

MINUTES

INSTITUTE FOR APPRENTICESHIPS & TECHNICAL EDUCATION AUDIT AND RISK ASSURANCE COMMITTEE

Meeting Title: Institute for Apprenticeships & Technical Education Audit and Risk Assurance Committee

Meeting Date: 17 June 2021

Protective marking: Official

Board members present : Jennifer Coupland (JCou); Professor Martin Doel (MD); Dame Fiona Kendrick (FK); Toby Peyton-Jones (TPJ) – Chair

Independent committee members present: Catherine Andrews, GIAA (CA); Jennifer Dorrell, NAO (JD)

Institute officials present: Peter Schild (PSch)

Other stakeholders present : Jonathan Mitchell (observer), David Oatley (ESFA)

Apologies: Tika Khan, ESFA

Welcome, introductions and declarations of interest

1. Toby Peyton Jones (the Chair) welcomed committee members and participating officials to the meeting.
2. The Chair 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) 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 conflicts were declared for this meeting.

3. There were no reported instances of data breaches, fraud or whistleblowing in the period.

Minutes and actions from the 11 March 2021 meeting

4. The committee approved the minutes from the meeting held on 11 March 2021 and noted the resolution of actions recorded.

Follow up of audit actions

5. The committee noted a summary overview of the level of progress against audit recommendations outstanding from 2019-2020 (GIAA and NAO reviews), and 2020-2021 (GIAA). Conversations were ongoing where actions were still being followed up. The Institute's Audit and Assurance Lead would continue to pursue progress on the committee's behalf, providing rolling updates at each meeting. The Covid pandemic had delayed some actions but, in general, completion dates set at the point of agreement with GIAA targeted realistic delivery.
6. The committee highlighted audit actions around T Level contract management and the value of working with ESFA and the Department for Education (DFE) as overall accountability and policy leads for T Level programme on the provision of industry placements.

Risks – strategic overview and update

7. The committee welcomed an update on strategic risk management and the close continuing joint work with partners to manage cross-cutting risks. Members commended the focus being given to partnership dialogue on partnership risk as an area for strategic development. Surrinder Bal was thanked for her work with partner bodies. This work was seen as a good learning opportunity.
8. The committee discussed and noted an analysis of the top three strategic risks facing the Institute. These strategic risks were unchanged since the March 2021 meeting: (1) risk to the capacity of employer panels; (2) the additional requirements of the Further Education White Paper coupled with changing economic needs, putting pressure on the Institute's core processes and delivery

of business objectives; and the (3) risk to the apprenticeships and technical education sector arising from the COVID-19 pandemic and from future policy decisions impacting on the achievement of the learning/skills objectives. The record of mitigations had been updated.

9. Following March 2021 feedback from GIAA and from the committee, the risk framework had been updated to create further clarity for end users. Further internal assurance work in July 2021 was planned on cyber, fraud and information security. This work aimed to inform risk assessments and support further development of related policies, strategies and action plans.
10. The Institute's capacity to adapt to post-pandemic models and to grasp the opportunity to redesign practices to get best use of resources was discussed. Members reflected on asking helpful questions about the priority and effectiveness of activities to the Institute's core purpose.

Government Internal Audit Agency (GIAA) report

11. The committee noted the Year-end Health Check 2020-21 which completed GIAA's work to March 2021. It covered areas including oversight and governance, risk management and business continuity, Institute assurance framework, counter fraud strategy and data analytics. The focus of the report was welcomed. The committee reflected upon the next steps of the Institute's journey involving maturing of the assurance and governance frameworks alongside 2021 organisational redesign under Institute 2021. Members encouraged the Institute to keep its documentation from these exercises under review for learning, continuity and evaluation. Peter Schild and team were thanked for their contributions, and specifically for diligence in achieving a smooth payroll transition during the year.
12. GIAA's draft annual opinion and report 2020-21 report had concluded with a moderate opinion against the Institute's framework of governance, risk management and control for the year ending 31 March 2021. The report was

accepted and would be made final. GIAA's clarity in this report and support for the Institute during the year was commended.

