

CCEA

Audit & Risk Assurance Committee

Minutes of the forty-fifth Audit & Risk Assurance Committee meeting held on Thursday 16 January 2020, at 10 am, in Room 115, 1st Floor, CCEA, 29 Clarendon Road, Belfast.

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

Mrs C McHugh (Moore NI)
Mr S Dempster (Department of Education)
Mr B Clerkin (ASM)
Mrs S Murphy (NIAO)

Mr J Edwards (Chief Executive)
Mrs L Scott (Director of Finance & Corporate Services)
Mrs S King (Head of Regulation)
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.

1 Apologies

Apologies were received from Mrs C Harpur, Dr A Kerr, Dr S Kingon, and Mrs K O'Hare.

2 Conflict of Interests

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

3 Chair's Business

The Chair welcomed Mrs Catriona McHugh (Moore NI), Mrs Suzanne Murphy (NIAO), Mr Brian Clerkin (ASM), and Mr Sam Dempster (DE) who was deputising for Dr Kingon.

He advised that Mr John Daly (Financial Services Manager), and Mr David Wilson (Business Assurance Manager), would speak to agenda items under Financial Risk Control and Assurance, and Corporate Risk and Assurance as required.

4 Minutes of previous meeting held on 19 September 2019

The minutes of the previous meeting held on 19 September 2019, were proposed by Dr Gordon Byrne, and seconded by Mr Brian Wilson, as a true and accurate record. A copy was available for the Chair to sign.

Action Points

The Chief Executive updated members on the status of the action points. Members were content with the information provided.

5 Financial Risk Control and Assurance

For Information

Risk Assurance in Awards and Purchases : August – November 2019

AUD/45/1

The Financial Services Manager (FM) drew attention to the information provided and advised that there were no unauthorised purchases during this reporting period.

Direct Award Contracts

The FM drew attention to Appendix 1 and confirmed 10 direct awards in relation to general purchases, and none in regards to external venues for this reporting period. The overall summary was provided on page 3 of the paper.

The Chair was content that there was continued improvement in these areas.

Members were satisfied with the information provided.

Production of the 2019/20 Annual Report and Accounts

AUD/45/2

The DoFCS drew attention to the information provided in paper AUD/45/2 and gave a brief overview of the process for the production of the 2019/20 Annual Report and Accounts.

The Chair sought and received confirmation that the process was similar to that conducted in previous years.

Members noted the information provided.

6 Corporate Risk Management & Audit

Corporate Risk Register (CRR) : December 2019

AUD/45/3

The DoFCS introduced this item and presented the CRR for December 2019. She advised on the changes to the risks since the last meeting, in particular :

CR 2 : Failure to provide support to the needs of the NI Curriculum through ensuring the availability of a full range and scope of CCEA qualifications that will meet the needs of all learners in Northern Ireland, and that the qualification offer aligns with the Department of Education, and the Department for the Economy policy.

The residual rating has reduced from 5 to 4 with the overall risk score being reduced from 25 to 16. She advised that the mitigations had been effective, and the Director of Education had reconfigured and increased staffing in to alleviate pressure points in the Education Directorate.

CR3 : Failure to ensure that qualifications taken by learners in Northern Ireland are comparable with standards of similar qualifications offered by other Awarding Organisations and in other jurisdictions

The DoFCS advised that this risk had increased during this reporting period, and outlined the 2 contributing factors, together with the inclusion of the additional mitigations, and change of ownership, to ensure effective management of the risk moving forwards.

She assured members all 6 Corporate Risks continued to be monitored and closely managed, with actions taken to mitigate as appropriate. She advised that there were no other issues of concern to report, and confirmed that the CRR reflected the current risk environment.

The Chair thanked the DoFCS for drawing this to the attention of the committee. He advised that the Council had previously been made aware of the CR3 and recent developments had made realisation more likely. Further information was provided at paper FC/45/9.

Members considered the information provided. Clarification was sought on the following:

- **Child Protection Review** : the DoFCS advised that the review had been delayed due to the complexity of the area. A working group considered the issues and concluded that the policy should focus on CCEA's direct engagement on a 1-1 basis, and how the interface is managed between examination papers and children. The policy also focusses on the processes and systems in place, together with other factors across the education sector. The draft policy was currently being finalised. She said it was important to allocate sufficient time to consider the information.
- **Business Continuity Plan** : the DoFCS advised that the review of the document was substantial and required an extensive re-write to streamline the information and ensure the information was fit for purpose. An update would be provided at the next appropriate meeting.
- **Equality Training** : The DoFCS confirmed the training would be completed in the next quarter, in particular senior staff to ensure they are aware of their responsibilities in regards to Section 75 and recruitment training.

A member sought clarification on the mechanism used for rating the inherent and residual risks. The DoFCS confirmed that this was an informed assessment by the managers (risk owners) who work in the environment and are best placed to judge the probability of a risk realising in their area. She advised that decisions are challenged routinely to ensure consistency of approach, and the appropriateness of the risk being brought before the committee.

The Business Assurance Manager confirmed that under the Corporate Risk Register there was a fully integrated risk progress within each area of CCEA business. He confirmed the registers were reviewed on a quarterly basis with risks being escalated or de-escalated, and that risk scores are changed depending on mitigations.

A member drew attention to the descriptor for CR2 and suggested it be reviewed to ensure it was more meaningful, and that the weightings are more accurate moving forward.

Members welcomed the explanations and assurance provided. The Chair said it was important to manage the risks effectively and remain vigilant in mitigations.

Internal Audit Activity

AUD/45/4

Members noted the information provided.

