

## **CCEA**

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

Minutes of the fiftieth meeting of the Audit & Risk Assurance Committee held on Thursday 26 November 2020 at 11 am via MS Teams.

**Present :** Mr C McKinney (Chair) Mrs K O'Hare  
Dr A Kerr

Mr J Poole (KPMG)  
Ms E Patton (KPMG)  
Mr J McCallion (ASM)  
Dr S Kingon (DE)  
Mr A Allen (NIAO)

Mr J Edwards (Chief Executive)  
Mrs L Scott (Director of Finance and Corporate Services)  
Miss M Farragher (Director of Education)  
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 meeting. He wished to place on record, on behalf of the committee, condolences to Miss M Farragher (Director of Education) on her recent bereavement.

### **1 Apologies**

Apologies were received from Dr Gordon Byrne and Mrs Christine Harpur.

### **2 Conflict of Interests**

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

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

#### *Appointment of Internal Auditor*

The Chair was pleased to confirm that KPMG had been appointed as CCEA's Internal Audit Provider for a period of 3 years and welcomed Mr John Poole and Ms Emma Patton to the meeting. He advised that Mr Poole and Ms Patton would speak to the Internal Audit Activity at Item 6 on the agenda.

#### *General*

The Chair welcomed Mr J McCallion (ASM); Dr S Kingon (DE); and Mr A Allen (NIAO) to the meeting.

He advised that Mr John Daly (Financial Services Manager), and Mr David Wilson (Business Assurance) were in attendance to provide clarification as required on various items on the agenda.

#### **4 Minutes of the previous meeting held on 17 September 2020**

The minutes of the previous meeting were proposed by Dr Ana Kerr and seconded by Mrs Kathleen O'Hare as a true and accurate record. A copy would be made available for the Chair to sign once normal business resumed.

##### *Action points*

The DoFCS advised that the CRR had been updated on the basis of the discussion at the previous meeting and would be considered at paper AUD/50/3.

She confirmed that a Resourcing Manager had been appointed within the Resources Team to support staff as appropriate and has commenced work on an action plan to ensure the health and well-being of staff together with Health and Safety are addressed in the context of Covid-19. She assured members this would be taken forward as appropriate with managers across the organisation.

The Chair welcomed the update and stated the importance of having well communicated and clearly articulated policies and procedures for health and well-being, health and safety are most effectively managed and clearly signposted staff available to support and advise staff through the crisis, whilst continuing to work remotely. He, on behalf of the committee wished to commend all staff for their continued effectiveness through these challenging times.

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

##### ***For Information***

##### ***Risk Assurance in Awards and Purchases September – October 2020 AUD/50/1***

The Financial Services Manager (FM) drew attention to the detail provided in paper AUD/50/1 and advised that there were no unauthorised purchases during September and October 2020.

##### *Direct Award Contracts*

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

Members were content with the information provided.

##### ***National Fraud Initiative (NFI) 2020/21***

***AUD/50/2***

Members noted that this was a mandatory annual exercise.

The DoFCS drew attention to the information provided in paper AUD/50/2. She explained the process and the exercise was on target for completion within the set deadlines (page 2).

The FM explained that data would be supplied by CCEA and should there be any potential instances of fraud an investigative process would begin towards end of January 2021 with the outcomes being

reported to the next appropriate Committee meeting. He advised that in all of the exercises CCEA had participated in to date no fraud had been identified.

The Chair drew attention to the additional document on Procurement Fraud from NIAO which had been circulated to members from the Chief Executive.

Members were content with the information provided.

## **6 Corporate Risk Management & Audit**

### ***For Consideration***

#### ***Corporate Risk Register – November 2020***

***AUD/50/3***

The DoFCS advised that following the last meeting, the CRR had been reviewed considerably taking into consideration comments and feedback from members, but also to reflect more clearly the current risk environment. All aspects of CCEA business would be under review for the remainder of the 2021 academic year.

