

CCEA

Minutes of the forty-eighth meeting of Audit & Risk Assurance Committee, held on Wednesday 18 June 2020 at 1.30 pm, via Dial In facilities.

Present: Dr L Caul (Chair) Mrs C Harpur
Mrs K O'Hare Dr A Kerr

Mr B Clerkin (ASM)
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)

Miss N Kennedy (Manager, Council Secretariat)

1 Apologies

Apologies were received from Dr G Byrne; Mr C McKinney; Mr Andrew Allen and Mr S Dempster.

2 Conflict of Interests

Members confirmed there were confirmed there were no conflict of interests on any of the agenda items.

3 Chair's Business

Condolences

The Chair, on behalf of the committee, wished to place on record its condolences to Mrs Christine Harpur on her recent bereavement.

General

The Chair welcomed Ms Finula Magowan (NIAO), and Mr Brian Clerkin (ASM) to the meeting.

He advised that Mr John Daly (Financial Services Manager), and Mr David Wilson (Business Assurance) would speak to agenda items under Financial Risk Control and Assurance, and Corporate Risk and Assurance as required.

Outgoing Chair

The Chair advised that this would be his last meeting as he would be stepping down from the committee.

4 Minutes of the previous meeting held on 29 April 2020

Subject to this amendment the minutes were proposed by Dr Ana Kerr, and seconded by Mrs Christine Harpur as a true and accurate record. A copy would be made available for the Chair to sign once normal business resumed.

5 Financial Risk and Control

The Financial Services Manager (FM) drew attention to the detail provided in paper AUD/48/1, and advised that there were no unauthorised purchases during April and May 2020. He wished to place on record that there had been no unauthorised purchases over the 12 month period below £1,500. He confirmed that, following a request at the previous meeting the timeline for reporting had been reduced to a 2 year period.

Direct Award Contracts

The FM confirmed 3 direct awards in relation to general purchases (Appendix 1). The overall summary was provided on page 3 of the paper.

The Chair was satisfied that good progress had been made in this area.

Annual Report & Accounts 2019/20 (including the Report to those Charged with Governance)

AUD/48/2

The Director of Finance and Corporate Services (DoFCS) drew attention to the detail of the reports provided and confirmed that this had been a robust process with all deadlines being met. She wished to place on record her thanks to the Finance Team for the amount of work completed to finalise the report, particularly under the current circumstances.

She advised that the disclosures had been amended to:

- reflect the current situation in regards to Covid-19;
- explain the end of year budget performance in regards of the 1.7% underspend;
- reflect the evaluation to the pension scheme and CCEA's non-requirement to make a one-off payment; and
- exiting from the European Union – recognising the risk to business operations in the next financial year.

The auditors were advising on how Covid-19 will affect and impact CCEA's business moving forwards.

The DoFCS was pleased to report a satisfactory internal audit rating with no material risks identified in regards to governance and control.

Clarification was sought and received on a small number of matters and members were satisfied with the explanations required.

Members noted that ASM had completed its audit and issued the Report to those Charged with Governance.

The DoFCS provided an assurance that the documentation was provided in line with the set deadlines and all processes followed appropriately.

NIAO Report to those Charged with Governance

Mr Clerkin (ASM) drew attention to the summary provided on page 3 of the document. He gave an overview of the process carried out in order to complete the report and advised that he would be proposing an Unqualified Option to be issued on CCEA's Financial Statements for 2019/20.

One point worth noting was in regards to an additional disclosure in recognition of income on contracts under Accounting Policies and Financial Reporting (page 7) .

He confirmed that one priority 2 and one priority 3 recommendations had been identified (detail provided on pages 8 &9 of the report). These have been accepted by management and will be incorporated into the final report to go forward to Council.

Mr Clerkin wished to add his thanks to the Finance Team for their efficiency and co-operation during the audit process.

Ms Magowan (NIAO) asked that following approval at Council, and signature by the Chair and Chief Executive, the documentation should be forwarded to the Comptroller and Auditor General and copied to Ms Magowan and Mr Clerkin to allow them to progress the audit. The Accounts would be certified remotely considering the current health crisis.

Members recommended the document to go forward to Council for consideration and approval.

Department of Finance (DoF) Annual Theft & Fraud Report 2018/19 ***AUD/48/3***

Members noted the information provided.

Post-Project Evaluation (PPEs) Department of Education (DE) Update ***AUD/48/4***

The DoFCS drew attention to the information provided in paper AUD/48/4 and advised on the PPE's that would be reported to DE during this financial year (2020/21).

Members noted the information provided.

6 Corporate Risk Management and Audit

For Consideration

2020/21 Corporate Risk Register (CRR) – June 2020 ***AUD/48/5***

The DoFCS drew attention to the CRR for June 2020, and advised that reviews continued on a regular basis to ensure appropriate action is taken to mitigate issues as they arise in the current situation.

