

CCEA

Audit & Risk Assurance Committee

Minutes of the thirty-ninth meeting of the Audit & Risk Assurance Committee held on Wednesday 13 June 2018 at 10.00 am in Room 115, CCEA, 29 Clarendon Road, Belfast.

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

Mr J McCallion (PWC)
Mrs J O'Brien (NIAO)
Miss C Moore (Moore Stephens)

Mr J Edwards (Chief Executive)
Mrs L Scott (Director, Finance & Corporate Services)
Miss M Farragher (Director, Education)
Mr J Daly (Financial Services Manager)

Miss N Kennedy (Manager, Council Secretariat)

Introduction

The Chair welcomed members and officers to the meeting.

1 Apologies

Apologies were received from Dr A Kerr and Mr M Pitt (PWC).

2 Conflict of Interests

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

3 Chair's Business

The Chair welcomed Mr Jason McCallion (PWC) who would speak to paper AUD/39/2 and Miss Caroline Moore (Moore Stephens) who would update members on the Internal Audit Activity (AUD/39/5).

Mr John Daly (Financial Services Manager) would speak to agenda items under Financial Risk Control and Assurance.

The retirement of Mr Martin Pitt (PWC)

He advised that Martin Pitt was retiring from PWC. On behalf of the members', he wished Martin well in his retirement and asked Mr McCallion to pass on good wishes for the future.

Training and Development Needs/Opportunities

The Chair asked members to raise any requirements for training and development, in the first instance, with the Manager of the Council Secretariat, outside of the meeting.

4 Minutes of previous meeting held on 18 April 2018

Mr Cormac McKinney advised that he was not present at the meeting, and asked that the minutes be revised to reflect his apologies.

With this amendment, the minutes of the previous meeting held on 18 April 2018 were proposed by Dr Gordon Byrne and proposed by Mrs Christine Harpur as a true and accurate record. A copy was available for the Chair to sign.

Action Points

The Director of Finance and Corporate Services (DoFCS) drew attention to the status of the action points and confirmed they had either been completed or were on the agenda for this meeting.

Members were content with the information provided.

5 Financial Risk Control and Assurance

Risk and Assurance in Awards and Purchases

AUD/39/1

The Financial Services Manager (FM) drew attention to the information provided in paper AUD/39/1 and confirmed no unauthorised purchases over the £1500 limit during the reporting period March to May 2018.

Members commended the approach taken to reduce the number of unauthorised purchases during the 2017/18 year and were content that robust monitoring mechanism was in place.

Direct Awards

The FM drew attention to the detail provided, in particular Appendix 1 and reported 16 direct awards in relation to general purchases and 1 in relation to external venues during this period.

Members noted the table providing the overall summary of direct awards made during the 2017/18 financial year.

Annual Report & Accounts 2017/18 (including the Report to those Charged with Governance)

AUD/39/2

The DoFCS drew attention to the detail of the reports provided and confirmed that all deadlines had been met. She provided a brief overview of the main areas of the Annual Report and Accounts for 2017/18 and explained that the reasons for reduction in expenditure during this financial year.

She advised that PWC had completed its audit and issued the Report to those Charged with Governance.

NIAO Report to those Charged with Governance

Mr McCallion (PWC) gave a comprehensive overview of the process carried out in order to complete the report and advised that he would be proposing an Unqualified Opinion to be issued on CCEA's Financial Statements.

He confirmed that there were no Priority 1 recommendations and advised that the main issues were in regards to General Data Protection Regulation (GDPR), Voluntary Exit Scheme (VES)

and the Pay Remit. He drew attention to the associated audit response and outcomes, and recognised that the Chair of Council continued to make representations to DE in regards to the Pay Remit. He confirmed that the recommendation was for CCEA to continue to work towards a resolution and this has been accepted by Management.

Mr McCallion wished to place on record his thanks to the DoFCS, the FM and his team for the excellent co-operation provided to him and his colleagues in assisting with the audit.

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

The impact of VES was discussed in detail. Members noted the range of adjustments and mitigations the Chief Executive and his team had put in place to meet the business need. The Chief Executive stated that mitigation would become more challenging should further staffing reduction be required.

