

CCEA

Audit and Risk Assurance Committee

Minutes of the forty-fourth Audit & Risk Assurance Committee meeting held on Thursday 19 September 2019 at 10 am, in Room 115, 1st Floor, CCEA, 29 Clarendon Road, Belfast.

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

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

Mr J Edwards (Chief Executive)
Mrs L Scott (Director of Finance & Corporate Services)
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 Dr A Kerr; Mrs C Harpur and Mr C McKinney.

2 Conflict of Interests

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

3 Chair's Business

The Chair advised welcomed Mrs Catriona McHugh (Moore NI), Mrs Suzanne Murphy (NIAO), Dr Suzanne Kingon (DE), and Mr Brian Clerkin (NIAO) to the meeting.

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.

Training Needs/Opportunities

The Chair asked members to notify the Manager of the Council Secretariat of any training or development requirements outside of the meeting.

4 Minutes of the previous meeting held on 12 June 2019

The minutes of the previous meeting held on 12 June 2019, were proposed by Dr G Byrne and seconded by Dr Les Caul as a true and accurate record. A copy was available for the Chair to sign.

Action Points

Members noted the status of the action points.

Update on Grievance 2

The Chief Executive confirmed that the grievance had been completed and was not upheld. An industrial tribunal case was actioned and was subsequently withdrawn.

5 Financial Risk Control and Assurance

For Information

Risk Assurance in Awards and Purchases May – July 2019

AUD/44/1

The Financial Services Manager (FM) drew attention to the information provided in paper AUD/44/1 and advised that there were no unauthorised purchases during this reporting period.

The Chair was content that improvement had been sustained in regards to unapproved payments.

Direct Award Contracts

The FM drew attention to the detail of Appendices 1 and 2. He reported 8 direct awards in relation to general purchases, and none in relation to external venues for this reporting period. The overall summary is provided on page 3 of the paper.

Clarification was sought on engagement with CPD (Central Procurement Directorate). The FM confirmed that engagement continues to discuss and develop strategies for minimising the use of DACs and exiting from contracts where possible.

Members were satisfied with the information provided.

2018/19 Annual Report & Accounts

AUD/44/2

The Director of Finance and Corporate Services (DoFCS) drew attention to the detail provided in paper AUD/44/2 and advised on the minor changes to the ARA following the June meeting of the committee. The inclusion of:

1. Introduction of a £1.419m provision for liabilities arising from the McCloud/Sargeant and Guaranteed Minimum Pension (GMP) judgements.
2. Introduction of a contingent liability note for the Court of Appeal judgment on backdated PSNI Holiday Pay.

She confirmed that the certificate and report of the Comptroller and Auditor General was issued to CCEA on 3 July 2019, and the AR&A was laid at the NI Assembly on 5 July 2019.

Members noted the final report.

Final Report to those Charged with Governance 2018/19

AUD/44/3

The DoFCS introduced this item and drew attention to the detail of paper AUD/44/3, in particular the changes outlined on page 1 and audit recommendations on pages 2 and 3 (these were accepted and

progressed as appropriate). She confirmed that no material risks had arisen and was pleased to report an unqualified audit opinion.

Members were content with the information provided.

General

Clarification was sought on the appointment of new Council members. Dr Kingon advised that the list was currently with the Secretary of State and it was hoped that confirmation of appointments would be made in the coming weeks.

2018/19 National Fraud Initiative Exercise (NFI)

AUD/44/4

The Chair advised that this was a mandatory annual exercise.

The FM drew attention to the information provided in paper AUD/44/4, and confirmed that the process for 2018/19 was now completed. He advised that all matches were investigated and no incidents of fraud identified.

Members were content with the information provided.

6 Corporate Risk Management and Audit

For Consideration

Corporate Risk Register (CRR) August 2019

AUD/44/5

The DoFCS introduced this item and presented the CRR for August 2019. She drew attention CR2 and referred to the mitigations put in place to manage the risks identified.

The Chief Executive provided an overview of the mitigations put in place to manage the risks in regards to CR2 in the Education Directorate, in particular adequate resources and support for officers involved in the examinations processing of summer series. He recognised the challenges and pressures staff had encountered during the 2019 series and wished to place on record his thanks to all the teams involved.

He confirmed that work continued on initiatives and mechanisms to reduce sickness absence in the organisation.

A Committee member sought clarification on the decrease at CR1. It was confirmed that this was due to effective mitigations.

The Chief Executive advised that the CRR would continue to be systematically reviewed and risks addressed throughout the year.

The Chair reminded members that the CRR would be going forward to Council as a Standing Item to ensure corporate risks were addressed on a regular basis. He suggested that the Summary of Risks be made available to Council.

Members were content with the information provided.

Internal Audit Activity

AUD/44/6

Members noted the information provided.

Mrs McHugh provided a summary of the Internal Audit Plan 2019/20, this included the number of days allocated and scope of the audits to be undertaken. She confirmed that 8 audits had been scheduled and prioritised in line with the business need.

Mrs McHugh said that if the IA contract was extended the audit plan would begin and reported on at the next meeting together with an update on Recommendations from Prior Year 2018.

Internal Audit Review : General Conditions of Recognition (GCOR) 2019

Mrs McHugh drew attention to the detail of the report and advised that 12 conditions were reviewed, all of which were compliant. She confirmed the review was conducted in a robust manner and thanked all officers for their professionalism and co-operation in providing the information required.

