

<b>Date:</b>	22 June 2022	<b>A(i)</b>
<b>Item:</b>	22/014	

**MINUTES**  
**Audit and Risk Committee Meeting**

**Date:** Wednesday, 23 February 2022

**Venue:** Department for Education - Sanctuary Buildings

**Present:** David Clarke- Chair  
James Norton- Member (dial in)  
Micon Metcalfe- Member (dial in)  
Richard Smith- Member  
George Stylianides- Member  
Harry Buscall- Member

**Attending:** Rachel de Souza- Children’s Commissioner  
Janette Threapleton- Director of Corporate Services  
Jenny Wilcocks- Head of Finance  
Donna Phillips- Deputy Director of Research (Item 7/dial in)  
Elaine Manak- Engagement Director, NAO  
Ashleigh Thorius- Audit Manager, NAO  
Simon Sheung Fung Luk- Assistant Manager, EY (dial in)  
Chris Rising- Head of Internal Audit, Macintyre Hudson (dial in)  
Nasim Clark- Team Leader OCC Sponsorship Team, DfE

**Apologies:** Sarah Jennings- Deputy Director OCC Sponsorship Team, DfE  
Hayley Clark- Associate Partner, EY

**Board**

**Secretariat:** Mubanga Mwelwa (dial in)  
Claire Vasco, Executive Assistant to the Children’s Commissioner

<b>Item No.</b>	<b>Summary of Discussion</b>
22/001	<b>Welcome and Introductions</b>
	The Chair welcomed members and attendees to the meeting. Apologies were noted from Hayley Clark (EY) and Sarah Jennings (DfE).

22/002	<b>Declaration of Interests</b>
	No new interests were declared.
22/003	<b>Draft Minutes of 24 November 2022, Summary of Actions and Matters Arising (Attachment A)</b>
	<p>The Minutes of the meeting held on 24 November 2021 were approved.</p> <p><b>Action Log:</b>  Action 5; Agenda item 22/005 of this meeting.</p> <p>Action 6; Agenda item 22/006 of this meeting.</p> <p>Action 7; The Children’s Commissioner’s Office has a robust internal process with regards to the right to be forgotten. It was also determined that identifiable data processed outside of the organisation would not be a risk.</p> <p>Action 9; Agenda item 22/008 of this meeting.</p> <p><b>Actions:</b> None</p> <p><b>Matters Arising:</b> None</p>
22/004	<b>Children’s Commissioner’s Report (Attachment B)</b>
	<p>The Children’s Commissioner introduced her report highlighting key achievements since her last report in November 2021.</p> <p><b>Family:</b>  Following the ‘Commission on Race and Ethnic Disparities’ report which recommend that the Children’s Commissioner undertakes a family review; the Commissioner is continuing to take this work forward by investigating and addressing the underlying issues facing families.</p> <p><b>Community:</b>  The Commissioner was commissioned by DCMS and DfE to explore the role of digital technologies in fuelling sexual violence among young people. This has fed into the Commissioner’s online harms work and privacy campaign for children.</p>

	<p><b>Education:</b></p> <p>As part of the Commissioner’s work to locate and support children missing from education, the Commissioner launched an ‘attendance audit’ of Local Authorities, the results of which will be presented in parliament.</p> <p>The Commissioner continues to feed into the SEND Review through the expert advisory group which has recently included information on the Commissioner’s project on ECHPs.</p> <p><b>Health:</b></p> <p>The Big Ask highlighted that children valued their health and wellbeing. Therefore, the Commissioner has been meeting with various stakeholders, spoken at several health-related events and published a briefing on ‘children’s access to mental health services.’</p> <p><b>Children In Care:</b></p> <p>The Commissioner gave evidence to the Education Select Committee’s inquiry into Children’s homes. The lack of decent places for children in care - both in foster care and residential - continue to be the single biggest driver of calls to the Children’s Commissioner’s helpline and instability remains the biggest issue encountered through visits and other engagements.</p> <p>The Chair commended the Commissioner for the extensive and productive list of things that she and her team are working on.</p> <p><b>Actions:</b> None</p>
22/005	<p><b>Draft Strategy and Priorities (Attachment C)</b></p>
	<p>The Commissioner tabled a first written draft of her strategy.</p> <p>The strategy is focused around the seven theme’s which the Big Ask highlighted i.e., Family, School, Community, Jobs and skills, children in care, health and wellbeing and a better world.</p> <p>The Commissioner’s aim is to put children’s voices at the heart of the strategy, to be solutions focussed and be a thought leader.</p>