Members recommended the document to go forward to Council for consideration and approval. Formal proposer : Mrs Christine Harpur; formal seconder : Mr Brian Wilson.

DAO (DoF) 2016/17 Annual Theft & Fraud Report

AUD/39/3

The DoFCS drew attention to the detail of the report and highlighted the main areas of interest. She confirmed that comparisons have been made with CCEA's policy to ensure a consistent approach is taken.

Clarification was sought on whether fraud training was available to all staff. The DoFCS confirmed that fraud awareness sessions had been held when the legislation had been revised.

Members noted the information provided.

6 Corporate Risk Management & Audit

Corporate Risk Register : June 2018

AUD/39/4

The DoFCS drew attention to the detail of the Corporate Risk Register (CRR) and advised that the document had been revised in the context of the current risk environment, CCEA's corporate plan and the DE Risk Register.

An overview of the current corporate risks identified was provided. The Chief Executive drew attention to CR8 and that this had been introduced to ensure balanced representation of risk in regards to the Curriculum.

Members were content with the information provided and recommended the Register to go forward to Council for formal adoption. Formal proposer : Mrs Kathleen O'Hare; formal seconder: Mrs Christine Harpur.

Internal Audit Activity

AUD/39/5

The Chair welcomed Miss Caroline Moore to the meeting.

Miss Moore drew attention to the detail of the papers provided at AUD/39/5, 5a and 5b and outlined progress against planned work for the first audits occurring in 2018/19. (Detail provided on page 2 of paper AUD/39/5a).

The DoFCS drew attention to paper AUD/39/5b and confirmed that, out of the 47 outstanding recommendations, it was anticipated that 14 would be closed out by 30 June 2018. She assured members that management were committed to closing out all prior year recommendations within the actionable timescales.

Clarification was sought on the reason for the protracted length of time taken to close out the risks associated with some examinations operations. The DoFCS advised that implementation could only take place once the examinations series had been completed and contracting had taken place, as changes to contractual arrangements were not easily realised mid-contract.

Members noted the information provided.

Post-Project Evaluation (PPEs) Department of Education (DE) Update **AUD/39/6**

The DoFCS drew attention to the information provided in paper AUD/39/6 and advised on the PPE's that would be reported to DE during this financial year.

Members noted the information provided and deadlines for reporting to DE.

Annual Governance Statement 2017/18 **AUD/39/7**

The Chief Executive introduced this item and drew attention to the main areas of the document. He confirmed that this was the CCEA Accounting Officer report on effective governance arrangements to the Department of Education.

He drew attention to the limited assurance rating in respect of ICT Software Testing and confirmed that CCEA had not been subject to any ministerial direction during 2017/18.

The risks identified were compliance with GDPR and preparations for Brexit : Day 1. The Chief Executive confirmed that a GDPR working group had been established to manage this area and would report through Finance Committee to Council. He also confirmed that work was underway to prepare for leaving the European Union, however this was challenging until more was understood about the relationship the UK had with the European Union.

The Chair sought clarification on whether progress on thinking of the Council had been evaluated and if there would be opportunities to accommodate this moving forwards. Members, whilst recognising the range of development opportunities available to Council suggested it may be useful to have a structured approach to such an evaluation focussing on :

- How Council perform against set criteria on an annual basis;
- What are the areas for improvement; and
- A more structured approach to developmental issues.

The Chair of the Committee agreed to progress this with the Chair of Council.

Updates

NIAO Update

Mrs O'Brien endorsed Mr McCallion's comments in relation to the process followed for the production of the Annual Report & Accounts and Report to those Charged with Governance and wished to place on record her thanks to the DoFCS and her staff for their assistance.

DE Update

As no representative from DE was present at the meeting, no update was provided.

PWC Update

Mr McCallion confirmed that he had nothing further to report.

7 Any Other Business

None identified.

8 Date of Next Meeting

The Chair confirmed that the date of the next meeting was scheduled for **Thursday 20 September 2018 at 10 am**. He asked members to note the dates of future meetings from September 2018 to September 2019.

The Chair thanked members and officers for their contributions and support to the work of the committee throughout the year.

