



Report from the Risk and Audit Committee

Board's primary role in relation to this paper:

- ☐ A. Set strategy
- ☒ B. Set risk appetite
- ☐ C. Oversee performance
- ☐ D. Understand context

Purpose

1. This paper provides a report on the work of the Risk and Audit Committee following its meeting on 13 March 2025.
2. No decisions are required from the board.

Summary of the meeting

Interim accounts and interim audit report

3. The draft accounts until 31 December 2024 were shared with the committee. The financial statements were then being reviewed for completeness by the NAO.
4. The interim audit period for 2024-25 had just concluded. The risk assessment procedures had been finalised, and no changes to identified risks were noted.

Draft corporate governance statement and draft RAC annual report

5. The draft corporate governance statement and the draft RAC annual report were shared with the committee for feedback.

RAC effectiveness review

6. Findings from the annual effectiveness review of the committee were discussed. Exempt from publication.
7. Exempt from publication.
8. Exempt from publication.
9. Exempt from publication.
10. Exempt from publication.

11. A board effectiveness review will shortly be undertaken, and this will be an opportunity to consider the interaction of the responsibilities of the board and its committees.

Data and insight

12. An update on the data and insight strategy was shared with the committee.

13. Exempt from publication.

14. Exempt from publication.

15. Exempt from publication.

16. Exempt from publication.

17. Exempt from publication.

Cyber security

18. The cyber security dashboard was presented to the committee. Exempt from publication.

19. Exempt from publication.

20. Exempt from publication.

21. Exempt from publication.

Risk report

22. RAC received a detailed update on the high strategic risks.

23. Exempt from publication.

24. Exempt from publication.

25. Exempt from publication.

26. Exempt from publication.

27. The risk management policy has been updated to allow focus on the most important issues without losing visibility. The trajectory of risks towards their target scores will be implemented as we move into the next strategic period.

Assurance map

28. The committee received an updated assurance map, with new assurance mechanisms added and clearer rationales. Discussions with risk owners have revealed the importance of stakeholder engagement as a source of assurance as a common theme across all areas.

Deep dive – resourcing and affordability

29. The committee had a deep dive into resourcing and affordability.

30. Resourcing pressure has significantly increased since the OfS was established due to increasing regulatory demands and the changing context. Financial sustainability challenges

are greater than anticipated and additional functions, such as in quality, free speech and lifelong learning, have been added to the OfS's remit. Some of these have received additional resources, but this resource is time-limited.

31. Efforts are being made to mitigate resourcing issues through efficiencies and new ways of working. Exempt from publication.

32. Exempt from publication.

Internal audit

33. KPMG gave an update on its internal audit work. Exempt from publication.

34. The draft internal audit plan for next year was presented for comment. Exempt from publication.

Paper publication

35. To be published externally with the board papers.