

## **CCEA**

### **Audit & Risk Assurance Committee**

Minutes of the fifty-first meeting of the Audit & Risk Assurance Committee held on Thursday 18 March 2021 at 3pm via MS Teams.

**Present :** Ms P Slevin (Interim Chair)                      Mrs K O'Hare  
                  Mrs P Leitch    Mr T O'Reilly (Council Chair)

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

Mr J Edwards (Chief Executive)  
Mrs L Scott (Director of Finance & Corporate Services)  
Miss M Farragher (Director of Education)  
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. She outlined the protocols for participation in the meeting.

#### **1 Apologies**

An apology was received from Mr Brian Wilson.

#### **2 Conflict of Interests**

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

#### **3 Chair's Business**

##### *Correspondence*

The Chief Executive drew attention to the correspondence issued from him to the Deputy Secretary (DE) on 5 March 2021 and outlined the risks and issued with the approach following receipt of the Ministerial Direction on Alternative Assessment Arrangements for Summer 2021 under Article 101.

Members noted the information provided.

##### *Resignation of Committee Member*

The Chair confirmed that Dr Gordon Byrne had resigned from the committee with immediate effect. A letter of thanks would be issued on behalf of the committee.

### *Interim Arrangements*

The Chair confirmed that this Committee meeting was operating under the interim arrangements put in place from 1 February 2021. She would act as Interim Chair until the committee was reconstituted and a new Chair appointed.

#### **4 Minutes of previous meeting held on 26 November 2020**

Ratification of the minutes of the previous meeting held on 26 November 2020 was deferred until the next meeting as there were insufficient members present to act as proposer and seconder.

#### *Action Points*

The Director of Finance & Corporate Services (DoFCS) advised that a Communications Strategy & Plan in relation to summer awarding 2021 was currently being developed and would be presented to Council at its meeting on 25 March 2021. Members would have an opportunity to ensure that the Strategy & Plan would adequately address risks in this area, including Council attendance at events, at the meeting.

Members noted the information provided.

#### **5 Financial Risk Control and Assurance**

#### *For Information*

#### ***Risk Assurance in Awards and Purchases November 2020 – February 2021*** **AUD/51/1**

The Financial Services Manager (FM) drew attention to the detail provided in paper AUD/51/1 and advised that 1 unauthorised purchase had been identified over £1500 during this reporting period.

#### *Direct Award Contracts*

The FM confirmed 7 direct awards in relation to general purchases (Appendix 1). The overall summary was provided on page 2 of the paper.

Members were content that performance remained at a high level given the circumstances under which the organisation continued to operate under.

#### ***Update on 2020/21 Annual Report and Accounts Process*** **AUD/51/2**

The FM drew attention to the information provided in paper AUD/51/2 and updated members on the planning and production process for the Annual Report & Accounts 2020/21 which had been provided in lieu of direction on timescales from DE.

Members noted the information provided.

#### ***National Fraud Initiative (NFI) 2020/21 Update*** **AUD/51/3**

Members noted that this was a mandatory annual exercise.

The FM drew attention to the information provided in paper AUD/51/3 and reported on progress against the timescales. He confirmed no instances of fraud had been identified and all aspects of the exercise were on track and deadlines met.

A final report would be provided upon completion of the exercise in September 2021.

Members were content with the information provided.

## **6 Corporate Risk Management & Audit**

*For consideration*

### **Corporate Risk Register : February 2021**

**AUD/51/4**

The DoFCS drew attention to the detail of the information provided and confirmed the CRR was reviewed on a regular basis. She drew attention to CR1 which reflected CCEA's risk and response to Covid-19. This was the most prevalent risk with a residual risk of 20. Members noted the mitigations and actions attributed to CR1, and associated progress to date.

The DoFCS assured members that CR1 would continue to be managed in accordance with government regulations and its 5-step recovery plan, however no dates have been confirmed. She confirmed that CCEA had also been asked to provide advice to DE on Summer 2022 examinations in the context of the government's approach in exiting Covid-19.

The Director of Education (DoE) stated that the impact of Covid-19 would be ongoing for the foreseeable future with challenges being managed into Summer 2022. In the context of provision of advice on 2022 arrangements, she confirmed that the sector would require support in implementing the changes. It was hoped that early policy decisions for 2022 would be made to enable appropriate planning and support to be put in place.

The DoE stated that any changes to qualifications will have technical implications and associated risks that would require management.

Following discussion, it was agreed that CR 1 should be split to reflect the risk of the impact of COVID19 affecting operations in 2020/21 and 2021/22.

### *Cyber Security*

The DoFCS advised that there were an increasing number of reported cyber-attacks within organisations, particularly those in the Education Sector. The DoFCS assured members that the organisation had robust systems to protect systems and had recently obtained a Cyber Essentials Plus Accreditation to ensure the systems are further protected. She advised CCEA was ahead of other organisations in this area and was content that all safeguards had been put in place to mitigate attacks to CCEA ICT systems.