She drew attention to CR1 which reflected CCEA's risk and response to Covid-19. This has also been aligned to DE's Risk Register and the Response Framework in place at Departmental level. This also reflected inwards on CCEA's activities that could be mobilised to mitigate any internal risks to the organisation.

She provided an overview of the corporate risks CR2 to CR7. These remained static and reflected the current risk environment. The residual risk was very high (sitting at 20 with one at 15) which reflected the Executive Team's perspective following mitigations. She advised that the current environment continued to be challenging, however consequences and actions continued to be identified and managed accordingly.

The DoFCS confirmed that the Business Assurance Manager continued to support managers across the organisation in identifying and mitigating risks. She stated that work continued with DE Officials in progressing the Options for 2021 Summer Examinations, however as the situation evolved daily the risk environment changed as options are developed.

She assured members that the CRR was continually assessed to ensure it reflected the most up to date position and was an important part of the process to allow CCEA to continue to deliver the services required by DE.

A Committee member sought clarification on whether CR5 (risk in ICT domain) related to CR7 in regards to the risk in curriculum, and whether there was capacity in ICT to support blended learning, and the move to on-line learning. The Chief Executive stated that CR5 related to the core ICT systems (eg AS400, web supply and security of data systems). Supporting learning programme is materials and support in relation to the NI Curriculum which are separated out. The Committee member sought further clarification on whether there was sufficient staff who were technically capable to deliver the blended learning as well as subject specific staff responsible for creating new or revised existing resources. The Chief Executive confirmed that all aspects of resourcing were monitored under CR1, and have support from CCEA's Multimedia team together with sub-contractors as appropriate.

The DoE confirmed that we continue to work with other partners across the sector to deliver the support in terms of blended learning resources. She also paid tribute to the Multimedia team for their support

with the learning resources. CCEA was responsible for the production and availability of resources, however at present there was capacity issues in terms of the amount of resources reduced as the main priority was the delivery of examinations for 2021. This was a regrettable position.

It was suggested, however that the main pressure on ICT delivery implementation of remote resources could be in the schools and the interface with pupils' devices.

The Chief Executive concurred with the DoE about the priority, however advised that the risk of accessibility for students fell outside CCEA's remit.

Dr Kingon (DE) referred to the pressure around remote learning and confirmed this was on the C2K system. She confirmed that DE had secured £2.5M from Department of Finance (DoF) in terms of Restart to support and expand bandwidth in areas where schools have low bandwidth, and also to procure additional learning applications to support remote learning. She confirmed that a significant amount of funding had also been provided to purchase a range of materials and devices included in a wider package of support being rolled out through the Restart Programme.

She confirmed that in terms of the provision of general resources, CCEA colleagues continued to work with colleagues on the Continuity of Learning Project as part of the Department's Qualifications, Curriculum and Standards Contingency Programme. She advised that the Education Authority (EA) had set up a 'one stop' website where additional resources (including case studies) were available for schools around remote learning. The Chair confirmed that this had been received and communicated to schools and was very much welcomed.

A Committee member sought clarification on CCEA's cyber security. The DoFCS confirmed that this was at the forefront of CCEA's operations and confirmed the ICT team was ahead of the curve and were constantly updating the cyber security regime. She confirmed that the organisation was ISO compliant and high standards of security continue to be maintained. The Chair advised that this was one of the strands Internal Audit would be evaluating inside the Audit Plan to establish that CCEA's systems are as robust as possible and provide assurance to the Committee.

The DoFCS wished to place on record the significant amount of work carried out in the area of cyber security and suggested that a report be drafted over the last 12 months in this area. The Chair sought clarification on whether it would be appropriate to wait until the Internal Audit Review had been conducted. The DoFCS wished to reiterate the incredible work completed in this area by staff, however, agreed would await the findings of the IA report.

The Chair welcomed the work carried out to date in all areas discussed and the importance of cyber security and all IT software support systems being at the highest level of security for all aspects of CCEA business and to enable the delivery of the digital curriculum in a safe environment.

