



Audit and Risk Committee

MINUTES AND ACTIONS – APPROVED

10 November 2023 (10.00-13.30), Council Chamber (Northcote House) and online via Microsoft Teams

NB text in BLACK is for publication; text in BLUE will be redacted for publication.

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ACTIONS

Item	Action	Owner	Deadline
25.13	ACTION: that the full survey results would be circulated to all members of Audit and Risk Committee via email for information following the meeting.	Assistant Director, Governance	November 2023
26.4	AGREED: that a further update on mandatory training and approach to improving compliance rates would be scheduled for Audit and Risk Committee in the Academic Year 2023/24.	Assistant Director, Governance	November 2023
27.5.3	ACTION: that the risk register format would be updated to include a clearer definition of the various risk impact (eg low / moderate / high / very high) in an Appendix;	Assistant Director, Compliance and Risk	June 2024
27.5.3	ACTION: that future risk reports would include a clearer explanation regarding the rationale for any drop in individual risk scores and confirmation that risks had been moderated accordingly;	Assistant Director, Compliance and Risk	June 2024
27.5.3	ACTION: that the current format of the corporate risk register would be updated to incorporate more detailed trend analysis, including clearly signposting where changes between the 'current risk' and the 'initial risk' had improved as a result of the timeliness of risk mitigations, controls and corrective actions put in place;	Assistant Director, Compliance and Risk	June 2024

27.5.3	ACTION: that a 'live update' would be incorporated within the risk reporting format to showcase recent changes in risk reporting;	Assistant Director, Compliance and Risk	June 2024
27.5.3	ACTION: that international student wellbeing should be factored into the risk register more prominently in light of reputation impact and resource and support demands increasing;	Assistant Director, Governance	June 2024
27.5.3	ACTION: that the detail on all moderate risks would also be include in the risk reporting format to enable Audit and Risk Committee to affirm that the correct risk profile was appropriate;	Assistant Director, Governance	June 2024
27.5.3	ACTION: a programme of deep-dives on risk would be develop for the Academic Year 2023/24 and 2024/25 Audit and Risk Committee would be consulted separately on selection of specific risks to be considered;	Assistant Director, Compliance and Risk	June 2024
27.8	ACTION: that the Horizon Scanning log would continue to be developed and scheduled as a standing item of business.	Assistant Director, Compliance and Risk	June 2024
28.11	ACTION: that the format and content of the annual Value for Money report would be enhanced to provide more evidence of value money from a student 'customer' perspective, a wider set of sector benchmarks and comparators, and clearer visibility regarding how the University reports, tracks and measures research cost recovery.	Assistant Director, Finance and Chief Financial Officer	1 September 2024
30.3	ACTION: that a further update report on the programme of Financial Management in Departments / Faculties would be provided to Audit and Risk Committee at the subsequent meeting in March 2024.	Chief Financial Officer	March 2024
31.6	ACTION: a systematic process would be developed to monitor and review trends relating to procurement competition waivers to ensure additional controls were in place to mitigate the potential risk for lower levels of fraud or bribery from suppliers below the procurement threshold and incorporated within regular reporting to Audit and Risk Committee;	Director of Shared Services Centre	June 2024.

31.6	ACTION: that an assurance report on compliance with the Conflict-of-Interest Policy would be scheduled for Audit and Risk Committee in June 2024;	General Counsel	June 2024
31.6	ACTION: that an assurance report on compliance with Import/Export Control and Trusted Research Framework would be scheduled for Audit and Risk Committee in June 2024, including: operationalisation of due diligence in relation to academic research.	General Counsel	June 2024
32.6	ACTION: that the work underway to progress the IT Disaster Recovery Plan management actions would continue to be closely monitored and reviewed, with a further progress update provided to Audit and Risk Committee.	Divisional Director of IT	June 2024
32.8	AGREED: that a further report would be provided to the Committee to provide assurance that the potential data privacy risks relating to removable USB devices could be mitigated and did not constitute a higher risk.	Divisional Director of IT	June 2024
32.11	AGREED: that a further report in Academic Year 2023/24 would be provided to the Committee in response to the recommendations and best practice examples within the Data Futures Sector Insights Report in Appendix D.	Divisional Director of UCS	June 2024
36.7	AGREED: that further work would be undertaken to ensure that most recent risks surrounding the culture conversation and Access and Participation were captured as part of the updated risk report.	Assistant Director, Compliance and Risk	March 2024
36.7	AGREED: that enhanced mechanism for moderation of risk scores to minimize individual subjectivity.	Assistant Director, Compliance and Risk	June 2024

