

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 11 December 2019.

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

December 2019

Closed session

4. We held a closed session with the Director of Resources, Finance and Transformation to discuss his plans for taking forward the Digital Data and Technology (DDaT) programme in 2020 and beyond.

Risk management

5. The committee considered an updated register of OfS's strategic and principal risks, noting that mainly as a result of colleagues being better able to identify potential risks, the overall number has increased. We were assured that the executive continue to have significant involvement in the identification and management of risk across the OfS, with directors challenging each other on the individual risks in their areas.
6. We noted that a number of improvements were being made to the risk management process, including adding target scores and a target date for achieving these. A number of these changes take into account the recommendations made in the recent internal audit report.
7. We agreed it would be helpful for the committee to see OfS's key work processes mapped out and a deep dive on each carried out over time. The priority could be those areas associated with a red risk score.

Exempt from publication

8. Exempt from publication.

Internal Audit update

9. We received an update on work carried out by internal audit since our last meeting, including receiving full reports on the three completed reviews noted below. We were advised by the Head of Internal Audit that the 2019-20 plan is on track to be completed by the end of the financial year and that work is underway to scope out the plan for 2020-21. We assured that management's work on implementing recommendations arising in previous internal audits was being carried out satisfactorily.
10. We received a report on the internal audit review of the OfS's risk management process. We noted that no significant issues have arisen from this work and that the recommended process improvements are being followed up satisfactorily. We were advised that the introduction of a new risk management system will place less reliance on manual process, providing us with further assurance.
11. In addition, we received a report on the internal audit review of OfS's financial systems, including the processes and key controls over the general ledger, journals and payroll. We

noted that no significant issues have arisen from this work and that recommendations are being followed up satisfactorily, taking assurance that effective controls are in place in the areas considered by the audit.

12. Finally, we considered a report on the internal audit review of the transition of the Digital Data and Technology (DDaT) programme into business as usual. This looked at two issues: seeking broad assurance over the transition plan from DDaT and IT and an in depth review of code quality testing. We noted that although no significant issues have arisen from this work, a number of medium priority recommendations have been identified, mainly around the translation of the transition plan at a granular level and the coding and testing of processes at an earlier stage. We were assured that management are taking forward all of the agreed recommendations satisfactorily.

OfS internal VfM strategy

13. We noted the final version of the OfS internal value for money strategy which we had commented on at our previous meeting. This will now be rolled out across the OfS and will also inform elements of OfS's corporate scorecard which we also discussed at this meeting.

OfS financial statement 2019-20

14. We endorsed the proposed accounting policies which form the basis for the preparation of the OfS's financial statements for 2019-20.
15. We also considered the NAO's proposed audit plan and endorsed the identified risks as appropriate for the audit focus.

Kate Lander
December 2019