

CCEA

Audit and Risk Committee

Minutes of the meeting of Audit and Risk Committee held on Tuesday 26 April 2022 at 11 am via MS Teams.

Present:

Mr Rob Smyth (Chair)
Mrs A Kingsley
Mrs K O'Hare
Ms P Slevin
Mrs C Fitzsimons

Dr L Caul
Mr H McCarthy
Mr T O'Reilly (Chair of Council)
Mrs S Sellers
Mrs P Leitch

Ms M Farragher (Interim Chief Executive)
Mrs L Scott (Director of Finance & Corporate Services)
Miss A Swann (Temporary Director of Examinations)
Mrs S King (Head of Regulation)
Mr J Daly (Business Manager Financial Services)
Mr D Wilson (Business Assurance Manager)

Miss N Kennedy (Manager, Council Secretariat)

1. Apologies

Apologies were received from Professor Phil Hanna and Mrs Donna O'Connor.

2. Conflict of Interest

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

3. Chair's Business

The Chair welcomed Emma Patton (KPMG) Jason McCallion (ASM), Finula Magowan (NIAO) and Andrena Murray (DE) to the meeting. He confirmed that Mr John Daly, Business Manager Financial Services and David Wilson Business Assurance manager were in attendance to provide clarification on various agenda items.

4. Ratification of Minutes from Previous Meeting held on 11 January 2022

The minutes of the previous meeting held on 11 January 2022 were proposed by Mrs Paula Leitch and seconded by Mr Tommy O'Reilly.

5. Action points.

Members were updated on the status of the action points and were content with the information provided.

6. Financial Risk Control and Assurance

Risk and Assurance in Awards and Purchases

AUD/56/1

The DoFCS drew attention to paper AUD/56/1 and reported 2 unauthorised purchases during this reporting period. The detail was provided in the reports to members.

Direct award contracts

The DoFCS confirmed 12 direct award contracts were awarded during this reporting period. The detail was provided in the reports to members.

The DoFCS was pleased to report no issues of concern during this reporting period and members were content with the information provided.

7. Annual Report & Accounts 2021/22 Update

The DoFCS updated members on progress with the annual report and accounts process in line with the timeframe and in advance of approvals in June.

She was pleased to report that the process was on track to meet the deadlines in line with committee feedback to allow more time for consideration of the draft annual report and accounts. The final draft will come forward to ARAC on 21 June for consideration and recommendation to Council on 23 June.

The DoFCS noted additional measures have been introduced to expedite the process to ensure members have sufficient time to consider.

A member sought and received clarification that the remuneration report was for noting and inclusion in the final Annual report and accounts.

8. Corporate Risk Management and Audit

Draft Annual Governance Statement 2021/22

AUD/56/3

The Interim Chief Executive drew attention to the document provided for consideration. She advised that the document had been updated to include feedback from DE and would go through editorial in advance of being submitted to DE for final consideration.

A member noted the number of additional meetings which took place throughout the year which required members attendance and requested further detail on the statement to reflect this. This was agreed by the ICEO.

A member noted the significant issues and risk management which arose during the year because of COVID. She noted the major impact which continued in 2021/22 and suggested the statement reflects this.

Members discussed the risks to Regulation and 3 country comparability. The ICEO concurred with the point and confirmed this has been changed for the same reasons.

Members also noted the impact of the current response on People and resources and continuing demands as well as additional time requirements from Council members during the past year. A DE official noted that it would be important to understand the extent of involvement for Council members.

Subject to the changes discussed, members were content with the information provided.

9. Corporate Risk Register 2022/23

The DoFCS drew attention to paper AUD/56/4 and updated members on the revisions for the 2022/23 CRR. She reminded members that the operation continued to operate within a high-risk environment as we emerge from the pandemic.

A member drew attention to Risk 8 and sought clarification on the risk assessment. It was noted this risk was attributed to Council and agreed to keep under review.

The ICEO advised that we have made every effort to decrease the risks as we work our way through the pandemic, however in terms of risks associated with examinations and issues with staff absence due to covid, this remains challenging. She confirmed the risk current level to remain until the challenge decreases.

The BA Manager referred to the introduction of Risk Appetite following recommendation from Internal Audit. He outlined the purpose of the section for members' information and advised that this is around the level of risk CCEA is prepared to accept and outlined the 3 categories: risk averse; modest and cautious; and open and hungry. He noted the current evaluation was 'modest and cautious' as CCEA continues to mitigate risks and introduce contingencies.

Members discussed the detail of the CRR and obtained clarification on a number of points in relation to the CRR. Members were content with the explanations provided.

10. Internal Audit Activity

Draft 2021/22 - 2023/24 Internal Audit Strategy & 2022/23 Annual Plan

AUD/56/5

Mrs Patton (KPMG) presented the draft internal audit strategy and outlined the main elements of the document for members consideration. She drew attention to the 2022/23 Annual Plan (page 9) and outlined the internal audit reviews that will be conducted during the 2022/23 financial year.

Members were content to approve to forward to Council for ratification. Formally proposed by Mrs Carol Fitzsimons and seconded by Mrs Sarah Sellars.

