

Northern Ireland Council for the Curriculum, Examinations and Assessment

Audit and Risk Committee

Minutes of the twenty seventh meeting of the Audit and Risk Committee held in the CCEA Building, 29 Clarendon Road, Belfast, on Wednesday 17 June 2015 at 10 am.

Present

Mr John Wilkinson (Chairperson)
Mrs Christine Harpur (Council Member)
Dr Ana Kerr (Council Member)
Ms Michele Crilly (Council Member)
Dr Peter Cunningham (Council Member)
Dr Gordon Byrne (Independent Member)

Mr Stephen McDonnell (ASM)
Mr James Gray (PWC)
Ms Kathy Dooey (NIAO)
Mr Mervyn Gregg (DE Observer/DE Internal Audit)

Mr Justin Edwards (Chief Executive)
Mrs Sheila McClelland (Interim Director of Corporate Services)
Ms Anne Marie Duffy (Director of Qualifications)
Mr Richard Hanna (For agenda items 9–12 only)(Director of Education Strategy)
Mr John Daly (Finance Manager)
Mrs Marisa Getgood (Business Assurance Manager – Quality & Risk Management)
Mr Roger McCune (Business Manager – Accreditation Policy) (For agenda item 9 only)
Ms Terry McComiskey (Education Manager – Accreditation Policy) (For agenda item 9 only)
Mrs Heather Clarke (Business Assurance Manager – Quality & Performance Management) (For agenda item 9 only)

Mrs Pauline Bowden (Minutes)

1 Apologies

An apology was recorded for Michelle Anderson (DE). Mervyn Gregg (DE) was representing as the DE Observer for this meeting of the committee.

2 Conflict of interest

Members confirmed there were no conflicts of interest for any of the agenda items.

3 Chair's business

The Chairperson welcomed all of the members to the meeting. In particular, he welcomed Ana Kerr who had replaced Martin Donnelly who had recently been appointed to the Finance Committee until new Council member members were appointed.

The Chairperson also welcomed Sheila McClelland as the newly appointed interim Director of Corporate Services.

He outlined the format of the meeting and advised of the officers presenting the details of information provided in the papers.

4 Minutes of the previous meeting

The minutes of the meeting which was held on 15 April 2015 were proposed by Christine Harpur and seconded by Michele Crilly.

5 Matters arising

The Director of Corporate Services provided an update on the status of the actions.

Action Point 3/4 – Detailed risk and action logs to be provided on request

Completed.

Action Point 3/4 – Consideration to be given to development of a secure web portal for members to have access to detailed risk logs

This action was scheduled for development by the Autumn 2015 meeting.

Action Point 5/2 – Present recommendation to Council to publish Audit & Risk Assurance Committee minutes on the CCEA website

Completed.

Action Point 5/6 – Committee members to meet together to discuss how the role of the committee can be enhanced

Completed.

Action Point 5/10 and 11 – Provide an update on progress on engagement with C2k to further develop the MoU and associated SLAs

It was reported that work was underway with C2k. The Interim Director of Corporate Services would also be engaging directly with the Regional Managing Director Western and North-Eastern regions, as the senior responsible officer for C2k.

Action Point 7/3 – Unauthorised purchases Nov 2014-Feb 2015 - Amend the audit report to reflect the committee's decision to raise the threshold for reporting of unauthorised purchases

It was agreed with ASM that the amendment would be noted as part of the follow-up audit review. This would be reported to the committee as appropriate in 2015/16.

Action Point 8/5 - Conduct a substantive follow-up audit and testing exercise on the Internal Audit review of Translation of examination papers into English from IM

This action would be reported to the Committee in Autumn 2015.

Action Point 8/6 - Present a report on follow-up audits conducted by Business Assurance on the actions identified in ASM audits completed in 2013 and 2014

This action had been completed. The details would be discussed at substantive paper agenda item 8.

Action Point 9/7 – Updates on the action plan for CCEA Essential Skills would continue to be provided to the committee

Further progress would be reported at the Autumn meeting of the committee.

6 Members' training and development needs/opportunities

The Chairperson reminded members to notify the Business Assurance Manager of any potential training/development opportunities.

7 Finance

Direct Award Contracts (DACs) (March - May 2015)

(AUD/27/1)

The Finance Manager drew attention to the detail provided in paper AUD/27/1 and gave an overview of the Direct Award Contracts (DACs) during the period March – May 2015. Members were content that the appropriate processes had been followed.

The Finance Manager informed members that discussions had taken place with DE regarding the classification of using Education and Library Board venues being defined as DACs. He advised that a strategy was being developed as part of the shared services strategy in order to minimise ICT DAC.

Unauthorised purchases March 2015, including review of 2014/15

(AUD/27/2)

The Finance Business Manager gave an overview of the unauthorised purchases in March 2015. He reported on the historic trend data which represented a significant decrease of instances from 13/14 to 14/15.

Members noted the position.

Unauthorised purchases April-May 2015

(AUD/27/3)

The Finance Business Manager provided details of the unauthorised purchases between April and May 2015.

Clarification was provided on minor issues raised.

The Chief Executive informed members that the organisation would continue on a relentless drive towards zero.

Members noted the position.

Approval of the 2014-15 Annual Report and Accounts

(AUD/27/4)

The Finance Manager presented the draft Annual Report and Accounts (AR&A) 2014-15 for approval. He advised members of a notification from the NIAO requesting an additional note in the accounts which pertained to the 2015-16 NI Executive Budget. CCEA was required to define how it would manage any associated matters.

