

CCEA

Audit & Risk Assurance Committee

Minutes of the fifty-second meeting of the Audit & Risk Assurance Committee held on Tuesday 20 April 2021 at 11 am via MS Teams.

Present : Mr R Smyth (Chair) Mr T O'Reilly
Mrs C Fitzsimons Mrs P Leitch
Professor P Hanna Mrs D O'Connor
Mrs S Sellars Ms M Corrigan

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

Mrs L Scott (Director of Finance & Corporate Services)
Miss M Farragher (Director of Education)
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 first meeting of the newly constituted committee, and his first as Chair. He advised on the protocols for participation in the meeting.

1 Apologies

An apology was received from Mr J Edwards.

2 Conflict of Interests

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

3 Chair's Business

Officer/Representative Attendance

The Chair welcomed Ms F Magowan (NIAO); Mr S Dempster (DE); Mr J Poole (KPMG); Miss E Poole (KPMG) and Mr J McCallion (ASM) to the meeting.

He advised that Mr John Daly and Mr David Wilson were in attendance to provide clarification as required on various agenda items.

4 Ratification of Minutes of Previous Meetings

Minutes of ARAC Meeting held on 26 November 2020

The Chair advised that the minutes of the 26 November 2020 were deferred from 18 March due to insufficient attendees to act as proposer and seconder.

The minutes of the meeting held on 26 November 2020 were confirmed as an accurate record of the proceedings by Miss M Farragher. This was agreed by Mrs L Scott. Due to the re-constitution of Council (and departure of outgoing members), the Chair asked for points of accuracy to be followed up outside the meeting.

A copy would be made available for the Chair to sign once normal business arrangements resumed.

Minutes of the previous meeting held on 18 March 2021

The minutes of the previous meeting held on 18 March 2021 were proposed by Mrs P Leitch. Due to the interim arrangements put in place for this meeting, the Chair asked for points of accuracy to be followed up outside the meeting.

A copy would be made available for the Chair to sign once normal business arrangements resumed.

Action Points

The Director of Finance and Corporate Services (DoFCS) drew attention to the action in relation to the Communications Plan and advised that this would be progressed through the Finance Committee and Council.

She confirmed that all other actions had been completed.

Members were content with the information provided.

5 Financial Risk Control & Assurance

Risk & Assurance in Awards and Purchases

AUD/52/1

The Financial Services Manager (FM) provided a brief overview on the agenda item for the benefit of new members.

He drew attention to the detail provided in paper AUD/52/1 and advised that no unauthorised purchases had been identified over £1500 during this reporting period.

Direct Award Contracts

The FM confirmed 4 direct awards in relation to general purchases (Appendix 1). The overall summary was provided on page 2 of the paper.

He assured members that all awards had undergone the appropriate approvals processes in advance of being awarded.

Members were content with the information provided.

Update on Annual Report & Accounts 2020/21

AUD/52/2

The FM reported that Accounts Direction had been received from DE (Appendix 1) confirming the timetable for submission of the Annual Report & Accounts for 2020/21. He confirmed all deadlines had been met and the final report would be presented to ARAC on 17 June and subsequently to Council on 24 June for ratification and signature before laying before the Assembly.

Members were content with the information provided.

National Fraud Initiative (NFI) 2020/21 Update

AUD/52/3

The Financial Services Manager (FM) provided a brief overview on the agenda item for the benefit of new members and advised on the mandatory nature of the exercise.

He drew attention to the information provided and reported on progress since the last meeting. He confirmed no instances of fraud had been identified with all aspects of the exercise on track on deadlines met.

Members noted the information provided.

6 Corporate Risk Management and Audit

Corporate Risk Register – March 2021

AUD/52/4

The DoFCS drew attention to the detail of the CRR and advised that CCEA continue to operate in a significantly high-risk environment as a result of the pandemic and this was reflected in the document. Following the recommendation from the previous ARAC meeting (18 March) to review the Corporate Risks. – 9 risks had been identified.

The DoFCS referred to the summary and gave an overview of the risks and residual scores.

Members sought and received clarification on a number of issues, in particular how the framework is used to identify priority or significant risks and the judgement behind the ratings which are based on professional recommendations from professional teams. The DoFCS reminded members of the evolving environment CCEA continued to operate within, however confirmed that the judgements would continue to be challenged and ensure a consistency check is carried out across all the risks.

Members were content that the CRR continued to capture the uncertainty the organisation was operating under.

The DoFCS confirmed that mitigations would be refreshed for the incoming year and would come forward in the June CRR.

The Business Assurance Manager provided assurance that all measures were being taken to ensure cyber security was at its highest across the organisation and confirmed the recent accreditation of Cyber Essentials.

It was suggested that should members require further clarification on the CRR this could be progressed through the Manager, Council Secretariat, outside of the meeting.

Members were content with the information and clarifications provided.

Annual Governance Statement

AUD/52/5

The DoFCS drew attention to the document and confirmed the draft had been updated since the last meeting, incorporating feedback from DE. The final statement would be presented at the June meeting for final consideration in advance of recommendation to Council.

Members noted the information provided.

