

## AUDIT COMMITTEE MINUTES

A meeting of the Audit Committee was held on 5 May 2022 via Teams at 10:00-12:00hrs.

### Agenda

1. Welcome and Declarations of Interest
2. Strategy 2030 Investment Priorities - Developing the Strategy Delivery Plan
3. New Structures Update
4. Zero Based Budgeting Update
5. Modern Slavery Act Transparency Statement 2020-21 (AUD/22/22)
6. Data Quality and OfS Data Reconciliation Exercise (AUD/22/23)
7. Chair's closing remarks

### Part II Papers

- Minutes of the Meeting 24 March 2021 (AUD/22/21)

### Members:

Gerry Brown (Chair)	Independent Member
Nicholas Cheffings	Independent Member
Graham Cole	Independent Member
David Dupont	Co-Opted Member
Simon Enoch	Co-Opted Member
Alison Reed	Independent Member

### In attendance:

Susan Fallon	Interim Deputy Secretary to Council (Minutes)
Sean Fielding	Programme Director for Implementation of the new Institutional Structure (items 1-3 only)
David Hosken	Pro-Vice-Chancellor for Cornwall (items 1-3 only)
Kate Lindsell	Head of Compliance
Christopher Lindsay	Director of Compliance, Governance and Risk
Lisa Roberts	Vice Chancellor and Chief Executive (items 1-3 only)
Mike Shore-Nye	Registrar and Secretary
Joe Wall	Assistant Director of Finance
Michael Wykes	Director of Policy, Planning and Business Intelligence (items 1-2, & 6 only)
Alison Breadon	PwC, Internal Auditor
Catherine Bru	PwC, Internal Auditor
Matthew Elmer	PwC, Internal Auditor
Rees Batley	KPMG, External Auditor
Isabel Geerlings	KPMG, External Auditor

## ACTIONS:

Agenda item	Action	Responsible Officer
4	The Zero Based Budgeting project to be part of the internal audit programme in 2023/24.	Director of Compliance, Governance and Risk
4	Digital investments discussion to be on the agenda for Autumn 2022 Audit Committee.	Committee Secretariat

### **1. Welcome and Declarations of Interest**

- 1.1. The Chair welcomed members, officers and representatives from KPMG and PWC, and thanked the Vice Chancellor and Chief Executive and the Pro-Vice-Chancellor for Cornwall, for joining the meeting.
- 1.2. The Chair stated this to be an additional strategic meeting of Audit Committee, with usual business set aside, apart from two items of required formal business in items 5 and 6.
- 1.3. There were no additional declarations of interest.

### **2. Strategy 2030 Investment Priorities - Developing the Strategy Delivery Plan**

- 2.1. The Vice Chancellor (VC) and Director of Policy, Planning and Business Intelligence provided the meeting with an overview of the Strategy 2030 investment priorities and the foundations of developing the delivery plan. It was noted that since the launch of the strategy, the Strategy Investment and Planning Committee (SIPC) had been created as part of a wider review of executive management structures to oversee the delivery plan. Closed Minute. The VC noted the appointment of Deputy Vice-Chancellor Strategy Integration and Resources from 1 June 2022 for 18 months to bring together all the elements of the strategy and the development of an effective delivery plan. The delivery plan foundations and outcomes were outlined, alongside draft indicative performance indicators.

#### Closed Minute

### **3. New Structures Update**

- 3.1. The Programme Director presented the aims, design and benefits of the new institutional structure. He highlighted to the Committee that the University has doubled in size over the last 10 years and working with the structures of a much smaller operation had reduced agility and effectiveness. He provided details on the significant consultation that was held on the proposed structures before they were agreed, where over 5,300 comments were received on the proposals from staff and students.
- 3.2. The risks during the implementation were discussed, and whilst there was significant change, the Committee were assured of the mitigations in place. The Programme Director provided the details of the timeline from March 2022, to final implementation and refinement by April 2023.
- 3.3. The VC stated that the programme management provided by the Programme Director had been exemplary. The high levels of engagement with the consultation, and the management and mitigation of risks, were a result of the work of a superb programme management team. Audit Committee

endorsed the VC's confidence in the Programme Director and his team and noted the professionalism and diligence with which the whole programme had been progressed.

#### **4. Zero Based Budgeting Update**

- 4.1. The Assistant Director of Finance presented to the Committee an overview and update on the zero based budgeting exercise the University had undertaken. The aims, outcomes and process were detailed. He noted that zero based budgeting had not only been about making savings, but also to ensure resources were aligned for the future. The savings that have been found would be part of the draft budget presented to Council on 19 May 2022. He also noted the benefits of PWC's engagement on the project, bringing a breadth of knowledge to the process and approach to exploiting cross cutting opportunities.
- 4.2. The Registrar and Secretary assured Audit Committee that the savings identified were achievable and repeatable and would not negatively impact on the University. He also emphasised the benefits of the process to align resources with strategic ambitions, involving student and Faculty academic representatives as part of the process and involved with the difficult investment decisions that had to be taken.
- 4.3. Audit Committee proposed an internal audit of the project in c.18 months' time.
- 4.4. Acknowledging that the Chief Digital Officer (CDO) had joined the University after the zero based budgeting process, the Committee challenged the University to consider areas of the business that could significantly be improved through the application of digital solutions. The Registrar and Secretary agreed with the Committee and informed them that the CDO would in due course be working with service directors to review some operational processes. He also noted that the new research management system would be implemented in July; and the review of the student management system, which would also include significant savings, will follow. It was agreed that in Autumn 2022, Audit Committee should consider digital investments.

#### **5. Modern Slavery Act Transparency Statement 2020-21 (AUD/22/22)**

- 5.1. The Director of Compliance, Governance and Risk presented to the Committee the University's Modern Slavery Act Transparency Statement for 2020-21 for assurance purposes. He explained this annual statement (aligned with the financial year) was required by law and (following approval by the University Executive Board (UEB)) would be published on the University website. He noted that there had been no fundamental changes in the overall narrative, and it continued to focus on procurement, human resources and supply chain risk assessment.
- 5.2. The Registrar and Secretary informed the Committee that, when considering the statement, UEB agreed that Exeter should consider, in line with key themes of the new corporate strategy, if there was more that could be done to address modern slavery. As a result, the University was in discussion with universities who were seen as leaders in this area, including the University of Nottingham, who have a research centre that focuses on addressing modern slavery in supply chains.

## **6. Data Quality and Office for Students Data Reconciliation Exercise (AUD/22/23)**

6.1. The Director of Policy, Planning and Business Intelligence provided Audit Committee with an update on the assurance processes involved with the recent major statutory data returns, including two returns to HESA (staff and students); the Higher Education Students Early Statistics return (HESES); the Medical and Dental Students return (MDS); and the Office for Students (OfS) Finance return.

### **Closed Minute**

## **7. Chair's closing remarks**

7.1. The Chair noted that the next meeting was due on 27th June 2022 and that this would be the final meeting for this academic. The Chair stated he hoped to have a full in person meeting on that occasion. The Chair thanked the Committee and attendees and closed the meeting.