13. As noted in March, the GIAA strategy and risk-based internal audit plan 2021-22 included four audits to be completed by 31 March 2022: organisational restructure; governance and assurance; risk management; and commercial arrangements. The draft report on organisational restructure had already been issued.

14. The Chartered Institute of Internal Auditors (CIIA) March 2021 External Quality Assessment (EQA) report on GIAA was received for information. GIAA would be sharing insights on workforce strategy in due course.

National Audit Office (NAO report)

15. The committee received positive reports from the NAO: the audit completion report 2020-21 and 2020-21 draft audit certificate, about to be finalised. The NAO team reported satisfaction with the 2020-21 work. Findings on two main risks, payroll migration and IT audit findings, were satisfactory. The NAO team echoed GIAA colleagues in thanking the Institute team for smooth joint working and a well co-ordinated audit process.

16. Two further NAO papers were noted: the 2020-21 letter of representation; and NAO value for money reporting activity, June 2021. The NAO team encouraged the Institute with the positive work it was undertaking on its governance review and mapping its sources of assurance against its controls in the context of its expanded workforce and organisational redesign. The need for the Institute to keep on top of resource mapping and prioritisation was highlighted.

NAO upcoming publication on ALBs

17. There was a brief spoken update on the NAO's report on the Government's delivery through arm's-length bodies, to be published later in June. A substantial item is due to follow in September.

Annual Report and Accounts 2020-21

18. The committee approved the Annual Report and Accounts 2020-21 and commended delivering the report against a demanding timeframe. Members recognised the quality of the systematic process and comprehensive teamwork led by Peter Schild, with co-ordination by Rupinder Kaur. Members congratulated all the contributing Institute team members for their input.

Finance report

19. The finance report including the 2020-21 year-end financial forecast and 2021-22 forecast budget were noted.

Feedback from most recent ALB ARAC chairs' meeting

20. The Chair reported back on the most recent DfE meeting for arm's-length bodies ARAC chairs. Information sharing on collaborative approaches and managing cross-cutting system risks including technological business continuity had been useful. The Chair recommended Institute follow up on reviewing its approach to business continuity. Discussion had covered the different DfE models for different ALBs. Members were interested in the Cabinet Office's progress in its review of ALBs.

Papers for information

21. The following reports were noted: GIAA cross government insights report: business continuity; GIAA cross government insights report: Covid-19 lessons for government bodies from the response to the pandemic; GIAA cross government insights report: risk management.

ARAC 2021-22 agenda's forward look

22. The committee approved an enhanced ARAC 2021-22 plan and forward look for ARAC agenda's over the next 12-18 months. GIAA and NAO colleagues supported this process and had contributed to the plan. Details for deep dives and thematic reviews were being developed. Particular focus was being placed on reviewing cyber security and digital vulnerability in depth in response to

requests from ARAC members. Members were interested in the Institute's work in collaboration with DfE in readiness for negotiating a multi-year funding settlement within the autumn 2021 Comprehensive Spending Review.

Any other business

23. There was no other business.

Next committee meeting

24. The next meeting of the committee would take place on 16 September 2021 at 14.00 hrs.

25. Subsequent note: decisions were reached outside the meeting by correspondence. Non executive members of the Risk Management Advisory Group (RMAG) and executives had decided in favour of stopping RMAG's existence as the moment and immediate need has passed. The Institute's governance framework sets within a board committee's powers the option to set up sub committees on a time limited basis. Upon RMAG's dissolution, the power to create a group to fill a need remains in place. Thanks have been recorded for contributions to and participation in RMAG as well as the Covid Risk Oversight Group (CROG) that preceded it in 2020. The essential work carried out in these groups during the Covid period was valued highly.

Author: Secretariat, Institute for Apprenticeships & Technical Education

Date created: 1 September 2021

Version: Final