The Chairperson, on behalf of the committee, acknowledged the excellent work undertaken by the Finance Team. .

The committee recommended that the draft Annual Report and Accounts was issued to Council for final approval.

2014/15 National Fraud Initiative (NFI) update

(AUD/27/5)

The Finance Manager reported work was progressing with the NFI data matching exercise. At this stage in the exercise no matches have been identified.

Information has been redacted under section 31 – law enforcement of the Freedom of Information Act 2000.

The Director of Corporate Services advised that mitigations have already been implemented to safeguard any reoccurrence.

8 Risk management and audit

Follow-up audits on internal audit recommendations

(AUD/27/6)

The Business Assurance Manager provided details of the follow-up verification audits conducted on six of seven reviews carried out by Internal Audit in 2013/14. She also advised that a substantive audit of another area, reviewed by Internal Audit in 2012, had been completed. She noted the remaining review from 2013/14 had been subject to a progress update with full substantive follow-up deferred until later in 2015. This would allow for implementation of actions which required a longer lead time (ICT developments).

The Business Assurance Manager reported that significant progress had been made in implementing the Internal Audit recommendations with all priority one actions completed. 85% of priority two either complete or on target; and one priority three action which had not yet been fully implemented. The Business Assurance Manager outlined all outstanding recommendations.

Members discussed CCEA's business continuity arrangements. It was agreed that a summary of CCEA's plans for disaster recovery and business continuity be provided to the committee.

The Business Assurance Manager provided details of the substantive audit conducted on Question Paper Production (QPP). She confirmed that all the original Internal Audit recommendations had been implemented.

The Chairperson thanked the Business Assurance Manager for the detailed analysis of the paper provided. He sought confirmation from committee members that the report provided an appropriate level of assurance. Members agreed this was the case.

Internal audit activity

(AUD/27/7)

Mr McDonnell (ASM) presented the draft revised Internal Audit Plan 2015/16. He highlighted one revision to the plan which was to reallocate the seven days originally planned for a review of End of Key Stage Assessment to facilitate follow-up audits and contingency. He outlined the rationale for this proposal.

It was proposed to reallocate the seven audit days to undertake essential follow-up work on the 2014/15 activity and to focus on any outstanding priority one recommendations from the 2013/14 activity.

It was agreed that internal audit would follow normal procedure. There was no requirement to provide a new assurance rating against previous activity.

The committee approved the revised Internal Audit Plan for 2015/16.

Fraud update

The Interim Director of Corporate Services advised that there were no further incidents of fraud to report other than the issue previously reported by the Chief Executive at agenda item 7 (AUD/27/5).

NIAO update: Draft Report to those Charged with Governance (AUD/27/8)

Ms Dooley confirmed that the draft Report to those Charged with Governance (RttCwG) had been reviewed by the NIAO. She invited PWC, as service providers to the NIAO, to provide the committee with a detailed brief.

Mr Gray (PWC) provided a detailed summary of the report. The key aspects of the external audit strategy were addressed:

- Significant risks;
- Audit findings;
- Identified misstatements;
- Other matters of governance interest; and
- Letter of representation.

PWC, on behalf of the NIAO, confirmed that they had recommended an unqualified set of accounts.

The Chairperson commended CCEA officers on the report.

DE update

Mr Gregg (DE Observer) advised that DE's Internal Audit team had completed a review of governance reporting. It was anticipated that the outcomes would be reported in due course.

9 Regulation of Qualifications

Centre Inspection Service: Controlled Assessment Inspections 2015 (AUD/27/9)

The Business Manager (Accreditation Policy) informed the committee that Awarding Organisations (AOs) had agreed to pilot a series of centre visits in England and Wales as part of the JCQ Centre Inspection Services. He advised that CCEA, in its role as the JCQ Centre Inspection Service in NI, would conduct a similar exercise for the Summer 2015 series with centres in NI. The exercise would be evaluated and the findings would be reported in Autumn 2015.

General Conditions of Recognition (GCoR) (AUD/27/10)

The Director of Qualifications outlined the requirements for compliance with the General Conditions of Recognition (GCoR).

A committee member commended the exercise as extremely informative.

The committee recommended that the Annual Statement of Compliance go forward to Council for approval.

10 Curriculum, Assessment and Reporting

Update on Assessment (CBA)

The Director of Education Strategy informed members that 276 schools had registered an interest in participating with the Computer Based Assessment (CBA) scheme for 2015/16. The figures included 156 schools which had participated in last year's voluntary scheme. He reminded the committee that the issues in relation to the third party dependency continued to exist.

He informed the committee that DE had commissioned CCEA to scope an in-house solution for CBA. It was anticipated that the work would be completed in March 2016.

Members noted that DE was to become the Senior Reporting Officer (SRO) with responsibility for new developments in CBA, working between CCEA and EA.

11 Any other Business

The Chief Executive advised the committee of the details of a risk which had been identified in relation to a third party dependency. He provided a brief outline of the strategy which had been established to address the issues. He confirmed that the committee would be updated following the completion and review of the Summer examination series.

Members noted the position.

The Chairperson took the opportunity to wish CCEA best regards throughout the Summer examination series.

The committee expressed sympathy with regards to the recent incident involving students in America.

12 Date of next meeting

Members were reminded that the next meeting of the committee was scheduled to take place on **Wednesday 7 October 2015** at 10 am.