

CCEA

Audit & Risk Assurance Committee

Minutes of the sixtieth meeting of the Audit & Risk Assurance Committee held on Tuesday 20 June 2023 at 1.30 pm via Hybrid Arrangements.

Present : Mrs C Fitzsimons (Chair) Mrs D O'Connor
Professor P Hanna Mrs P Leitch

Executive

Mr G Campbell (Chief Executive)
Mrs L Scott (Director of Finance & Corporate Services)
Mrs C Latham (Temporary Director Curriculum & Assessment)
Ms A Swann (Temporary Director Examinations)
Mr J Daly (Financial Services Manager)
Mr D Wilson (Business Assurance Manager)
Miss N Kennedy (Manager, Council Secretariat)

In Attendance

Mrs E Patton (KPMG)
Mrs A Murray (DE)
Mr P O'Sullivan (NIAO)
Mr B Clerkin (ASM)
Mr B Conway (ASM)

Mr A Stevens (N/V Member)
Mr C Coffey (N/V Member)

Introduction

The Chair welcomed members and officers to the meeting. She advised that to ensure the meeting was quorate the agenda would be re-ordered to accommodate the discussion on 2022/23 Annual Report & Accounts (Paper AUD/60/3).

1 Apologies

Apologies were received from Mrs Anne Kingsley; Mr Hugh McCarthy; and Mr Ray Caldwell (DE).

2 Conflict of Interests

Members confirmed there were no conflicts of interests on any of the agenda items. Mrs Patton left the meeting at the conclusion of her items.

3 Chair's Business

Reconstitution of the Committee

The Chair confirmed that the Committee had been reconstituted and she would Chair the meetings until her term of office comes to an end in October 2023.

She confirmed Mrs Anne Kingsley and Mr Hugh McCarthy as new members of the Committee.

Officer/Representative Attendance

The Chair welcomed Mrs Emma Patton (KPMG), Mr Barney Conway (ASM), Mr Brian Clerkin (ASM), Mr Peter O'Sullivan (NIAO) and Mrs Andrena Murray (DE) to the meeting.

She advised that Mr John Daly (Financial Services Manager) and Mr David Wilson (Business Assurance Manager) were available to provide clarification on various items on the agenda.

She thanked members for their attendance and recognised the amount of work completed on the papers for the meeting.

4 Ratification of Minutes of previous meeting held on 19 May 2023

The minutes of the previous meeting held on 19 May 2023 were proposed by Professor Phil Hanna and seconded by Mrs Carol Fitzsimons as a true and accurate record. A copy would be made available for the Chair to sign.

Action Points Log

The Chair drew attention to the status of the action points and updated members accordingly.

Re-ordering of Agenda

The agenda was re-ordered to facilitate discussion on Paper AUD/60/3.

5 Financial Risk Control & Assurance

Draft Annual Report & Accounts 2022/23

AUD/60/3

The Director of Finance & Corporate Services (DoFCS) introduced this item and confirmed the external audit process had been completed. She advised that an a 'Unqualified' audit report had been issued by the Northern Ireland Audit office following completion of the audit. The DoFCS noted the financial challenges faced through the year and acknowledged this result was an achievement in respect of financial management.

The DofCS referred to the overall "satisfactory" assurance provided by Internal audit in the context of the Annual report and accounts. She also highlighted the assurance given by the Accounting Officer in the Governance statement, within the Annual report and Accounts which together provide members with assurances on the governance operating within the organisation.

The Financial Services Manager (FM) advised on the small number of queries which were being closed out in advance the final documents going before Council on 22 June 2023.

Clarification was sought and received on a number of points and members were content with the detail of the explanations provided.

The Chief Executive stated this was a reassuring report and set of accounts for 2022/23 and commended officers for the work completed within the short timescales. He thanked the CCEA Staff, the external Auditors and NIAO for the positive engagement throughout the process.

The Chair reflected on the 2022/23 year and suggested that lessons learned should be taken forward. She commended the way in which the organisation conducted its financial management and other business processes given the challenging circumstances CCEA continued to operate under. She sought and received confirmation that members were content to recommend the 2022/23 Annual Report & Accounts to Council for final approval and sign-off. Formally proposed by Professor Phil Hanna and seconded by Mrs Donna O'Connor.

The agenda returned to normal running order.

Risk & Assurance in Awards and Purchases

AUD/60/1

The DoFCS introduced the item and drew attention to the detail provided. She was pleased to confirm no unauthorised purchases during this reporting period.

Direct Award Contracts

The DoFCS confirmed 2 direct awards in relation to general purchases (detail provided in Appendix 1). The overall summary was provided on page 2 of the paper.

The FM explained the nature of the DACs and assured members that the appropriate processes and procedures were being followed.

A Committee member sought and received confirmation from the Chief Executive that there would be engagement with DE during the autumn to gain a better understanding of the resources (actual funding) required to run the business of CCEA. It was suggested that bearing in mind the importance of this issue it may be appropriate to hold a small workshop to capture the knowledge from Council members to feedback to the Executive Team in advance of the meeting with DE.

National Fraud Initiative (NFI) 2022-23 Update

AUD/60/2

The Chair reminded members of the mandatory nature of this item.

The FM drew attention to the information provided and confirmed that the exercise was on track to be completed by the September 2023 deadline.

Members noted the information provided.

6 Corporate Risk Management & Audit

Corporate Risk Register 2023/24

AUD/60/4

The Chair introduced this item. She confirmed that the CRR would remain as a standing item on the agenda.

The DoFCS confirmed that the Executive Team had reviewed the CRR in light of the current risk environment and advised that the CCEA Corporate Plan was the overall context for the CRR.