DECISIONS

Item	Decision	Paper No.
26.2	AGREED: that the Senior Vice-President and Provost would be invited as a standing attendee at future meetings of the committee and the formal Terms of Reference of the Committee would be updated accordingly.	Verbal Update
28.5.1	AGREED: to endorse the annual report for submission to Council subject to amendments as noted in discussion and any additional final feedback provided to the Secretariat by close of play on Monday 13 November 2023.	AUD/26a/23-24
28.5.1	AGREED: to endorse the financial statements for recommending to Council by 12 December 2023.	AUD/26a-c/23-24
28.5.1	AGREED: to endorse the Letter of representation.	AUD/26a-c/23-24
29.3	AGREED: to endorse the Final Draft of the Annual Report of the Audit and Risk Committee to Council for approval on 12 December 2023.	AUD/27/23-24
34.4	AGREED: to endorse the Student Cases Annual report to Council (12 December 2023) for information and assurance.	AUD/33/23-24

ATTENDEES

Members Present

Nicholas Cheffings	Chair and Independent Member
David Dupont	Independent Member
Tim Weller	Independent Member (via Microsoft Teams)
Simon Enoch	Independent Member (via Microsoft Teams)
Alison Reed	Independent Member (via Microsoft Teams)

In attendance

Mike Shore-Nye	Senior Vice-President and Registrar and Secretary
Dan Charman	Senior Vice-President and Provost
Dr Michael Wykes	Divisional Director, University Corporate Services
Dave Stacey	Chief Financial Officer
Joe Wall	Assistant Director, Finance
Ben Lawlor	Insurance, Audit and Risk Manager
Chrysten Cole	General Counsel and Deputy Director of University Corporate Services
Matthew Elmer	PwC, Internal Audit

Alison Breadon	PwC, Internal Audit (online via Teams)
Catherine Bru	PwC, Internal Audit (online via Teams)
Duncan Laird	KPMG, External Audit
Rees Batley	KPMG, External Audit
Kate Lindsell	Assistant Director, Compliance and Risk
Alex Gerbasi	PVC and Executive Dean of Environment, Science and Economy (virtual via Microsoft Team)
Nathan Burden	Divisional Director of Information Technology (Minute Items 32 and 33)
Gill Preston	Assistant Director, Strategy Delivery Unit (Minute item 33)
Shades Chaudhary	Assistant Director, Culture and Inclusion (Minute item 36)
Nicola Sinclair	Head of Access, Participation and Outreach (Minute item 37)
Secretary	
Dr Jeremy Diaper	Assistant Director, Governance (minutes)
Support Staff	
Totty Brobyn	Committee Secretariat Administrator
Eloise Norris	Governance Co-ordinator

21. Closed Discussion for Independent Members of Audit and Risk Committee

- 21.1 A closed discussion was held for Independent Members of Audit and Risk Committee. The Committee Secretariat Administrator and Assistant Director, Governance were also in attendance.

22. Welcome and Declarations of Interest

- 22.1 The Chair welcomed members to the Audit and Risk Committee meeting. There were no new declarations of interest in relation to items under discussion.
- 22.2 The Chair extended a particular welcome to Professor Alex Gerbasi (Pro-Vice-Chancellor and Executive Dean for the Faculty of Environment, Science and Economy) and Professor Dan Charman (Senior Vice-President and Provost).

23. Minutes of the Meetings of 29 September (AUD-19-23-24 Confidential), Action Log (AUD-20-23-24 Confidential) and Business Schedule (AUD-21-23-24 Confidential)

- 23.1 The minutes of the meetings of 29 September 2023 were **APPROVED**.
- 23.2 The Audit and Risk Committee action log and business schedule 2023/24 were received for information.

24. Terms of Reference (AUD-22-23-24 Confidential)

- 24.1 Audit and Risk Committee **APPROVED** the Terms of Reference for the Academic Year 2023-24, which had been amended in response to feedback at the previous meeting on 29 September

2023 and the recent gap analysis against the CUC HE Audit Committee Code of Practice and Terms of Reference effectiveness review as detailed in **Appendix 1**.