The Committee member sought clarification on the process in place to monitor the effectiveness of mitigations in particular the reputational risk should similar issues arise to that experienced in summer 2020.

The DoFCS confirmed that a significant amount of planning is underway for examinations 2021. She provided an overview of the indicators to monitor media perception. She advised that public confidence in the system was obtained through stakeholder groups, continuously monitored through engagement with teams and teaching communities across the sector. The Silver 6 Team responsible for Communications reported against a number of assessment measures to the Gold Team (Chaired by the Chief Executive) on a regular basis.

The Committee member sought clarification (in the areas of public confidence), on whether this included contract for services staff, was it divided into different groups and was there various indicators attached to these. She also sought clarification on whether the number of complaints was referenced to CCEA's performance, and whether CCEA sought views from stakeholders on effectiveness of communications.

The DoFCS confirmed CCEA did have a stakeholder engagement plan which cross-referenced the groups the member referred to. She reminded members that CCEA, has had to make and deliver challenging and at times unpopular decisions/messages, however continued to fulfil its responsibilities to deliver examinations as directed by DE. She acknowledged that efficiency and professionalism of messaging was a separate issue and would continue to be improved upon.

The Chief Executive confirmed that mitigations should reduce risk and stop risk materialising. In the event of a risk materialising then officers will report lessons learnt to the committee. The CCEA Risk Register is very high, and the likelihood that it will remain high is due to the current situation, however he assured members that work continued to reduce the impact and review measures of effectiveness.

The public reputation risk was specific risk and to provide an indicator is challenging due to constant variations at this point of time. The Chief Executive reminded members that CCEA was currently engaged in the External Review on Summer 2020, and it was likely that this issue would be considered. He said that from an Audit & Risk point of view the External Review would be a report on risk realisation and understanding of were there any further mitigations that could have been applied to individual risk items.

The Chair stated it was clear that the CRR was live and active method in terms of managing the organisation and proactively dealing with issues before they arise where possible and reacting to circumstances in terms of lessons learned. He referred to the work carried out from the September meeting, in particular the addition of the Covid-19 related risk was a good demonstration on how CCEA uses the CRR in order to manage a situation before it materialised or responding to situations that have arisen.

The Chair said it was how the organisation worked overall would be the best demonstration of confidence to the public as opposed to reacting to a measure from the public. CCEA should continue with confidence to deliver its remit and deal with issues as they arise as appropriate.

The Business Assurance Manager stated that in relation to mitigations, root causes and consequences are provided on each of the risks. In the event of ineffective mitigations, consequences are enacted. He clarified the processes followed and confirmed that all consequences have been reviewed in the light of Covid-19.

He reminded members of the structure of operational risk registers sitting below the high level CRR. These are managed and monitored effectively across the organisation and only when these are escalated they are included on the CRR.

A Committee member suggested (at a recent Education Committee) that Council members observe stakeholder meetings to further develop an understanding of the issues being discussed. She recognised that there was no one method of monitoring public confidence.

The Chief Executive clarified that the Timetabling Group (of which the Chair of the Committee was a member in his capacity as a School Principal) was not a Stakeholder Group. The Director of Education (DoE) welcomed the commitment of Council members wishing to be involved in the stakeholder groups,

to gain a better understanding of the main issues under discussion, however, asked them to bear in mind the dynamic and possible impact on feedback if Council members attend.

The Chair suggested that this be an area of development, and that a formal policy for Council members attendance at stakeholder groups (setting out if and when it would be appropriate for members to attend in order to gain a general understanding of engagement within stakeholder groups) be drafted to ensure an efficient and effective approach is taken. The Committee member stressed that the intention would be for Council to adopt a pastoral approach to support officers given pressure CCEA executive continue to experience. The Chair concurred with the suggestion.

A Committee member stressed the importance of having absolutely clarity and transparency in regards to the requests being made of CCEA by government departments.

The Chair stated that clarity continued to be sought on requests and in all areas of CCEA business.

