

IFATE AUDIT AND RISK ASSURANCE COMMITTEE

Meeting title: IfATE Audit and Risk Assurance Committee
Meeting date: 14 September 2023
Protective marking: Official

Board members present: Jennifer Coupland, Chief Executive Officer and board member (JCou); Sir Peter Estlin, Non-Executive Director (PE) (Chair); 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); Chris Morgan, Deputy Director Commercial Delivery (CM) (item 6 only); Governance Manager (Secretariat).

Other stakeholders present: Government Internal Audit Agency (GIAA) representatives (CY, IC); National Audit Office (NAO) representatives (RS); EY representative (IY)

Apologies: Dame Fiona Kendrick, Non-Executive Director; 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. Apologies for absence were received and accepted from Dame Fiona Kendrick, who had provided comments on the papers in advance of the meeting.
2. PE 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.
3. There were no reported instances of fraud, whistleblowing or data breaches since the last committee meeting.

Item 2. Minutes and actions from the last meeting

4. The minutes of the meeting held on 15 June 2023 were agreed without amendment.
5. The committee considered the action log and agreed to close the nine actions proposed to be closed. Members asked that DfE provides assurance on cyber security and shared IT service provision in time for the March meeting.

Item 3. Follow-up of audit actions – GIAA recommendation tracking

6. 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 and Financial Forecasting, Budgeting and Decision-Making. All actions against recommendations arising from the Risk Management audit had been implemented in line with target delivery dates. Progress had been made on a number of recommendations arising from the Financial Forecasting, Budgeting and Decision-Making audit, including the issuing of the delegation letters to all budget-holders within IfATE.

Item 4. Finance report

7. DW provided a financial update to the committee and explained that the forecast budget pressures related primarily to pay. DW added that the finance team was in the process of working with budget-holders to re-forecast the end of year budget position to reflect more accurate estimates of vacancy rates and other factors affecting the forecast expenditure for the financial year.
8. Members asked for a further update to be presented at the December ARAC meeting, and emphasised the importance of investing in training and development to ensure maximum value is gained from officials' time.

Item 5. Strategic risk management update

9. JCoU introduced the strategic risk management update and advised members that a new set of six strategic risks had been defined. These were more specific than the previous thematic strategic risks, and would be reported against from the next quarter. The redefined strategic risks were: employer engagement (trailblazers); people; IfATE products; awarding markets for IfATE products; digital strategy; and IfATE function and form. Members welcomed the redefined risk portfolio and associated key risk indicators.
10. JCoU explained that officials had undertaken a horizon scan of emerging and potential risks to IfATE in the short, medium and longer term. These included risks related to capacity and funding within the skills system, the implications of technological developments in artificial intelligence, future budget settlements and cyber risks. Members discussed the risks identified in the horizon scan and agreed that IfATE should maintain a watching brief over these and engage with appropriate stakeholders in order to evaluate developments.

Item 6. Deep dive: T Level risks

11. CM introduced a deep dive into the risks associated with the delivery of T Levels. CM outlined that the summer 2023 assessment series was successful overall, but that like many national change programmes the T Level programme had the potential to be impacted by a number of strategic and operational risks, which IfATE sought to mitigate by taking a number of actions where it was the risk owner.
12. Members emphasised the importance of understanding indirect risks that may have a reputational impact to the programme, in addition to the direct risks that could impact upon delivery. Members noted the importance of clarity of expectations over the medium term, to facilitate the development of commercially-sound plans to deliver T Levels.
13. The committee noted that monitoring key indicators would help maintain a thorough understanding of the risks associated with T Level delivery and provide assurance that these are well-managed, and to enable early intervention in the event that a risk materialised.

Item 7. IfATE Assurance Framework

14. CP updated the committee on the activities conducted in relation to IfATE's assurance framework. The update provided information on key controls across IfATE's finance, HR and payroll functions and indicated where testing of those controls had taken place. The controls in place aligned to global design principles, but some opportunities for improvement had been identified. These included obtaining further details from DfE on its controls upon which IfATE has a dependency.

15. CP presented the annual fraud risk assessment, adding that mitigations were in place for the key fraud risks that had been identified and that further work was ongoing to continually enhance controls and assurance in these areas. The committee also reviewed a letter from DfE providing assurance over shared services, technology and counter-fraud activity.
16. Members welcomed the assurance activity report and thanked CP for their work in this area, emphasising the importance of ensuring adequate assurance was received from DfE in relevant areas.

Item 8. GIAA

17. CY introduced the item and explained that GIAA planned to provide four audits during 2023-24, including: employer engagement; cyber security preparedness; resource resilience; and apprenticeships funding band strategy. Progress had been made on the first three audits, and work on the final audit was due to take place in Q4 of 2023-24. The first audit report, on employer engagement, was nearing completion and was expected to be submitted in the near future.
18. CY added that GIAA were in the process of reviewing the ARAC Handbook, and that views and feedback would be welcome until the end of September. Members thanked CY and GIAA for their report.

Item 9. Any other business

19. Members asked for a deep-dive on Level 2 qualifications to be added to the committee's forward look.

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