25. Annual Self Effectiveness Survey of the Audit and Risk Committee 2022-23 (AUD-23-23-24 Confidential)

- 25.1 an annual effectiveness survey had been circulated to Independent Members of the Audit and Risk Committee to elicit their views and feedback on effectiveness of committee operations in the Academic Year 2022/23 and to help identify opportunities for further enhancement;
- 25.2 the Committee noted the overview of the results and key themes from the annual self effectiveness survey as detailed in the paper and affirmed that it was a fair reflection of current committee effectiveness;
- 25.3 that section of the report on Value for Money would be updated accordingly to indicate the highest score (5.2 out of 7) had been in relation to question 46, 'there were appropriate processes and procedures in place to ensure that the economy, efficiency and effectiveness'.

ACTION: that the full survey results would be circulated to all members of Audit and Risk Committee via email for information following the meeting.

26. Matters Arising

a) Approach to Representation at Audit and Risk Committee

- 26.1 the Committee noted the proposal for Professor Dan Charman (Senior Vice-President and Provost) to attend Audit and Risk Committee as a regular attendee of the Committee to ensure consistent input on academic matters and provide a mechanism for him to be clearly sighted on key areas of concern for the Committee;
- 26.2 the Committee recognised that as the direct line manager of the Pro-Vice-Chancellors and accountable officer for the planning process and delivery of Strategy 2030 delivery plan they would be particularly well-placed to listen to risks and opportunities in relation to academic issues;

AGREED: that the Senior Vice-President and Provost would be invited as a standing attendee at future meetings of the committee and the formal Terms of Reference of the Committee would be updated accordingly.

b) Key Performance Indicator Framework

- 26.3 the Divisional Director of University Corporate Services advised that further to discussion at the previous meeting of Audit and Risk Committee, the Chair of Council and President and Vice-Chancellor had subsequently agreed that a project would be undertaken in the Academic Year 2023-24 to develop a set of cascaded KPIs as a matter of priority. It had been agreed that this project will be discussed and approved by Council in the first instance and a further update would be provided to the committee once approved by Council.

c) Mandatory Training Update

- 26.4 the Divisional Director of University Corporate Services confirmed that Cyber Security was

included in the new package of Mandatory Training which was scheduled to launch soon.

AGREED: that a further update on mandatory training and approach to improving compliance rates would be scheduled for Audit and Risk Committee in the Academic Year 2023/24.

27. Risk Management and Risk Reporting:

a) Risk Report 1 and Programme for Deep Dive Discussions 2023/24 (AUD/24/23-24 and AUD/24a/23/24 Confidential)

- 27.1 the Committee noted the first risk report of the 2023/24 risk management cycle, which incorporated visual data from the new digital risk management system and set out the risk position at a glance;
- 27.2 in the process of migrating the risk-registers to the digital system all risks had been thoroughly reviewed and updated which had resulted in improved articulation of the potential causes and consequences of each risk, the controls in place and any action;
- 27.3 that there were currently seventy-one registered corporate risks, with six rated as High and one risk rated as very high;
- 27.4 in relation to the risk register:
 - 27.4.1 the risks relating to failure to deliver on net zero carbon commitment and net gain biodiversity commitment had increased to high but were still subject to further review from the Director of Sustainability upon their return from sick leave;
 - 27.4.2 as the risk register captured a number of risks which could be mitigated (including cyber security; personal data privacy; mental health of students), it would be helpful to identify the significant risks which were proving challenging to mitigate;
 - 27.4.3 the committee queried whether biodiversity should be classified as a 'high risk' as whilst it would be reputationally damaging it was not considered a significant, major or catastrophic risk for the University. It was noted that further work should be undertaken to ensure risks were more effectively moderated across the University and to maintain a consistent and holistic assessment of risk at an institutional level, whilst avoiding the potential for individual perception of risk in specific areas to disproportionately impact assessment of scores;
 - 27.4.4 it was noted that a holistic moderation of all high-risk scores would be incorporated within assessment of the risk register moving forwards to ensure a more consistent approach to scoring of risk in alignment with the Institute of Risk Management to remove potential for subjectivity from the risk review process;
 - 27.4.5 the committee welcomed the significant improvements in the new reporting format and recognised that it was a considerable improvement on the previous excel based format which had been a manually intensive process and made it challenging for the committee to scrutinise corporate risks areas holistically. It was recognised that the introduction of a new digital system was an iterative process and that the risk reporting process would continue to be further enhanced over time;
 - 27.4.6 it was highlighted that the process for capturing changes in individual changes in risk profile within the risk reporting process needed to be improved to ensure there were captured in a more

timely fashion, as there were a number of areas (including Access and Participation; academic; and sexual misconduct) where the risk profile had recently increased and required a higher area of focus, but which was still marked as a moderate risk;

Strictly Confidential – Closed Minute.