	<p>The Commissioner reported that she is already starting to deliver on some of the short-term objectives for example on school attendance. Progress has also been made on health which continues to be a high priority of work.</p> <p>In the long term, the Commissioner wants to deliver long lasting and meaningful change for children.</p> <p>The Chair commended the Commissioner for a strategy that was strong on vision and approach.</p> <p>The Chair advised that ARC members could support the Commissioner to further develop the strategy. All members took interest in providing this support.</p> <p>The Commissioner said she would welcome ARC member’s support.</p> <p><b>Actions:</b> George Stylianides will take the lead in collating feedback from members.</p>
22/006	<p><b>External Audit- NAO/EY (Attachment D)</b></p> <ul style="list-style-type: none"> <li>i) External Audit Plan 2021-22 &amp; Audit Planning progress update</li> <li>ii) OCC Value for Money Update (January)</li> </ul>
	<p>The annual Audit Planning report was presented and set out the planned approach to the audit of the OCC’s annual report and accounts 2021-22. This included the information required to report under auditing standards.</p> <p>EY reported that they performed their audit planning in January 2022 and will be commencing their interim audit in March 2022. The year-end audit will take place May-June 2022.</p> <p>EY outlined their initial assessment of the risk of fraud relevant to the Children’s Commissioner’s Office, and how this may impact on financial statements.</p> <p>EY reported that they plan to access the ‘presumed risk of management override controls’ as explained in the International Standard on Auditing (ISA) 240 notes. The three key areas where management override is deemed likely to occur are; manual journals,</p>

	<p>bias in management estimates and unusual transactions. EY will undertake work to assess this risk.</p> <p>Richard Smith expressed concern that the testing seemed high for the size of the Children’s Commissioner’s Office. Jenny Wilcocks added that the audit team needed to exercise proportionality when considering the size and nature of the Commissioner’s Office.</p> <p>Elaine Manak stated that the NAO/EY audit opinion will be true and fair, based on the findings.</p> <p>Members were also asked to confirm seven governance questions stated on page 2 of the NAO planning report. Members were content that to the best of their knowledge there were no issues arising to the questions posed.</p> <p>The NAO confirmed that the Audit fee for this year will be £35,000.</p> <p>The Chair was pleased to hear that the audit fee had remained at a reasonable amount. Richard Smith added that an increment at short notice should be avoided in future. Elaine Manak stated that the NAO expected fees to increase more significantly next year and that conversations on fees will commence in good time.</p> <p>The OCC Value for Monday Update was provided for information.</p> <p>The Chair thanked NAO/EY for a comprehensive presentation.</p> <p><b>Actions:</b> NAO to commence audit fee discussions for 2022-23.</p>
22/007	<p><b>Risk Management and Assurance Framework Q3 Review (Attachment E)</b></p> <p>i). Risk Register (February 2022)</p> <p>ii). Assurance Framework Q3 (Oct- Dec 2021)</p>
	<p>Members were advised that the following risk scores had changed since the Committee’s last review in November 2021:</p>

	<p><b>Risk 2:</b> The residual risk had reduced because the Children’s Commissioner’s strategic document which sets out the Commissioner’s priorities is in final draft. The Commissioner’s annual Business Plan is also in place until June 2022.</p> <p><b>Risk 3:</b> The residual risk had been increased to reflect the current review of the Help at Hand service.</p> <p><b>Actions:</b> The Chair requested for the risk front sheet to indicate a section on emerging risks or forward-looking risks so that members can be made aware of any early warning risks that may arise.</p>
22/008	<p><b>Risk Review - The Big Ask Survey (Attachment F)</b></p>
	<p>Micon Metcalfe undertook a review of the project delivery of the Big Ask Survey.w</p> <p>When the Big Ask Survey was launched, the Children’s Commissioner’s website received an unprecedented volume of traffic. Whilst the volume of traffic could not be predicted it resulted in the slow performance of the website hosted by DfE servers. This resulted in the website being temporarily moved to external servers.</p> <p>Micon made the following key recommendations to be considered for future similar projects;</p> <ol style="list-style-type: none"> <li>1. Project teams should be clearly defined, and roles and responsibilities set out. There should be clear reporting and escalation processes.</li> <li>2. Project Directors should have the technical skill or be able to seek external technical advice to deliver projects of this nature.</li> <li>3. The website is a key communication tool. How it is hosted and managed needs to align to its intended use.</li> </ol> <p>Janette Threapleton noted that the point regarding the scope of the website is well made. She added that the website is on its way back into the DfE pending a website refresh and due diligence exercise to ensure all issues are addressed and managed.</p> <p><b>Actions:</b> None</p>