Members noted the recommendations outlined on pages 5 and 6 of the report. Mrs McHugh drew attention to the recommendation in regards to the updating of CCEA policies whereby once approved the Manager of the Council Secretariat confirm with the Business Assurance Unit that they have been ratified for uploading on to the web within an acceptable timeframe.

She commended the efficiency of handover arrangements between exiting and new staff were conducted to ensure issues and responsibilities were either concluded or transferred appropriately.

The Chief Executive advised that a compliance return was requested from the Internal Auditors to ensure independence through the Regulator.

Members were satisfied with the information provided.

Mrs McHugh left the meeting at this point.

Internal Audit Contract Update

The DoFCS advised that the current Internal Audit contract had expired, and the development of a business case for a new service was underway. The planning process began in June 2019, however could not be completed as all ALBs must consider the NICS Shared Service Option in the Business Case.

She confirmed that discussions continue with CPD to extend the contract of the current provider until a final business case has been completed and negotiations with the NICS Shared Service have been concluded.

An assurance was sought and received that the organisation would not be left exposed given the current situation.

The Chief Executive assured members that should discussions become protracted and issues arise, he would inform the Committee as soon as possible.

The NIAO representative suggested that should any difficulties arise with CPD, she would be content to support CCEA in resolving the situation and asked for this to be concluded as soon as possible. The Chair concurred with this

The Chair reminded members that the DE representative had suggested, at a previous meeting, that CCEA would be asked to enter into the Shared Audit Services and that this matter would go forward to Council for its view at a future meeting.

The Chief Executive confirmed that the current provider was aware of the issues under discussion and commended the way in which they continued to conduct business with CCEA.

The DoFCS advised that work on the Audit Plan 2019/20 was due to commence w/c 23 September 2019.

Members noted the information provided.

Mrs McHugh returned to the meeting at this point.

For Consideration

Mid-Year Governance Statement (MYGS) 2019/20

AUD/44/7

The Chief Executive drew attention to the detail of the document provided, in particular the risks identified. These included :

- Long term pressures in regards to pay and price;
- Continued increasing pressure on resources across the organisation in a challenging financial environment across the Education sector;
- BREXIT

He advised that the GCSE Grade Changes were fully awarded for the first time in Summer 2019, and was pleased to report no issues of concern. Approximately 8 queries out of 800 telephone calls to the helpline were received on the matter, all of which were dealt with efficiently with no issues raised.

Members were content with the information provided and recommended the MYGS to go forward to Council at its meeting in October.

The Chair thanked the Chief Executive for his updated.

Risk Management Report : Summer Series 2019

AUD/44/8

The Chief Executive drew attention to the detail of paper AUD/44/8 and provided an overview of the following:

- Centre operational risks and mitigations
- Examinations risks and mitigations
- Materialised risk in regards to GCE AS Economics

He confirmed that the operational risk register continued to be reviewed on a weekly basis, and was available to members on request.

Clarification was sought and received on a number of matters, in particular, members welcomed the reduction in maladministration/malpractice cases in regards to teachers and pupils, however recognised the complexity of the area. The Chief Executive that the JCQ Report on Independent Commission on Examination Malpractice had been published and would go forward to Council.

Members discussed and sought assurances on the training of staff in advance of the summer series. The Chief Executive provided an assurance that training and awareness sessions are provided for staff on an annual basis, and when the need arises.

He confirmed that a bid had been submitted to DE for additional resource in regards to cross-checking all examination papers for 2020 series.

Members were content with the information provided.

For Information

Post-Project Evaluation (PPEs) Department of Education (DE) Update

AUD/44/9

Members noted the information.

BREXIT Update

The Chief Executive advised that he had reconvened the BREXIT Contingency Management Group which would meet regularly. The Department of Education had also re-convened its group, and the Chief Executive is CCEA representative on this group.

He confirmed that, at the request of the UK government, he had exited from the European Commission Digital Skills Group and had reprioritised his activities. He advised that issues would have to be worked through in regards to maintain appropriate relationships with EU working groups on Vocational Qualifications competencies definitions and whilst staff have access, CCEA may not be able to contribute.

In regards to the portability of qualifications, the Chief Executive confirmed that CCEA's standards had been realigned with the European Qualifications Framework, this would remain in place until 2024/25.

He stated that there were a significant number of unknowns which are proving challenging, however, all issues will be dealt with as they become apparent and mitigations/actions put in place as appropriate.

Members noted the information provided.

Updates

NIAO

Mrs Murphy advised that the audit process had been closed out and thanked the teams involved for their professionalism and assistance in the provision of information.

AMS

Mr Clerkin confirmed there were no updates from ASM, and confirmed the Audit Strategy would come forward discussion at the January 2020 meeting.

DE

Dr Kingon advised that there were no updates from DE.

7 Regulation

For Consideration

General Conditions of Recognition (GCOR) 2019

AUD/44/10

The Chief Executive drew attention to the detail of the information provided and advised that in addition to the submission of CCEA's Statement of Compliance (AUD/44/10a), statements for Ofqual (AUD/44/10b), and Qualifications Wales (AUD/44/10c), were also required.

Members were content for the Statements of Compliance to go forward to Council for approval.

The statements were formally proposed by Mrs Kathleen O'Hare, and seconded by Mr Brian Wilson.

The Chief Executive advised that CCEA will withdraw its qualifications from Wales, and once exited there will no longer be a requirement to submit the Qualifications Wales Statement.

8 Any Other Business

None identified by the Secretariat.

9 Date of Next Meeting

The Chair confirmed the date of the next meeting as Wednesday 16 January 2020 at 10 am.

He thanked members and officers for their contributions to the meeting.