ACTION: that the risk register format would be updated to include a clearer definition of the various risk impact (eg low / moderate / high / very high) in an Appendix;

ACTION: that future risk reports would include a clearer explanation regarding the rationale for any drop in individual risk scores and confirmation that risks had been moderated accordingly;

ACTION: that the current format of the corporate risk register would be updated to incorporate more detailed trend analysis, including clearly signposting where changes between the 'current risk' and the 'initial risk' had improved as a result of the timeliness of risk mitigations, controls and corrective actions put in place;

ACTION: that a 'live update' would be incorporated within the risk reporting format to showcase recent changes in risk reporting;

ACTION: that international student wellbeing should be factored into the risk register more prominently in light of reputation impact and resource and support demands increasing;

ACTION: that the detail on all moderate risks would also be include in the risk reporting format to enable Audit and Risk Committee to affirm that the correct risk profile was appropriate;

ACTION: a programme of deep-dives on risk would be develop for the Academic Year 2023/24 and 2024/25 Audit and Risk Committee would be consulted separately on selection of specific risks to be considered;

b) Horizon Scanning (AUD-25-23-24 Confidential)

27.6 a Horizon Scanning group had been established and continued to meet on a monthly basis to formally oversee horizon scanning activity. The group was chaired by the Director of UCS with wider representation from other business areas as required. A wide range of literature and other sources were reviewed by the group, including: journals, articles and intelligence from wider sector networks. Meetings were also held with KPMG on an annual basis to horizon scan and explore potential issues in the Higher Education sector;

27.7 a register of "matters of interest" was presented in Appendix 2 which would be reviewed by UEB periodically to consider a series of "what if" scenarios and potential disruption to delivery of Strategy 2030;

27.8. the committee welcomed the development of the approach to Horizon Scanning and noted that it was helpful to see the horizon scanning log presented on a page. It was agreed that it would be helpful to see a more detailed response to the potential sector issues that may emerge from a change in government and more detailed indication of potential timeframes and wider implications within the format of the Horizon scanning log;

AGREED: that the Horizon Scanning log would continue to be developed and scheduled as a standing item of business.

28 University Annual and Accountability Reports

a) Near Final Annual Report and Financial Statements of the University (Year End 31 July 2023) (AUD/26a/23-24)

- 28.1 the Committee noted and discussed the annual report and financial statements of the University – Year End 31 July 2023 (Appendix 1), external Auditor’s report (Appendix 2) and Letter of Representation (Appendix 3);
- 28.2 the Annual Report was in its near final version and was awaiting 3 sections to be updated for inclusion in the design version, including: highlights for the year; UN Sustainable Development Goals; and Green Houses Gases;
- 28.3 the quoted cash operating surplus (EBITDA) and operating surplus (EBIT) were both greater than reported initially in the outturn report due to an accounting presentation change for the Annual Report and Financial Statements. The increase in magnitude of USS pension liability deficit repayments meant a combined figure was no longer appropriate. A corresponding adjustment would be made to EBITDA targets making the presentational adjustment net neutral and was in alignment with how other institutions were presenting this information;
- 28.4 in relation to the annual report:
- 28.4.1 that the impact of industrial action had featured prominently in the introductions to the annual report but was not currently considered a high risk on the basis of the recent unsuccessful outcome of the University and College Union (UCU) ballot in November 2023 to renew the mandate to take national industrial action over pay and working conditions. The turnout for the ballot had been 42.6% which was below the legally required 50% minimum threshold required to support strike action. The ballot had therefore been unsuccessful in reaching the legal threshold for a further mandate for industrial action over pay and working conditions. There was provision in the accounts to accommodate anticipated impact of industrial action and associated compensation offers or students;
- 28.5 in relation to the annual report:
- 28.5.1 in reflecting on the level of detail contained within the annual report the committee agreed the following: that the risk reporting currently provided too much detail and certain sections should be streamlined to reflect the principle risks; that there should be removal of the reference to the successful renewal of cyber security insurance; that the wording on the second page should be toned down slightly; that it would be useful to provide comparators in relation to last year’s report to provide a clearer contextualisation of the increase or decrease in terms of investment in relation to the previous year’s report; that the typographical errors in relation to the Audit and Risk Committee section on page 132 would be corrected in the detailed phase of final review and edits.

AGREED: to endorse the annual report for submission to Council subject to amendments as noted in discussion and any additional final feedback provided to the Secretariat by close of play on Monday 13 November 2023.

AGREED: to endorse the financial statements for recommending to Council by 12 December 2023.

