

CCEA

Audit and Risk Assurance Committee

Minutes of the thirty-fifth meeting of the Audit & Risk Assurance Committee held on Wednesday 14 June 2017 at 10.00 am in Room 115, CCEA, 29 Clarendon Road, Belfast.

Present : Dr L Caul (Chair) Dr A Kerr
Mr C McKinney Dr G Byrne
Mr B Wilson

Mr M Pitt (PWC)
Ms C McDermott (Moore Stephens)

Mr J Edwards (Chief Executive)
Mrs S McClelland (Interim Director, Corporate Services)
Mr J Daly (Financial Services Manager)
Ms J McGovern (Business Assurance)

Miss N Kennedy (Manager, Council Secretariat)

Introduction

The Chair welcomed members and officers to the meeting.

1 Apologies

Apologies were received from Mrs K O'Hare; Mrs A Whiteside; Mr D Heaney (DE) and Mr S Lindsay (Moore Stephens).

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 John Daly (Financial Services Manager) and Ms Julie McGovern (Business Assurance) and advised they would speak to agenda items under Financial Risk Control and Assurance and Corporate Risk Management and Controls.

Ms Camille McDermott (Moore Stephens) and Mr Martin Pitt (PWC) would address items on the Internal Audit Review and Annual Report and Accounts 2016/17.

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 the previous meeting held on 12 April 2017

The minutes of the previous meeting held on Wednesday 12 April 2017 were proposed by Mr Cormac McKinney and seconded by Dr Gordon Byrne as a true and accurate record. A copy was available for the Chair to sign.

Action Points

Performance Review : Audit Report : The Chief Executive advised that the new performance management system would be completed for 2017/18, and confirmed that the 2016/17 process was currently being closed out.

Members would be updated on the close out of the 2016/17 Reviews and on the process development of the 2017/18 System at its next meeting.

The Chief Executive confirmed that Moore Stephens would be conducting a follow-up audit during 2017/18 in relation to the recommendations highlighted in its report (previously discussed by the committee on 12 April 2017).

Members were content with the information provided.

5 Financial Risk Control and Assurance

Risk and Assurance in Awards and Purchases

AUD/35/1

The Financial Services Manager (FM) drew attention to the information provided in paper AUD/35/1 and confirmed 2 (low risk) unauthorised purchases during the reporting period March to May 2017.

Members noted the information

Direct Awards

The FM drew attention to the detail provided and reported 19 direct awards in relation to general purchases and 1 in relation to external venues had been made during this period.

Clarification was sought and received on collaborative procurement opportunities organised through CPD. Members welcomed this and were content that CCEA availed of as many collaborative opportunities as possible.

The Chair confirmed he was content with the information provided.

Draft Annual Report & Accounts 2016/17

AUD/35/2

The FM advised that the Draft Annual Report and Accounts 2016/17 and the NIAO Report to those Charged with Governance had been issued separately from the main set of papers, and tabled for members' convenience.

The FM drew attention to the detail provided and confirmed that all deadlines had been met. He provided a brief overview of the main areas of the Annual Report and Accounts 2016/17 and advised that at the time of writing the CETV (Cash Equivalent Transfer Values) had not been available. These had now been submitted to PWC for review and will be included in the final report to go forward to Council at its meeting on 21 June 2017.

He advised that the main point of note was that the pension liability has increased significantly and confirmed that a plan was in place to address this over the next 2-3 years. He assured members they would be informed should any issues arise.

NIAO Report to those Charged with Governance

Mr Pitt (PWC) gave a comprehensive overview of the process carried out 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 PWC had accepted the CETV submitted by CCEA and a final check was now being carried out on the documents before submission to the CCEA Council.

He advised that the main issue was around the pension liability and confirmed that there were no issues of concern to report.

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

Clarification was sought and received on a number of matters. Members were content with the explanations received.

The FM wished to place on record his thanks to the range of teams across the organisation who assisted the finance team in the provision of information towards the compilation of the report.

The Chair and members of the committee commended the FM and the teams across the organisation for the significant amount of work completed within the challenging timeframes.

