

## **AUDIT AND RISK ASSURANCE COMMITTEE**

<b>Meeting Title</b>	Audit and Risk Assurance Committee (25 October 2017)
<b>Date of Issue</b>	03 November 2017
<b>Protective marking</b>	████████
<b>Agenda Item</b>	Item 2 minutes

### **1. Welcome and introduction**

- 1.1. The Chair, Sir Gerry Berragan, welcomed Martin Doel, the Committee's independent member to his first meeting of the Audit and Risk Assurance Committee.
- 1.2. The Chair updated on his attendance at the DfE ALB Audit and Risk Chair Network where new policies on fraud and error were discussed, with the need to reflect the cyber threat being prominent. NAO had said at the Institute's approach to risk was a model of good practice. The Chair had updated on the impact of shared service issues experience by the Institute.
- 1.3. The Chair requested that minutes be formally signed off at future meetings.

### **2. Finance Update**

- 2.1. The Committee received a paper on the Institute's finance position and the Executive confirmed that issues in relation to outstanding financial data had been escalated in the DfE.
- 2.2. The Committee reviewed the paper and noted the work done by the Institute to arrive at a baseline position of spend to period 6/ October 2017, whilst

awaiting outstanding data from the DfE. The Executive confirmed that they would progress work on identifying other areas of spend to manage any unexpected re-charges.

- 2.3. The Committee discussed the definitions of and flexibility between the programme and admin budgets and agreed on the need to check the potential for changes whilst ensuring correct classifications of spend for audit purposes.
- 2.4. The Committee welcomed the approach to financial reporting. It was agreed that an assurance framework for the Institute should be devised in November and should be reviewed at the next Committee meeting.
- 2.5. The Committee reviewed and agreed on the key finance risks around access to timely and robust financial and HR data and the potential risk exposure to the Accounting Officer.
- 2.6. The Committee agreed that an update on the financial position should be presented at the next Institute Board meeting.

**Action 1 (2.5) – Secretariat to send Martin Doel an Institute organisational chart.**

**Action 2 (2.6) – Chair to provide an update on the finance position at the next Institute Board meeting.**

### **3. Assurance framework**

- 3.1. The Committee received an update from the Executive on the approach to developing and rolling out an assurance framework across the Institute.
- 3.2. The Committee asked the Executive to consider examples of best practice assurance frameworks from internal audit and also ensure consideration of:
  - (a) Payroll/Headcount assurance
  - (b) Expenses system
  - (c) Peer Review Register
  - (d) External Panels costs
  - (e) Value for money

(f) Evaluation

**Action 3 (3.1) Helen Knee to prepare a draft assurance framework for review at the next Audit and Risk Assurance Committee in December.**

**4. Delegation letters**

- 4.1. The Committee received a paper on the approach to delegation work in the Institute, in delegating financial and non-financial authorities from the Accounting Office to Deputy Directors in the Institute.
- 4.2. The Committee reviewed and agreed the draft delegation letters for Deputy Directors and the delegated limits, but noted that these would be subject to change following outstanding delegation letters from DfE on capital and programme budgets.
- 4.3. It was noted that the capital delegation letter had not yet been received from DfE. It was agreed that the Chief Executive would write to the DfE Director General HE/FE about this.

**Action 4 (4.3) Chief Executive to write to DfE Director General HE/FE about the delay in receiving the capital delegation letter.**

**5. GIAA communications plan**

- 5.1. The Committee received a paper from the Government Internal Audit Agency (GIAA) on their communications plan for the Institute.
- 5.2. GIAA stated that final audit reports would be issued to the Committee and then be issued to NAO as outlined in the plan.
- 5.3. The Committee reviewed and agreed the communications plan.

**6. Standards development and approvals internal audit report**

- 6.1. The Committee received a paper from GIAA on their findings following their internal audit of the Institute's standards development and approvals process.
- 6.2. Howard Grieves, from GIAA explained that the audit had focused on the action plan to improve the approvals process and the transformational work being undertaken to improve the end to end process.

