

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 10 December 2020.

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 2020

Exempt from publication

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Risk management

8. The committee considered an updated register of OfS's strategic and principal risks and noted the presentation on risk appetite considered by the board as part of its recent planning event.
9. We noted the regular report of recent information security breaches and received further assurance on how risks in this area are being managed as part of a presentation on cyber security. We also noted the positive results of an external audit carried out on the physical arrangements to ensure COVID-secure working at the OfS office and that the recommendations identified in the report have already been implemented.
10. We received a presentation from the Director of Data, Foresight and Analysis on the ongoing process for managing risks associated with HESA, the Designated Data Body (DDB), particularly in respect of the Data Futures project and its work on graduate outcomes. Exempt from publication.
11. We were assured that there continues to be regular engagement between OfS and the DDB, including at director level. A board-level Quarterly Review Group (of which Gurpreet Dehal is a member) has been established to provide oversight of Data Futures and we suggested that, through this group, we should try to better understand the involvement of HESA's audit committee in the risks associated with this project.
12. We noted that there is some progress in reducing the identified risks, but this is slow, partly as a result of pressure on resource at HESA. We asked to be provided with a further update on data risks at our February meeting.

Internal Audit update

13. The committee received an update from the Head of Internal Audit on progress against the internal audit plan for 2020/21, noting that everything is on track to deliver the plan by the end of the year. We were advised that planning for next year's plan will commence in January 2021.
14. We also considered a completed internal audit review of the changes to processes and controls in place at the OfS and how these have been impacted by coronavirus. We were

assured that no significant issues had arisen from this work, that effective controls are in place and that recommendations are being followed up satisfactorily by management.

Deep dive: cyber risks

15. The committee received an update from the Chief Technology Officer on the OfS's proposed approach to its cyber security strategy. This included planned actions to manage cyber threats and to reduce risk. In response, we carried out a 'deep dive', enabling us to better understand and challenge the process for identifying and reporting on these risks. At this stage we can assure the board that these risks are being managed with appropriate mitigations in place
16. We derived significant assurance in carrying out this deep dive and noted that we will, in future, receive quarterly reports on cyber risks.

OfS financial statement 2020-21

17. We endorsed the proposed accounting policies which form the basis for the preparation of the OfS's financial statements for 2020-21.
18. We also considered the NAO's proposed audit plan and endorsed the identified risks as appropriate for the audit focus.

Kate Lander
December 2020