



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 28 February 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

February 2019

Report from the chief executive

4. The chief executive gave an oral update on matters of relevance to the committee and, in particular, some matters relating to key dependencies with the OfS designated bodies, as we are operating in a co-regulation environment. The committee recognised the importance of this model to enable effective regulation and the need for continued assurance around any risks relating to these dependencies. These risks were also highlighted in the Risk Report.

Risk management

5. The committee considered an updated register of OfS's strategic and principal risks (details attached at Annex A) and, following the board's discussion at its last meeting, the outcomes from work to establish a more granular understanding of risk appetite. We noted a first draft of an assurance map against the strategic risks and lines of defence and that internal audit would be used to carry out work in areas where gaps are identified. We were advised that the business planning process was also being used to identify any new risks.
6. The committee was content with the continued development of the risk management process but suggested some further work could be done to better articulate risk mitigations, including what actions needed to be taken to manage risks from the register.

Internal Audit update

7. The committee was updated on progress against the internal audit plan for 2018/19 and some changes to the plan that had been agreed by management. There are three reviews outstanding which would be completed by the end of the year and reported at the next meeting, informing the final Head of Internal Audit opinion, a draft of which was reported at this meeting.
8. Two completed internal audits were considered at the meeting:
 - a. Data Privacy / GDPR – the committee noted that no significant issues had 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.
 - b. Cyber security – the committee noted that OfS's cyber security arrangements were reviewed against EY's Cyber Programme Assessment framework and whilst the organisation had performed better than the government and public sector average, there were still some improvements to be made in order for OfS to reach its desired position.
9. It was noted that recommendations arising from previous internal audits had been followed up and these were either complete or had been superseded.

Internal Audit procurement

10. The committee was advised of the outcomes of an internal process to procure internal audit services to OfS from the start of the next financial year and confirmed it was content with management's recommendations in respect of the awarding of the contract.

OfS interim accounts 2018/19

11. The Committee received two papers in relation to OfS's interim accounts:
 - a. NAO interim report – the NAO advised the committee that no significant matters had arisen in the work undertaken during the interim audit. There are some matters which would need to be taken into account in the final audit but these were not expected to result in anything material.
 - b. Interim accounts – the committee noted the forecast results for the 15 month financial period for 2018/19.

Draft Risk and Audit Committee annual report 2018/19

12. The committee considered and commented on a first draft of its annual report and formal opinion. A revised version will be approved at the next meeting.

Internal public interest disclosure (whistleblowing) policy

13. Following discussion at the last meeting, the committee approved the proposed internal whistleblowing policy for OfS staff.

Kate Lander
February 2019