

MINUTES

Meeting Title: Audit and Risk Assurance Committee (2 April 2020)

Date of Issue: 25 June 2020

Protective marking: Official

Attendance

- Toby Peyton-Jones - Committee Chair, Board member, the Institute
- Jennifer Coupland - Chief Executive, the Institute
- Fiona Kendrick - Board member, the Institute
- Stephanie Kromann - Audit Manager, National Audit Office (NAO)
- Catherine Andrews - Head of Internal Audit (GIAA)
- Carl Purkins - Lead Auditor (GIAA)
- Martin Doel - Independent Committee member, FETL Professor of Leadership in Further Education and Skills, UCL Institute of Education
- Stuart Proud - Deputy Finance Director (ESFA)
- Peter Schild - Chief Financial Officer, the Institute
- Rob Nitsch - Chief Operating Officer, the Institute
- Surrinder Bal - Head of Programme Office, the Institute
- Matt Cooper - Head of Finance, IT & Procurement, the Institute
- Gail Emmerson - Programme Communication Manager, the Institute
- David Derrick - Financial Reporting Accountant, the Institute
- Committee Secretariat - Chief of Staff's Office, the Institute

Apologies

Kristofer McGhee: Head of Legal, the Institute

1. Welcome and introductions

- 1.1. The Chair welcomed participants to the meeting.
- 1.2. The Chair requested the Committee to disclose any conflicts of interest. Noconflicts of interest were declared, however:
 - Prof. Martin Doel asked that it be noted that members of the Highbury College Board had elected him as the Interim Chair to the College.
 - Dame Fiona Kendrick asked that it be noted that she had been appointedPwC's Public Interest Body. to

2. Minutes and actions from the last meeting

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

3. Risk Register – strategic overview and change update

- 3.1. Jennifer Coupland introduced a discussion on the updated Risk Register and Institute actions in regard to the Coronavirus.
- 3.2. Jennifer stated that the Institute was committed to supporting the apprenticeship sector to deal with the significant challenges that Covid-19 presented to the whole apprenticeship sector and to T Levels Technical Qualifications delivery. The Institute's priority at this time was the health and wellbeing of apprentices, employers and everyone involved in the process.
- 3.3. Jennifer confirmed that the Institute was making every effort to be responsive and to ensure that wherever possible apprentices could continue with their apprenticeship and be assessed in accordance with the current end-point assessment plan and external quality assessment if possible. The Institute had also provided direction on temporary measures that permitted professional discretion so that individuals were protected and disruption was minimised, whilst safeguarding the quality and integrity of apprenticeships in circumstances where there was not a good reason for extending an apprenticeship.
- 3.4. The Committee noted that the Covid risk response would be a fast moving issue and the Chair would pick up off line how some oversight of these risks could be put in place to support the Executive leadership team at this time of national crisis.

- 3.5. The Committee also agreed that that the Institute should continue to review working assumptions and to monitor and respond to the situation in conjunction with stakeholders including sector bodies, the Department for Education, the Education Skills Funding Agency (ESFA), Treasury, and the National Apprenticeship Service.
- 3.6. The Committee reviewed progress on Wave 1 T Levels and Technical Qualifications development and noted that Covid represented a significant challenge with getting providers trained up and resourced to go ahead. These issues were being worked through with DfE. The Institute's projects teams continued to work closely with Pearson and NCFE on Wave 1 qualifications and were actively assessing quality issues around Wave 2. Bidding had been initiated for the Wave 3 T Levels Technical Qualifications (TQs).
- 3.7. The Committee were keen that Institute guidance should be consistent with advice provided by the Education and Skills Funding Agency (ESFA). Jennifer confirmed that guidance would be marshalled in one place via an 'Information hub' with appropriate links and updates.

Action 1: Toby Peyton Jones to discuss with the Antony Jenkins the setting up a sub group "Covid Risk Oversight Group".

Action 2: Communications team to ensure there is a link from the Institute site to guidance provided by the ESFA and the Department for Education.

Action 3: ESFA analytical teams to share data modelling work on starts with the Institute.

4. NAO Audit progress report 2019-20

- 4.1. Stephanie Krogmann introduced this item and noted that the NAO will perform additional testing around accruals at final. The following other areas of interest were examined, the introduction of a new billing system, the migration of business to a new HR and payroll system and the Annual report and accounts.
- 4.2. The Committee reviewed expenditure and liabilities and noted that the Finance Team would accede to the NAO request to simplify the accruals process.
- 4.3. The Committee asked that a review of continuity planning should be brought to the ARAC Committee at the December meeting.

Action 4: Secretariat to note in 'forward look' an item on continuity planning should be included for the December meeting.

Action 5: Secretariat to note that risks that arise from procurements should be recorded and evaluated using the standard Institute risk management processes.

5. GIAA update

- 5.1. Catherine Andrews introduced this item and provided an update on activity since the previous Committee in December 2019. Catherine confirmed that GIAA had completed their 2019-20 internal audit plan with the draft reports for EQA reviews and year end health check issued before the end of March 2020.
- 5.2. Catherine also introduced the Final Internal Audit Report for T Level Procurement. GIAA had provided a substantial opinion, which reflected that the procurement process for Wave 2 was well controlled.
- 5.3. The Committee deferred reviewing the 2020-21 Internal Audit Plan and Charter to the next audit committee in June 2020.

6. Assurance Framework Paper

- 6.1. David Derrick introduced this item and drew attention to the Assurance Framework document which detailed the key activities and processes within the Institute which are carried out to mitigate risk and provide the necessary assurance required by the Accounting Officer to manage public money.
- 6.2. David asked the Committee to note that:
 - The Assurance Framework document is subject to further review by the Accounting Officer and CFO with the Senior Management Team.
 - The Assurance Framework will be re-presented to the Committee as and when required to report on changes in controls or progress against recommendations.
- 6.3. The Committee noted that the framework should be a high level document and would need to change and adapt over time to reflect the changing organisational and business focus of the Institute.

7. Finance Report

- 7.1. The Committee were invited to note that recruitment of a Financial Controller and Finance Apprentice has been completed.

7.2. There were no reported instances of fraud or whistleblowing in the period.

8. Any other business

8.1. None.

Next meeting date

8.1. The next Audit and Risk Assurance Committee meeting will take place from 11:00–13:00 on 18 June.

Author: Institute Secretariat

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