The points raised at the last meeting (highlighted on the Action Points Log) had been taken into consideration and incorporated as appropriate.

The Dashboard and Heat Map provided information to support the CRR Template.

Clarification was sought and received on a range of matters and members were satisfied with the explanations provided.

Internal Audit

Desk Top Internal Audit Review – Governance

AUD/60/5

The DoFCS introduced the item and provided a brief overview of the scope of the desktop internal audit review for Governance. She confirmed that an Action Plan would be developed to address the recommendations.

Mrs Patton (KPMG) drew attention to the detail of the report and outlined the methodology used to conduct the review. She gave a comprehensive overview of the component parts of the report, in particular the Summary of Recommendations provided in Section 4 of the report. Management have reviewed the recommendations and will take these on board within an appropriate timeframe.

The Chair thanked Mrs Patton for the work undertaken. She stated it was fair to reflect this period was an unusual time for Council in terms of consistent support arrangements. The recommendations are constructive and of an advisory nature.

Members sought and received clarification on a range of matters and were content with the assurances and explanations provided. The following points were raised by members and would be taken forward:

- The CRR to be updated to reflect the risk of continuity of Council members (should the recruitment process be delayed and there is not a full complement of members in the Autumn).
- A schedule of Council & Committee Meetings to be drawn up together with a Business Cycle for Council to ensure effective meetings and maximum use of members' time.
- Council and Committee minutes be prepared consistently and accurately and a mechanism for posting Council minutes on the website following ratification.

The Chief Executive confirmed that the action plan would be developed to take forward the recommendations using a realistic and pragmatic approach. He recognised that some elements are small however stated that this would assist in supporting the good governance structures already in place.

The Chair stated that during 2022 Council participated in non-standard activities in relation to examinations. She confirmed that it was essential that members returned to their strategic role (as outlined in their role and responsibilities) and not be involved in operational matters.

The DoFCS wished to place on record her thanks to Mrs Patton for the supportive and effective way of conducting business. She thanked her staff for co-operating with the requests for information.

Mrs Patton declared a conflict of interest for the following item and left the meeting.

Internal Audit Service Provider – Update

The DoFCS advised that positive discussions had commenced with a potential Internal Audit Service provider. She confirmed that the process to put in place this service would be followed with options

and recommendations going forward to the Executive Team for consideration. An update would be provided to the committee as soon as possible.

The Chair confirmed that this was a pragmatic approach.

External Audit Activity

Report to those Charged with Governance (RttCwG)

AUD/60/6

Mr Brian Clerkin (ASM) wished to place on record his thanks to the DoFCS, the FM and the audit team for their support and the professional manner in which the information was provided to assist with the audit. He was pleased to confirm an Unqualified set of Accounts for 2022/23.

He drew attention to the detail of the information provided and gave a detailed overview of the main areas of the report including the recommendations. He confirmed he was satisfied that the report should go forward to Council for approval and signature whilst recognising there were a number of items yet to be closed out.

The FM referred to the timing and distribution of the Annual Report & Accounts and reminded members that this continued to be a challenge due to the short timeframe for the audit and finalisation of the report. He confirmed this was an ongoing issue which required further engagement with DE.

Clarification was sought and received on the process for early closure of the process for 2023/24 in that the DoFCS gave an assurance that whilst the timeframes continued to be challenging officers would continue to work through the process. She stated that there may be a need for members to be asked to meet at short notice and would be advised accordingly.

The Chair thanked Mr Clarkin for the positive report. She sought and received approval from members for the documentation to go forward to Council. Formally proposed by Mrs Donna O'Connor and seconded by Professor Phil Hanna.

Updates

NIAO Update

The NIAO representative advised there were no further matters to report.

ASM Update

The ASM representative advised there were no further matters to report.

DE Update

The DE representative confirmed that the Partnership Agreement process will commence with information being issued in the coming weeks. She confirmed that an Action plan had been drawn up in terms of *Reflections of Assessors* and stakeholder meetings will take place in September.

BREXIT

The Chair confirmed that BREXIT was no longer a standing item on the ARAC agenda.

General

A Committee member referred to the *Reflections of Assessors* and sought clarification if Council/Committee members would have sight of these. The Chief Executive confirmed that feedback had been received. Following review by the Chair of Council the information will go forward to Executive Team for discussion and ultimately be presented to Council members.

7 Examinations

Examiner Recruitment & Marker Productivity

AUD/60/8

The temporary Director of Examinations drew attention to the detail provided on paper AUD/60/8. She advised that :

- 90% of the summer examinations timetable had been completed;
- additional funding had been allocated to address the recruitment of sufficient examiners which has proved successful;
- marker productivity is on track; and
- an additional risk in relation to Examiners being categorised as workers has been included on the DE Risk Register. This would be kept under close review to ensure matters are dealt with should they materialise.

The DoFCS assured members that issues would continue to be monitored and should concerns arise they will be managed effectively.

The Chair welcomed the positive impact additional funding has had on the recruitment of sufficient examiners for the summer series.

8 Any Other Business

None identified.

9 Schedule of Meetings : September 2023 – June 2024

The Chair drew attention to the schedule of committee meetings from September 2023 to June 2024 and advised she would chair meetings through to the end of her term of office in the Autumn. She drew attention to the December meeting, confirmed this meeting as **Thursday 14 December at 2pm.**

Date of next meeting

The next meeting was confirmed as Wednesday 20 September 2023 at 2pm. Subsequent to this meeting the time was changed to **3pm.**

The Chair thanked members and officers for their input to the meeting and wished everyone a good summer break.