AGREED: to endorse the Letter of representation.

b) Value for Money 2022/23 (AUD/26b/23-24 Confidential)

- 28.6 the Committee received the Value for Money Report to enable it to express its opinion on the adequacy and effectiveness of the University's arrangements for economy, efficiency and effectiveness, otherwise known as Value for Money (VfM), as part of its annual report to the President and Vice-Chancellor and Council;
- 28.7 the Committee noted that the paper helped evidence that the University was delivering value for money across its portfolio of teaching, research and knowledge exchange, including external engagement and business activities;
- 28.8 that there was particularly strong and positive evidence of the University delivering value for money across the teaching and education portfolio, including the fact the University was only one of four Russell Group Universities to have been awarded a "triple gold" in the 2023 Teaching Excellence Framework, with an overall gold rating and gold in the categories of student experience and student outcomes;
- 28.9 in relation to research activity, success rates remained at 28% by value of application and had risen to 42.5% by number of applications. The total value of income recorded in the HE-Business and Community Interaction Survey also amounted to a 10% increase on the previous year;
- 28.10 it was recognised that a number of initiatives were underway to enhance levels of research cost recovery and that recent policy improvements to the terms and conditions of grants by UKRI and other funding bodies would assist in ensuring that funding covers the full costs of research. It was highlighted that developing an enhanced approach to accurately pricing and forecasting research costs, creating a balanced portfolio of research across Faculties and Departments and improving financial literacy and understanding of the importance of accurately costing research when applying for grants would be critical to optimising levels of cost recovery;
- 28.11 the University continued to participate in the Cubane UniForum programme, an international benchmarking exercise, which provided specific activity and cost data associated with all Professional Services staff (including professional operational and technical staff) to enable the University to get a sense of cost efficiency and effectiveness across different areas of activity in comparison to peer institutions. The exercise provided a range of sector-specific benchmark data on the volume, distribution and cost of professional service activities, with the fifth annual results highlighting that the University's running costs was 97% of the expected normalised level.

ACTION: that the format and content of the annual Value for Money report would be enhanced to provide more evidence of value money from a student 'customer' perspective, a wider set of sector benchmarks and comparators, and clearer visibility regarding how the University reports, tracks and measures research cost recovery.

c) External Auditors Highlights and Management Letter in Respect of the University's Financial Statements for the Year Ended 31st July 2023 (AUD/26c/23-24)

- 28.12 subject to the Council's approval of the financial statements and auditor's representation letter on 12 December 2023, KPMG expected to be in a position to sign the audit opinion. The audit was substantially complete and there were no concerns about meeting the deadline;
- 28.13 data and analytics had been utilised to audit the University's management override controls. Testing was ongoing but no issues were anticipated to be encountered in the final stages;

- 28.14 FRS 102 set out the requirements that applied to the impairment of assets and the recognition of impairment losses. Potential future developments had been considered as part of the review to determine whether there was any indication that an asset might be impaired. As there was no indication of an impairment trigger resulting from this initial assessment there was no further analysis required;
- 28.15 the standard letter of representation was also endorsed which would be signed-off by the Chair of Council following approval of the financial accounts.

29 Final Draft of the Annual Report of the Audit and Risk Committee 2022/23 (AUD-27-23-24)

- 29.1 that the Annual Report of the Audit and Risk Committee 2022/23 covered the work of the Audit and Risk Committee in respect of the period from 1 August 2022 to 31 July 2023;
- 29.2 a desk-based analysis of annual reports across the sector had been undertaken to enable continuous improvement to the format of the report;
- 29.3 in relation to section 7 (External Audit and 2021/22 Financial Statements) on page 12 of the report, further consideration would be given to whether this should be incorporated within the annual report for 2022/23.

AGREED: to endorse the Final Draft of the Annual Report of the Audit and Risk Committee to Council for approval on 12 December 2023.

30 Improvements in Financial Management in Departments/Faculties (Verbal Update)

- 30.1 the Chief Financial Officer reported that a programme of work had commenced to improve the approach towards financial management in Departments and Faculties, including forthcoming risks and opportunities, the financial outlook for Academic Year 2023/24 and beyond; and new ways of working;
- 30.2 the programme had been developed in consultation with Assistant Director (Finance) and Head of Finance and had been discussed and endorsed in the Dual Assurance portfolio for Finance;
- 30.3 the first session had been held with the Faculty of Health and Life Sciences in November 2023 and further sessions would be delivered as part of the continuing focus on development of financial literacy across Faculties.

