



## Audit and Risk Committee

### MINUTES AND ACTIONS – APPROVED BY AUDIT AND RISK COMMITTEE 29 September 2023 (10.00-13.30), Council Chamber (Northcote House) and online via Microsoft Teams

NB text in BLACK is for publication; text in BLUE has been redacted for publication.

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#### ACTIONS

Item	Action	Owner	Deadline
6.4	<b>ACTION:</b> to schedule a revised and updated version of the Terms of Reference for approval at the Audit and Risk Committee on 10 November 2023.	Assistant Director, Governance	November 2023
6.4	<b>ACTION:</b> that an effectiveness survey would be circulated electronically Audit and Risk Committee to elicit their feedback, with results scheduled for consideration at the meeting on 10 November 2023.	Assistant Director, Governance	November 2023
8.9.4	<b>ACTION:</b> that further work would be undertaken on utilising the implementation of the University's digital app as a mechanism for obtaining rapid feedback from international students at regular intervals through the year.	Senior Vice-President and Registrar and Secretary	July 2024
8.9.4	<b>ACTION:</b> that the University would consider obtaining feedback via the International Student Barometer benchmarking tool to inform continued enhancements to the international student experience and satisfaction.	Senior Vice-President and Registrar and Secretary	July 2024

8.9.4	<b>ACTION:</b> that an update would be provided to Council in July 2023 on the metrics for measuring the international student experience.	Senior Vice-President and Registrar and Secretary	July 2024
11.6	<b>ACTION:</b> that further consideration would be given to incorporating an internal audit of the revised planning process within the internal audit plan for 2024-25.	Assistant Director, Compliance and Risk	July 2024
11.8	<b>ACTION:</b> that further consideration would be given to establishing a Task and Finish Group with Council and Audit and Risk Committee representation to oversee enhancement to KPI report.	Assistant Director, Governance	July 2024
11.8	<b>ACTION:</b> that further consideration would be given to utilising external input into the development of the enhanced Key Performance Indicators associated with Strategy 2030 delivery.	Assistant Director, Governance	July 2024
11.9	<b>ACTION:</b> that a further update on progress against the management action plan would be provided at the forthcoming meeting of Audit and Risk Committee on 10 November 2023.	Assistant Director, Compliance and Risk	November
11.12	<b>ACTION:</b> that in recognition that Cyber Security continued to be one of the most significant areas of risk facing the Higher Education Sector, a follow up internal audit review for IT Obsolescence and IT Third Parties would be undertaken.	Assistant Director, Compliance and Risk	July 2024
12.2	<b>ACTION:</b> that the Chair of Audit and Risk Committee and Assistant Director (Governance) would reflect further on possibility of the Provost attending Audit and Risk Committee on a regular basis to enable the committee to be sighted on key academic issues and risks.	Assistant Director, Compliance and Risk	November 2023
13.5	<b>ACTION:</b> that a schedule of deep dive discussions into high-risk areas at Audit and Risk Committee meetings in the Academic Year 2023-24 would be developed and provided to the committee for approval at the meeting on 10 November 2023 to enable a more focused consideration of specific risks and to invite risk owners to highlight key issues of concern.	Assistant Director, Governance	March 2024

16.1	<b>ACTION:</b> that the UNISTATS statutory return would be added to the provisional list of internal audit reports in 2023/24.	Assistant Director, Compliance and Risk	July 2024
17.3	<b>ACTION:</b> to schedule a Procurement Competition Waiver (PCW) report on a quarterly basis.	Assistant Director, Governance	March 2024
17.3	<b>ACTION:</b> that the Procurement Competition Waiver report would be added to the provisional internal audit plan 2024/25.	Assistant Director, Governance	July 2024
20.1.3	<b>ACTION:</b> that the Executive Divisional Director for Human Resources would be invited to provide an update on plans to improve compliance with Mandatory Training at the Audit and Risk Committee meeting in March 2024.	Executive Divisional Director, Human Resources	March 2024