- 6.3. GIAA pointed out the significant improvements made since processes had been inherited from the Education and Skills Funding Agency (ESFA).
- 6.4. The Committee agreed that the direction of travel was positive and that collaboration across teams was key in taking forward the transformation project and improving the future process.
- 6.5. The Executive confirmed that a LEAN workshop had been arranged for November with the support of an expert from Nestle, to help improve the end to end process.
- 6.6. The Committee advised the Executive to look at lessons learnt from other change programmes such as the Digital Apprenticeship Service (DAS).
- 6.7. The Committee asked to see the terms of reference for the SRO for the transformation project.

**Action 5 (6.7) – Helen Knee to send the terms of reference for the SRO for the transformation project to Committee members**

## **7. Whistleblowing procedure**

- 7.1. The Committee reviewed the Institute's whistleblowing procedure and pointed out that there were areas in the procedure that could be better tailored to the Institute such as:
  - clarifying the role of managers
  - points of referral if a case is not in scope for the Institute, but for a related organisation, for example, ESFA
  - clarity on the position on whistleblowing for those that are not employees of the Institute, for example route panel members
  - the legal position for whistleblowers
  - procedure for whistleblowing allegations against the CEO
- 7.2. The Committee asked the Executive to develop and share with the Committee a flowchart, which lays out simply the process for whistleblowing and grievances in one place.

- 7.3. The Committee asked to review the grievance, complaints and appeals policies as part of a six-month review of all policies and asked the Executive to update the Committee terms of reference to reflect this role as well as a forward plan of items to review for future meetings.
- 7.4. The Committee asked the Executive if procedures and policies were clear for Route Panels (via contracts and induction packs). The Executive confirmed that they were and that policies were also shared via the monthly communications newsletter.

**Action 6 (7.2) – Helen Knee to develop and share with the Committee a flowchart for the whistleblowing and grievance, procedures.**

**Action 7 (7.4) - Secretariat to update Committee terms of reference to reflect their role in reviewing the Institute’s policies and provide a forward plan of policies to be reviewed at future meetings.**

#### **Any Other Business**

- 7.5. The Chair raised the need for the Institute to review indicators on staffing and test how people were feeling through more regular people survey; obtaining feedback from joiners/leavers and pulse point surveys. The Executive confirmed that initial sets of HR data had been received and HR colleagues were reviewing this and were planning a staff survey.
- 7.6. The Committee agreed to review HR data to inform views on staff/people indicators at future meetings. The Committee discussed the need for the Board to review formal and informal stakeholder survey data and feedback to inform views.

#### **Next meeting date**

- 7.7. The next Audit and Risk Assurance Committee meeting will be on Monday 18 December from 15:00-17.00 in 151 Buckingham Palace Road, London.

**Author** IFA Secretariat  
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## Agreed Actions (25 October 2017)

Action	Owner	Completed (Y/N/ In progress)	Date updated
<b>Action 1</b> (2.5) – To send Martin Doel an Institute organisational chart	Secretariat		
<b>Action 2</b> (2.6) – To provide an update on the finance position at the next Institute Board meeting	Gerry Berragan		
<b>Action 3</b> (3.1) - To prepare a draft assurance framework for review at the next Audit and Risk Assurance Committee in December	Helen Knee		
<b>Action 4</b> (4.3) - To write to DfE Director General HE/FE about the delay in receiving the capital delegation letter.	Peter Lauener		
<b>Action 5</b> (6.7) – To send the terms of reference for the SRO for the transformation project to Committee members	Helen Knee		
<b>Action 6</b> (7.2) - To develop and share with the Committee a flowchart for the whistleblowing and grievance, procedures.	Helen Knee		
<b>Action 7</b> (7.4) - To update Committee terms of reference to reflect their role in reviewing the Institute’s policies and provide a forward plan of policies to be reviewed at future meetings	Secretariat		

## Attendance and apologies

<b>Committee member</b>	<b>Executives</b>	<b>Apologies</b>
Sir Gerry Berragan, Chair and Board member	Helen Knee	Toby Peyton-Jones, Board member
Peter Lauener, Chief Executive	Sue Pickerill	Ruth Harries, Department for Education
Martin Doel, independent member	Christina Earls	Paul Holland, NAO/ External Audit
Howard Grieves, GIAA/ Internal Audit	Ana Osborne	
	Secretariat	