

# MINUTES

## IFATE AUDIT AND RISK ASSURANCE COMMITTEE

Meeting title: IfATE Audit and Risk Assurance Committee  
Meeting date: 15 June 2023  
Protective marking: Official

Board members present: Jennifer Coupland, Chief Executive Officer and board member (JCOU); Sir Peter Estlin, Non-Executive Director (PE) (Chair); Dame Fiona Kendrick, Non-Executive Director (FK); Professor Martin Doel, independent member (MD)

IfATE officials present: David Wilson, Chief Financial Officer (DW); Assurance & Compliance Senior Manager (CP); Risk Lead (BA); Avril Cooper, HR Director (AC); Rob Nitsch CBE, Delivery Director (RN) (item 2 only); Governance Manager (Secretariat).

Other stakeholders present: Government Internal Audit Agency (GIAA) representative (BK); National Audit Office (NAO) representatives (RS, KA); EY representative (HC)

Apologies: Attila Garamszegi, Deputy Director, Finance Business Partner Skills and Regional Group, Department for Education.

### Item 1. Welcome, introductions, apologies for absence and declarations of interest

1. PE welcomed committee members and participating officials to the meeting, and asked committee members whether they had any declarations of interest to make. All committee members recognised that should a potential or actual conflict arise by virtue of their other interests (outlined in the declaration of interests or otherwise) then it must be raised at the outset of the relevant meeting which deals with the issue giving rise to the actual or potential conflict. No actual or potential conflict of interests were declared.
2. There were no reported instances of fraud, whistleblowing or data breaches since the last committee meeting.

### Item 2. Deep dive: delivery risks

3. RN introduced a paper on delivery-orientated risks, which provided an assessment of the two strategic risks: Risk 2 (overload) and Risk 3 (products). It was explained that, as the number of apprenticeship and technical education products grew, there was increasing demand. ARAC was informed that some areas of work were more exposed to risk than others, but that RN's overall assessment was that IfATE had satisfied its customers in the delivery of its products.
4. Members asked whether IfATE had a thorough understanding of the level of demand across its product suite, in order to aid future planning and prioritisation. RN informed the committee that good historic data was held by DfE but that projections were less reliable. IfATE was looking into ways this data could be refreshed or improved.

5. Members discussed the delivery risks presented in the paper, and emphasised the importance of considering delivery risks in terms of demand, quality, productivity and funding. It was agreed that JCo and RN would undertake further work in this area and bring a paper to the committee.

### **Item 3. Feedback from most recent ALB ARAC chairs' meeting**

6. FK provided an update to the committee on the DfE ALB ARAC chairs' meeting held on 17 May 2023. Key items of business had included: the DfE cyber resilience strategy; a departmental update incorporating budgets; and the quality of provision and the provider market.
7. ARAC noted the importance of the quality of provision and a healthy provider market, and that it was aware of the associated risks. Members asked that the issues raised at the DfE ALB ARAC chairs' meeting were incorporated into IfATE's risk considerations.

### **Item 4. Minutes and actions from the last meeting**

8. The minutes of the meeting held on 16 March 2023 were approved without amendment.
9. The committee considered the action log, and requested that strategic risks 1-3 were re-cast to provide additional focus and to specify quantitative and qualitative metrics against which the risk positions could be analysed.

### **Item 5. Finance report**

10. DW provided a financial update to the committee and explained that the underspend outlined in the finance report had narrowed over the previous month, and that the recent Cabinet Office announcements on staff remuneration presented an additional budget pressure.
11. Members asked whether IfATE's controls were sufficiently robust and agile to accommodate any in-year budgetary pressures and ensure that end-of-year spend was on budget. DW advised that he was confident that the appropriate processes were in place to monitor expenditure and take any actions that may be needed.

### **Item 6. National Audit Office (NAO)**

12. RS introduced the final audit completion report for IfATE's accounts, explaining that some audit adjustments had been made but that this was due to the provision of additional information rather than any error.
13. HC provided members with further detail with regard to the adjustments, which included an amendment related to office leases under international financial reporting standard 16 (IFRS16), and thanked the IfATE finance team for working with auditors in a constructive and collaborative way.

### **Item 7. Annual Report and Accounts (ARA)**

14. DW introduced the item and explained that the final draft of the ARA provided to the committee had been further developed following feedback from committee members on an earlier draft.
15. Committee members agreed to endorse the ARA and to recommend that the IfATE board approve the document in order that it could be laid before Parliament.

## **Item 8. Follow-up of audit actions – GIAA recommendation tracking**

16. CP provided an update on the progress against actions arising from audits carried out by the Government Internal Audit Agency (GIAA) in respect of Risk Management; Governance & Assurance; and Financial Forecasting, Budgeting and Decision-Making.
17. Members asked whether GIAA was receiving sufficient assurance to close the actions arising from their audits, and were informed that a new process had been introduced to improve the evidence collected when agreeing to close actions arising from GIAA audits.

## **Item 9. GIAA**

18. BK thanked committee members and IfATE officials who had contributed to internal audit activities over the last year. GIAA had delivered four audits over the last year, which included a Moderate opinion on Financial Forecasting, Budgeting and Decision-Making; a Substantial opinion on Future and Emerging Skills; and advisory audits on Level 2/Level 3 Preparedness and on IfATE's Digital Strategy. Overall, GIAA provided a Moderate audit opinion, and BK noted the improvements made to governance and IfATE's control framework over the previous year.
19. GIAA planned to carry out four audits in 2023-24, including on Employer Engagement and Cyber Security.
20. Members thanked BK and GIAA for their report and for their work over the previous year, and reaffirmed the committee's ambition to work toward a Substantial overall internal audit opinion.

## **Item 10. Strategic risk management update**

21. JCoU introduced the paper and advised members that there had been no significant movements on strategic risks since the last meeting, and that discussions had been held within the Senior Leadership Team on developing closer links between IfATE's risk and assurance work. Feedback would be welcomed on the work recently done to refine risk descriptors and provide additional clarity.
22. Members emphasised the importance of ensuring high quality input from employers into IfATE's work, and noted that some employers may struggle to provide input due to pressures on their finances or time. In response they were informed that the next phase of IfATE's branding work would focus on employers, and that the strategic risk could be re-cast to consider the implications on product quality due to insufficient employer engagement.
23. Members discussed the framing of IfATE's strategic risks and requested that these were reviewed and re-cast with greater specificity.

## **Item 11. IfATE Assurance Framework**

24. CP updated the committee on the activities conducted in relation to IfATE's assurance framework. The paper provided an update on the work undertaken against Government Functional Standards, and on development of a risk-based assurance approach.
25. Members reviewed the summary of assurance controls testing activities carried out in 2022-23, and asked if the results of these tests could be provided to ARAC.

## **Item 12. Any other business**

26. There was no other business.

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