AGREED: that a further update report on the programme of Financial Management in Departments / Faculties would be provided to Audit and Risk Committee at the subsequent meeting in March 2024.

31 Bribery Act: University of Exeter Framework for Compliance (AUD/28/23-24 Confidential)

- 31.1 the report provided a high-level overview of the key financial controls, policies and procedures that the University of Exeter had in place to ensure compliance with the Bribery Act 2010;
- 31.2 on the basis of the well-developed financial control culture and regular reviews undertaken via internal audit and compliance committee, the Audit and Risk Committee was assured that this multi-faceted approach was sufficient to ensure compliance with the Bribery Act Policy and that there was no need for an external audit to be undertaken at this stage;

- 31.3 that there was further work required to ensure there were sufficient checks and balances in place surrounding the wider controls in place for implementation of the conflict-of-interest policy and due diligence policy;
- 31.4 the Code of Conduct was designed to prevent improper conduct both inside the United Kingdom and abroad by employees or other individuals or organisations who perform services for or on behalf of the University. Additional training was in place for staff to flag any issues of concern and a set of controls were in place to mitigate against potential risks of bribery for staff involved in international student recruitment activities;
- 31.5 a separate international agent agreement was in place to address risks potential surrounding international agent activity. A University working group was exploring risks surrounding international agent activity, particularly in the context of the University’s ambitions to explore opportunities to diversify international recruitment in new markets;
- 31.6 that there was no sector intelligence gathered from either PWC or KPMG to suggested that Bribery was an obvious concern for the Higher Education Sector.

ACTION: a systematic process would be developed to monitor and review trends relating to procurement competition waivers to ensure additional controls were in place to mitigate the potential risk for lower levels of fraud or bribery from suppliers below the procurement threshold and incorporated within regular reporting to Audit and Risk Committee;

ACTION: that an assurance report on compliance with the Conflict-of-Interest Policy would be scheduled for Audit and Risk Committee in June 2024;

ACTION: that an assurance report on compliance with Import/Export Control and Trusted Research Framework would be scheduled for Audit and Risk Committee in June 2024, including: operationalisation of due diligence in relation to academic research.

32 Internal Audit

The Chair welcomed the Divisional Director of IT Services to the meeting.

a) Internal Audit: Progress Report and Recommendations

i) IT Disaster Recovery (AUD/29a/23-24 Confidential)

- 32.1 as part of the 2020-21 internal audit plan, a review was carried out to assess the maturity of the University’s ITDR programme which had resulted in a high-risk report. A follow up audit review had been undertaken to assess the extent to which the ten agreed management actions had been progressed;
- 32.2 a risk-based approach had been adopted to ensure-end-to-end recovery processes were in place for the 10 most critical systems/applications and a new IT Disaster Recovery Plan management action had developed for an additional 15. It was confirmed that the prioritisation of systems was correct, but it was recognised that as only 10 out of the c. 60 critical applications and systems had been tested the risk to the University remained high;

- 32.3 in response to the query regarding whether the priority actions were being progressed at the appropriate pace, it was affirmed that the actions were being addressed as a priority but that there was a substantive amount of work to undertake and that as IT Disaster Recovery was an incredibly complex area which necessitated subject matter experts;
- 32.4 it was highlighted that additional resource would not increase the expediency of the completion of actions as the challenge was around the level of complexity and the amount of specific knowledge requirement to perform the disaster recovery test;
- 32.5 Legal Services had also been informed of work underway to inform approach to contract renewal and to ensure they were sighted on IT Disaster Recovery Test still to be undertaken;
- 32.6 part of the 2020-21 internal audit plan, a review was carried out to assess the maturity of the University's ITDR programme which had resulted in a high-risk report. A follow up audit review had been undertaken to assess the extent to which the ten agreed management actions had been progressed.

ACTION: that the work underway to progress the IT Disaster Recovery Plan management actions would continue to be closely monitored and reviewed, with a further progress update provided to Audit and Risk Committee.

ii) Disaster Loss Prevention (AUD/29b/23-24 Confidential)

- 32.7 the 2022/2023 internal audit reviewed the first two phases of the University's Data Loss Prevention (DLP) project progress and identified a number of areas of the programme which would benefit from improvement, including an update to policies, review and approval cycles and establishing report matrix to ensure management were aware of incidents and emerging trends;
- 32.8 the Committee raised concerns surrounding the development of a policy on removable USB devices and current restrictions to prevent members of staff to download personal, confidential or commercially sensitive data on to a memory stick. It was highlighted that a policy was being developed to ensure robust regulation of the use of removable devices and to restrict if not required to prevent the unauthorised transfer of confidential information;

