



# 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 meetings held on 10 December 2020 and 25 February 2021.

## Recommendations

2. The board is invited to note 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

1. Exempt from publication
2. Exempt from publication
3. Exempt from publication
4. Exempt from publication

#### Risk management

5. 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.
6. 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.
7. 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
8. 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.
9. 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

10. 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.
11. 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**

12. 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
13. 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**

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

Kate Lander

December 2020

## **Risk and Audit Committee report**

### **February 2021**

#### **Risk management**

16. The committee considered and discussed the register of OfS's strategic and principal risks, updated to take into account the board's recent discussion of risk tolerance and appetite.
17. We received a presentation from the Head of Human Resources and Organisational Development on the 'people' and 'workforce' risks at the OfS. This informed our subsequent "deep dive" into how these risks have been assessed and the appropriateness of the mitigations in place. At this stage we can assure the board that the risks in this area are being satisfactorily managed.
18. We derive significant assurance and value from carrying out these deep dives into the OfS's key risks and will continue with our programme at future meetings.

#### **Internal audit**

19. The committee received an update 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.
20. We also considered completed internal audit reports on the OfS's risk management process and on arrangements for receivables and payables at the OfS. We were assured that in both cases no significant issues have arisen from the work carried out by internal audit, that effective controls are in place and that all recommendations are being followed up satisfactorily by management.
21. We had an initial discussion about possible areas of audit for the 2021/22 internal audit plan. We agreed that in advance of the next meeting, the executive should work with the Head of Internal Audit to consider its priorities and provide a rationale for these decisions along with an explanation of why they have been identified as audit areas. This will inform our discussions on further refinement of the plan at our next meeting.

#### **OfS interim accounts 2020/21**

22. Following completion of the recent interim audit, we received the OfS accounts for the 9-month period to 31 December 2020 and a progress report from the NAO on their work. Final accounts will come to the committee in May. We were pleased to note that no issues have arisen to date.
23. We also discussed the draft OfS corporate governance report and agreed to provide further comments on this in advance of our next meeting.

**Draft Risk and Audit Committee annual report 2020-21**

24. We considered a first draft of our own annual report to the board and formal opinion for 2020/21 and agreed to provide comments outside of the meeting. We will finalise our report at our next meeting in May.

Kate Lander

February 2021