Internal Audit Activity

AUD/52/6

The DoFCS confirmed four reports would be presented to the committee. She was pleased to report a 'Satisfactory' rating had been given to each of the reviews, with an overall assurance level of 'Satisfactory' to the organisation (outlined in paper AUD/52/6d).

Internal Audit Review : Cyber Security & Account Controls

AUD/52/6a

Ms Patton (KPMG) drew attention to the detail of the report and outlined the scope of the audit. She provided an overview of the main areas of the review and was pleased to confirm a satisfactory assurance rating with no recommendations identified.

Clarification was sought on whether the scope of the review would be widened to consider the level of activity and disruption of systems worldwide. Ms Patton suggested that it may be possible to undertake a review of the effectiveness of the technical operation of these controls moving forwards.

Members were content with the information provided.

Internal Audit Review : Core Financial Controls

AUD/52/6b

Ms Patton drew attention to the detail of the report and outlined the scope of the audit. She provided an overview of the main areas of the review and was pleased to confirm a satisfactory assurance rating with no recommendations identified.

She commended the robustness of the measures and controls in place in this area.

Members were content with the information provided.

Internal Audit Review : Risk Management

AUD/52/6c

Mr Poole (KPMG) drew attention to the detail of the report and outlined the scope of the audit. She provided an overview of the main areas of the review. He confirmed a satisfactory level of assurance rating with 2 priority 2 and 3 priority 3 recommendations (accepted by Management and detailed in Appendix A). He was pleased to report no significant priority 1 recommendations identified.

He commended the areas of good practice in the area, however understood the high-risk environment CCEA continued to operate within.

The Chair sought and received clarification that the actions would be tracked, followed up and closed out in a timely manner.

The BA Manager confirmed that a significant amount of work has been carried out on the CRR over the last 12 months. He advised that policies, procedures and the CRR would be reviewed to make it more fit for purpose with stakeholders.

The DoFCS confirmed that she had requested this review to ensure that the operations were effective and fit for purpose. She welcomed the positive contributions arising out of this review and confirmed they would be progressed and closed out as appropriate.

She welcomed clarification of Council's role in identifying risks moving forward confirmed that this would be taken forward with Council in the coming months. She confirmed the Management Team were reviewing practices and documentation to provide more clarity and ensure a strong risk management framework is put in place. CCEA would, however, continue to operate within a high risk environment for the foreseeable future.

The DoFCS acknowledged the continuous development of the CRR over the last 12 months and noted the challenges with continuing to operate in such a high risk environment. She recognised the need to review the focus of risk management across the organisation and suggested benchmarking with other organisations to identify improvements.

The Director of Education (DoE) agreed that the risk management process would be reviewed with a view to make the organisation as robust as possible to withstand the ongoing challenges and will take this forward with Council in the near future.

Mr Poole recognised that a significant amount of risk was outside of CCEA's control and endorsed the suggestion to benchmark with other organisations and collaborate with DE on any changes required to ensure strong controls continued to be in place.

Annual Audit Report 2020/21 & Prior Year Recommendations 2019/20

AUD/52/6d

Ms Patton drew attention to the detail provided in Paper AUD/52/6d and outlined the main areas of the Annual Audit Report 2020/21 and gave an overview of the Prior Year Recommendations 2019/20.

She was pleased to confirm an '*Overall Satisfactory Assurance Opinion*' was awarded for 2020/21.

The Chair, on behalf of the committee, thanked the Internal Auditors for their input into the item and commended the achievement of the overall satisfactory assurance.

Updates

ASM

The ASM representative confirmed there were no matters to report.

NIAO

The NIAO representative confirmed there were no matters to report.

DE

The DE representative confirmed the Minister had agreed the budget allocation for 2021/22 and CCEA would be notified in due course.

BREXIT

The DoFCS advised the situation continued to be monitored and updates would be provided as appropriate.

7 Education

Operational Readiness for Summer 2021 Alternative Awarding – Risk Report* *AUD/52/7

The DoE gave an overview of the way in which risks are managed across the Education Directorate. She drew attention to paper AUD/52/7 and provided a detailed overview of the component parts of the paper, these included:

- Key High/Critical risks identified for summer 2021
- Alternative awarding process
- High/critical risks identified for alternative arrangements for grading; and
- The issue of results.

Information was also provided on contractors; appeals; staffing; support and communications; key challenges (detail provided on pages 3-5 of the paper).

Members welcomed the assurances that :

- Effective processes were in place to ensure the results issued would be fair and reasonable.
- Sufficient resources have been allocated to ensure schools are fully supported across the sectors with communications, in particular separate resources were being prepared for pupils to be accessed through a student friendly communications tool.
- Continuous engagement with principals throughout the coming months to ensure clear communications will be provided in a timely manner.

Clarification was sought and received on a number of matters in relation to appeals, to include confirmation that lessons learned from 2020 had been factored in to ensure a more fit for purpose Appeals process for 2021, and the need to guard against reputational risk.

A committee member expressed concern about the significant workload placed on officers in managing the current series and asked that this be addressed, together with the need for accurate and timely communications to be issued to all stakeholders in advance of Results Day for 2021.

Members noted the number of and type of appeals ongoing at present.

8 Any Other Business

None identified.

9 Date of Next Meeting

The Chair confirmed the next meeting was scheduled for Tuesday 15 June 2021 at 11 am.

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