He commended the work carried out on the CRR to date and encouraged constant review of the registers to ensure that whenever risks are dealt with effectively and become less of a priority changes are made. He recognised the pressurised environment officers continued to work within, particularly this academic year 2020/21, so that officers are not overburdened with unrealistic demands given the exceptionally fluid environment. He reminded members of the purpose of the CRR in that assists and guides leadership management on the operations of the organisation.

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

#### ***Mid-Year Governance Statement 2020/21***

***AUD/50/4***

The Chief Executive introduced this item and confirmed it was a requirement for the Accounting Officer to provide evidence to the Department (DE) on the effectiveness of CCEA's governance arrangements, following a specific template and requirements from DE.

He advised that the significant risks outlined in the statement continued to be the disruption to CCEA operations due to the Covid-19 pandemic and alterations required to the Summer 2020 examinations series in regards to provision of alternative arrangements. The Summer 2021 arrangements around awarding processes also presents significant risks.

He made reference to the uncertainty and range of unknowns, however certainty has been provided in that the Minister wishes examinations to proceed if at all possible in summer 2021.

The Chief Executive confirmed that BREXIT is also included as a significant risk, however assured members of the contingency planning that can be enacted in terms of EU exit.

Members noted the information provided.

The Chair wished to commend the commitment to the role of the Chief Executive in that the personal responsibility should not be underestimated.

#### ***Post Project Evaluation Update***

***AUD/50/5***

The DoFCS updated members on the PPE activity undertaken since the last meeting including lessons learned from previous post-project evaluation. She stressed the importance of continuing to prepare

smart objectives taking cognisance of contract expenditure and also advised that all relevant information and messages would be disseminated through the appropriate mechanisms.

The Business Assurance Manager confirmed that training was being planned for staff. This would incorporate these lessons together with those learned from the RHI enquiry and assured members that CCEA would continue to improve on the way in which it carries out its responsibilities.

Members were content with the information provided.

### **Internal Audit Activity**

**AUD/50/6**

The DoFCS introduced this item and provided an overview of the information being presented by KPMG in regards to the Audit Plan for 2020/21. She confirmed that management had been focussed on the risk environment and this was being considered by KPMG in the audit plan and reviews.

Mr Poole KPMG thanked the Chair and DoFCS for the welcome to the committee.

#### *Draft Internal Audit Plan 2020/21*

*AUD/50/6a*

The Internal Auditor drew attention to the draft Internal Audit Plan 2020/21 and highlighted the main areas which included the role of Internal Audit; the challenges facing the organisation in particular the level of risk currently being managed (impact of Covid-19). In light of the health pandemic a 1 year plan was drawn up which was viewed as more beneficial and appropriate to 2020/21.

He provided an overview of the reviews and key areas that would be undertaken in the current year, in particular :

- Financial Systems – focus on Creditor Payments and Month End Close.
- Operational Systems – Customer Service & Complaints Handling.
- ICT – Governance and Controls and how they have been adopted and effective operation.
- Examination Entries
- Governance and Risk Assurance and Risk Management

The Internal Audits will be produced on an 'exception base' however, given the discussions on cyber security earlier in the meeting, Mr Poole confirmed that he would discuss the possibility of compiling a hybrid report to reflect on what had been achieved to date in ICT, and the findings of the Internal Audit Review. This would be taken forward with the DoFCS.

Members were content with the information provided. The draft plan was formally proposed by Mrs Kathleen O'Hare and seconded by Mr Cormac McKinney to go forward to Council for ratification.

#### *Draft Internal Audit Charter 2020/21*

*AUD/50/6b*

The Internal Auditor drew attention to the detail of paper AUD/50/6b and outlined the parameters of the relationship between KPMG and CCEA in respect of roles and responsibilities. She highlighted the key points and advised the document had been drawn up to comply with the Public Sector Internal Audit Standards (PSIAS).

Members were content with the information provided. The draft charter was formally proposed by Mrs Kathleen O'Hare and seconded by Mr Cormac McKinney to go forward to Council for ratification.

The Chair reminded members that this review was not a review of appeals but focussed on the Customer Services and Complaints Handling.

