

CCEA

Audit and Risk Assurance Committee

Minutes of the thirtieth meeting of the Audit & Risk Assurance Committee held on Wednesday 13 April 2016 at 10.00 am in Room 115, CCEA HQ, 29 Clarendon Road, Belfast, BT1 3BG.

Present : Mr M Donnelly (Chair) Mrs C Harpur
Dr A Kerr Dr P Cunningham
Dr G Byrne (Independent Member) Mrs K O'Hare
Mrs C Harpur
Ms C Hagan (ASM)
Ms T McCavigan (DE)
Mr D Cooper (NIAO)

Mr J Edwards (Chief Executive)
Mrs S McClelland (Interim Director of Corporate Services)
Ms AM Duffy (Director of Qualifications)
Mr J Daly (Financial Services Manager)
Mrs M Getgood (Business Assurance Manager – Quality & Risk Management)

Miss N Kennedy (Manager, Council Secretariat)

Introduction

The Chief Executive welcomed Mr Martin Donnelly as the new Chair of the Audit & Risk Assessment Committee and wished him well in his role.

Mr Donnelly thanked the Chief Executive and wished to place on record his thanks to Mr John Wilkinson for the way in which he supported members and conducted the business whilst Chair of the Committee.

1 Apologies

Apologies were received from Ms M Crilly; Mr R Hanna; Ms C Kane (NIAO); Mr B Clerkin (ASM); Mr J Gray and Mr M Pitt (PWC).

2 Conflict of Interests

Members confirmed there were no conflicts of interest for any of the agenda items.

3 Chair's Business

The Chair welcomed Mrs Kathleen O'Hare, Council Members to her first meeting. He also welcomed Ms Christine Hagan (ASM); Ms Tracy McCavigan (DE) and Mr Declan Cooper (NIAO).

He confirmed that Mr John Daly and Mrs Marisa Getgood would speak to various items on the agenda and address any points of clarification.

Training and Development Needs/Opportunities

The Chair asked members to raise any areas of training or development with the Manager of the Council Secretariat outside of the meeting.

Chief Executive's Update

The Chief Executive updated members on the following matters :

- Teachers National Council (TNC) correspondence in relation to : *'Teachers Employed as Examiners and Moderators'*.

Members were assured that no substantive risk had materialised and the matter would be dealt with at Item 6 on the agenda.

- A live issue in respect of the possibility of a centre not being compliant with its responsibilities under General Conditions of Recognition and the potential implications of action that the Awarding Body may be required to take.

Members were assured that the Chief Executive had engaged with the centre. As this was an evolving and highly sensitive matter the situation would continue to be monitored and action taken as appropriate.

4 Minutes of previous meeting held on 20 January 2016

The minutes of the meeting held on Wednesday 20 January 2015 were proposed by Dr Peter Cunningham and Dr Ana Kerr as a true and accurate record. A copy was signed by the Chair.

Action Points

Members noted the status of the action points.

5 Financial Risk, Control and Assurance

Risk Assurance in Awards and Purchases

AUD/30/1

The Chief Executive introduced this as a standing item on the agenda.

The Financial Services Manager (FM) drew attention to the information provided at paper AUD/30/1 and confirmed that there was one unauthorised invoice during the period December 2015 to February 2016. He confirmed that the performance had significantly improved since last year and reflected the work completed by officers to achieve this position.

Members congratulated the team on an excellent performance.

Direct Award Contracts

Members noted the detail of the report and were content with the information provided.

2015/16 Annual Report and Accounts Update

AUD/30/2

The FM drew attention to the information provided and confirmed that the timetable for production of the Annual Report and Accounts was on target.

6 Corporate Risk Management and Audit

Draft Annual Governance Statement (AGS)& Corporate Risk Register (CRR)

AUD/30/3,3a,3b,3c

The Chief Executive introduced this item. He advised that the AGS was an overarching report in terms of the governance of the organisation.

Draft Annual Assurance Statement

AUD/30/3a

The Business Manager (Risk) advised that the framework followed the same format as previous years. She provided a detailed overview of the document. The Chief Executive confirmed the organisation was fully compliant with the Corporate Governance Code.

Members sought clarification on a number of matters and put forward suggestions for minor amendment.

A Committee Member wished to place on record that this year's statement reflected a tighter and more controlled performance with more focussed and accurately defined information provided.

Members commended the document and thanked the Business Assurance Manager for the significant amount of work undertaken.

The Chair sought and received a formal **recommendation** for the AGS to go forward to Council for ratification.

Corporate Risk Register

AUD/30/3b

Risk Profile Changes

AUD/30/3c

The Business Manager (Risk) drew attention to the Corporate Risk Register (CRR) – **AUD/30/3b** and supporting documentation, in particular the Risk Profile Changes (**AUD/30/3c**). She advised on one decreased related to Computer Based Assessment and confirmed that a substantial amount of work had been completed to achieve this positive outcome.

Explanations were provided on the critical risk around the delivery of examinations. The Chief Executive confirmed he was managing this matter on a day to day basis.

