



## Report from the Risk and Audit Committee

Board's primary role in relation to this paper:

- A. Set strategy
- B. Set risk appetite
- C. Oversee performance
- D. Understand context

### Purpose

1. This paper provides a report on the work of the Risk and Audit Committee following its meeting on 7 December 2023.
2. No decisions are required from the board.

### Membership of the committee

3. The committee noted that recruitment for new board members is ongoing, and it is expected that two board members will join the committee next year to replace Kate Lander and Martyn Oliver.
4. Recruitment for new independent committee members (to replace Suzanne McCarthy and Margaret Monckton who will finish their second terms of office in July 2024) started in December.

### Update from the chief executive

5. The committee received an update from the chief executive, covering:
  - a. Recent work on quality and standards.
  - b. Publication of TEF ratings and background material.
  - c. OfS response to increasing risks in the financial resilience of the sector.
  - d. Consultations on the new free speech functions which are soon to be published.
  - e. An update on the provider engagement programme.
  - f. The launch of the OfS People strategy.

g. The upcoming OfS Public Bodies Review.

6. Exempt from publication.

7. Exempt from publication.

## OfS response to the House of Lords report

8. The committee heard an update on the OfS response to the House of Lords Industry and Regulators Committee report into the work of the OfS, and a summary of the main themes of the report.

9. The committee commented that the OfS response was measured and constructive. Exempt from publication.

## Data Futures

10. The committee was updated on the most recent student data submissions: Exempt from publication.

11. Exempt from publication.

12. The committee welcomed plans for an independent review to explore why Jisc has not been able to deliver the Data Futures platform and data collection effectively, including why the assurances provided by Jisc had not proved to be reliable. It was noted that the quarterly review board had not been alerted to delivery issues.

13. It was suggested that Data Futures was established with the aim of increasing the quality of data and reducing burden, and although this year has seen a significantly increased burden on all involved, once the system is bedded in, it could deliver the original aims.

## Cyber security deep dive

14. The committee heard a deep dive presentation into cyber security, noting:

a. The IT and Cyber Dashboard for the last three months shows that overall results are good.

b. Exempt from publication.

c. Exempt from publication.

d. Plans for a new cyber security strategy for 2024-27, based on four pillars: design and build, maintain, check, control; with objectives under each pillar.

e. Exempt from publication.

f. Two internal audits of cyber security carried out in the last 12 months, including a review of cyber reporting to the board, with an action agreed to conduct cyber security training sessions with the board and committee.

15. The committee welcomed the deep dive and the impressive work on cyber security, noting that improvements are due to investment in people and having established better processes.

## Risk management

16. The committee heard an update on the high strategic risks which were not covered as separate agenda items: Exempt from publication.

17. Exempt from publication.

18. Exempt from publication.

19. Exempt from publication.

20. Exempt from publication.

21. Exempt from publication.

## Results of RAC effectiveness review

22. A survey to gather views on the effectiveness of the committee was recently carried out. The committee was pleased to hear that the results are positive overall.

23. The following suggestions were made:

- a. The visibility of the committee's work to the board could be increased. The level of detail included in committee reports has already been increased since last year's review, and further consideration can be given to whether there is more that could be done in this regard.
- b. A session on horizon scanning and emerging risks at a future committee meeting would be useful.
- c. A session on students can be included in induction for new board and committee members, or there could be an element of student engagement in a committee meeting.

## Progress report from KPMG

24. An update on the work internal audit (KPMG) has carried out since the last meeting was shared with the committee. Three reviews have been completed and fieldwork for two has started. Management actions have been followed up, and implemented actions have been tested.

25. Exempt from publication.

## OfS accounting policies

26. The OfS accounting policies were shared with the committee to be used for the annual accounts 2023-24.

27. The committee formally endorsed the accounting policies.

## **NAO audit planning report for 2024-25**

28. NAO presented plans for the 2024-25 audit. Exempt from publication.

29. The committee confirmed that these risk areas are the correct areas of focus.

## **NAO update on value for money**

30. The committee's attention was brought to two upcoming NAO reports relevant to the education sector: the investigation into student loans to franchised higher education providers and the departmental overview of the DfE.

## **Paper publication**

31. To be published externally along with the board papers (shaded sections exempt from publication).