

CCEA

Minutes of the forty-first meeting of the Audit and Risk Assurance Committee held on Wednesday 16 January 2019 at 10.00 am in Room 115, 1st Floor, CCEA, 29 Clarendon Road, Belfast, BT1 3BG.

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

Mrs C McHugh (Moore Stephens)
Mrs S Murphy (NIAO)

Mr J Edwards (Chief Executive)
Mrs L Scott (Director of Finance & Corporate Services)
Mr J Daly (Financial Services Manager)
Mr R McCune (Head of Regulation) Item 6, Paper AUD/41/8c only
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 C McKinney. No response was received from the DE representative.

2 Conflict of Interests

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

3 Chair's Business

The Chair welcomed Ms Catriona McHugh (Moore Stephens) and Mrs Suzanne Murphy (NIAO) to the meeting.

He advised that Mr John Daly (Financial Services Manager) would speak to items under Financial Risk Control and Assurance; and Mr Roger McCune (Head of Regulation) would be in attendance for Item 6 only.

Confidential Business

At this point, the Chief Executive, Director of Finance & Corporate Services, and the Financial Services Manager left the meeting.

Mrs Rosemary Bryans, HR adviser joined the meeting for this item.

Grievance 1

The Chair advised the committee that a request had been made to the Internal Audit Department of the Department of Education to hear a grievance. The Department, having discussed the request, agreed that this should be managed by CCEA, and that the Audit & Risk Assurance Committee could provide

the authority to hear the grievance. It was suggested that the Chair of the Committee should chair a panel if required to do so.

He confirmed that he had discussed the matter with the Chair of Council who agreed, given DE's position that this should proceed as this was exceptional circumstances.

Members discussed the matter in detail and were content with the clarifications received on a number of issues.

The Chair sought and received full support from the Committee, that he should Chair a panel, and that this should proceed as an individual case.

Grievance 2

The Chair confirmed that he had received a request to hear a grievance (unrelated to Grievance 1). Following detailed discussion, the committee agreed that Mrs Christine Harpur in her capacity as vice Chair of Council, and member of the ARAC should hear the grievance.

The Chair confirmed that a panel would be set up supported by appropriate staff from CCEA. This was formally proposed by Dr Les Caul and seconded by Mrs Kathleen O'Hare.

General

The Moore Stephens representative suggested that the existing procedures and processes in regards to Grievances be reviewed to ensure they are in line with current legislation. A Committee Member asked that all procedures and policies be reviewed on an ongoing basis to ensure they are up to date and fit for purpose.

The Chair thanked members for their input and asked that the necessary reviews are carried out, and progressed through the appropriate Governance arrangements.

The HR Advisor left the meeting at this point.

The Chief Executive, Director of Finance & Corporate Services, and Financial Services Manager joined the meeting at this point.

Notification of Audit Services

Mrs Suzanne Murphy (NIAO) advised that a tendering exercise had taken place for Audit Services. She confirmed that the contract would be awarded to the successful tenderer subject to the completion of the Conflict of Interests check. It was anticipated that confirmation would be received week commencing 21 January 2019.

4 Minutes of the previous meeting held on 20 September 2018

The minutes of the previous meeting held on 20 September 2018, were proposed by Dr Gordon Byrne, and seconded by Mrs Kathleen O'Hare 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

Risks and Assurance in Awards and Purchases

AUD/41/1

The Financial Services Manager (FM) drew attention to the information provided in paper AUD/41/1 and advised that there had been three unauthorised purchases. The FM outlined the reasons for the unauthorised purchases and confirmed that actions have been put in place to prevent a reoccurrence.

A Committee member, whilst accepting the reasons provided, expressed disappointment on the performance during this reporting period.

The Director of Finance & Corporate Services (DoF&CS) confirmed that she would take the opportunity to remind staff of the importance of complying for the procedures in regards to procurement.

Direct Awards

The FM drew attention to the detail provided in Appendices 1 & 2 and reported 16 direct awards in relation to general purchases and 2 in relation to external venues during this time. He advised that the overall summary was detailed on page 4 of paper AUD/41/1.

Attention was drawn to the correspondence from the Department of Education (Appendix 3) in regards to CCEA's Direct Award Contracts. The FM confirmed that an assurance was given to DE that all matters were dealt with appropriately. Meetings would also be convened with CPD in regards to specific issues, and DACs will be awarded only when no other alternative is available.

The DoF&CS assured members CCEA was not in breach of any policies or purchasing regulations. She confirmed that a significantly larger number of DAC's had been required in comparison to other Arms' Length Bodies (ALBs) during this reporting period.

She advised that she would remind staff, as appropriate, of the protocols in engaging with suppliers and that DACs should be used only in exceptional circumstances.

It was agreed that the DoF&CS would draft one communication to staff in regards to the matters discussed above.

The Chair suggested that CCEA engage with other ALBs to understand their use of DACs with a view to a consistent approach across the system.

A Committee member was content that the correspondence from DE reflected the suggestions made by the committee at a previous meeting.

Production of 2018/19 Annual Report and Accounts

AUD/41/2

The FM reminded members that the Annual Report and Accounts (AR&A) must be produced to the deadlines provided by DE. He provided a brief overview of the main stages and anticipated timelines which were in line with previous years. It was anticipated that the documents would be laid before the Assembly following Council approval on 19 June 2019.

