

CCEA

ARAC COMMITTEE MEETING

Minutes of the 57 Audit & Risk Assurance Committee meeting held on Thursday 22 September 2022

1.30pm – 3.30pm

HYBRID ATTENDANCE

Present :

Mr Rob Smyth (Chair)	Mr Tommy O'Reilly
Mrs Leah Scott (ICEO)	Mr Philip Hanna
Mrs Sarah Sellars	Ms Majella Corrigan
Mr John Daly	Mr Robert Clugston
Mr John Trueman	Ms Emma Patton (KPMG)
Mr Jason McCallion (ASM)	Mr Andrew Allen (NIAO)
Mr Ray Caldwell (DE Observer)	Mr Nathan Wardlow

Ms Jacqui Burns (Temporary Manager, Council Secretariat)

MINUTES

The Chair welcomed Committee Members and Senior CCEA Staff to the meeting.

1. Apologies:

Apologies were received from:

Apologies were received from Amanda Swann, Paula Leitch, Carol Fitzsimons, David Wilson

2. Conflict of Interests

There were no conflicts of interest declared at this meeting.

3. Chairs Business

The Chair introduced external representatives to members:

Emma Patton – KPMG
Jason McCallion – ASM
Andrew Allen - NIAO

The Chair advised committee members of changed roles for those in attendance and congratulated those attendees:

Leah Scott is now present as Interim Chief Executive

John Daly is now present as Temporary Director of Finance and Corporate Services

Robert Clugston is a new addition to the meeting as Temporary Finance Business Manager.

The Chair also welcomed the new CCEA Boardroom Apprentice, Mr Nathan Wardlow.

4. Ratification of Minutes of Previous Meeting held on 21 June 2022

It was agreed that the minutes provided were an accurate reflection of the previous meeting.

Proposer: Majella Corrigan

Seconder: Philp Hanna

5. Financial Risk Control and Assurance

Robert Clugston (RC) informed members that all papers in the 'Financial Risk Control and Assurance' section are for information only.

AUD/57/1 Risk and Assurance in Awards and Purchases

RC confirmed that within the period of April 2022 and August 2022 there were three unauthorised purchases. These were caused by minor administrative errors and have been addressed to mitigate further future errors.

RC informed that there were four Direct Award Contracts within the period of June 2022 and August 2022. All four were in relation to general purchases and totalled £26,433.25(excluding VAT).

6. Corporate Risk Management and Audit

AUD/57/2 National Fraud Initiative 2022-2023

RC presented the paper outlining that the initiative entailed data matching with similar organisations on a cross jurisdictional basis. The paper also provided key dates for the next data matching exercise under the Comptroller and Auditor General for Northern Ireland's powers. RC informed members that the paper was for information only.

AUD/57/3 National Fraud Initiative 2020-2022 Report

JD provided a summary of the report including outcomes of over £4.4million between April 2020 and March 2022. The report also focused on challenges associated with the COVID pandemic and outcomes relating to COVID grant payments.

A full copy of the report was provided to members for their information.

AUD/57/4 2021/22 Annual Report and Accounts (AR&A) and Report to those Charged with Governance (RttCwG)

JD introduced this paper and informed members that the Annual Report had been approved by Council on 23 June 2022 and then successfully laid at the NI Assembly on 01 July 2022. A copy of the Annual Report was provided to members. JD commented that he wished to streamline the document for the next year.

(S Sellars) A Committee member thanked the ICEO, JD and the Finance team for making the process as smooth as possible.

A copy of the cover letter and Report to those Charged with Governance was also provided to the members.

AUD/57/5 2022-2023 Corporate Risk Register – August 2022 Update

JD presented this paper to Committee members and provided a summary of the activity on the residual scores of the eight corporate risks since the previous review.

JD informed that the residual scores of three risks had changed and that five remained the same.

CR2 Failure to ensure adequate processes and resources (including human, physical and financial) to support the provision of quality services and products including digital solutions) across all CCEA functions (including managing third party dependencies).

Residual score has decreased from 16 to 8

CR5 Failure to comply with Governance arrangements including data, data services, cyber security, GCOR, Quality Standards, Health and Safety, Equality and HR Legislation.

Residual score has decreased from 16 to 12

CR8 Failure to effectively manage the Corporate Governance and management arrangements in CCEA.

Residual risk has increased from 9 to 12

The paper also covers any mitigations required and the progress of these.

Several Committee members commented on how helpful the explanation column is.

A committee member commented that it was positive to see risks decreasing but had a query regarding cost of living and if these increases have been factored in whilst budgeting. The ICEO agreed that CCEA will be facing challenges in the future. She said that CCEA are currently working on a three year projection in the hope that budgetary allowances will be made for these increases.

A Council member asked at what stage in the year do CCEA extract these scores to learn for the future year as some risks such as CR1,4 and 8 never go away. The ICEO said that the CRR is reviewed on a quarterly basis with mitigations reviewed routinely.

The Chair of Council asked all members to look at the comment on CR4 to ensure that it reflects what CCEA's standpoint is. He also said that hopefully the scoring on Cr8 will hopefully reduce before the next ARAC meeting.

A Council member asked the ICEO what the mood is like among staff in the organisation. The ICEO said that there is a genuine appetite to work with the Council and deliver as much as they can. The ICEO also said that she was looking forward to the recruitment of Temporary Director of Curriculum, Assessment and Regulation.

AUD/57/6 Internal Audit Report on Activity and Schedules

JD introduced this paper to members for noting.

JD informed members that the 21/22 to 23/24 Internal Audit Strategy which also incorporates the 22/23 Annual Plan was approved at the ARAC meeting on 26 April 2022. JD also provided a summary of the agreed Annual Plan which included timescales and ownership of the assignment.

A Final Report - Review of Core Financial Controls (Payroll, Travel and Subsistence and Income & Debtors) was presented to members by Ms Emma Patton (EP), KPMG.

It was noted that in terms of travel and subsistence's the policy is out of date and the recording system has now changed significantly. This has been addressed and it is hoped to be closed out before the end of the year.

A Committee member asked what CCEA have in place to ensure that policies and processes are updated. JD responded that this was flagged through an ISO audit. The ICEO noted that

the Business assurance team were responsible for reviewing policies on a routine basis. The ICEO commented that the expenses policy was in operation.

Verbal Updates from External Parties

NIAO Update:

The Chair invited Andrew Allen (NIAO) to speak of any items of information which require the attention of the Committee.

Andrew Allen said that as the RttCwG has been issued, they will be planning for next year. This should be ready to discuss at January's ARAC meeting.

ASM Update:

The Chair invited Jason McCallion (ASM) to speak of any items of information which require the attention of the Committee.

Jason McCallion confirmed that he had nothing to add at this meeting.

DE Update

The Chair invited Ray Caldwell (DE) to speak of any items of information which require the attention of the Committee.

Ray Caldwell confirmed that he too had nothing further to add.

7. Any Other Business

There were no other items identified.

8. Date of Next Meeting:

Thursday 19 January 2023