22/009	<b>Internal Audit, Audit Assignment Update (Attachment G)</b>
	<p>As part of the Internal Audit Plan for 2021/22 the following two audits have been completed and were presented to the Audit &amp; Risk Committee for consideration.</p> <ol style="list-style-type: none"> <li>1. Cyber Risk Management (draft report) – received adequate assurance</li> <li>2. Governance (final report) – received substantial assurance</li> </ol> <p><b><i>Cyber Risk Management (draft report)</i></b></p> <p>Chris Rising stated that the report concluded that good arrangements were in place for undertaking and signing off information security assessments; the process for assessing IT and Cyber Risks faced by the OCC; the arrangements for reporting Cyber incidents and arrangements were in place to ensure staff are aware of IT and Cyber Risks that faced the organisation.</p> <p>However, there was a lack of procedural guidance of how overall cyber risk processes were managed and where responsibility for these rests. Therefore, it was recommended that these processes could be documented in a single flow chart.</p> <p>Richard Smith asked whether access management was addressed in the report. Chris Rising said the focus of the report was more about documentation of processes and the totality of the technical systems.</p> <p><b><i>Governance (final report)</i></b></p> <p>The Governance audit focused on reliance of key staff resources.</p> <p>The findings identified that key roles have not been defined and who has those skills particularly with senior staff. The recommendation is therefore to strengthen these arrangements and consideration be made to introduce a third key officer to provide the necessary support and cover as required.</p> <p>The Chair stated that in the absence of key staff the reliance should be on ensuring systems are strong so that the organisation can continue to function, and it was felt that the Commissioner’s office had robust systems in place. Chris Rising responded by stating that whilst this was true, retained information must be backed up by processes.</p>

	<p><b><i>Internal Recommendations Log</i></b></p> <p>All recommendations are underway and are being actioned in accordance with agreed timelines.</p> <p>Chris Rising reported that the Annual Audit Report opinion will be completed before the financial year end.</p> <p><b>Actions:</b></p> <p>Richard Smith recommended that as part of the follow-up to the staff phishing training the Commissioner’s SIRO (Donna Philips) could consider sending out a phishing email to see how staff respond to it and ascertain whether they have understood what to do.</p> <p>The Annual Internal Audit opinion will be shared in May 2022.</p>
22/010	<p><b>Budget &amp; Management Accounts Update (Attachment H)</b></p> <p>i). Management Accounts (January 2022)</p> <p>ii). Counter Fraud Annual Action Plan Q3 (Oct-Dec 2021)</p>
	<p>The Management accounts as at the end of January (P10) 2021-22 were tabled showing movement in forecasts compared to last month.</p> <p>Jenny Wilcock’s reported that the Children’s Commissioner’s Office has addressed underspend figures which have improved substantially due to several new projects. The underspend figures now stand at £27K for admin and £35K for programme.</p> <p>As part of governance input from ARC members Jenny Wilcocks has had a comprehensive conversation with Richard Smith regarding the management accounts. Richard Smith added that the strategy being in place will help direct and maintain spend.</p> <p><b>Actions:</b></p> <p>Richard Smith requested that in future it would be useful to see a table that showed the original budget versus what the Commissioner’s Office had spent.</p>



22/011	<p><b>Any Other Business (Attachment I)</b></p> <p>i). TIAA- Data Protection Alert- Data Theft (December 2021)</p> <p>ii). Policies and Procedures</p>
	<p>The 'TIAA Data Protection Alert' and 'Policies and Procedures' papers were shared with members for information.</p> <p>Richard Smith enquired if the Commissioner's Office were monitoring the Government's recently published functional standards. Janette Threapleton confirmed that work was underway however that this was a huge burden for the Corporate Services team.</p>
<p><b>Meeting Preparations:</b></p> <p>The Chair proposed that there would be no ARC meeting held on the 18 May 2022. He further proposed that in the absence of a meeting the NAO/EY Accounts and the Annual Internal Audit Opinion could be shared at this time. Feedback could be provided remotely with the final papers discussed at the 22 June 2022 meeting.</p> <p>Therefore, next ARC meeting will take place on 22/06/2022.</p> <p><b>Actions:</b> NAO/EY Accounts and the Annual Internal Audit Opinion to be shared on or before 18 May 2022.</p> <p><b>Future meeting dates:</b></p> <p>Wednesday 21 September 2022</p> <p>Wednesday 23 November 2022</p> <p>Wednesday 22 February 2023</p> <p>Wednesday 21 June 2023</p> <p>Wednesday 21 June 2023 – Remuneration Committee</p>	