

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 May 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

May 2019

Closed session

4. At the start of the meeting the committee met in closed session with the NAO to discuss with them their recent audit of the OfS annual report and accounts, and with the Head of Internal Audit to discuss his work throughout the year.

Risk management

5. The committee considered an updated register of OfS's strategic and principal risks, noting where changes had been made to the risk register, and welcomed the assurance that work was underway to improve the effectiveness and reporting of mitigations.
6. In addition to this we considered a paper setting out the assurances around risks, delivery and management disciplines within the OfS which identified current organisational resilience and we offered suggestions on how these could be tightened.

Internal Audit update

7. The committee considered the completed internal audit report on human resource process. We 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.
8. At its last meeting, the committee considered a review of cyber security arrangements at the OfS. An updated report was considered at this meeting alongside a list of prioritised recommendations. Following discussion of this review, the committee received a detailed presentation on how these recommendations are being addressed.
9. We also considered a draft internal audit review considering the organisation's response to dealing with a recent provider issue. This also looked at the OfS's processes for monitoring the financial viability and sustainability of registered providers and its market exit arrangements along with some suggested areas for development. We were assured that in the case of the provider issue, the organisation's response had been effective.
10. Subject to this review being finalised, the committee noted that this completes the internal audit plan for 2018-19.
11. We were assured that all outstanding internal audit recommendations were in the process of being handed over to OfS's new provider of internal audit services whom we were introduced to at the meeting. As well as considering some initial suggestions for work they would be carrying out, we noted that a more developed internal audit plan for 2019-20 would be provided at our next meeting.

Annual assurance 2018-19

12. The committee received a package of papers designed to provide assurance to inform its own annual report and formal opinion including:
 - a. Performance, corporate governance and Parliamentary accountability reports.
 - b. Internal Audit annual report and formal opinion.
 - c. Value for money assurance.
 - d. Update on Counter fraud.

OfS accounts 2018-19

13. The committee received two papers in relation to OfS's annual report and accounts:
 - a. NAO management report and OfS response – the NAO advised the committee that there were no significant issues arising from the audit, with a proposed unqualified opinion being given.
 - b. Financial statement – the committee noted the financial statement which would form part of the accounts.
14. In reviewing this information, the committee recommended to the chief executive and Accounting Officer that she approve the OfS's annual report and accounts for 2018-19.

Risk and Audit Committee annual report and formal opinion 2018-19

15. The committee formally approved its annual report and formal opinion for 2018-19. This is being presented to the board at its meeting on 15 May.

Kate Lander
May 2019