

## **CCEA**

### **Audit and Risk Assurance Committee**

Minutes of the thirty-sixth meeting of the Audit & Risk Assurance Committee held on Wednesday 20 September 2017 at 10.00 am in Room 115, CCEA, 29 Clarendon Road, Belfast.

**Present :** Dr L Caul (Chair) Mrs C Harpur  
Dr G Byrne

Mr M Pitt (PWC)  
Dr R Peters-Gallagher (OBE) (Moore Stephens)  
Mr J Terrington (DE)

Mr J Edwards (Chief Executive)  
Mrs L Scott (Director of Finance & Corporate Services)  
Mrs S McClelland (Interim Director of Corporate Services)  
Mr J Daly (Financial Services Manager)  
Ms J McGovern (Business Assurance)  
Ms A Swann (Business Manager, Qualifications) – Item 7 only

Miss N Kennedy (Manager, Council Secretariat)

### ***Quorum***

The Chair advised that at this point, the meeting was inquorate. Therefore any decisions taken will be referred to retrospectively at the next meeting. Members were content with this approach.

### **1 Apologies**

Apologies were received from Mr D Cooper (NIAO); Dr A Kerr; Mr C McKinney; Mrs K O'Hare and Mr B Wilson.

### **2 Conflict of Interests**

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

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

The Chair welcomed members and officers to the meeting, in particular:

- Mrs Leah Scott, recently appointed Director of Finance and Corporate Services;
- Dr Rosemary Peter-Gallagher (Moore Stephens), Mr Martin Pitt (PWC) and Mr John Terrington (DE Observer)

He confirmed that Mr John Daly (Financial Services Manager) and Ms Julie McGovern (Business Assurance) would speak to agenda items under Financial Risk Control and Assurance and Corporate Risk Management and Control.

### ***Change in Personnel : Internal Audit***

The Chair was pleased to confirm that Dr Rosemary Peters-Gallagher had joined Moore Stephens and would conduct the Internal Audits as scheduled for 2017/18 and 2018/19.

He advised that Ms Camille McDermott and Mr Steven Lindsay were no longer with Moore Stephens and thanked them for their contributions to the work of the committee.

#### *Training and Development Needs/Opportunities*

The Chair asked members to raise any requirements for training and development, in the first instance, with the Manager of the Council Secretariat, outside of the meeting.

#### **4 Minutes of the previous meeting held on 14 June 2017**

The minutes of the previous meeting held on Wednesday 14 June 2017 were proposed by Dr Gordon Byrne and seconded by Dr Les Caul as a true and accurate record.

A copy was available for the Chair to sign.

#### *Action Points*

The Chief Executive drew attention to the action points and advised that they had been completed or were on the agenda for this meeting.

The Interim Director of Corporate Service (DoCS) updated members on progress made with the review of the Performance Review System, in particular, the improvement to the quality of the information provided and increase in submitting completed documents by set deadlines.

The recently appointed HR Manager is conducting a further review on the quality of the information on the current review system. It was confirmed that an in-house solution to document management is being developed.

Members were content with the information provided.

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

##### ***Risk and Assurance in Awards and Purchases***

***AUD/36/1***

The Financial Services Manager (FM) drew attention to the information provided in paper AUD/36/1. Clarification was sought on the unauthorised purchase of £25,066.81 in respect of advertising for the Director of Finance & Corporate Services and Director of Education posts. The Chief Executive explained that extensive advertising was required to attract the largest pool of candidates possible.

Whilst members recognised the business need, a member enquired about the level of expense incurred.

The Chair of the Committee confirmed that this was also the view of the Council.

##### ***Direct Awards***

The FM drew attention to the information provided and advised that 8 direct award in relation to general purchases had been awarded during this reporting period with no areas of concern to report.

Clarification was sought and received on a number of matters. Members were content with the explanations provided.

## **2016/17 Final Report to those Charged with Governance**

**AUD/36/2**

Mr Pitt (PWC) drew attention to the detail of the document and advised that no substantive changes were required and the final RttCwG issued to CCEA on 28 July 2017.

He confirmed that the accounts had been approved and the process conducted satisfactorily.

### *2016/17 Annual Report and Accounts*

It was confirmed that the Annual Report was certified by the Northern Ireland Audit Office (NIAO) and laying took place at the NI Assembly on 28 June 2017.

All deadlines had been met.

Members were content with the information.

## **National Fraud Initiative (NFI) 2016/17 Update**

**AUD/36/3**

Members were aware of the mandatory nature of this exercise.

The FM drew attention to the detail of paper AUD/26/3 and advised that 162 matches had been identified with 19 recommended as priority. He confirmed that all matches were investigated with no instances of fraud identified.

The process has been completed.

Members were content with the information provided.

## **6 Corporate Risk Management and Audit**

### **Corporate Risk Register (CRR) : August 2017**

**AUD/36/4/4a**

The Chief Executive introduced this item and provided an overview of the new format of reporting the CRR. He confirmed that detailed sub-risk registers were available on request.

The Business Assurance Officer presented the new format of the CRR (AUD/36/4a) and drew attention to the inclusion of the General Data Protection Regulation Risk at CR8. She advised that all relevant actions were on target with no areas of concern to report.

The Chair sought clarification on the structure of the CRR. It was confirmed that this was in alignment with the Department of Education and had been designed by the Chief Executive with support from the Interim Director of Corporate Services.

Members commended the clarity of the information provided.

### *Risk Management*

The Chair sought clarification on how the CRR was used. The Chief Executive advised that the document was reviewed on a monthly basis and revised accordingly. It is also submitted to DE bi-annually. He reported that the CRR is used to ensure mitigations are put in place against risks and managed accordingly. He stated that it was not possible to factor out all risks due to instances where circumstances arise that are beyond CCEA's control.

