

AUDIT AND RISK ASSURANCE COMMITTEE

Meeting Title	Audit and Risk Assurance Committee (20 September 2018)
Date of Issue	12 October 2018
Protective marking	Official

Attendance

Toby Peyton-Jones	Committee Chair, IfA Board member
Sir Gerry Berragan	Chief Executive, IfA
James Eyre	Finance Business Partner – Apprenticeships, DfE
Simon Helps	Director, National Audit Office (NAO)
Paul Holland	Audit Manager, National Audit Office (NAO)
Carol Hartley-Burdett	Audit Manager, Government Internal Audit Agency (GIAA)
Martin Doel	Independent Committee member, FETL Professor of Leadership in Further Education and Skills, UCL Institute of Education
Peter Schild	Chief Financial Officer, IfA
Matt Cooper	Interim Financial Accountant/Head of Finance, IfA
James Matthews	Chief of Staff, IfA
Lorrina Christie	Head of Digital Services: Digital Services and Data Science, IfA
Surrinder Bal	Head of Programme Office, IfA
Committee Secretariat	Chief of Staff's Office, IfA

Apologies

Kristofer McGhee	Head of Legal, IfA
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1. Welcome and introductions

- 1.1. The Chair welcomed participants to the meeting and asked members to introduce themselves in turn for the benefit of new attendees.

2. Minutes and actions from the last meeting

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

3. NAO audit of IFA 17-18 Accounts

- 3.1. Paul Holland provided an update on the NAO audit of IfA accounts and set out the timetable for certification, laying and publishing along with any actions to resolve issues. The Committee was informed that the NAO's opinion was that the Institute's accounts showed a true and clear view of expenditure that was in line with regulatory requirements. The final document was expected to be laid in the House after the end of the party political conference period in October.
- 3.2. The Committee noted that the timetable and quality assurance process for publishing the accounts lay outside of the control of the Institute. The NAO confirmed that they were reflecting on lessons learnt in managing the audit so that the approach would be smoother in the future.

4. Finance and assurance update

- 4.1. Peter Schild announced that the finance team had been significantly bolstered with key appointments of additional qualified staff. Strong financial oversight of the T Level recruitment process was also in place with sign off from the Chief Financial Officer and CEO. Further updates included good progress in establishing a range of processes to improve budgeting, intercompany transactions, reporting, reconciliation and the issuing of management accounts to assist Deputy Directors to better manage spend and improve forecasting. The Committee acknowledged the progress made and requested that future finance and resourcing information be presented in a dashboard which could evolve as the organisation matures.
- 4.2. Peter Schild confirmed that the draft Finance and Assurance Framework would be updated by the December Audit and Risk and Assurance Committee meeting.

Action 1: Peter Schild to update Finance and Assurance Framework for consideration at the December Audit and Risk Assurance Committee.

Action 2: Peter Schild to develop a finance/HR dashboard that includes key information and trends, to be presented to the December Audit and Risk Assurance Committee.

5. Update on review of governance framework and GDPR

5.1. The Committee discussed the Institute's Governance Framework and identified areas where it could be strengthened in light of the growth of the Institute and expansion of its responsibilities since its inception.

5.2. The Committee agreed that the Chief of Staff's office should work closely with Legal and Finance teams to draw up a report highlighting any substantive changes and new proposals for consideration by the IfA Board.

5.3. The Committee asked that the Institute's Chief Financial Officer should continue to attend Board meetings and that arrangements for deputising for the CEO should be reviewed.

5.4. The Committee received an update on the steps the Institute has taken to ensure it is complying with the new GDPR requirements. The Committee asked that the Chief of Staff's office benchmark their GDPR arrangements with the DfE and build on learning from the GIAA assurance work. Members advised that there be a clear GDPR strategy with a forward plan that includes training for staff and some scenario planning of data breaches to help staff understand GDPR compliance/non-compliance.

Action 3: Chief of Staff's office to work with finance and legal teams to prepare Governance Framework review paper for the IfA Board.

Action 4: Chief of Staff's office to ensure a clear GDPR strategy and plan is communicated and implemented, incorporating members' advice on training and scenario planning for staff.

6. GIAA audit plan for IfA for 2018-19

6.1 Carol Hartley-Burdett provided an update on activity since the previous meeting and outlined the requests for approval of proposed adjustments to the Internal Audit plan to ensure it avoids duplication and remains risk focused and timely.

6.2 The Committee discussed the Institute's 2017-18 plan and audits and the progress made in taking forward actions from the outcomes of the audits. The Committee noted that follow up actions had been taken to strengthen the governance process for procurement. Executives confirmed that the target date for actions in relation to these audits was the action completion date and the report should be revised to reflect this.

