

CCEA

Minutes of the forty-sixth meeting of Audit & Risk Assurance Committee, held on Thursday 19 March 2020 at 10.00 am, via Dial In facilities.

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

Mrs C McHugh (Moore NI)
Mr A Patton (ASM)

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 A Allen (NIAO); and Mr S Dempster (DE).

2 Conflict of Interests

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

3 Chair's Business

The Chair welcomed Mrs Catriona McHugh (Moore NI), and Mr Adrian Patton (ASM).

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.

Training Needs/Opportunities

The Chair asked members to notify the Manager of the Council Secretariat of any training or development required outside of the meeting.

Internal Audit Procurement Update

Mrs McHugh (Moore NI) declared an interest in this item. The Chair confirmed that this item (paper AUD/46/4) would be taken at the end of the meeting.

4 Minutes of previous meeting held on 16 January 2020

Mrs Christine Harpur confirmed she had been in attendance, and advised that her name had been removed from the list of apologies. With this amendment, the minutes of the previous meeting held on 16 January 2020, were proposed by Mrs Christine Harpur, and seconded by Mr Cormac McKinney.

Action Points

The Chief Executive drew attention to the status of the action points, and advised that CR2 would be kept under review and updated accordingly.

He advised that the remaining actions had been completed, and a 3 year schedule for the review of policies had been put in place, and could be made available to members on request.

A Committee member sought clarification on the availability of current policies, and whether unnecessary policies have been removed. The DoFCS confirmed there was a register of policies. She advised that all policies were being reviewed, and in some cases consolidated. Revised policies were now in line with current legislation, more meaningful and user friendly for all staff.

The DoFCS advised that the policies were supported by a significant number of operational and confidential procedures.

It was agreed that the register of policies be made available to members.

A Committee member advised that she had attended a one day course on Cyber Security and was pleased to report that the Northern Ireland team had indicated they would be willing to run a session for the Council in the future. The Chief Executive advised that the Cyber Security material was available to members on the Documents area of Decision Time, and said he would consider this for a separate development opportunity.

5 Financial Risk and Control

For Information

Risk Assurance in Awards and Purchases December 2019 to February 2020 ***AUD/46/1***

The Financial Services Manager (FM) drew attention to the detail provided in paper AUD/46/1, and advised that there were no unauthorised purchases during this reporting period.

Direct Award Contracts

The FM drew attention to the detail provided in Appendix 1 and Appendix 2. He confirmed 14 direct awards in relation to general purchases, and 1 in regards to external venues. The overall summary was provided on page 3 of the paper.

Members were assured there were no issues to report, and were content with the information provided.

2019/20 Annual Report & Accounts Update ***AUD/46/2***

The DoFCS drew attention to paper AUD/46/2 and gave an overview of the timeline for the production of the 2019/20 Annual Report & Accounts. She advised that the AGS had been drafted before the disruption occurred, however the document would be updated accordingly.

She assured members that the timeframe for completion was being adhered to, with the AGS being submitted to DE on 20 March.

The External Audit (conducted by ASM on behalf of the NIAO) would be progressed remotely given the measures put in place.

Members noted an updated document would be presented to the April meeting, and the final draft would come forward to the June meeting for consideration and recommendation to Council for ratification and sign-off.

Post-Project Evaluation (PPE) Report

AUD/46/3

The DoFCS drew attention to the information provided in paper AUD/46/3, and advised that there were no issues of concern to report.

Members were content with the information provided.

6 Corporate Risk Management and Audit

For Consideration

Corporate Risk Register : March 2020

AUD/46/5

The DoFCS drew attention to the detail of the paper, in particular the changes required following the most recent review. These were in regards to CR1, CR2 and CR3. She outlined the main reasons for the increased risks and advised that these would continue to be kept under review in order to mitigate effectively. She assured members that all other actions taken to mitigate risks have been reviewed and updated as appropriate.

Whilst recognising that the COVID-19 situation was all consuming at this point in time, she said it was important to operate as business as usual as much as possible. Members were assured that matters were being kept under review in order to mitigate risks as they arise.

A Committee member recognised that a significant amount of adjustment would be required to operate under the current environment, and sought clarification on the main issues in terms of risk.

The Chief Executive advised that there were two main risks :

1. **Sustaining the Corporate Business of CCEA** : adapting to the current circumstances, minimising the risk to staff by social distancing and provision of remote access to allow 110 key workers to work from home. Policies are being updated to ensure they reflect the guidance being provided by government and the PHA. A bid for COVID-19 funding has been submitted to the Department of Education (DE).

