

## **CCEA**

### **Audit and Risk Committee**

Minutes of the meeting of Audit and Risk Committee held on Tuesday 21 June 2022 at 11am.

Hybrid attendance

**Present:** Tommy O'Reilly (Chairman)  
Carol Fitzsimons (acting Chair ARAC)  
Philip Hanna  
Paula Leitch  
Sarah Sellars  
Majella Corrigan

**In attendance :** Leah Scott , Director of Finance & Corporate Service (DFCS)  
Amanda Swann , Temporary Director of Examinations (TDoE)  
Sharon King , Head of Regulation (HoR)  
John Daly, Business Manager Financial Services (BM FS)  
David Wilson, BA Manager  
Cathy Cromie, Financial Services Accountant  
Emma Patton, KPMG

Jason McCallion, ASM Accountants  
Finula Magowan, NIAO  
Sam Dempster DE (Observer)

#### **1. Apologies**

An apology was recorded for Margaret Farragher, Interim CEO Donna O'Connor, Brian Clerkin (ASM) and Rob Smyth (Chair of the ARAC).

#### **2. Conflict of Interest**

No Conflicts of interest were declared at the meeting.

#### **3. Chairs Business**

Carol Fitzsimmons noted that she had agreed to Chair the meeting in the absence of Rob Smyth. She welcomed John Daly Business Manager – Financial Services and David Wilson, Business Assurance Manager to the meeting noting they were in attendance to provide clarification on relevant items.

She updated members that Leah Scott has been designated as Temporary Accounting officer in the absence of the Interim CEO.

#### **4. Ratification of Minutes of previous meeting held on 26 April 2022**

The minutes of the previous meeting held on 26 April 2022 were proposed by Paula Leitch and seconded by Majella Corrigan. The minutes were amended to include Majella Corrigan as attendee.

#### ***Action Points***

A verbal update on actions arising from the previous ARAC on 28<sup>th</sup> April 2022 was presented by the DFCS. She confirmed the Governance statement for 2022/23 had been updated to reflect members comments and the Whistleblowing Policy had been referred to Council for approval. Members were content with the information provided.

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

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

***AUD/56/1***

The DFCS introduced the report noting that during the reporting period of April- May 2022 a total of £1,594,299.62 was paid to suppliers and no invoices greater than £1,500 was processed as unauthorised. She reported that 4 Direct award contracts had been approved during the period and highlighted the detail provided in the report. The report was noted by the Committee.

#### **6. Annual Theft and Fraud Report 2019 -2020 (Letter No 1)**

***AUD/56/2***

The DFCS noted the Department of Finance Theft & Fraud Report from 2019/20 reporting that findings would be considered by the management team as appropriate to the work of CCEA. The report was noted by the Committee.

#### **7. Draft Annual Report and Accounts 2021/22**

***AUD/56/3***

The DFCS presented the Annual Report and Accounts for 2021/22 drawing to attention of members the statements of assurance and advising that the accounts had been subject of external audit following their completion. She was pleased to report that the auditors had confirmed an unqualified audit opinion.

The BM (FS) presented further detail on the Accounts including the timetable for completion and noted some final editorial amendments. He recommended the Annual accounts for approval by the Audit Risk & Assurance Committee noting they would be subject to final approval by Council at its meeting of 23<sup>rd</sup> June 2022.

The designated Chair noted the substantial amount of work required and commended officers responsible.

***It was agreed to recommend the approval of the Annual report and Accounts for 2022/23 to Council. The action was proposed by Tommy O'Reilly and seconded by Philip Hanna.***

#### **8. Report to Those Charged with Governance (RttCwG)**

**AUD/56/4**

The DFCS introduced the report and invited Mr Brian Clerkin to present the findings. Mr Clerkin provided an overview of the report highlighting an unqualified audit opinion.

He noted an unadjusted misstatement of £78k for Assets under construction relating to the Accommodation Strategy. The DFCS clarified that the project was delayed because of the impact of the COVID19 pandemic and new ways of working. She noted the would be adjusted if appropriate, in the Accounts for 2022/23.

Members were satisfied with the report and the DFCS thanked ASM and the NIAO for their work to complete the audit in the agreed timescales.