### *Governance Arrangements*

The DoFCS referred to the additional risk CR8 in respect of Governance Arrangements and advised that this had moved on as the Chair and new members had been appointed.

Following discussion, it was agreed that CR8 would remain on the risk register and be developed to reflect the risks associated with the departure of the current Chief Executive, recruitment of a new permanent Chief Executive, and any such interim arrangements which may be required.

Members were content with the information provided.

*For consideration*

The Chief Executive confirmed the document provided evidence on the effectiveness of CCEA's governance arrangements.

He advised that the document was a first draft and gave an overview of the main areas of the document which included recognition of the significant disruption to CCEA operations during the 2020/21 year, in particular the cancellation of examinations for Summer 2020, January, March and Summer 2021 series.

A further, updated draft would come forward to the April meeting of the committee for consideration.

The Chair sought and received confirmation that members were content that the draft statement reflected the current position.

***Internal Audit Activity***

**AUD/51/6**

Ms Patton (KPMG) advised that 5 Internal Audit reviews had been scheduled and updated members on progress with the 2020/21 programme. She assured members that work was well underway with reports coming forward to the committee as appropriate.

Clarification was sought and received on the timeline for completion of the reviews for inclusion in the Annual Governance Statement 2020/21.

Members noted the information provided.

***2020/21 Audit Strategy***

**AUD/51/6a**

Mr Clerkin (ASM) drew attention to the detail of the paper provided at AUD/51/6a and highlighted the component parts of the document, in particular:

- The role of and actions for the Audit Committee;
- The materiality and audit approach;
- Significant Audit Risks;
- The timetable for completion of the audit, and certification of the final Annual Report and Accounts for 2020/21

Members noted the information provided.

The Chair thanked Mr Clerkin for his overview.

***Internal Audit Review : Examinations Entries***

**AUD/51/6b**

Ms Patton (KPMG) drew attention to the detail of the report and provided an overview of the scope of the audit and the way in which it was conducted. She was pleased to confirm a satisfactory assurance rating with no recommendations identified.

Members sought and received clarification on a number of matters. The Chair, whilst recognising the significant amount of work undertaken to date, emphasised the importance of ensuring that all mitigations have been considered to mitigate the summer 2021.

The DoE stated that a significant risk for the organisation was the change of the issue of results dates. These have been identified as a Red risk and raised at the Governance and Accountability Review. She assured members that work was underway to ensure mitigations were in place.

She wished to place on record her thanks to the team who were responsible for Examination Entries. The Chair concurred and added the thanks of the committee to that of the Director of Education.

The Chief Executive commended the Examination Entries team for the work carried out in order to achieve a clean audit in this area.

The DoFCS assured members that all risks associated with Summer 2021 and legacy arrangements would be reviewed and updated as appropriate to ensure mitigations reflect the current position moving forwards. An updated CRR would be presented to the April meeting of the committee as an assurance that the risk management framework was operating effectively.

The Chair of Council suggested the CRR be presented to the newly reconstituted Council for discussion, with a view to reviewing the focus of the CRR , in particular separating out the risks in relation to responding to Covid-19, reviewing the operational registers and how they are reflected in the corporate risks.

The DoFCS confirmed there were a number of operational risk registers (which sit below the CRR) across the organisation with each area managing its own risk and escalation accordingly. She suggested that the Executive Team review the risk associated with Covid-19 and consider how this can be re-formatted. She recognised the number of mitigations and confirmed the register would be reassessed to ensure it was operating at the appropriate level.

The Chair of Council asked the Executive Team to present the CRR to the committee for further discussion.

Clarification was sought on the risk associated with the Appeals Process. The DoFCS confirmed the Appeals Process for 2021 was under development and agreed this would be factored into the CRR. She advised that the focus of the risk would be on lessons learned from 2020 and improvements for 2021.

The Chair thanked members and officers for their input.

## **Updates**

### ***NIAO***

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

### ***ASM***

The ASM representative confirmed that there were no matters to report.

### ***DE***

The DE representative confirmed that there were no matters to report.

## **BREXIT**

The Chief Executive advised that the situation would be kept under review and updates provided as appropriate.

### **7 Any Other Business**

#### *Vote of Thanks – Outgoing Chief Executive*

The Chair, on behalf of the committee, acknowledged the commitment of the Chief Executive to the work of the organisation and for the way in which he had supported the Committee. She thanked the Chief Executive and wished him well for the future.

The Chief Executive thanked members for their good wishes.

### **8 Date of Next Meeting**

The Chair sought and received confirmation that the next meeting be rescheduled from Thursday 15 April to Tuesday 20 April 2021 at 11 am.

The Chair thanked members and officers for their contributions to the meeting.