

# MINUTES

## IFATE AUDIT AND RISK ASSURANCE COMMITTEE

Meeting title:	IfATE Audit and Risk Assurance Committee
Meeting date:	06 December 2022
Protective marking:	Official
Board members present:	Jennifer Coupland (JCou); Sir Peter Estlin (PE) (Non-Executive Director) (Chair); Dame Fiona Kendrick (FK) (Non-Executive Director). Professor Martin Doel (MD) (Independent member)
IfATE officials present:	David Wilson, Chief Financial Officer (DW); Audit and Assurance Team Lead (CP); Head of Portfolio Management Office; Risk Lead (BA); Avril Cooper, HR Director (AC); Governance Team.
Other stakeholders present:	Government Internal Audit Agency (GIAA) representatives (BK, IC); National Audit Office (NAO) representatives (RS); EY representative.
Apologies:	Attila Garamszegi, Deputy Director, Finance Business Partner Skills and Regional Group

### Item 1. Welcome, introductions and conflicts of interest

1. PE welcomed committee members and participating officials to the meeting, noting the committee's appreciation for the work of IfATE's former chief financial officer Peter Schild, as well as the outgoing representatives of GIAA and NAO.
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 data breaches, fraud or whistleblowing since the last committee meeting.

### Item 2. Minutes and actions from previous meeting

4. The minutes from the meeting held on 15 September 2022 were approved without amendment.
5. The committee considered the action log and agreed to close all actions proposed for closure. It was agreed to keep open one action from the June 2022 committee meeting and three from the September 2022 committee meeting.

### Item 3. Finance report

6. DW provided a financial update to the committee, and provided an overview of the factors affecting actual expenditure and forecast expenditure against budgets. The committee was advised that the delegation letter from the DfE, giving IfATE standing authorisation to commit resources or incur expenditure without specific prior approval from the DfE in specific areas and within specific limits, was unusually late. Once this was received it would enable further delegation of budgets and workforce allocations to budget-holders within IfATE. This in turn would enable the organisation to be more proactive in vacancy management.
7. The committee was provided with an update on business planning by DW, and was informed that IfATE would submit an interim return to DfE on an estimated budget in mid-December, before a final return is submitted to DfE in early January 2023.
8. DW outlined the process for the approval of the 2022-23 Annual Report and Accounts, adding that the initial work was underway.

#### **Item 4. Risks – Strategic Overview and Update**

9. The committee received an update on strategic risks from JCoU, who outlined that the first meeting of the IfATE executive committee had considered risks across the organisation and concluded that they were generally stable but had added a new risk to the strategic portfolio with a focus on headcount (staffing levels). Two emergent risks were outlined; namely the effect of inflationary pressures and cost of living upon the delivery of apprenticeships, and the potential for reputational impact of the health and science T Level issue in the summer.
10. Members noted the importance of maintaining confidence amongst employers and learners in T Levels as high quality qualifications. Members asked to be briefed on how IfATE ensured high quality was embedded across the apprenticeship and technical education product suite.
11. JCoU updated the committee on the work led by BA to embed the risk framework across IfATE with respect to establishing the link between operational and strategic risks, adding that a more detailed update was due to be provided to the March committee meeting.

#### **Item 5. Institute Assurance Framework**

12. CP updated the committee on the activities conducted in relation to IfATE's assurance framework. IfATE had received and considered a GIAA cross-government report on data management, exploitation and strategy and had conducted a self-assessment leading to the identification of improvements in data governance, data assets and data standards. These actions would be taken forward as part of the wider implementation of the digital strategy in early 2023, and work will be done to assess compliance with government functional standard 005 (digital, data and technology).
13. CP provided an update on the review being undertaken on third party IT contractor assurance, adding that he would continue to monitor this assurance on behalf of the committee and bring to its attention any significant updates or concerns.
14. The committee was informed that CP was working with HR colleagues on a review of IfATE compliance with government functional standard 003 (HR). A full report is expected to be brought before the next committee meeting.

15. CP outlined progress in the development of a robust audit and assurance system for approvals, as part of the strengthening approvals project. Compliance tools would be built and tested in December 2022, with the aim of improving consistency in auditing compliance with approvals operating procedures.