The document will go forward to Council for final ratification.

Internal Audit Progress Report & Internal Audit Reviews

AUD/56/6 – 6D

Mrs Patton (KPMG) presented the following internal audit reviews:

- *Payroll, Travel and Subsistence, Bank & Cash: Satisfactory internal audit opinion 6A*
- *Governance - Whistleblowing, conflict of interests, gifts/hospitality (6B)*

Mrs Patton advised that this review obtained a satisfactory internal audit opinion with recommendations, all of which have been accepted by Management. She drew attention to the Appendices and gave a detailed overview of the recommendations.

She was pleased to report that a number of the issues had been addressed immediately and validated in the Annual 2021/22 Report (AUD/56/7).

The ICEO wished to place on record her thanks to the auditors for their help in identification of the issues, however, she wished also recognised the challenging circumstances colleagues

continued to operate under throughout the year and would acknowledge the great work carried out by staff.

- *Summer 2020 Complaints/Appeals (Bias and Discrimination) (6C)*

Mrs Patton referred to the Executive Summary on page 4 of the document and confirmed a Satisfactory Assurance Opinion with no issues identified. She drew attention to the 4 instances of good practice which had been evident throughout the review with no exceptions identified.

- *Human Resources -(6D)*

Mrs Patton (see previous minutes for introduction), referred to the executive summary and confirmed a satisfactory assurance opinion. She outlined the scope of the review and welcomed the good practice that had been evidenced.

11. Annual 2021/22 Internal Audit Report & Prior Year Recommendations AUD/56/7

Mrs Patton referred to the Executive Summary of the Report and was pleased to report that the programme of internal audit reviews had been completed for 2021/22 and confirmed an overall Satisfactory Assurance.

She confirmed that the recommendations had been considered.

Those brought forward from prior year recommendations had also been considered and she wished to highlight that a number of the follow up issues were no longer applicable due to the interruption of examinations.

The internal audit report provided an overall Satisfactory Internal Audit Opinion for the 2021/22 year in line with requirements of public sector internal audit standards and Mrs Patton confirmed an independent objective internal audit service throughout the year

The Chair wished to acknowledge the satisfactory rating with no priority 1 recommendations.

Members were content with the information provided.

12. Updates

NIAO - representative confirmed no issued to raise.

ASM - representative confirmed no issues to raise.

DE - representatives confirmed no issues to raise.

BREXIT - It was agreed to remove BREXIT issues from the agenda. It was agreed that Management would keep this under review.

13. Examinations

Risk Management Report

The Temporary Director of Examinations drew attention to the report and advised on the updates following the last meeting. She spoke to the detail of the report and outlined the key issues. A member expressed concern in regard to recruitment and retaining people who have the significant experience to ensure a safe summer series.

The Temporary Director of Examinations confirmed that a mentoring programme was in place and work was closely monitored for those staff new to the role. She assured that the work has been reviewed closely to ensure the work is up to standard and this will be operated at the beginning of the series to ensure significant support available. She confirmed that a training programme was in place to ensure that all examining teams are adequately trained in advance of the series. She provided more detail in relation to arrangements for summer Awarding to ensure there are no single points of failure. She confirmed that the markers are trained and tightly supervised throughout the series.

Members welcomed the assurances and drew attention to the significant amount of work carried out by CCEA and noted the importance of adequate mitigations to prevent major issues, particularly those emerging at short notice.

The Dof E confirmed that additional testing was being carried out in C2K and ICT to ensure all issues are addressed.

A discussion followed on operational matters and planning for summer 2022. The ICEO thanked members for the comments on the extraordinary efforts being put in place to ensure a summer series and stated this was challenging with teams working under immense pressure.

Members were content with the information provided.

14. Regulation

DfE Independent Report on CCEA Regulation Funding

AUD/56/10

The Head of Regulation introduced the item and provided some background to the issue. She confirmed that the report had been commissioned by DfE and summarised the main findings arising from the report in that the role of Regulation and the way in which it is funded is completely reviewed.

DfE has accepted the findings of the report and will write to CCEA to ask for a response to the report.

The ICEO welcomed the findings of the report and welcomed the positivity of the level, quality and pace of work produced by the Regulation team. She recognised that DfE wished to accelerate the work and to do so we need to adequately resource this team. She noted that this is an opportunity CCEA to reflect about the shape of regulation in the future to ensure it will fulfil the requirements of regulation of vocational qualifications.

There followed a discussion on the detail of the report and clarification was provided. It was noted that the report would be considered by Regulation Committee and Council at the May committees.

15. Policies

Revised draft whistleblowing policy

The DoFCS presented the draft whistleblowing policy and confirmed feedback had been taken on board from last meeting and policy has been revised in line with the matters raised.

Mr Tommy O'Reilly wished to place on record his thanks to BA - Manager and his team for the

work on developing the policy.

Approval was proposed by Mr Tommy O'Reilly and seconded by Mrs Carol Fitzsimons and it was agreed to recommend to Council for ratification.

16. Any Other Business

None

Date of Next Meeting:

The date of the next meeting was confirmed as Tuesday 21 June at 11 am. He thanked members and officers for their contributions to the meeting.