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

National Fraud Initiative (NFI) 2016/17

AUD/35/3

The Chief Executive introduced this item and advised that it was mandatory for CCEA to participate in this exercise.

The FM drew attention to the information provided in paper AUD/35/3 and advised that CCEA had been presented with 162 matches. 19 of these were labelled as recommended for prioritisation.

He confirmed that all recommended matches have been thoroughly investigated with no instances of fraud being identified.

Members were content with the information provided and noted the timetable for completion of the exercise.

An update would be provided at the September meeting of the committee.

6 Corporate Risk Management and Audit

AUD/35/4

The Chief Executive introduced this item and welcomed Julie McGovern, Business Assurance who would be responsible for this area moving forwards. Business Assurance would now become Business Improvement.

Corporate Risk Register (CRR) – March 2017

AUD/35/4a

The Chief Executive drew attention to the detail of the information provided in the CRR March 2017 and provided an overview of the risks at CR4 and CR7. He confirmed that there were no areas of concern to report at this time.

New Format

AUD/35/4b

The Chief Executive drew attention to the proposed new format for reporting risks to the committee and outlined the main changes, these included the introduction of : route causes, consequences and agreed actions.

Members welcomed the new format and asked for some minor formatting changes to make the document more accessible. They were content with the colour coding and agreed this provided more clarity.

The Chair asked for a summary of individual risks to be provided at each meeting to make the Risk Register a 'living' document. The Chief Executive agreed to this suggestion.

Members were content to adopt the new format of reporting.

Internal Audit Activity

AUD/35/5

The Chair welcomed Ms Camille McDermott to the meeting.

Ms McDermott advised that there were 3 reports coming forward to the meeting, 2 for information and 1 for approval.

Quarterly Update Report

AUD/35/5a

Ms McDermott drew attention to the detail of the report and advised that quarterly updates would be provided at each meeting to enable members to track progress on the audits throughout the 2017/18 year.

She provided a detailed overview of the main areas of paper AUD/35/5a and advised on the two elements that were outstanding (at the time of writing).

The follow-up of prior year recommendations had now been completed and was on the agenda for this meeting.

It was confirmed that CCEA's self-assessment against the General Conditions of Recognition (GCOR) would commence on 26 June 2017.

Committee members sought and received clarification on a number of matters and were content with the detailed explanations provided.

Follow-Up of Prior Year Recommendations

AUD/35/5b

Ms McDermott provided a detailed overview of the progress on the 23 recommendations made in the previous year. She confirmed that 18 had been addressed; were in the process of being addressed, or were no longer a priority. 1 recommendation remains outstanding, this is in relation to the development of Service Level Agreements (SLAs).

The Chief Executive provided a summary of the issues surrounding the development of SLAs and advised that matters of concern could be discussed at the ICT Programme Board, chaired by the Deputy Permanent Secretary (Department of Education).

Members noted the information provided.

Annual Internal Audit Plan 2017/18

AUD/35/5c

Ms McDermott provided a comprehensive overview of the areas for auditing during 2017/18. 2 out of the 10 areas would be follow-up audits.

Members were content with the areas listed and approved the plan.

Updates

PWC Update

Mr Pitt advised on the General Data Privacy Regulations which would come into effect in May 2018 and sought an assurance that CCEA was preparing for this and it would be included on the Corporate Risk Register.

The Chief Executive confirmed that preparations were underway and a Project plan has been put in place using the PRINCE 2 project controls. He advised that this would be a new independent corporate risk and would be reported on at the next meeting of the Committee.

NIAO Update

Mr Pitt, in the absence of the NIAO representative, confirmed there were no matters to report.

DE Update

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

7 Any Other Business

None identified

8 Schedule of Meetings 2017/18

The Chair confirmed that the date of the next meeting had been re-scheduled to Wednesday 20 September 2017 (as previously notified) at 10 am.

A further meeting was confirmed as Wednesday 31 January 2018 at 10 am.

He thanked members and officers for their contributions to the meeting.

CHAIR

DATE