Internal Audit Quarterly Review**AUD/45/4a**

Mrs McHugh explained the reason for the slight delay in starting the audits, and outlined the audits being presented for consideration. She confirmed that the remaining reviews would be completed and reported on at the next meeting of the Committee.

Internal Audit : Human Resources (HR) Review**AUD/45/4b**

Mrs McHugh drew attention to the detail of the report and confirmed a satisfactory assurance rating with 3 priority 2, and 3 priority 3 recommendations identified.

She gave a detailed overview of the recommendations suggested, and confirmed that a substantial amount of documentation had been reviewed during the audit.

The Chair sought clarification on whether there would be any guidance in the event of a grievance taken against the Chief Executive. The DoFCS confirmed that the updated Grievance Policy states clearly the process to be followed should this situation arise. She confirmed that the Disciplinary Policy was due to be updated.

The DoFCS confirmed the updated Grievance Policy would go through the internal governance process and be presented to the Finance Committee for approval at its next meeting. The Chair asked that the draft be presented to Council for final ratification. This was agreed.

A Committee member welcomed the clarity of the report provided.

Internal Audit : Risk Management Review**AUD/45/4c**

Mrs McHugh drew attention to the detail of the report and confirmed a satisfactory assurance rating with 2 priority 2, and 2 priority 3 recommendations identified.

She commended the work carried out to date, and outlined improvements required within this area, in particular, further clarification in the policy, and training to be provided for relevant staff.

The Business Assurance Manager advised that this was a fair report at this time and confirmed that the recommendations would be implemented as suggested.

A Committee Member sought clarification on the timescale for reviewing the policies. The Chief Executive advised that policies were normally reviewed on a 3-year rolling cycle. He confirmed that some policies were significantly out of date and no longer required. Therefore, a rationalisation and updating programme was underway to ensuring all policies are up to date, taking into account current legislation and employment changes, as well as meaningful to staff.

Mrs McHugh welcomed the rationalisation of policies and suggested that a 3-year review schedule be put in place. This was agreed.

Post-Project Evaluation (PPE) DE Update**AUD/45/5**

Members noted the information provided.

BREXIT Update

The Chief Executive advised that BREXIT related activity was now being dealt with as issues arose through routine operational meetings across the business.

Members were content with the information provided.

NAO Cyber Security and Information Risk Guidance for Audit Committees

AUD/45/6

The Chief Executive drew attention to the NAO Report and confirmed this was for members' information. He suggested that should members wish to explore any areas within the document they should contact him outside of the meeting.

Members noted that CCEA was accredited to ISO27000 in Information Security Management Systems (ISMS).

NIAO Audit Strategy 2019/20

AUD/45/7

Mr Clerkin (ASM) drew attention to the detail of the document and highlighted the following:

- The actions for the Audit Committee
- The materiality and audit approach
- Significant Audit Risks : outlined on page 7 of the document
- The timetable for completion of the audit, and certification of the final Annual Report and Accounts for 2019/20.

Members were content with the information provided.

Updates

DE

Mr Dempster was pleased to report that the Minister for Education would be reviewing the business plan priorities. Any changes to priorities would be reported on at the next meeting of the committee.

NIAO

The NIAO representative confirmed there were no matters to report.

ASM

The ASM representative confirmed there were no matters to report.

7 Examinations

Operational Readiness for January 2020 Examination Series

AUD/45/8

The Chief Executive drew attention to the information provided, and confirmed that a copy of the Qualifications Log was available on request.

He gave an overview of the mitigations in place following on from the materialisation of the risk in AS Economics during the Summer 2019 series, and advised on the pilot in regards to online standardisation, and the roll out of new components in GCSE English, requiring a high level of examinations. He assured members that this was being monitored to ensure sufficient examiners have been recruited for the duration of the January 2020 series.

High Risk Rating

The Chief Executive drew attention to the high risk rating outlined on page 3 in regards to the A* boundary for GCSE mathematics. Work continued on the conversion points.

The Chief Executive confirmed that sickness absence had also been identified, in that should this materialise it may have a serious consequence. He advised that a range of mitigations had been identified by Managers.

Members were content with the information provided.

8 Regulation

Three Country Comparability of the General Certificate in Education (GCE) AUD/45/9

The Chief Executive introduced this item and spoke to the detail of the paper provided. He gave a detailed overview of the main issue together with the risks and mitigations, should there be a removal of the three-country approach to the maintenance of standards at GCE.

Members discussed the matter in detail, sought and received clarification on a number of issues and were content with the information provided.

The Chief Executive assured members that this would be brought before the Regulation Committee, and subsequently to Council.

Members recognised the high stakes nature of this matter.

The Chair welcomed the identification of the situation and asked that it continue to be monitored closely and actions taken as appropriate.

9 Any Other Business

Business Case : Internal Audit Service Provider AUD/45/10

Mrs Catriona McHugh (Moore NI), declared a conflict of interest, and left the meeting at this point.

The DoFCS reminded members that the issue of a new Internal Audit provider had been discussed at the previous meeting and confirmed that an extension to the current contract with Moore NI had been approved until 31 March 2020. She advised that DE had asked that the option of transitioning to the NICS Internal Audit Service be considered, and confirmed that CCEA had done so, and wished to transfer across from 1 April 2020.

She drew attention to the business case presented, and confirmed that under the MSFM we are required to seek DE approval.

Members sought and received clarification on a number of points, and were satisfied with the explanations received.

The DoFCS confirmed that a number of service level agreements (SLAs) would be put in place setting out CCEA's expectation in terms of quality of provision.

The Chair asked that this go forward to Council for final approval.

10 Date of Next Meeting

The Chair confirmed the next meeting was scheduled for Thursday 19 March 2020 at 10 am.