

Minutes of the Audit and Risk Assurance Committee 7 November 2018

Present

John Hughes	Chair of Audit and Risk Assurance Committee
Dame Kathryn August	Board member
James Aston	Co-opted member
Helen Jesson	Co-opted member

Also in attendance

Amanda Spielman	Her Majesty's Chief Inspector, Accounting Officer
Matthew Coffey	Chief Operating Officer
Louise Grainger	Director, Finance, Planning and Commercial
Sebastian Groth	National Audit Office
Simon Helps	National Audit Office
Jane Forbes	Internal Audit - PwC
Matthew Terry	Corporate Governance Manager
Chris Jones	Deputy Director, Research and Evaluation (Item 10)

Apologies

Venessa Willms	Board member
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1 Chairman's introduction, declarations of interest, minutes, actions and matters arising

- 1.1 The Chair welcomed members and attendees, noting apologies from Venessa Willms. There were no new declarations of interest.
- 1.2 The minutes of the meeting of 5 September were approved without comment. Members reviewed the action log.

2 Report from Chair and Members

- 2.1 Helen Jesson informed the Committee that her planned inspection shadowing had been postponed until November.
 - 2.2 Kathryn August reported that she had been invited by the Regional Director for the North West to attend a regional team meeting on 9 November.
 - 2.3 John Hughes noted the success of the Board and Executive away day in September, and reported his attendance of the Arm's Length Body Audit and Risk Committee Chairs Network.
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Audit update

3 Progress against audit recommendations

- 3.1 Louise Grainger reported progress against audit recommendations as of 30 October 2018. The Committee noted all management actions remain on track.
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4 Internal audit progress report

- 4.1 Jane Forbes updated the Committee on progress made against the 2018-19 internal audit plan, noting that since the Committee last met the internal audit reports relating to GDPR compliance, Inspection Support and Continuous Auditing period 1 had been issued.
 - 4.2 Members were content with the progress made against the 2018-19 Internal Audit plan.
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5 Value for Money update

- 5.1 The National Audit Office (NAO) updated members on their value for money (VFM) audit activity within the education and social care sectors.
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6 NAO Planning report

- 6.1 The NAO presented its annual planning report detailing the proposed approach towards the audit of the 2018-19 financial statements.
 - 6.2 Members noted that the timeline for the work would be amended to account for an agreed change of date to the Committee's June 2019 meeting. Members were otherwise content with the proposed approach.
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7 Public Accounts Committee recommendations

- 7.1 Matthew Coffey provided assurance that the implementation of the recommendations arising from the NAO's VFM report, and HMCI's subsequent appearance before the Public Accounts Committee (PAC), remain on track.
 - 7.2 The Committee were assured by the significant progress that had been made, noting that several actions had now been completed.
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8 Annual Report and Accounts timeline:

- 8.1 The Committee was asked to consider the proposed governance arrangements and draft timetable to produce the Annual Report and Accounts 2018-19.
 - 8.2 The Committee noted that the timetable had been constructed to allow for greater input from members earlier in the process. Members were content with proposed timetable and approach.
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Risk update

9 Risk Report

- 9.1 Louise Grainger presented the strategic risk report that was reviewed by the Executive Board on 30 October.
 - 9.2 The Committee noted that the draft strategic risk register had been prepared following an extensive engagement process that included discussion at the September Board and Executive away day.
 - 9.3 The Committee noted that the draft risk register would be further developed, before returning to the Committee's next meeting on 16 January.
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10 Finance Report

- 10.1 Louise Grainger reported the financial position as of the end of October 2018, which was noted by the Committee.
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11 Internal Audit contract

- 11.1 The Committee was informed that the existing contract with PwC for the provision of internal audit services expires at end of March 2019.
 - 11.2 Members noted that the Government Internal Audit Agency (GIAA) provides internal audit services for the Department for Education and many arm's length bodies. The Committee was content for this option to be explored in more detail, agreeing that sufficient assurance should be sought as to the capacity and capability of GIAA to provide the level of internal audit service required and independence.
 - 11.3 Members agreed that Louise Grainger would return to the Committee with an update on 16 January, and would liaise with the Accounting Officer and Audit and Risk Assurance Committee Chair in the interim.
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12 Any other Business

None.

End of meeting

The next Audit and Risk Assurance Committee meeting will take place at 10.30am on Wednesday 16 January 2019, in Clive House room 403a.