

MINUTES

Meeting Title: Audit and Risk Assurance Committee

Date: 10 December 2020

Protective marking: Official

Attendance

- Toby Peyton-Jones: Committee Chair, Board member, the Institute
- Martin Doel: Independent Committee member, Visiting Professor of Leadership in Further Education and Skills, UCL Institute of Education
- Jennifer Coupland: Chief Executive, the Institute
- Fiona Kendrick: Board Member, the Institute
- Stephanie Krogmann: Audit Manager, National Audit Office (NAO)
- Catherine Andrews: Head of Internal Audit (GIAA)
- Jayne Graham: GIAA
- Peter Schild: Chief Financial Officer, the Institute
- Tika Khan: Deputy Finance Director (ESFA)
- Committee Secretariat: Chief of Staff's Office, the Institute

Apologies

Kristofer McGhee: General Counsel, the Institute

1. Welcome and introductions

The Chair welcomed members and officials to the meeting.

2. Minutes and Actions from previous meeting

- 2.1. The Committee reviewed the minutes and actions of the last meetings and confirmed that all outstanding actions were now complete/closed.

2.2. The Chair asked committee members whether they had any conflicts of interest to declare. The Committee was satisfied that there was no current conflict of interest, including in connection with the content of the meeting. All Committee members recognised that should a potential or actual conflict arise by virtue of their other interests (outlined in the declaration of interests) 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.

Action – Actions from the Committee minutes and the audit reports are tracked in different ways. The Institute Secretariat is to consolidate this into a single, more user-friendly system for the Committee to review.

3. National Audit Office (NAO) 2021 Audit Planning report

3.1. NAO introduced this item and provided the Committee with an update of activity since the previous Committee in September 2020. They discussed the planning report and timeline for the 2021 audit, which includes a focus on the payroll system migration. In June 2020, the Institute moved off SSCL to a new cloud-based service provider for payroll services. NAO's planned approach includes documenting and evaluating the work undertaken by the Institute to ensure the complete and accurate transfer of payroll data onto the new system.

3.2. The Committee noted that audit preparations for the next set of Annual Report and Accounts have already started.

4. Government Internal Audit Agency (GIAA) (a) Progress report (b) Final report – Apprenticeship trailblazer and route panels

4.1. The Head of Internal Audit (HIA) introduced this item and provided the Committee with an update of activity since the previous Committee in September 2020. Details were provided on two reports in particular, the 'Progress report' and the 'Final report – apprenticeship trailblazer and route panels'. The HIA also gave details of data analytics being completed across payment and vendor data and those proposed for GPC and payroll.

4.2. The Committee discussed the Institute gathering independent information on labour market data to inform considerations and decisions. They also noted the

continued need to embed best practice, ensure connectivity and accountability with other ALBs and to be aware of the increasing risk of cyber fraud.

5. Risk register - strategic overview and update including updating on response to Covid-19

5.1. Jennifer Coupland introduced this item and outlined where risks had been re-evaluated to account for the external risks arising from Covid-19 and where additional risks for the Institute may arise in future.

5.2. The Institute finance team confirmed that the department are reviewing risks and opportunities regarding the budgets and funding.

Action – The Institute to capture further risk insight from the Board strategic days in January.

Note: This action has been completed.

6. Risk framework review and Counter Fraud Assessment Update

6.1. The Institute introduced this item and outlined the current risk framework and counter fraud approach. Actions taken in the last quarter were outlined, including internal engagement, partnership working, training and guidance on risk and fraud management.

6.2. The Committee acknowledged the comprehensive approach taken by the Institute. The Committee noted ongoing counter fraud challenges and the importance of being alert to new types of fraud, continuing internal training and reviewing mitigating actions.

Action – The Institute to liaise with GIAA for supporting materials and case studies of fraud.

Action – The Institute to cross reference our risk and counter fraud approach with the Department and ESFA.

Action – The Institute to update the risk heatmap as advised by the Committee.

Action – The Institute Secretariat is to include scheduled items into the ARAC forward look, which is a plan for the agenda of ARAC meetings in 2021 and share back with the Committee.

7. Finance and Resourcing/HR Management Paper

7.1. Peter Schild introduced this item and outlined the role of the internal People and Resources Group to enable cross organisational collaboration and decision-making regarding resourcing.

7.2. The Committee supported the idea and provided feedback to ensure longevity of the group and the focus of the group on the wider business plan.

7.3. The Committee welcomed the SLT to seek advice as necessary.

8. Finance report

8.1. The Institute provided an update on the Finance Report and that the forecast has not changed. The Committee noted the forecast and advised on the importance of forward planning.

9. AOBs

9.1. Members were updated in relation to the ARAC member self-assessment. This is a self-assessment of the Committee using the NAO best practice checklist for Audit Committees, with a view to reviewing the feedback as a collective and taking forward any views and improvements that members feel are needed or would add value. It was noted that analysis of this will be provided at the March 2021 meeting.

Next meeting date

The next Audit and Risk Assurance Committee meeting will take place on 11 March 2021, via Microsoft Teams.

Author

Institute Secretariat