

## 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. The Risk and Audit Committee (the committee) met on 20 November 2025. This paper provides the board with a summary of the meeting.

### Recommendations

2. The board is invited to receive the report of the Risk and Audit Committee.

### Summary of the meeting

#### Cyber security report

3. The cyber security dashboard was shared with the committee. Exempt from publication.

#### Environment and sustainability strategy

4. An overview of environmental and sustainability compliance frameworks was provided.
5. Exempt from publication.
6. Exempt from publication.

#### Risk management

7. The risk report was shared with the committee. The executive has reviewed the strategic risks against the new strategy, and recommended that they do not need to be changed, but the nature of the mitigations will be adjusted.
8. Exempt from publication.
9. Exempt from publication.
10. Exempt from publication.

11. Exempt from publication.

12. Exempt from publication.

13. The committee noted that the risk reporting to RAC was good, and can evolve to be even more insightful.

### **Internal audit**

14. The internal audit progress report was shared. Exempt from publication.

15. Exempt from publication.

16. Exempt from publication.

17. Exempt from publication.

### **NAO audit planning report**

18. The introductory planning meeting was held mid-November. The committee will receive an update on the risk assessment and a report on the interim audit at its March meeting.

19. There have been no significant changes during the year which will affect the audit, other than the turnover in board membership.

### **OfS accounting policies**

20. The accounting policies for 2026-27 were presented for approval. It was confirmed that no significant changes are required by accounting or audit standards.

21. The accounting policies for 2026-27 were approved.

### **NAO value for money and insight work**

22. The committee received the NAO value for money and insight report.

23. The cyber security work and the forthcoming report on the growth objective for regulators were particularly drawn to the attention of the committee. The overview of the Department for Education was also recommended as helpful background material.

### **Deep dive: Accountability for public funding and financial risk assurance**

24. The deep dive aimed to provide clarity on the role of the OfS and other actors in addressing the financial risk in the sector and the risk to public funding.

### **Financial resilience**

25. As financial risk in the sector has increased, we have reviewed our approach to financial monitoring and have built internal capacity and capability to respond. Our monitoring is intended to enable us to identify risks before they crystallise and we are seeing evidence of providers responding to our warnings, evidenced by more prudent forecasting, and planning for an increased range of outcomes. However, some providers are still considering change in the short term only.

26. Exempt from publication.

27. When we identify risks to an individual provider, we may engage with the board of governors and its leadership team to outline our concerns. We may do a deep dive, and we may refer a provider to DfE.

28. The OfS does not directly influence providers' improvement plans, but is clear that any plans must allow providers to continue to meet our conditions of registration.

### **Market exit**

29. Exempt from publication.

30. Exempt from publication.

### **Protecting public funding**

31. Exempt from publication.

32. Exempt from publication.

33. Exempt from publication.

34. Exempt from publication.

### **Paper publication**

35. To be published externally along with the board papers (subject to appropriate redactions).