The Internal Auditor highlighted that this review had been conducted under the previously approved Internal Audit strategy, and authority had been provided to undertake this work.

She drew attention to the detail of the report, in particular the executive summary and provided an overview of the main areas of the review. Two areas were identified for improvement, with 2 priority 3 recommendations and an overall satisfactory rating.

The 2 Priority 3 recommendations were in regards to Refresher Training for Complaints Handling; and a mechanism to be put in place for capturing informal complaints trends or themes. Management have accepted both recommendations.

A Committee member welcomed the clarity of the information provided.

This concluded the reports from Internal Audit.

A Committee member raised the issue of BREXIT in relation to the challenges in respect of the operations of the organisations. The Internal Auditor advised that any specific Brexit related issues coming to the attention of Internal Audit requiring further discussion, would be notified to the Committee.

The Chief Executive confirmed that BREXIT had been an item on the agenda and referred to previous meetings of the ARAC where he had reported the action taken in particular areas of the organisation in preparation for BREXIT. Now that exit from the EU was approaching he confirmed the BREXIT update would be reinstated as a standing item on future agendas. The Chair agreed with this suggestion and advised that should there be a requirement for urgent discussions, this could be arranged as appropriate.

## **Updates**

### **ASM**

Mr McCallion confirmed there were no matters to report.

### **NIAO**

Mr Allen confirmed there were no matters to report.

### **DE**

Dr Kingon confirmed that following an internal restructure in DE, she would be moving Head of School of Improvement, and confirmed that Mr Sam Dempster would take over as observer on ARAC.

The Chair thanked Dr Kingon for her input into the committee and wished her well in her new role.

### **BREXIT**

The Chief Executive confirmed that BREXIT had been discussed earlier in the agenda.



## **7 Education**

### ***Operational Readiness for January 2021 Examinations***

**AUD/50/7**

The Director of Education (DoE) drew attention to the information provided and confirmed that the report was produced as per normal practice ahead of the January series and was pleased to report that some of the risks had been resolved since the paper had been written.

The DoE confirmed that a Risk Log to monitor risks for the January series and also the November series, given the risks associated with Covid-19.

She gave an overview the types of risks being managed for this January 2021 series and highlighted the fact that this was key series with over 51,000 entries across GCSE English and Mathematics. Feedback from centre indicated that candidates were keen to take examinations at this time, in the event that summer examinations are unable to proceed.

Member were updated on the position on the retention of examiners, in particular English to ensure the January series proceeds as smoothly as possible.

The Chair thanked the DoE for the detailed briefing and confirmed the January series was complete examinations and would be able to receive a cash in at GCSE level. Schools also recognised the high stakes nature elements of these assessments. He advised that the examiners meetings would occur remotely and could perhaps be less time bound – he suggested that this could be communicated to centres as it could be useful.

He referred to the Covid-19 premium in respect to the loss of teaching time (for children) in either 10 of 14 day slots depending on the length of absence either due to a positive diagnosis or isolating because of close contact. Whilst recognising that the impact across schools has varied, he made a plea for the Covid-19 Premium to be considered seriously and communicated in units of time specifically related to the PHA guidelines, that could be easily and simply applied if possible. A Committee member concurred with this and reiterated the fact that the Covid-19 Premium could be awarded individually to a pupil or a centre as a whole.

A Committee member wished to place on record the fact that 51,000 candidates have entered for the January series. The Chair concurred, stated this positively demonstrated the seriousness with which young people took their assessments, their education, and aspirations for their school career, in the current circumstances.

Members noted the information provided.

## **8 Any Other Business**

None identified.

## **9 Date of Next Meeting**

The Chair confirmed the next meeting was scheduled for Thursday 11 February 2021, at 11am.

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

## **Addendum**

Subsequently in light of the reconstitution of Council – with the pending appointment of a new Chair and members, the meeting confirmed for 11 February was re-scheduled to **Thursday 18 March 2021 at 3pm**. Members have been informed.