

CCEA

Audit & Risk Assurance Committee

Minutes of the fifty-third meeting of the Audit & Risk Assurance Committee held on Tuesday 15 June 2021 at 11 am via MS Teams.

Present : Mr R Smyth (Chair) Mr T O'Reilly
Mrs C Fitzsimons Mrs P Leitch
Professor P Hanna Mrs D O'Connor
Mrs S Sellars

Mr B Clerkin (ASM)
Ms F Magowan (NIAO)
Mr S Dempster (DE)
Miss E Patton (KPMG)

Miss M Farragher (Interim Chief Executive)
Mrs L Scott (Director of Finance & Corporate Services)
Ms A Swann (Temporary Director of Examinations)
Mr J Daly (Financial Services Manager)
Mr D Wilson (Business Assurance Manager)

Miss N Kennedy (Manager, Council Secretariat)

Introduction

The Chair welcomed members and officers to the meeting. He advised on protocols for participation.

1 Apologies

Apologies were received from Miss Majella Corrigan, Mr Andrew Allen (NIAO) and Mr John Poole (KPMG).

2 Conflict of Interests

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

3 Chair's Business

The Chair welcomed Mr Brian Clerkin (ASM); Ms Finula Magowan (NIAO) and Mr Sam Dempster (DE).

He confirmed that Mr John Daly (Financial Services Manager) and Mr David Wilson (Business Assurance Manager) were in attendance to provide clarification on various agenda items.

4 Ratification of minutes of previous meeting held on 20 April 2021

The minutes of the previous meeting held on 20 April 2021 were proposed by Professor Philip Hanna and seconded by Mrs Paula Leitch as a true and accurate record of the meeting. A copy would be available for the Chair to sign once normal business arrangements resumed.

Action Points

Members noted the status of the action points.

5 Financial Risk Control and Assurance

Risk and Assurance in Awards and Purchases

AUD/53/1

The Financial Services Manager (FM) referred to the information provided in paper AUD/53/1. He confirmed that 1 unauthorised purchase greater than £1,500 had been reported during the period April – May 2021.

Direct Award Contract

The FM confirmed 4 direct awards in relation to general purchases (Appendix 1) during this period. The overall summary was provided on page 2 of the paper.

Members were content with the information provided.

2020/21 Annual Report & Accounts

AUD/53/2

The Director of Finance & Corporate Services (DoFCS) provided an overview on the various aspects of the process for completion of the Annual Report and Accounts which had been achieved within a challenging timeframe set out by the Department of Education (DE). (Detail provided on pages 1 & 2 of paper AUD/53/2).

She confirmed that feedback from the auditor had been taken on board. Comments received from committee members outside of the meeting would be considered and included as appropriate in the final draft to go forward to Council.

The DoFCS was pleased to report an unqualified audit assurance.

The Chair recognised the challenging timeframe set by the Department of Education, however expressed concern about the committee having insufficient time to consider the substantive (and complex) document in order to fulfil its responsibilities in providing a recommendation to Council. He asked that this be addressed moving forward.

NIAO Report to those Charged with Governance (RttCwG)

Mr Clerkin (ASM) placed on record his thanks to the DoFCS, the FM and his team for their efficiency and co-operation in the provision of information during the audit process. He also recognised the tight timeframe for the completion of the audit.

He provided an overview of the key issues, adjustments and audit findings detailed in the report.

He drew attention to the recommendations in relation to ensuring appropriate lead in time for approval of Direct Award Contracts and interconnected issues in relation to capital draw down to ensure that when funding is returned to DE they have been explicitly advised that monies were drawn down. The final recommendation was to ensure a quality assurance review is undertaken on the final documentation before presenting, however recognised the pressures and challenges within the timeframes.

Mr Clerkin drew members attention to the main issues in the report including 3 recommendations which arose. He also confirmed that any material adjustments identified during the audit had been adjusted by management (page 9) and was pleased to confirm a clean audit opinion (and did not anticipate any further amendments).

Following receipt of the management response, the document would be finalised in advance of final certification. A signed letter of representation was required to allow the audit certificate to be released.

The DoFCS and confirmed the relevant findings would be progressed, and management response issued. In relation to the finding relating to quality assurance, she confirmed that the accounts had been subject to quality assurance and had been produced to the same standard as previous years.

She noted that in order to provide improved standards extended timelines would be required and therefore suggested that discussions be taken forward with DE and the NIAO to meet audit expectations for future years.

A Committee member stated that the organisation had been through an incredibly challenging period and the production of the ARA was testament to the staff under the circumstances and supported the content of the report.

The Chair of Council concurred. He also recognised the successful way in which the team had adapted to remote working and addressed the challenges to achieve the timelines for completion of the report.