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

#### **9. Corporate Risk Register 2022/23**

**AUD/56/5**

The DFCS presented the latest Corporate risk Register, which had been reviewed by the Executive team during June 2022. She noted that although some of the Risks had reduced residual risks, there remained high risks in some areas. She noted the risks around resourcing and cyber security outlining the mitigations that have been possible.

The Business Assurance Manager provided an overview of the 8 Corporate Risks and clarification on CRR 5.

A member noted the current risk environment and the importance of ensuring Council had oversight of the risks and recommended bringing forward for full consideration. The DFCS noted that a summary of the Corporate Risk register is discussed at Council as a standing agenda item.

***It was agreed that Council would consider the Corporate Risk Register at the next meeting.***

#### **10. Internal Audit Progress Report Including 2022/23 Plan**

**AUD/56/6**

The designated Chair introduced Emma Patton to the meeting and asked her to present the Report on Internal audit progress 2022/23. Mrs Patton provided an

overview of the timetable for the internal audit service in 2022/23.

#### **11. Verbal Update NIAO**

No updates from NIAO were reported.

#### **12. Verbal Update ASM**

No Updates from ASM were reported.

#### **13. Verbal Update DE**

No update from DE were reported.

### **Examinations**

#### **14. Summer 2022 Risk Update**

**AUD/56/7**

The Temporary Director of Examinations presented the update providing members with detail on the progress of Examination conduct for 2022. She reported that the main summer series timetable would be complete on 28<sup>th</sup> June and was pleased to report that as of 10<sup>th</sup> June 76% of the A / AS level and 57% of the GCSE papers had been sat. All internally assessed sample of work were received from centres and were in the process of moderation. The TDoE updated the members of a risk which materialised in relation to the online marking contract and outlined the actions being undertaken by the contractor to ensure safe delivery of the series. The TDoE reported that the Reserve series had commenced with 263 entries across A level and GCSE.

The TDoE reported the biggest risks related to resourcing, through increasing COVID infection rate and noted risks in relation to meeting the expectation of the agreed standard due to drop in performance levels. She advised that she was in regular contact with CCEA Regulation who had issued Regulatory Principles in relation to the results and referred to the importance of ensuring comparability with outcomes in England and Wales. She advised the committee that officers also continued to provide DE with updates to ensure full visibility of challenges.

The TDoE referred to a small number of Centres requesting Centre Determined Grades for candidates who were unable to sit examinations because of disability. She noted emerging issues in other UK jurisdictions and updated members on discussions which were ongoing through JCQ. She advised members that she would continue to monitor and keep Council informed.

Members discussed the issue of standards and noted the particular circumstances impacting on this year's cohort as a result of the disruption caused by COVID 19.

Members sought and received clarification on arrangements for supporting learners at Issue of Results. The AICEO referred to the helpdesk which would be available to students and to the Communications plan for 2022 series.

***It was agreed that the communications strategy for 2022 would be reshared to Council members.***

## **Regulation**

### **15. Summer 2022 Risks in Grading and Standards**

**AUD/56/8**

The HoR presented the paper on Risks in Grading and standards for general qualifications (GQ) in Summer 2022. She advised Council on the nuances between UK jurisdictions and the importance of maintaining comparability. She highlighted the risks associated with this year's approach to grading and the enhanced scrutiny which would arise following the return to public examinations.

The HoR also outlined risks impacting on maintenance of standards for vocational qualifications given the different approach to awarding. She noted that Regulators have asked VQ AOs to exercise appropriate latitude to take appropriate account of the impact of COVID on teaching & learning for learners taking VQ's.

The HoR outlined the arrangements which would be in place to mitigate the impact of these risks materialising. These include the weekly meetings with CCEA Qualifications teams to ensure issues could be resolved and regular meeting with AOs awarding VQs particularly those used for the same purpose as GQs.

### **16. Any Other Business**

No other business was noted

### **17. Date of Next Meeting**

The date of the next meeting was confirmed as Thursday 22 September 2022 at 1.30pm.

Actions

***Recommend the approval of the Annual report and Accounts for 2022/23 to Council. The action was proposed by Tommy O'Reilly and seconded by Philip Hanna.***

***Council would consider the Corporate Risk Register at next meeting.***

***The communications strategy for 2022 would be reshared to Council members.***