He wished to place on record his thanks to the IT staff for the significant amount of work they had completed to provide the remote access working at very short notice.

He confirmed the following teams had been established in regards to governance :

- **Gold Team** : The Gold Team Leader (Chief Executive) assumes and retains overall strategic control over Coronavirus impact, and meets on a daily basis.
 - **Silver Team** : The Silver Team Leader liaises with all units when developing tactical plans. His role is to chair the silver team group and ensure that all operational units are preparing for Coronavirus in a proportional way against the strategy. This team was being successfully led by Mr John Daly and Mr David Wilson.
 - **Bronze Team** : Working Group for Team Leaders.
2. **Examinations and Education Environment** : the Chief Executive confirmed that changes were unfolding at an unprecedented pace.

The contingency arrangements for examinations guidance (jointly drawn up by JCQ across the UK), outlines how Awarding Organisations should behave in any given crisis. The guidance has been updated and adapted overtime (and has provided guidance in times of the troubles and G8 arrangements). These are now being adapted to deal with arrangements for COVID-19.

He advised that as issues emerged in regards to CR2, it was apparent the current mitigations were not robust enough to deal with the current situation, and confirmed that extreme and enhanced decisions were being worked through with the Chief Executives of the 3 Regulatory bodies and the Chief Executive of State Examinations Commission in Ireland to agree a joint contingency approach.

The Chief Executive advised that of Wednesday 18 March 2020, the Welsh Minister took decision to close all schools, and cancelled summer examinations series. Following this, the Minister for Education (NI) announced closure of schools, but not the cessation of examinations.

Chief Executive briefed the Chair of CCEA and Permanent Secretary (DE) on the challenging position CCEA was facing due to non-decision on examinations timetable for Northern Ireland. He advised that should the summer examinations be cancelled then a new model of awarding would have to be worked through with partners across the UK.

He confirmed that once he received clarity from the Minister, a statement would be issued in regards to future arrangements.

A Committee member expressed her gratitude to the Chief Executive for his leadership and control of the ever changing situation, and for keeping the committee informed. This was supported by members.

A Committee member recognised the difficulties with the fluidity of the situation and the challenges associated with making appropriate decisions. He commended the significant amount of work carried out to date and recognised the importance of the role of Internal Audit in this area.

The Chief Executive thanked members for their comments and support. He advised that a range of options were being progressed. He said that due to the reduction in the current timetable, revenue issues may arise in regards to cash flow. DE has been alerted and have made a commitment to support CCEA through these challenging circumstances. This has been welcomed.

Members were content that the CRR would be updated as appropriate to reflect the risks and mitigations for COVID-19.

Draft Annual Governance Statement 2019/20

AUD/46/6

The Chief Executive introduced this item and confirmed that the document provided evidence on the effectiveness of CCEA's governance arrangements.

He advised that the document was a first draft and would be updated to include the significant risk around COVID-19 as the situation will impact the summer examination series. He stated that this will be a long-term strategic risk (which could take up to 3 examination cycles to resolve), and will be reflected in the revised draft statement.

The DoCFS advised that Covid-19 aside, the statement reflected a stable governance position in regards to the effectiveness of the organisation.

A revised draft would come forward for consideration at the April meeting of the Committee.

Members were content with the information provided.

The Chair advised that this item had been discussed in conjunction with paper AUD/46/5 the Corporate Risk Register March 2020.

Three Country Maintenance of Standards

AUD/46/8

The Chief Executive updated members on the additional resource requirements in order to meet the new arrangements in regards to the three-country comparability. He had bid for additional funding from the Department of Education, and was pleased to report that the Permanent Secretary and Deputy Permanent Secretary had had agreed to support the request to adequately resource this work. The NI Civil Service (NICS) statistics team has offered their support in this area of work.

He confirmed developments would be kept under review, given the impact of the Covid-19 situation.

Members noted the information provided.

BREXIT Update

The Chief Executive confirmed he had nothing to report on BREXIT at this time.

Updates

ASM

Mr Patton said that despite a change in working arrangements the methodology and overall strategy for the audit remained the same. He assured members he would continue to work with colleagues on any changes required to the audit approach and members would be advised accordingly.

He assured members that he would draw attention to any significant issues that may arise throughout the audit.

Members noted the update.

DE

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

NIAO

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

7 Regulation

Funding Decisions on Vocational Qualifications in England

AUD/46/9

The Chief Executive introduced this item and advised that the Department for Education in England (DfE) had recently announced the withdrawal of funding approval from qualifications with low and no enrolments. This will impact upon the vocational qualifications market in Northern Ireland.

