

CCEA

Audit and Risk Assurance Committee

Minutes of the thirty-second meeting of the Audit & Risk Assurance Committee held on Wednesday 19 October 2016 at 10.00 am in Room 115, CCEA HQ, 29 Clarendon Road, Belfast, BT1 3BG.

Present : Mr M Donnelly (Chair) Mrs C Harpur
Ms T McCavigan (DE)
Ms C McDermott (Moore Stephens)
Mr S Lindsay (Moore Stephens)
Mr J Edwards (Chief Executive)
Mrs S McClelland (Interim Director of Corporate Services)
Mr J Daly (Financial Services Manager)
Mrs M Getgood (Business Assurance Manager – Quality & Risk Management)
Miss N Kennedy (Manager, Council Secretariat)

Introduction

The Chair welcomed members to the meeting. He, on behalf of the committee, offered condolences to Dr Ana Kerr (Council & Committee member) on her recent bereavement.

1 Apologies

Apologies were received from Dr A Kerr; Dr P Cunningham; Dr G Byrne; Mrs K O'Hare; Mrs J Mussen; Mr R Hanna; Mr M Pitt; Mr J Gray and Mr D Cooper.

2 Conflict of Interests

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

Draft Conflict of Interests Policy

AUD/32/tabled

The Chair drew attention to the tabled paper and advised it was for members' information and comment. He confirmed he had attended an Arms' Length Bodies (ALB) Audit Workshop for Chairs, Chief Executives and Committee Chairs, held on 27 September 2016, and updated members on the content. The main areas of interest were:

- Whistleblowing
- Conflict of Interests
- Handling of Complaints

He commended the content of the workshop and wished to place on record his thanks to Tracey McCavigan and her DE colleagues for facilitating the event.

The Chief Executive drew attention to the content of draft policy and advised that it had been reviewed to ensure it was in line with other government departments.

The Interim Director of Corporate Services (DoCS) confirmed that staff would be made fully aware of their responsibilities in regards to the policy, in particular the completion of the appropriate documentation.

Members welcomed the clarity of the document and were content it was consistent with good practice throughout the sector.

The Chief Executive confirmed the draft would be considered by the Finance Committee at its next meeting.

3 Chair's Business

The Chair welcomed Ms Camille McDermott and Mr Steven Lindsay from Moore Stephens to the meeting. He advised that Moore Stephens had been awarded the Internal Audit contract and confirmed he and the Chief Executive had met briefly with them in advance of the meeting.

Mr John Daly and Mrs Marisa Getgood would speak to various items on the agenda and address any points of clarification.

Training and Development Needs/Opportunities

The Chair asked members to raise any areas of training or development with the Manager of the Council Secretariat outside of the meeting.

4 Minutes of previous meeting held on Wednesday 15 June 2016

The minutes of the meeting held on Wednesday 15 June 2016 were proposed by Mrs Christine Harpur and seconded by Mr Martin Donnelly as a true and accurate record of the meeting. A copy was available for the Chair to sign.

Action Points

Members noted the status of the action points.

5 Financial Risk, Control and Assurance

Risks Assurance in Awards and Purchases

AUD/32/1

The Financial Services Manager (FM) drew attention to the detail provided in paper AUD/32/1 and confirmed 5 unauthorised purchases during the period May to September 2016.

A Committee member expressed concern about the £2,000 in regards to training sought an assurance that procedures were being followed. The DoCS confirmed that the non-compliance of £2,000 was as a result of a decision taken to relocate a training programme which incurred additional expense outside the normal process.

The Chief Executive recognised that more efficient pre-planning for events was required.

The FM assured the committee that robust procedures were in place and all staff would continue to be made aware of the importance of compliance.

The Chair, whilst recognising the excellent progress in this area, asked that monitoring continued moving forwards.

Direct Award Contracts

Members noted the information provided.

2015-16 Final Report to those Charged with Governance

AUD/32/2

The Chief Executive drew attention to the detail of the information provided and was pleased to report no issues of concern were raised.

Members congratulated the organisation on this excellent performance.