The Chair thanked members for reviewing and commenting on the documents and advised that these would be addressed before issuing final documents to Council for ratification at its meeting on 24 June.

Clarification was sought and received that no formal Ministerial directions in relation to misappropriate of funds had been received during 2020/21. However, Article 101 had been used to direct CCEA to change the awarding process. (Summer 2020, November 2020, January and March 2021).

It was agreed that suitable wording should be incorporated into the final report to clarify the Minister's instructions under Article 101 in relation to Examinations.

The Chair sought and received agreement to recommend the ARA 2020/21 to Council for final ratification. Formally proposed by Professor Philip Hanna and seconded by Mrs Carol Fitzsimons.

The Chair, on behalf of members commended all officers involved in the production of the ARA and for the achievement of a clear audit and unqualified opinion on the 2020/21 Accounts.

6 Corporate Risk Management and Audit

Corporate Risk Register : June 2021

AUD/53/3

The DoFCS confirmed the CRR had been reviewed and mitigations updated. She advised that no changes had been made to the overall residual scores given the high-risk environment CCEA continued to operate within. She was pleased to advise that risks around CR2 continued to be managed as the budget had been agreed

A Committee member welcomed the clarity of the document and sought clarification on the ownership of risks in the absence of the Director of Curriculum & Assessment. The Interim Chief Executive confirmed she was managing these risks directly until the interim appointment was made.

Members considered and agreed that CR8 should remain on the CRR until the completion of the recruitment process for a permanent CEO, in the context of governance.

Clarification was sought on how immediate risks of concern are identified and mitigated. The DoFCS confirmed that pre-Covid CCEA operated within a moderate risk environment. She confirmed the risks are continually challenged as part of the review process with owners and advised on the difficulties the management team encounter in pitching these given the uncertain within a demanding environment.

The Interim Chief Executive provided clarity on the categorisation of risks. She suggested that Council take the opportunity to strategically discuss the 'big risks' at the Council session on 24 June to ensure they are reflected in the risk register to be presented at the Autumn meeting.

A Council member confirmed that pre-Covid the CRR was more moderate and stated that CCEA was effective in managing risks within its control, however the introduction of variables from other jurisdictions and/or Ministerial decisions have meant that CCEA has had limited ability to exert control in these circumstances.

The Chair of Council welcomed the query on how the CRR is formulated. He recognised the work undertaken by the various work streams under the crisis management format (Gold, Silver, Bronze teams) and success of effective mitigating action whilst operating within a high-risk environment. He commended officers on the way in which the risks had been managed within the special arrangements put in place over the last 18 months.

Mrs Patton referred to the review of the Risk Management Process and confirmed that management had been challenged on the number of red risks. She recognised that a significant number of risks identified were outside of CCEA's direct control and management had agreed to undertake a holistic review of the risk management process. The Internal Audit recommendations would assist in taking this work forward.

Members were content with the information and explanations provided.

Internal Audit Activity

Draft Internal Audit Strategy 2021-22 to 2023-24 and Annual Plan 2021/22

AUD/53/4

Mrs Patton referred to the detail of the documents provided and gave an overview of the component parts of the draft 3-year internal audit strategy (2021-2024) and one-year internal audit plan (2021/22) for members' consideration.

She confirmed that the audit strategy would be continually reviewed in the context of Covid and an annual review would also be conducted.

She outlined the specific areas which would be audited during 2021/22 (detailed on pages 9 and 10).

Clarification was sought and received on the work ongoing in relation to cyber security. It was suggested that given the recent review and given the evolving nature of this particular area a further review could be undertaken during 2022/23 and the plan updated accordingly.

Members were content with the information provided and recommended the documents to go forward to Council for approval. Formally proposed by Mrs Sarah Sellars and Professor Philip Hanna.

The Chair thanked Mrs Patton and officers for their input into the item.

Updates

NIAO

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

ASM

The ASM represented confirmed there were no further matters to report.

DE

The DE representative confirmed the capital allocation letter for 2021/22 was being finalised and would be issued in due course.

BREXIT

The DoFCS advised that the situation continued to be monitored and updates would be provided as appropriate.

7 Any Other Business

Schedule of Meetings

The Chair drew attention to the schedule of meetings from September 2021 to June 2022 and proposed that the meetings be reduced from 5 to 4. Members concurred with this suggestion.

The Chair would work with the Manager of the Secretariat outside of the meeting to amend the schedule and issue to members.

8 Date of Next Meeting

The Chair confirmed the date of the next meeting was scheduled for Tuesday 7 September 2021 at 11 am.

He thanked members and officers for their input into the meeting and wished them well for a good summer break.

