



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 6 June 2024.
2. No decisions are required from the board.

Membership of the committee

3. Two new independent members have been appointed to replace Suzanne McCarthy and Margaret Monckton who both finish their second terms in July 2024:
 - a. Nick Gash (appointed from 1 June 2024).
 - b. Dirk Kahl (appointed from 1 July 2024).

Update from the chief executive

4. The chief executive updated the committee on a number of areas of work:
 - a. Pre-election guidance, its impact on activity and planned publications, and how we are preparing to re-engage following the election.
 - b. Key messages from publication of the annual report on financial sustainability, and how it had been received.
 - c. Progress with the development of our next strategy, noting the pausing during the pre-election period of a series of workshops to discuss this with external audiences.
 - d. Preparations for the start of our complaints scheme and new duties for free speech and academic freedom on 1 August 2024.
 - e. A future London Office move from Whitehall to Canary Wharf.

5. Exempt from publication.

Internal Audit

6. KPMG updated the committee on the two remaining reviews from the 2023-24 audit programme.

7. Exempt from publication.

8. We were presented with the near final internal audit plan for 2024-25. This focuses on key risks and reflects a range of work across the organisation.

9. Exempt from publication.

10. Exempt from publication.

Annual assurance

11. Exempt from publication.

12. The following papers were shared with the committee:

- a. The draft internal audit annual report and the Opinion of the Head of Internal Audit.
- b. Value for money assurance.
- c. An update report on the NAO audit.
- d. The draft Annual report and accounts.

13. The Head of Internal Audit gave an overview of his draft opinion on the adequacy of risk management, control and governance processes at the OfS. Consistent with previous years, this was a positive opinion.

14. We received a paper on the OfS's internal control systems that ensure value for money is obtained and where this has been achieved during the year. We were assured that the report provided sufficient assurance in support of our own annual opinion on value for money.

Annual report and accounts 2023-24

15. The Engagement Director of the National Audit Office gave an overview of the progress of the NAO audit.

16. Exempt from publication.

17. As a result of the general election the planned timetable for finalisation and publication of accounts has been disrupted. The NAO is considering introducing a shadow certification process to allow the Comptroller and Auditor General to issue his audit opinion once Parliament resumes.

18. In relation to pensions data, there would be Treasury guidance for those public bodies where data is not available at the time of laying accounts.

19. The OfS chief executive will take the decision to sign the annual report and accounts following completion of the NAO's audit, and subject to satisfaction about the available assurances.

RAC annual report

20. We gave approval in principle of our annual report and opinion, and agreed to consider the formal approval of the committee's opinion by circulation when the NAO report on the completed audit is available.

Data Futures

21. Rob Phillpotts, Chief Data Officer of Jisc, joined the meeting to allow us to seek assurances directly from Jisc about delivery of this year's student data return. Exempt from publication.

22. Exempt from publication.

Cyber security report

23. The cyber security report was presented. In response to requests at our previous meeting, updates were given on cyber security internal audit actions, the migration of the virtual private network (VPN) firewalls, and details on the governance of IT.

Risk management

24. The committee considered the updated register of the OfS's current strategic and principal risks and the changes to this since the last meeting.

25. Exempt from publication.

Revised strategic risks, risk appetite and tolerance

26. Exempt from publication.

Counter fraud annual update

27. The annual report on how the OfS is meeting the requirements of the government counter fraud functional standard was presented.

28. The committee noted:

- a. The activity undertaken in respect of counter fraud during the year.
- b. The result of the functional standard assessment carried out by the Public Sector Fraud Authority in early 2024.
- c. The action plan proposed for 2024-25.

Environmental sustainability

29. The committee received a paper outlining proposals to address recent changes in reporting requirements related to environmental sustainability, some of which involve oversight by RAC, in addition to providing updated sustainability data.

30. The committee noted:

- a. The Taskforce for Climate-related Financial Disclosure (TCFD) aligned disclosure application guidance published by HMT.
- b. The sustainability report section in the OfS annual report.

31. We agreed to a proposal for the committee to have oversight of OfS climate-related issues.

NAO update on value for money

32. Our attention was brought to upcoming NAO reports. There was a recommendation that we consider the report on Government grants when this is published following the election period.

Paper publication

To be published externally along with the board papers (shaded sections exempt from publication).