He also clarified that teachers were an important stakeholder to CCEA and were included in the wider group within the CRR. It was suggested that schools and colleges be made explicit in **CR3**. This was agreed.

Clarification was sought on the risks associated with the VES. It was highlighted that the risk log in regards to this programme was monitored at an operational level and the programme had closed without risk realisation.

A Committee member sought confirmation on whether the budget had been received. The Chief Executive confirmed that a budget allocation had been received by DE. Council approved the budget proposal at its meeting on 6 April. He assured members that the risks associated with the budget were manageable.

Clarification was sought on Ethical Leadership. The Interim Director of Corporate Services (DoCS) advised that a programme had been initiated to revisit the values of the organisation which will be fed into the Corporate Plan.

Members were satisfied with the explanations provided.

The Chair sought and received a formal **recommendation** for the CRR to go to Council for approval.

DAO (DfP) Annual Theft and Fraud Report

AUD/30/4

The Chief Executive introduced this item.

The Business Manager (Risk) drew attention to the paper and full report provided at **AUD/30/4**. She confirmed that the report covered a variety of aspects of fraud and highlighted the main areas of interest.

It was confirmed that no fraud had taken place and an assurance provided to the committee that there were no concerns in this area.

The Chair commended the report.

The Chief Executive confirmed that the 'Toll Fraud' would be recorded in the 2016/17 Annual Report & Accounts. It was therefore anticipated that it would contribute towards the 2017 release of the Annual Theft and Fraud Report.

Members were content with the information provided.

Internal Audit Activity

AUD/30/5

The Chair welcomed Ms Christine Hagan (ASM) to the meeting. Ms Hagan drew attention to the internal audit reviews and provided an overview of the following :

- Business Continuity Planning : Substantial Assurance Rating

3 recommendations had been accepted by Management (2 priority 3 and 1 priority 2. 2 have been partially implemented and 1 has been superseded). She commended the significant amount of work carried out in this area since the 2013 review.

A Committee member wished to place on record recognition of the work undertaken in this area to achieve this assurance rating.

- A2C : Satisfactory Assurance Rating

Ms Hagan confirmed that a comprehensive audit had been conducted. She highlighted the main areas for members to note.

A Committee member asked that the reports be written to ensure they are accessible to the full range of audiences moving forwards.

Audit Dash Board

Ms Hagan drew attention to the progress report tabled for members' information. She confirmed that the reviews on Risk Management and Corporate Governance and Third Party Dependencies had been given Satisfactory Assurance ratings and would be presented to the next meeting of the Committee.

Members noted the information provided.

PWC Update

As the PWC representatives were not present at the meeting, no update was provided.

NIAO Update

The NIAO representative advised that the fieldwork for the Annual Report and Accounts would be completed on target and a further update would be provided to the committee in June.

DE Update

The DE representative advised that there were no issues to present from DE. However, she reported on two current matters :

- Electronic signatures : the need to ensure they are in PDF form to avoid removal from documents.
- Attempted fraud through e-mails from what looks like 'genuine suppliers'. She advised that PSNI has asked for guidance on appropriate security controls.

The Chair thanked the DE representative for this and asked members to note the information provided.

Teacher/Examiner Risk

AUD/30/6

The Chief Executive introduced this item. He drew attention to the appendices provided to paper support paper **AUD/30/6**. He confirmed that CCEA had not been consulted on this matter prior to the letter being issued. He confirmed he had written to DE expressing serious concerns regarding the risks associated to the running of the summer examinations series. Subsequently TNC issued a further letter alleviating some of these concerns. This correspondence has been welcomed.

He confirmed that a high level meeting with TNC had taken place to discuss the matters and seek assurances that CCEA would be consulted moving forward.

The Director of Qualifications (DoQ) confirmed that CCEA had issued a letter to examiners and set up a help desk to assist with any queries.

She advised that 67% of the meetings for the summer series were held in July, therefore no release from schools would be required.

Members sought clarification on a number of matters and were content with the explanations provided.

The Chair recognised the substantial amount of work taken to manage this matter and asked that officers continue to monitor this throughout the summer series. He confirmed that the committee could provide an assurance to members that appropriate steps have been taken and mitigation measures put in place moving forward.

7 Qualifications Risk Management and Assurance

Update on March 2016 Examination Series

The DoQ confirmed that the March 2016 series had been completed error free.

Operational Readiness for Summer 2016 Examinations

AUD/30/7

The DoQ advised that a detailed qualifications log would be produced by managers to identify and mitigate against risk for the summer series. It was confirmed that the log was monitored by the DOQ and will be reported to the Executive Team on a regular basis.

The document is available on request.

Members were content that no critical risks had been identified and were assured that the outworking of the TNC correspondence would be monitored and handled carefully throughout the series.

The Chair wished to place on record his best wishes for a successful summer season to the Chief Executive and Director of Qualifications.

8 Any Other Business

None identified

9 Date of Next Meeting

The date of the next scheduled meeting was confirmed as Wednesday 15 June 2016 at 10.00 am.

The Chair thanked members for their input into the meeting and officers for the quality of papers presented.