6.3 The Committee noted that the Internal Audit plan for 2018-19 was kept under regular review and requested that the GIAA should co-ordinate its work with the NAO. The Committee further requested that follow up reports of the planned Infrastructure and Projects Authority review in November should be shared with the Committee.

Action 5: GIAA to update the audit report for 2017-18 and plan for 2018-19 based on the comments from members.

Action 6: Executives to circulate Infrastructure and Projects Authority review papers to the Audit and Risk Assurance Committee members.

7. Service Level Agreement for IT

7.1. Lorrina Christie from the Institute's Data Science and Digital Team provided the Committee with an update on the Service Level Agreement for IT. The Committee were informed that the Operational Level Agreement (OLA) will detail the expected level of service including requirements, roles and responsibilities, response times and metrics to be reported. The Committee acknowledged the progress made so far and requested a high level timeline for completion of OLA.

7.2. The Committee discussed an update on the DfE's Expenses System Replacement Project (ESRP) which has now been absorbed into a bigger project on HR and expenses. The Institute will continue to feed into the DfE project but will separately pilot its own in-house solution.

7.3. The Committee was keen to stress that the Institute should be forward looking in digitising processes, exploring digital solutions to back office functions and in developing digital channels of communications to stakeholders.

Action 7: The Committee requested a high-level timeline for the in-house development of the expenses system pilot.

8. Risk Register

- 8.1. Please note that the Risk Register was discussed at the start of the meeting to provide an overall context to the discussions that followed.
- 8.2. Executives talked the Committee through the Institute's Corporate Risk Register. The Committee noted that the register had been updated in a way to make it easier to see the problem / action / mitigation and owners. The Committee also noted that while there were no new risks and risk levels currently remained the same, but this may change as the Institute expanded its remit to include T Levels, particularly at the points of transition from DfE to the Institute.
- 8.3. The CEO confirmed that risks continued to be actively managed and were discussed at Executive and IfA Board meetings. The Committee affirmed that its role within the Institute was to provide assurance that there was a strong framework for the recognition and management of risks and robust arrangements for effective oversight.
- 8.4. Committee members expressed a wish that progress updates in the risk register be highlighted for ease of view and that Executives ensure a clear line of sight from Institute projects and priorities to the risks discussed at the Board. Members also requested that the risk discussion be brought forward to the start in future meetings.
- 8.5. The Committee discussed the risks around the funding stock review being implemented and noted the execution of the mitigation measures. The CEO discussed how communications plans and timetabled engagement with trailblazers had helped the review and recommendations.
- 8.6. The Committee discussed efforts to ensure that the Institute continued to strengthen its communication strategy so that there was a compelling narrative to support the Institute's ability to deliver its priorities.
- 8.7. The Committee reviewed the work around faster and better and noted that the triage system, actively managing standards to reduce potential holdups was working well and had become successfully embedded. This was likely, in the future, to reduce the risk level.
- 8.8. The Committee also discussed the risks associated with the Institute's remit for delivering Technical Education and noted that high level issues at programme

level were correlated with the Institute risks and shared Institute / DfE strategic risk assessments was important. The CEO confirmed he had meet with senior officials at the DfE to discuss risks and potential mitigations to ensure the T Level programme was successfully implemented.

8.9. The Committee also noted that the Wave 1 procurement ITT was complete and the Institute was already working closely with the DfE on Wave 2 development. The Committee was informed that T Level recruitment was in train and that the Institute was placing a strong emphasis on the quality of potential candidates.

Action 8: Executives to ensure members' advice in recording risk across project documentation, provide a clear line of sight to the Institute's Corporate Risk Register and ensure risk updates are highlighted.

Action 9: Secretariat to ensure the risk register and risk discussion be moved to the start of the agenda for future Committee meetings

9. Any other business

9.1. The Committee briefly reflected on the challenges for the Committee, its membership, terms of reference and work, including possible deep dives for assurance, as the Institute grew larger and expanded its responsibilities.

Action 10: Executives to include a Board agenda item to discuss future topics for the Audit and Risk Assurance Committee to discuss.

Action 11: Executives to develop a forward look of agenda items for discussion at Audit Risk Assurance Committees.

Action 12: Executives and the Chair to consider membership of the Audit Risk Assurance Committee and review the Terms of Reference at the next Committee.

Next meeting date

9.2. The next Audit and Risk Assurance Committee meeting will take place on 6 December, 11:00-13:00 in 151 Buckingham Palace Road, London.

Author IfA Secretariat

Date created 11 October 2018

Version FINAL - cleared by the Chair, Toby Peyton-Jones