The DoFCS advised that amendments had been made to wording and additional mitigations in regards to CR5, and confirmed that the risk ratings on 5 out of the 6 remained extremely high with a residual score of 20. She stated that given the current circumstances, she would envisage the risk environment would remain high from June through to the end of awarding and enquiry about results service in regards to the Summer examinations series.

Members sought and received clarification on a range of matters and were satisfied with the explanations provided.

For Information

Appointment of Internal Audit Provider ***AUD/48/6***

The DoFCS drew attention to the information provided in paper AUD/48/6, and confirmed that a live procurement was underway and the successful tender would be notified at the next meeting.

In regards to the Internal Audit activity the DoFCS advised that the audits would be conducted in the latter part of 2020/21 and this would be achievable. She confirmed that upon appointment the IA provider would be asked to review the needs assessment and Internal Audit Plan and amend as appropriate.

Members noted the information provided.

Updated HM Treasury Guidance on Risk Management (Orange Book)

AUD/48/7

The DoFCS welcomed the timely publication of the updated HM Treasury Guidance and highlighted the principles based approach and provision of operational advice. She drew attention to Annex 1 (page 27) which set out the responsibilities of the ARAC and included questions for consideration for future meetings. The Business Assurance team will also benefit from giving thought to the questions in the context of CCEA's Risk Management regime.

Members welcomed the document. A member asked if copies could be posted to members. The DoFCS agreed that this would be actioned.

Updates

COVID-19 Update & Mitigations

The Chief Executive confirmed that he continued to provide a weekly situation report to Council and advised that the Gold, Silver and Bronze teams continue to operate and enact contingencies across the business of the organisation.

He confirmed that DE has set up a Restart Programme in regards to restarting the education system. There are 5 strands of work and CCEA is representative on the project boards for each strand. The Chief Executive is on the high level Project Board chaired by the Permanent Secretary. He confirmed that a range of mechanisms were in place to allow for risks identified to flow upwards as well as downwards, as previously suggested by Council.

Awarding

The Chief Executive confirmed that the priority continues to focus on the 2020 summer awarding and close out. DE has asked for advice on the 2020/21 Examinations and Curriculum amendments. The particular challenge for CCEA would be how schools would operate and how CCEA can contribute, this will be managed accordingly, and the Chief Executive would seek clarification as appropriate and as information becomes available.

Corporate

HR : sickness absence continues to decrease.

Estates : all buildings remain safe and under review. The Mallusk site is operational and Clarendon has been prepared for staff to return for essential business only.

He confirmed that all key officers continued to work remotely and effectively, with a range of contingencies in place.

He concluded that the mitigations remained live and were monitored continuously, with Council updated on a weekly basis.

The Chair sought clarification, from a risk perspective, on the request from DE, versus what CCEA would perceive needs to be actioned in terms of contributing to the restart of the education system. The Chief Executive suggested that social distancing and remote learning could become part of the education reform, and recovery plans are being drafted on how training and further education colleges will operate and what this will mean for the conduct of examinations. He said that some form of social protection would remain in place for a longer period, and CCEA would take a view on transitions that may occur over the next 24-36

months. He stated he was keen for broader discussions to get underway at the high level Programme Board to allow CCEA to take a longer term view on how it can influence decision making.

Members were content with the information provided.

Updates

ASM

The ASM representative confirmed that there were no matters to report.

NIAO

The NIAO representative confirmed there were no matters to report.

DE

As no representative from DE was present, there were no matters to report.

BREXIT

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 advised that CCEA's Contingency Management Group could be reinstated if required to do so.

8 Any Other Business

The Chair wished to place on record his thanks to officers in particular, The Chief Executive, Director of Finance and Corporate Services, and the Financial Services Manager for the significant amount of support provided to him and the committee during his term as Chair. He also thanked colleagues for their support and contributions to the work of the committee.

Mrs Harpur wished to place on record her thanks to Dr Caul for in his capacity as Chair of the Committee.

The Chief Executive, on behalf of the officers, added his thanks to Dr Caul for his insight, long view and challenges which have been very much appreciated.

9 Date of Next Meeting

The date of the next meeting was scheduled for Thursday 24 September 2020. Further arrangements would be notified in due course.



Rewarding Learning

ACTION POINTS FOR AUDIT AND RISK ASSURANCE COMMITTEE FOLLOW-UP

Title of Committee: AUDIT AND RISK ASSURANCE

Meeting No: 47 Date of Meeting: 29 APRIL 2020

Agenda Item No/Para	Action Agreed	Person(s) Involved in Taking Action	Status of Actions at 5 June 2020
4	Minutes of previous meeting : 19 March 2020 Amendment to the minutes to read <i>The external audit conducted by ASM on behalf of the NIAO</i> to be made before sign off.	N Kennedy	Completed.
6	Corporate Risk Register New Risk to be included on the support arrangements for schools once schools re-open.	M Farragher	Update at meeting