AGREED: that a further report would be provided to the Committee to provide assurance that the potential data privacy risks relating to removable USB devices could be mitigated and did not constitute a higher risk.

b) Internal Audit Annual Report 2022-23 (AUD/30/23-24 Confidential)

- 32.9 the committee received the annual report outlining the internal audit work carried out for the year ended 31 July 2023.

c) Internal Audit Progress Report 2023-24 (AUD/31/23-24 Confidential)

- 32.10 the report updated Audit and Risk Committee on progress with Internal Audit activity since the last update in June 2023. All reviews within the 2022/23 internal audit plan had now been completed;

32.11 Appendix D (Spotlight on Higher Education Data Futures) highlighted a number of opportunities to improve, or to implement, a data quality framework and more regular reporting over data quality.

AGREED: that a further report in Academic Year 2023/24 would be provided to the Committee in response to the recommendations and best practice examples within the Data Futures Sector Insights Report in Appendix D.

d) Verbal Update on Actions arising from Audit Reports identified at the last meeting:

i) Data Protection

32.12 all relevant Information Governance Policies had now been reviewed, with 2 Policies updated and refreshed by Information Steering Group. The review of 3 other related policies (including Data Privacy and IT Security) was due for completion by April 2024;

32.13 specific roles and requirements were not embedded in the Data Protection policy, but the data champion role was currently being undertaken by the Deputy Registrar and Executive Divisional Director of Education and Academic Services;

32.14 other actions relating to the Data Protection audit were also being progressed and a single repository for the collation and presentation of University policies was also being developed;

33 External Audit

33.1 following the discussion on the Annual Report and External Auditors Highlights and Management Letter in Respect of the University's Financial Statements for the Year Ended 31st July 2023 there were no further updates to provide at this stage

34 SITS Optimisation Programme – Progress Update (AUD-32-2023-24 Confidential)

The Chair welcomed the Assistant Director, Strategic Delivery Unit to join the meeting.

34.1 SITS was the University's core student record system and covered every stage of the student journey (from registration to graduation) and provided a critical source of information for essential statutory returns and other core systems;

34.2 the SITS Optimisation Programme was being approached as a business transformation project to enhance Education, Admissions and IT to provide a seamless student experience and facilitate further digital transformation. The SITS Platform was over 20 years old and based on old technology and architecture with significant levels of in-house and legacy bespoke which had not been fully documented and which was reliant on a diminishing pool of expertise;

34.3 the development and delivery of the Digital Education agenda was being constrained by the legacy systems as it was unable to support the diversification of new teaching delivery formats, including online, degree apprenticeships and January starts;

34.4 there had been a number of notable instances across the sector of other institutions failing to transition to new platforms at significant cost, including: Bristol, Leeds and Sheffield;

34.5 no vendor had produced a next generation cloud-based product yet, so it was not viable to

transition to a new product at this stage. The Committee recognised it was important to proactively undertake further work to de-risk the transition from the old platform and strongly endorsed the strategic approach to improve the scalability, enhance data security and simplify architecture as part of the longer term move from SITS to the cloud;

- 34.6 the Committee also commended colleagues for successfully negotiating a new contract with tribal, which provided a solid framework and a high-level plan for delivery which reduced overall risk.

The Divisional Director of IT Services and Assistant Director (Strategic Delivery Unit) left the meeting and the Chair thanked them for their contribution.

35 Annual Student Cases Annual Report 2022 (AUD-33-2023-24 Confidential)

- 35.1 the calendar year had brought with it many challenges which had resulted in an increase in student casework numbers. In 2022 there had been 2076 cases of academic misconduct referred for consideration under the Chapter on Academic Conduct and Practice. This trend had plateaued since the end of Covid-19 pandemic as a result of a reduction in online examinations and additional functionality within Turnitin to identify plagiarism and potential collusion;
- 35.2 it was highlighted that whilst there had been a noticeable increase in the number of academic misconduct cases from 2021 to 2022, a large proportion of the academic cases considered were in relation to poor academic practice or a lack of academic rigour, rather than academic misconduct and predominantly involved students who required additional support around their academic practices or were unaware of certain academic conventions in relation to referencing. Furthermore, it was also highlighted that the increase in numbers was also partly attributable to the fact data included individuals who may have committed poor academic practice across a number of different modules. The University had responded proactively to provide additional training presentations in relation to academic misconduct and to reinforce good academic practice relating to referencing;
- 35.3 there had been a significant increase in the number of sexual misconduct cases disclosed over the last 3 years which highlighted that there was an improved process for student disclosures since the launch of the new Sexual Misconduct Policy and Procedure in 2019;
- 35.4 there had been a noticeable sector-wide increase in the number of cases the OIA were asking Universities to consider settling. The number and pattern of student complaints to the OIA is one of the ways that the OfS assesses compliance with ongoing conditions of registration and so the trends and emerging patterns would continue to be monitored. The Annual Statement for the OIA indicated the University had been proficient at managing student cases and the University had a significantly greater number of rejected cases than comparators which affirmed that there were robust procedures in place.

