the audit of CCEA's 2019/20 financial statements. The draft was reviewed by the Committee on 18 June 2020. The final RttCwG was received on the 9 July 2020. The report recommended that the Comptroller and Auditor General (C&AG) certify the 2019-20 financial statements with an unqualified audit opinion, without modification.

She confirmed there were no adjustments to the Statement of Comprehensive Net Expenditure and Statement of Financial Position. Two recommendations were made to management, one priority 2 and one priority 3. Both recommendations were accepted and were now closed.

This concluded the annual process.

Members acknowledged the excellent work contributed by officers and the teams despite the challenging circumstances and timescales.

National Fraud Initiative (NFI) 2020/21

AUD/49/3

The DoFCS confirmed that the Comptroller and Auditor General for Northern Ireland (C&AG) has statutory powers to conduct data matching exercises for the purpose of assisting in the prevention and detection of fraud. This was the seventh NFI exercise undertaken.

Data matching involves comparing sets of data, such as the payroll or benefits records of a body, against other records held by the same or another body to see how far they match. This allows potentially fraudulent claims and payments to be identified.

Members noted the information provided and CCEA's mandatory requirement to participate in the NF exercise.

6 Corporate Risk Management and Audit

Corporate Risk Register (CRR) – September 2020

AUD/49/4

The DoFCS provided an overview of the six corporate risks on CCEA's 2020-21 CRR. She informed the CRR has been updated as required due to the current health environment. The Executive Team review the risk register on a monthly basis and are continually identifying mitigations measures with teams.

The Chair acknowledged DE has requested CCEA to consider contingency plans to prepare for potential disruption in the 2020/21 academic year. This being the case, CCEA is preparing adequate contingencies to ensure that qualifications offered operate effectively whilst also considering the level of disruption faced by schools. He outlined the risks associated with implementing the changes for examination arrangements in 2021 and CCEA's requirement for additional resources to support the changes. The DE Observer clarified a business case would be required for any additional resources.

It was acknowledged some schools were already reporting levels of disruption due to sporadic closure. The levels of disruption varied across schools and even year groups within schools and this was also having an impact on the amount of teaching time which remained in the academic year.

There was also detailed discussion associated with potential damage to CCEA's reputation.

A committee member proposed incorporating a specific additional COVID risk to the CRR.

The DE Observer advised that the DE CRR has been modified to address the challenging financial and economic context within which they operate and to the wider challenges facing DE in particular COVID. DE's CRR now incorporated a dedicated additional COVID risk. She supported the proposal of an additional CCEA risk in the CRR specifically for COVID. She also suggested, in terms of resources to facilitate addressing the examination related risks for 2021, this should be outlined explicitly within the additional COVID risk.

On the basis of the matters discussed, members agreed an additional COVID risk (CR7) to incorporate all the mitigations affecting the whole organisation.

A committee member expressed concern associated with *CR1 – Review of CCEA’s Recruitment Policy*. In terms of the health and well-being of staff and the unknowns. LS responded this suggestion would be considered further in relation to the appropriateness of which risk this could be incorporated into.

Members agreed the revised CRR would be presented at the next committee meeting.

Update on Internal Audit Provider & Internal Audit Plan

AUD/49/4a

The DoFCS informed members that the procurement exercise for a new internal audit provider had been undertaken and completed. KPMG has been appointed as the new internal audit provider for a three year contract period.

A committee member suggested that in moving forward, consideration should be given to the lessons learned from the delivery of the previous service provider. The DoFCS provided assurance and confidence this provider would deliver on the requirements.

The KPMG representatives would be in attendance at the next committee meeting.

The members noted the position.

Post-Project Evaluation (PPE) Update

AUD/49/5

The DoFCS advised the committee the PPE exercise was underway. The paper outlined progress to date.

Members were content with the information provided.

Updates

ASM

Mr Clerkin confirmed there were no matters to report.

NIAO

The NIAO representative confirmed there were no matters to report.

DE

The DE Observer confirmed there were no matters to report.

BREXIT Update

The Chief Executive confirmed that there had been no further communication in regards to BREXIT. However, CCEA continued to maintain a watching brief and would inform the Committee and Council as appropriate. He noted the main risk associated with BREXIT changes would be any impact on the delivery of examination papers.

7 Education

Risk Management Report : Summer Examination Series 2020 and preparation for Awarding Summer 2021 AUD/49/6

The Chief Executive provided members with a high level overview of the Summer Examination Series 2020. He reported, following the 2020 awarding arrangements and in preparation for the Summer 2021 awarding arrangements, a comprehensive Operational Readiness Risk Log was being managed by Business Managers. The risks also take into account the November 2020, January and March 2021 series. He outlined the key risks currently identified with particular emphasis on the high/critical levels.

The Director of Education emphasised the challenging circumstances with the timeliness of the release of the 2021 consultation and it having a negative consequence on CCEA's reputation. She expressed concern in relation to the timescales for preparation for the examination arrangements for 2021.

The Director of Education outlined the additional resource requirements for the adjustment to 2021 examinations, technical changes and the challenges facing CCEA. She welcomed the proposal of submitting a resource business case to DE to support the preparation for 2021 examinations.

The Chair emphasised the importance of early direction for centres in regards to preparing for examinations 2021 and the importance of this underpinning the teaching and learning.

The Chief Executive informed members that the advice on the consultation was issued to DE on 16 September 2020. Members agreed an early response to CCEA's consultation was essential.

8 Any Other Business

The Chair wished to place on record CCEA's continued dedication and commitment throughout these extremely challenging times.

9 Date of Next Meeting

The Chair confirmed the next meeting was scheduled for Thursday 26 November 2020 at 11 am. Arrangements for the meeting would be notified in due course.