

Report from the Risk and Audit Committee

Issue

1. The board is kept informed of the work of its Risk and Audit Committee by receiving a report on the outcomes of each meeting. The attached report summarises the outcomes of the Risk and Audit committee meeting held on 19 September 2018. This supplements an oral report given by the Chair of the Committee at the board meeting held on 26 September 2018.

Recommendations

2. The board is invited to receive the report of the Risk and Audit Committee.

Further information

3. Available from Kate Lander. Full minutes of the meeting are available to members on request.

Risk and Audit Committee report

September 2018

Report from the chief executive

4. The chief executive gave an oral update on matters of relevance to the committee, including on the organisational design process, a specific provider issue and progress on making registration decisions.

Update on risk management framework

5. The Committee considered an initial risk register for the OfS, setting out both high priority project-focussed risks and those that are cross-cutting/organisational wide, and provided comment on the presentation of the information contained in it. The committee recognised that the board's judgement on risk appetite would need to be taken into account in future consideration of the risks and mitigations.
6. The Head of Internal Audit assured the committee that there were effective processes in place to identify and manage risk.

Internal Audit update

7. The committee were updated on progress with the prioritised internal audits for 2018/19 and considered two completed internal audits (on an effectiveness review of Finance and Payroll controls since the introduction of Workday and on a review of the Digital, Data and Technology programme). Both had received a rating of "substantial" confidence, with no high priority recommendations made.
8. An update was provided on the implementation status of management actions identified in internal audits carried out at HEFCE and OFFA. The committee noted the progress being made.

Control failures

9. The committee were informed of two incidents of financial control failure. They were assured that this had not resulted in any financial loss for the OfS and that processes were in place to avoid any similar future occurrences.
10. It was also confirmed that, since the date of the last Risk and Audit Committee meeting, the OfS had not experienced any other errors, information or data losses that were reportable to the Information Commissioners Office.

Counter Fraud strategy

11. The committee discussed proposals for the improvement of counter fraud measures at the OfS and provided comment on its draft Counter Fraud strategy. This will link to the OfS's whistleblowing policy which will be considered at the next committee meeting.

Policy on gifts and hospitality at the OfS

12. The committee provided comments on proposed guidance for OfS staff on the acceptance of hospitality, gifts, fees and awards. This would also apply to board and committee members once finalised.

HEFCE 2017-18 management letter

13. The management letter issued by the NAO setting out their key observations and recommendations arising from their audit of HEFCE's financial statement for 2017-18 was noted. None of these were material and are being taken forward in future work.

Kate Lander
September 2018