Members noted the information provided.

National Fraud Initiative (NFI) Exercise 2018/19 : Update

AUD/41/3

The Chair advised that this was a mandatory annual exercise.

The FM drew attention to the information provided in paper AUD/41/3 and updated members on progress since the last meeting. He confirmed that no issues of concern had arisen and the exercise was on target for completion within the set deadlines.

Members noted that the outcomes of the exercise would come forward to the September meeting.

6 Corporate Risk Management & Audit

Corporate Risk Register : December 2018

AUD/41/4

The DoF&CS introduced this item and presented the CRR for December 2018. She confirmed that the BREXIT risk had been introduced and the Chief Executive had introduced a series of mechanisms to deal with risks as they materialised.

A Council member sought clarification on whether consideration had been given to the potential increase in costs of resources (such as paper and IT costs) as a result of BREXIT. The Chief Executive advised that a range of issues were being given due consideration and this would be included.

Members noted the information provided.

Post Project Evaluation (PPEs) Update

AUD/41/5

The DoF&CS drew attention to the information provided and update members on the PPEs since the last meeting. She confirmed that moving forwards account will be taken of the lessons learned and that business cases will be written to ensure objectives can be assessed at the PPE stage, and to continue improve processes as appropriate.

A further update would be provided at the April meeting.

Members were content with the information provided.

GDPR : Update

AUD/41/6

The DoF&CS updated members on developments since the last meeting. She advised that :

- All staff have had awareness training through the on-line portal (this was a mandatory exercise).
- Internal Audit have completed their review and work continues on subject access requests.
- FOI requests are reported to Council as a Standing Item and the Data Protection Officer is responsible for this area of work.
- The GDPR Steering group will meet in early 2019 to finalise policies and implement the recommendations arising from the Internal Audit Report.

Members noted the information provided.

BREXIT Day One and Contingency Planning

AUD/41/7

The Chief Executive (CE) introduced this item and confirmed that there would be a substantial rise in Corporate Risk after 31 March 2019. He advised that DE has requested the Executive to consider and calculate risks associated with CCEA for a no-deal scenario.

He confirmed that he had formed a Management Group to look at all the issues on what would currently be deal/no deal scenarios and stated that the challenge was attempting to assess the impact on CCEA on areas which were unknown at present.

He gave an overview of the main issues (outlined on page 1 of paper AUD/41/7) and confirmed that a Risk Register was being developed through consultation with managers to capture and plan mitigations around the risks.

The CE confirmed that access had not yet been granted to any BREXIT contingency funds, however should the need arise, he would seek release of funding at the earliest opportunity to allow CCEA to enact plans in order to fulfil statutory obligations and meet business need.

Members sought and received clarification on a wide range of matters and recognised that there may be a need for additional support from the Committee, should substantial risks materialise.

The CE assured members that the Management Group would continue to work through the issues, and that he would keep the Chair of the Committee and the Chair of Council fully informed.

The Chair suggested that a sub-group be formed should risks materialise. The CE agreed to discuss this with the Chair of Council.

A dedicated session for discussion on BREXIT issues would be included in the programme for the Council Development Day on 7 March 2019.

Internal Audit Activity

AUD/41/8

The Chair invited Ms Catriona McHugh (Moore Stephens) to present the details of the Update Report and follow up reports on Information Governance and Data Protection; and Qualifications Development and Accreditation.

Quarterly Update Report

AUD/41/8a

Mrs McHugh informed members that all audit areas were on track for completion. The Prior Year Recommendations were being progressed and would be presented at the April meeting.

Internal Audit Report : Information Governance & Data Protection : Satisfactory Rating

AUD/41/8b

Mrs McHugh drew attention to the detail of the report and confirmed a satisfactory assurance rating with 1 priority 2 and 4 priority 3 recommendations identified. She advised, that whilst there were no areas of concern, a small number of staff required training on GDPR, and recommended that this be extended to Council members if possible.

Internal Audit Report : Qualifications Development & Accreditation : Satisfactory Rating

AUD/41/8c

The Chair welcomed the Head of Regulation to the meeting.

Mrs McHugh drew attention to the detail of the report and advised that the scope of the audit was in relation to technical qualification. She confirmed a satisfactory rating with 2 priority 3 recommendations.

She gave a detailed overview of the recommendations suggested and thanked the Head of Regulation and officers in the Regulation Team for their co-operation during the audit.

The Head of Regulation provided a brief summary of the work undertaken in the area of Regulation. He wished to place on record his thanks to Mrs McHugh for the way in which she undertook the review and expressed his satisfaction at the outcome.

A Committee member commended the approach taken in writing up the reports.

Format of Reports

The Chair suggested that the format of reporting be revised with a view to preparing more concise reports. Mrs McHugh agreed to take this on board and discuss further with the Chief Executive.

NIAO Update

Mrs Murphy advised that once the Audit provider had been appointed work would begin on the Audit Plan for 2019/20. This would be presented to the April meeting.

DE Update

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

7 Any Other Business

None identified.

8 Date of Next Meeting

The Chair advised that the date of the next meeting was scheduled to take place on **Monday 15 April 2019 at 2pm.**

He thanked members and officers for their input into the meeting.

