

## MINUTES

**Meeting Title** - Audit and Risk Assurance Committee (19 June 2019)

**Date of Issue** - 21 October 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
- Paul Holland - Audit Manager, National Audit Office (NAO)
- Carl Purkins - 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
- Kristofer McGhee - Head of Legal, the Institute
- Anne Feehally - Head of HR, the Institute
- Alex Wilson - Deputy Director, Data Science, the Institute
- Marina Gill - Financial Reporting Accountant, the Institute
- Debbie Moorhouse - Group Chief Internal Auditor, DfE
- Yaseen Chikhliwala - Finance Business Partner – Apprenticeships Service (ESFA)
- Committee Secretariat - Chief of Staff's Office, the Institute

### Apologies

- Russell Broad - Audit Manager, Government Internal Audit Agency (GIAA)
- Sarah Whitehead - Finance Director of the ESFA

## **1. Welcome and introductions**

1.1. The Chair welcomed participants to the meeting.

## **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. Gerry confirmed that the Institute Board also routinely discussed risks and how they were actively managed, reviewed and addressed. Gerry confirmed that a number of organisations had risks that fed into the Institute risk register and the DfE Apprenticeship Programme Board Risk Register.

3.2. The Committee discussed the Institute's communications strategy and core narrative. Gerry welcomed the fact that more stakeholders were speaking positively about the Institute. Additional capacity within the communications team meant that the Institute could be more ambitious. The focus for communications now also included technical qualifications, developing and promoting occupational maps and ensuring that existing apprenticeship standards remained relevant and continued to deliver the highest quality for learner and employer alike.

## **4. Payroll, HR and Expenses Project**

4.1. Anne Feehally introduced this item and informed the Committee about the steps the Institute had taken to put in place new improved arrangements for payroll, HR and expenses. Anne confirmed that the solution would meet contractual obligations, Civil Service HR Global Design standards and would be compatible with existing IT provision and security standards. The Institute's Commercial Director and the Head of Legal were part of the Project Board.

4.2. The Committee drew attention to the importance of providing regular updates to staff and keeping to the timetable. The Committee asked that the ITT should be

carefully managed and must build in high expectations of data accuracy underpinned by assurance reports.

## **5. Cloud Services**

- 5.1. Alex Wilson introduced this item and explained that the Management Information (MI) system was in constant iterative development, overseen by the MI Board, managing new feature requests and data issues. All Institute teams were represented on the MI Board.
- 5.2. Going forward the Institute was in the process of moving to new servers with updated security features and was working collaboratively with the DfE to bring this about. Gerry confirmed he had had a number of positive meetings with the DfE Chief Technology Officer, Helen Walker.
- 5.3. The Committee asked that project Heartbeat, which is reviewing the Institute's approval processes and how the Route Panels of employer experts operate, should provide an update to the Board on the project.

**Action 1: project Heartbeat to include consideration of IT issues and to present an update to the Institute Board**

## **6. GIAA Year-End Health Check Final Report and Annual opinion**

- 6.1. Debbie Moorhouse summarised the progress the Institute has made as 'very positive.' The Institute had robust systems in place to monitor and escalate risk, with the Institute's Corporate Risk register appropriately reflecting the challenges the currently faced by the organisation. The audit took a deep dive review of five of the Institute's top risks and found that the Institute had an effective framework in place to manage them. There was a clear direction of travel to further enhance HR functionality, finance systems and procurement procedures. The 'moderate' opinion reflected work done in the previous year.
- 6.2. The Committee discussed the importance of continuing the development of the assurance framework and Paul Holland offered his support in this work.

## **7. NAO Financial Statement Audit progress report and Annual Report and Accounts**

- 7.1. Marina Gill introduced the discussion on the Annual Report and Accounts 2018-19 (ARA). Marina confirmed that the ARA was nearing completion and would be

laid in Parliament shortly. The Committee asked that Institute Board members should be sent a link once the ARA was published. Note: the ARA was laid in Parliament on the 16 July 2019.

**Action 2: secretariat to provide link to the Annual Report and Accounts to Institute Board members.**

## **8. Finance Report**

8.1. Peter Schild introduced the Finance Report and forecast for 19/20. The Committee was asked to note that the forecast included some extra work primarily on Occupational Maps. Peter also asked that the Committee noted plans for enhanced reporting arrangements from the summer onwards.

## **9. Any other business**

9.1. The Committee reflected on its work over the past year and considered what had gone well and areas for improvement. The Committee agreed that papers with a clear focus for discussion was the best way to provide challenge and constructive feedback. Suggestions included asking risk owners to present at the meeting and to expose more colleagues to the Committee's work.

9.2. Looking ahead the Committee asked that a discussion on estates should be included on the agenda for the next meeting of the Committee.

**Action 3: secretariat to include an item on estates at the September meeting of the ARAC.**

## **Next meeting date**

9.3. The next Audit and Risk Assurance Committee meeting will take place on 19 September 11:00-13:00 in Room 1, 151 Buckingham Palace Road, London.

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