The Director of Finance and Corporate Services confirmed that this was an important document. She assured members that it is key to managing risks across the organisation.

Dr Peters-Gallagher (Moore Stephens) and Mr Pitt (PWC) commended the approach taken by CCEA, stating that both audit and risk management are treated appropriately. Mr Pitt also recognised the confidence the CRR provides as a live document where risks are included as they arise.

It was suggested consideration be given to sourcing potential future risks that were strategic in nature.

The Chair thanked members and officers for their input into the discussion.

**Mid-Year Governance Statement 2017/18**

**AUD/36/5**

The Chief Executive drew attention to the detail of the document provided, and confirmed there were no issues of concern to report.

The Chair asked for the document to be presented formally to Council. The Chief Executive agreed.

**Internal Audit Activity**

**AUD/36/6**

Members noted the information provided.

**Quarterly Update Report**

**AUD/36/6a**

Dr Peters-Gallagher gave an overview of the work carried out to complete the audit assignments set out in the Annual Audit Plan for 2016/17.

Members noted the status of each planned audit for 2017/18 and were content with the approach taken.

- **Assignment Report on Review of General Conditions of Recognition (GCOR) 2016/17: Satisfactory Assurance Rating** **AUD/36/6b**

Dr Peters-Gallagher drew attention to the detail of the report and provided a brief overview of the way in which the review was conducted. She confirmed she was content with the satisfactory assurance rating.

A Committee member sought and received clarification on the way in which complaints were handled.

The Chief Executive confirmed that the way in which all of the information on the two data bases can be brought together to ensure the system is fully integrated is being reviewed.

Members were content with the information provided.

**Income and Debtors Audit Review : Satisfactory Assurance Rating**

**AUD/36/6c**

Dr Peters-Gallagher drew attention to the detail of the report and confirmed a satisfactory assurance rating with 2 priority 3 recommendations identified. Whilst she advised no areas of concern, it was observed that there was excessive checking in some areas and this resource could be freed up to focus on other areas.

Clarification was sought on whether an incentive scheme was in place for early payment of examination fees. The Chief Executive confirmed this was the case.

Members were content with the information provided.

***Renewable Heat Incentive (RHI) :Draft Lessons Learned Review Action Plan*** ***AUD/36/77a***

The Chief Executive advised that CCEA had been asked to consider the extent to which the actions outlined in the RHI Review Action Plan were relevant to CCEA.

He confirmed that the information had been discussed and a CCEA action plan had been drafted addressing each of the actions as appropriate.

Members noted the detail of the papers provided, in particular Appendix 3 : CCEA Action Plan.

The Chief Executive advised that members would be updated on developments as appropriate.

**Updates**

***PWC Update***

Mr Pitt confirmed there were no matters to report.

***NIAO Update***

Mr Pitt, in the absence of the NIAO representative, confirmed there were no matters to report.

***DE Update***

Mr Terrington confirmed there were no matters to report.

**7 Examinations**

The Chair welcomed the Business Manager, Examinations to the meeting.

***Risk Management : Summer Examinations Series 2017*** ***AUD/36/8***

The Chief Executive drew attention to the information provided in paper AUD/36/8, and provided an overview of the following :

- Number of GCSE and GCE unit entries and associated results issued
- Entry profile for summer series 2017
- Centre and Examinations Operational Risks and Mitigations together with associated outcomes

The Chief Executive advised that almost 9 out of 10 qualifications taken in 2017 were CCEA examinations and that the rise in entries would lead to increased financial pressure. He assured members this would be monitored and reported to the Finance Committee.

He outlined the new operational risk to centres in respect of the General Election being held on Thursday 8 June. It was confirmed that no centre risks materialised and all mitigation measures put in place were successful.

***Materialised Risk***

The Chief Executive provided a brief report on the materialised risk and members were content that no candidates were affected. An assurance was provided that additional mitigation measures were now in place.

A Committee member wished to commend all staff involved in the efficient running of the summer series for 2017.

### ***Operational Readiness for January 2018 Examinations Series***

***AUD/36/9***

The Chief Executive drew attention to the information provided and confirmed that a copy of the Qualifications Log was available on request. Members noted the following :

- A medium risk register is being developed to accommodate the new Grading System project. End to end testing is underway and once outcomes are known, changes will be made accordingly.
- On-Line Marking system has been changed to a Cloud System. Transitional arrangements are underway. A high rate of satisfaction on training has been reported.

He confirmed that no critical risks had been identified in respect of the January 2018 series, however, a risk in entries is anticipated.

A member sought clarification on the risk of securing English markers. The Chief Executive advised that whilst this continued to be a challenge, a range of options/solutions had been enacted and sufficient markers secured.

## **8 Regulation**

### ***General Conditions of Recognition (GCOR)***

***AUD/36/10***

The Chief Executive advised that this was the first year Internal Audit had reviewed the GCOR.

Dr Peters-Gallagher confirmed that this was an interesting exercise from an internal audit perspective and was content to provide the additional level of assurance to members.

The Chief Executive confirmed he was happy with the independent assurance provided.

The Chief Executive drew attention to the detail of the information provided and advised that in addition to submitting CCEA's Statement of Compliance, statements for Qualifications Wales and OfQual were also required.

Members were content with the information provided and recommended the Statements of Compliance to go forward to Council for approval.

## **9 Any Other Business**

None identified

## **10 Date of Next Meeting**

The Chair confirmed that the next meeting was scheduled for Wednesday 31 January 2018 at 10 am.

