MINUTES

Meeting Title: Audit and Risk Assurance Committee (19 September 2019)

Date of Issue: 14 November 2019

Protective marking : Official

Attendance
- Toby Peyton-Jones - Committee Chair, Board member, the Institute
- Sir Gerry Berragan - Chief Executive, the Institute
- Dame Fiona Kendrick - Board member, the Institute
- Stephanie Krogmann - Audit Manager, National Audit Office (NAO)
- Russell Broad - Senior 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, the institute
- James Matthews - Chief of Staff, the Institute
- Surrinder Bal - Head of Programme Office, the Institute
- Anne Feehally - Head of HR, the Institute
- Fariba Carr - Head of Membership, the Institute
- Yaseen Chikhliwala - Finance Business Partner – Apprenticeships Service (ESFA)
- Committee Secretariat - Chief of Staff's Office, the Institute

   Apologies

- Stuart Proud - Deputy Finance Director (ESFA)
- Kristofer McGhee - Head of Legal, the Institute

1. **Welcome and introductions**

   1.1. The Chair welcomed participants to the meeting and welcomed Stephanie Krogmann from the NAO.

2. **Minutes and actions from the last meeting**

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

3. **Risk Register – overview and change update**

   3.1. Gerry Berragan introduced a discussion on the updated Risk Register and progress on key activities.

   3.2. The Committee noted the significant increase in responses to the Institute's stakeholder survey and the early findings which showed improvement in feedback on transparency. The Committee discussed how the Institute could benchmark itself against similar regulatory organisations, for example Ofqual and Ofsted.

   3.3. Gerry noted that the Board was very aware of the importance of organisational transparency and further building of the Institute's culture of being open and developing mutual understanding of our work.

   3.4. The Committee discussed the EQA 'optimisation' work and the importance of working with partners to communicate progress. The Committee welcomed the forthcoming roll-out of the digital system which was expected to provide a rich seam of data. The Committee agreed that new data sources would help underpin the work of the Quality Alliance and that it was crucial to maintain the focus on quality.

   3.5. The Committee briefly reviewed the Institute's communications strategy. The Committee welcomed the focused responses to media stories – driving the narrative – noting this opened up new media opportunities for the Institute. Subscriptions to the Institute newsletter continued to show a healthy increase. The Committee acknowledged the importance of underpinning the Institute's narrative with quality data that staff could use confidently and share with stakeholders and others to generate positive messages.

   Action 1: Secretariat to ensure an item on 'quality' is included on future agendas.

Action 2: Data Science team to explore how best to publish on the Institute's website Graphical Data and supporting narrative.

4. Route Panel Membership

4.1. The Institute's Head of Membership, Fariba Carr, introduced a discussion on the annual recruitment campaign and the Member engagement programme.

4.2. Fariba reported that the recruitment campaign had yielded good numbers of strong candidates and that an executive search for the 'second wave' of Route Panel Chairs had yielded new high profile, high value individuals who would reinforce and further build the credibility of the Route Panels.

4.3. The Committee discussed measures to promote long-term sustainability by maintaining motivation, engagement and commitment. Fariba noted that the team were engaged in work to focus on improving engagement including introducing a more flexible approach to the timing and duration of meetings and providing more opportunities for Panels to come together to share best practice.

5. Cyber Security

5.1. The Institute's Chief of Staff, James Matthews, gave a verbal update on measures to improve the Institutes cyber security. James reported that the Institute had a good relationship with the DfE and were members of the DfE's data protection group. The Institute had also published a new 'red flag' guidance document and provided a link on the Institute's intranet page to the DfE's IT security page.

5.2. The committee discussed how the Institute could benefit from further engagement on cyber security matters with other organisations. Stephanie Krogmann (NAO) agreed to share the NAO Cyber security and information risk guidance for Audit Committees and Yaseen Chikhliwala (DfE) agreed to link the Institute to the new DfE Security Team. Russell Broad (GIAA) drew attention to HM Treasury Audit and risk assurance committee handbook which also included useful advice on cyber security. The Committee Chair agreed to follow up cyber security at the next arms length body ARAC meeting.

Action 3: Stephanie Krogmann(NAO) to share with the Chief of Staff's Office the NAO Cyber security and information risk guidance for Audit Committees

Action 4: Yaseen Chikhliwala (DfE) to provide link to the DfE Security Team.

Action 5: Russell Broad (GIAA) to provide link to the HM Treasury Audit and risk assurance committee handbook.

Action 6: Chief of Staff and incoming head of governance and enquiries to access Civil Service cyber training, liaising with DfE IT systems assurance team and Government Internal Audit Agency to ensure security arrangements are fit for purpose.

6. Payroll HR and expenses project

6.1.   The Institute's Head of HR and Estates, Anne Feehally, provided an update on the Payroll, HR and expenses project. Anne reported that the full business case, which set out the rationale for the project, had now been signed off in the Institute and by the DfE. Anne also noted that alongside this project a new system for panel members to claim expenses 'Expensein' had gone live and had been well received.

6.2.   The Committee asked how far staff at the Institute had been informed about the changes and the project. Anne reported that there were regular communications to staff at the weekly all-staff meetings and that assurances had been provided that the new system would be fully demonstrated and there would be support on hand to use it.

Action 7: The Institute's Head of HR and Estates, Anne Feehally, to continue to work on a robust back-up plan.

Action 8: Peter Schild to share the weekly project update reports with the Committee's Chair Toby Peyton-Jones.

7. Estates project

7.1.   The Institute's Chief Financial Officer, Corporate Services, Peter Schild, provided a short verbal update on the Estates project. Peter reported that he had met with the Government Property Agency to discuss Institute requirements and he would be arranging site visits to various properties over the next two months.

Action 9: Peter Schild to share the estates project plan with ARAC members.

8. Internal Audit Progress Report(2019-20)

8.1.   Russell Broad (GIAA) provided an update on activity since the previous committee. Work had continued to monitor progress on previously agreed management actions. Russell reported that overall the Institute continued to make

good progress in addressing agreed actions and that a number had already been reported as complete by management.

Action 10: The December ARAC to include an item on further professionalising the commercial function.

9. Institute Management letter 2018-19 (NAO)

8.1. Stephanie Krogmann (NAO) introduced the discussion on the Management letter 2018-19 which covered the recommendations arising from the NAO audit of the Institute's financial statements for the year ended 31 March 2019. Stephanie confirmed that the Institute had made considerable progress in addressing the issue raised by the NAO last year. The NAO planned to pick up any remaining minor issues with the relevant teams as part of the lessons learned exercises.

10. Finance Report

8.2. Peter Schild introduced the Finance Report and noted that the Annual Report and Accounts had been laid in Parliament and published. Peter noted that the NAO found no significant issues and accordingly gave the Institute an unqualified audit report.

11. Any other business

8.3. The Committee asked that the secretariat should consider arrangements to schedule ARAC meetings before Board meetings where possible.

8.4. The Committee also noted that the Institute's new Chief Executive, Jennifer Coupland, would be attending the next ARAC meeting and should confirm this was in her diary.

Action 11: Secretariat to consider meeting schedules and confirm diary invites for Jennifer Coupland and committee members for 2020.

Next meeting date

8.5. The next Audit and Risk Assurance Committee meeting will take place on 12 December 11:00-13:00 in Room 1, 151 Buckingham Palace Road, London.

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