National Fraud Initiative

AUD/32/3

The Chair advised that it was mandatory for CCEA to participate in this exercise.

The FM drew attention to the information provided and provided an overview of the actions completed to date. He confirmed that further work will be completed and any matters arising would be reported to the January 2017 meeting of the committee.

Members were content with the information provided.

6 Corporate Risk Management and Audit

Award of Internal Audit Contract

AUD/32/4

The Chief Executive informed members that Moore Stephens had been awarded the contract for Internal Audit Services from September 2016 to September 2019. He welcomed Ms Camille McDermott and Mr Steven Lindsay to the meeting.

Mr Lindsay thanked members for the opportunity and looked forward to working with officers across the organisation moving forwards. Ms McDermott confirmed that an audit plan would be developed in conjunction with Management and advised that initial work had commenced on an internal audit needs assessment exercise. She assured members that the reports provided would be accessible to the full range of audiences.

The Chair welcomed this approach and assured members that full co-operation would be provided.

Corporate Risk Register September 2016 and Mid-Year Governance Statement **AUD/32/5**

The Chief Executive introduced this item and advised on the notable shifts in the Corporate Risks which were due to the interim management arrangements introduced upon the departure of the Director of Qualifications. He confirmed that the final stages of restructuring were being considered by DE and that both Finance Committee and Council were aware of the interim measures.

Corporate Risk Register September 2016 **AUD/32/5a**

The Business Assurance Manager (Risk) drew attention to the Corporate Risk Register (CRR) – AUD/32/5a and supporting documentation, in particular the Risk Profile Changes (AUD/32/5). She advised on the two critical (red) risks which had been identified since the last meeting. CR1 and FS1 have increased due to the delays in completing the planned restructure of the Executive Team and the retirement of the Director of Qualifications.

Three other risks have also increased. Two have reduced and no new risks identified.

Members noted the detailed explanations provided in the documentation and commended the way in which the risks were being managed.

Mid-Year Governance Statement **AUD/32/5b**

The Business Assurance Manager drew attention to the document provided and gave a detailed overview of the key points of the statement. She advised that there were no issues of concern to report.

Members were content with the information provided.

The Chair commended the mitigation measures which had been put in place. He thanked the Business Assurance Manager for a comprehensive report.

Internal Audit Activity **AUD/32/6**

The Chief Executive provided a brief overview of the internal audit activity since the last meeting, in particular the completion of a compliance audit against the General Conditions of Recognition.

Members noted the information provided.

Exemplar of Risk Management in CCEA **AUD/32/7**

The Chair advised that this item had come forward from an action arising and a request by the previous Chair of the committee.

The Business Assurance Manager provided a detailed overview on risk management within CCEA and assured members that processes and procedures were subject to continuous review. A risk escalation mechanism is also available if required.

She also highlighted the main components of the exemplar provided.

The Chair and members found the paper and outline of the process very helpful and welcomed the mechanism by which risks are identified and managed through to conclusion.

The Chair commended the accessibility of the document and thanked the Business Assurance Manager for her input into this item.

PWC Update

No activity to report at this time.

NIAO

No activity to report at this time.

DE Update

Fraud

The DE representative reported that the department would be looking at instances of fraud both historic and ongoing. She advised that an assurance would be sought from all ALBs that any instances were being managed appropriately. This would be monitored moving forwards.

Whistleblowing

She advised that instances of Whistleblowing would also be monitored moving forwards.

The Chair thanked Ms McCavigan for the update.

7 Qualifications Risk Management and Assurance

Operational Readiness for January 2017 Examinations

AUD/32/8

The Chief Executive drew attention to the detail provided and confirmed that the Qualifications Log was available on request.

He confirmed that there were no high category risks to the January 2017 series and issues of concern to report.

He stated that the main risk was the Interim Management Arrangements for the Qualifications directorate and reiterated that this would be for as short a period as possible. To date the arrangements were working successfully.

Members were content with the information provided.

8 Any Other Business

None identified

9 Date of Next Meeting

The date of the next scheduled meeting was confirmed as Wednesday 18 January 2017.

The Chair thanked members for their input into the meeting and officers for the quality of papers presented.

DATE