AGREED: to endorse the Student Cases Annual report to Council (12 December 2023) for information and assurance.

36 Our Culture Conversation – First Survey Results (AUD-34-2023-24 Confidential)

The Chair welcomed the Assistant Director (Culture and Inclusion to the meeting)

- 36.1 the Culture Conversation survey launched in May 2023 and 4,044 colleagues had responded to the survey in the two-week period adding to an overall 56% response rate;
- 36.2 in relation to the fact that 27% of colleagues would not recommend the University as a place to work, it was highlighted that it was anticipated that the responses had been impacted by the fact that the University had been in the middle of industrial action when the survey was undertaken. It was also indicated that the University's overall net promoter score of between 0 and 20 was still considered good;
- 36.3 three key priority areas of focus had emerged from the first culture conversation survey, including:
 - 36.3.1 developing further opportunities for staff growth, via Exeter Academic and Professional Services;
 - 36.3.2 enhancing the levels of connection staff feel to the values of the organization;
 - 36.3.3 undertaking more detailed analysis of the manager behaviours being delivered to support staff wellbeing;
- 36.4 it was affirmed the Culture Conversation had been a useful exercise and enabled the institution to more quickly and effectively pivot from analysis to action, by providing more locally distributed reports to specific teams and departments to enable them to action at a local level.

The Assistant Director (Culture and Inclusion) left the meeting and the Chair thanked them for their contribution to the meeting.

37 Access and Participation Plan (AUD-35-2023-24 Confidential)

The Chair welcomed the Head of Access, Participation and Outreach to the meeting via Microsoft Teams.

- 37.1 the Committee noted the update on the University's Access and Participation Plan in respect of two main areas, including: performance against current targets and response to key themes highlighted by PWC from sector internal audits;
- 37.2 significant progress had been made in implementing the strategic measures identified within the Access and Participation Plan to address gaps in outcomes for under-represented student groups at different stages of the student journey, as detailed in the latest Success for All Impact report;
- 37.3 the University had been able to report to the Office for Students steady progress against its five-year access goals, largely meeting or exceeding annual targets;
- 37.4 the University's improving performance was evidenced in reflections from the Teaching Excellence Framework Panel who had noted good outcomes for under-represented students and "high quality" and "outstanding" features relating to Success for All and related interventions;
- 37.5 the pre-census student data for 2023 indicated a decline in performance in relation to access for students from the lowest areas of participation in Higher Education (POLAR Q1/Q2) and socio-economic deprivation (IMD A1/Q2). Contributing factors for this decline

included a decline in undergraduate home entrants from state school and colleges, cost of living pressures, a drop in the number of students from POLAR Q1 and Q2 applying for University nationally and level 3 grade deflation;

- 37.6 further mitigating actions were being developed and progressed via a group reporting to the Recruitment and Global Group. A further mitigation was also the subject of a joint Education/Global Dual Assurance meeting on 22 November 2023;
- 37.7 it was recognised that there was a need to enhance the institutional approach and strategic alignment of widening participation to ensure impact of wider initiatives, including: portfolio development and cohort rebalancing.

AGREED: that further work would be undertaken to ensure that most recent risks surrounding the culture conversation and Access and Participation were captured as part of the updated risk report.

AGREED: that enhanced mechanism for moderation of risk scores to minimize individual subjectivity.

The Head of Access, Participation and Outreach left the meeting and the Chair thanked them for their contribution.

37. Chair's Closing Remarks

- 37.1 The Chair thanked members for their contribution to the committee and noted that the next meeting would be held on 5 March 2024.

38. Closed Discussion held for Independent Members of Audit and Risk Committee

- 38.1 A closed discussion was held for Independent Members of Audit and Risk Committee. The Committee Secretariat Administrator and Assistant Director, Governance were also in attendance.