He drew attention to the detail of paper AUD/46/9 and summarised the following :

- Analysis and General Implications on the supply of qualifications to the NI market

- Implications for Schools
- Further Education and Training

The Chief Executive confirmed that he had originally flagged these risks to the Department for the Economy in 2016 and had continue to do so. He advised that there was funding available for these qualifications, however support has been sought from other Awarding Organisations to continue to support the qualifications until a decision and agreement on a way forward in regards to 14-19 is reached in Northern Ireland.

Risk Mitigation

The Chief Executive advised that :

- CCEA has a market recovery plan in place. The plan together with CCEA's resourcing will be able to mitigate small market disruption.
- The level of disruption will be proportional to the number of qualifications lost and size of entry associated with those qualifications.
- The CCEA Regulation market recovery plan was initiated on 19 February 2020. This outlines the way in which specific matters will be dealt with and reported on by the Regulation team.

Data

The Chief Executive advised that additional data had been received, however representations continue to be made to the FE colleges to provide data required for inform the project. He stated that this was proving challenging and he had requested permission to carry forward elements of the project in light of the Covid-19 situation.

Members noted that the matter in regards to FE data had been raised with both DE and DfE in correspondence from the Chief Executive, and this will be progressed accordingly.

8 Any Other Business

The Chair thanked Mrs McHugh (Moore NI) for her participation, and she exited the meeting.

Internal Audit (IA) Procurement Update

AUD/46/4

The Chief Executive drew attention to the information provided in AUD/46/4 and explained the background to the issue. Subsequent to extensive work being carried out to secure an IA service provider, ie. the Departmental Group Internal Audit and Fraud Investigation Services (GIAFIS), CCEA was informed that the GIAFIS did not have the capacity to support CCEA's requirement.

The Chief Executive stated that both he and the Chair of Council had expressed their disappointment at the recent Governance and Accountability Review meeting, at which the Permanent Secretary apologised for this unfortunate situation.

The DoFCS advised that the business case had now been amended with an addendum stating that the preferred option is to procure an external IA provider for a period of 3 years. CPD has been appointed to support CCEA through this procurement. The exercise will run for a period of 8 weeks.

The FM confirmed that all of the documentation has been finalised and CCEA was waiting on a response from the buyer. The Chair sought and received clarification on the term 'buyer'.

The DoFCS informed the committee that there would be a period where CCEA would not have a dedicated IA provider, however DE have provided an assurance that adequate cover would be put in place until a contract was awarded.

A Committee member sought clarification on whether unnecessary work streams in CCEA were being reoriented to ensure adequate resources were available to deal with the current circumstances, and expressed concern that the pursuit of an Internal Audit provider, at this time, may be queried, and could be challenge to procure for a 3 year period at this time. He asked if it would be possible to seek an extension with the current provider in these exceptional times, and avoid unnecessary criticism.

The Chief Executive assured members that the Finance Team included staff responsible for procurement, and this did not impact upon decisions and priorities in other areas of the organisation.

The DoFCS stressed the importance of the Internal Audit service, one which the Executive Team relied upon heavily to provide assurance on the controls operating around the examinations and other CCEA business. This work would be essential in assuring DE that we continue to work effectively, albeit using different methodologies, to ensure the core business of the organisation is maintained.

She confirmed that the current contract had already been extended, and therefore it was not possible to go beyond 31 March 2020.

The Director of Education suggested that all non-urgent meetings could be stood down. The Chief Executive advised that this would be discussed outside of the committee meeting.

A Committee member sought clarification on whether any advice from DE had been forthcoming in regards to mitigating reputational damage. The DoFCS advised that the Marcomms are monitoring the current situation and are working with internal and external stakeholders on media lines to take. The Chief Executive concurred that the Head of Marketing is working extensively to ensure communications are issued to all concerned at the appropriate time. He recognised the sensitivities involved, and assured members that all members of staff are being supported through this unfortunate, unprecedented public health crisis.

The Chief Executive further advised that any substantial decisions beyond CCEA's own contingency arrangements would be a matter for the Minister. He recognised the potential for reputational damage to the CCEA brand, however assured members that we would work to protect this as far as possible, bearing in mind the present situation.

The Chair thanked members and officers for their input into this item and suggested the matter be raised at the next Council meeting.

The Chair confirmed that there was no further business.

9 Date of Future Meeting

The Chair asked members to note the date of future meetings : Wednesday 29 April 2020 and Thursday 18 June 2020.

He thanked everyone concerned for joining and participating in the meeting during these difficult times.