#### **Item 6. Follow up of audit actions**

16. CP informed the committee that progress continues to be made on the actions arising from the Government Internal Audit Agency (GIAA) audit on risk management. CP considered the action related to baselining risk culture to be closed, as outputs and evidence are available for consideration by GIAA.
17. Actions arising from the audit on financial forecasting, budgeting and decision-making had been added to the action tracker and progress was underway on these.

#### **Item 7. Government Internal Audit Agency (GIAA)**

18. IC and BK (GIAA) were welcomed to their first meeting of the committee. PE outlined that GIAA had previously issued a Moderate overall audit opinion and asked what further work and assurances would be required to raise this to a Substantial opinion. In response, IC stated that due to resource constraints, IfATE may wish to identify specific areas of audit over which a Substantial opinion was desirable and those where a Moderate opinion would be sufficient.
19. BK introduced the internal audit report on financial forecasting, budgeting and decision-making. Members thanked BK and JG for their report, and DW added that whilst some of the actions and action owners identified in the management action plan within the report might have to be refined, he was committed to the timetable set out in the management action plan.

#### **Item 8. National Audit Office (NAO)**

20. RS was welcomed to the committee as the new NAO engagement director, and outlined that the detailed audit work would be undertaken by EY on behalf of NAO as previously. An initial meeting with DW had already taken place.
21. DW asked for the detailed audit plan to be shared with committee members by correspondence, once ready.

#### **Item 9. Deep dive: HR and people management**

22. AC introduced the item and provided an explanation of how IfATE maximised value from its spend on people resources. A further paper focused on staff engagement was planned to be brought before the committee meeting in March 2023, after the Civil Service People Survey results are published and analysed.
23. AC reminded members that the organisational design underpinning the workforce plan was set out in Institute 2021, and described the expansion of IfATE from its inception to the present day whilst outlining factors that may affect workforce planning in the future. AC explained that workforce planning was undertaken jointly by the finance and HR teams and that recruitment and staff turnover were key factors affecting delivery against the plan.

24. In terms of recruitment, activity was led by line managers seeking to fill vacancies in their teams, with HR providing advice to help identify the knowledge, skills and behaviours required, appropriate advertising strategies, and ensuring compliance with the standards required by the Civil Service Commission (CSC). The CSC assesses all civil service employers on an annual basis and IfATE is rated as Good, the highest CSC rating..
25. AC explained that IfATE had made efforts to improve the success rate of recruitment campaigns and that historically IfATE had been successful in developing existing staff. This had been beneficial in retaining knowledge within IfATE but had slightly slowed the expansion of the organisation.
26. Members asked how emerging initiatives or changing priorities on a national level were factored into workforce planning. AC responded to say that close attention was paid to potential pressures, but that IfATE retained a focus on recruiting staff to discharge its functions and did not become distracted prematurely.
27. Members enquired about the staff turnover rate, and were informed that this varied between 10 and 15%. AC felt that this enabled fresh perspectives to be brought into the organisation whilst ensuring the retention of experience, and that due to the local labour market London had a proportionally-higher number of people leaving the civil service for promotion or better pay. Members asked whether there were any flexibilities in the pay offer that could be made, and were informed that the flexibilities were very limited due to Cabinet Office guidance.
28. PE thanked AC and members for the deep dive paper and resultant discussion, noting that a further paper on staff engagement would be brought to a future meeting. PE reflected that IfATE was in a good position with regard to recruitment and retention, but asked that the committee was kept informed on key metrics in this regard.

#### **Item 10. Annual review of ARAC Terms of Reference (ToR)**

29. The committee considered its ToR and requested that a reference to deep dives was included. Members were content that no further changes were necessary to the ToR.

#### **Item 11. ARAC forward look**

30. The committee considered its forward look of agenda items and made suggestions for additional topics for inclusion in the forward look as deep dives. The document would be maintained as a live document and brought to each committee meeting.

#### **Item 12. Feedback from most recent ALB ARAC chairs' meeting**

31. PE provided an update on significant topics discussed at the ALB ARAC chairs' meeting held on 25 November. These included cyber security, potential risks to suppliers and a GIAA-led discussion on risk appetite. A member enquired whether ARAC members who were not chairs were able to attend the meetings, and the secretariat undertook to investigate.

#### **Item 13. Any other business**

32. There was no other business.

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