## DECISIONS

Item	Decision	Paper No.
7.2	<b>AGREED:</b> that the key areas of enhancement identified as part of the Gap Analysis against the CUC HE Audit Committee Code of Practice would be progressed in Academic Year 2023-24 and embedded into Audit and Risk Committee operations.	AUD-05-23-24
11.1 2	<b>AGREED:</b> to approve the extension request for the 2021/22 IT Obsolescence internal audit until the revised target date of December 2023;	AUD-08a-23-24 (Confidential)
11.1 2	<b>AGREED:</b> to approve the extension request for the 2021/22 IT Third Parties until the revised target date of December 2023;	AUD-08b-23-24 (Confidential)
15.2	<b>AGREED:</b> the compliance status with TRAC requirements and plans for future compliance as acceptable in the light of the assurance provided by senior management and the most recent reports from auditors.	AUD-13-23-24 (Confidential)

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**Attendees**

**Members Present**

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

**In attendance**

Mike Shore-Nye	Senior Vice-President and Registrar & Secretary
Dan Charman	Senior Vice-President and Provost (Items 1-12)
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 Director of Legal and Student Cases
Matthew Elmer	PwC, Internal Audit
Alison Breadon	PwC, Internal Audit (online via Microsoft Teams)
Catherine Bru	PwC, Internal Audit (online via Microsoft Teams)
Duncan Laird	KPMG, External Audit

**Secretary**

Dr Jeremy Diaper	Assistant Director, Governance (minutes)
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**Support Staff**

Totty Brobyn	Committee Secretariat Administrator
Eloise Norris	Governance Co-ordinator

**Apologies:**

Kate Lindsell	Assistant Director, Compliance and Risk
Rees Batley	KPMG, External Audit

**1. Closed Discussion for Independent Members of Audit and Risk Committee**

1.1 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.

**2. Welcome and Declarations of Interest**

2.1 The Chair welcomed members to the Audit and Risk Committee meeting. There were no declarations of interest in relation to items under discussion.

2.2 The Chair welcomed the following who were attending their first meeting of Audit and Risk Committee and asked them to provide a brief introduction:

2.2.1 Tim Weller (Independent Member of Council – Class II), who was joining as an Independent member of Audit and Risk Committee in 2023-24, prior to becoming Chair of the Audit and Risk Committee in 2024-25;

2.2.2 Dave Stacey (Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services), who would be a standing attendee at forthcoming meetings of Audit and Risk Committee.

2.3 The Chair also welcomed the following to the meeting:

2.3.1 Professor Dan Charman (Senior Vice-President and Provost) who had been invited to attend to enable contribution on academic issues;

2.3.2 Chrysten Cole (General Counsel) who would be invited to attend as a standing attendee for the duration of Audit and Risk Committee meetings

2.4 It was noted that apologies had been received from Kate Lindsell (Assistant Director, Compliance and Risk) and Rees Batley (KPMG).

**3. Minutes of the Meetings of 26 June 2023 (AUD-01-23-24 Confidential) and Action Log (AUD-02-23-24 Confidential)**

3.1 The minutes of the meetings of 26 June 2023 were **APPROVED**, subject to minor amendments to remove duplication of minute 5.21.1 and 5.22.1;

3.2 The action log was received for information and it was noted that the deadline for action 5.10 in relation to a further internal audit of Fire Safety in 2024-25 would be updated to July 2024.

**4. Business Schedule 2023-24 (AUD-03-23-24 Confidential)**

4.1 the Committee noted the Business Schedule 2023/24, which had been introduced as a standing item to provide enhanced visibility surrounding the forward plan for forthcoming meetings.

**5. Matters Arising**

5.1 there were no matters arising reported in the meeting as external Independent Members of Council (David Dupont and Simon Enoch) had already been contacted via email to confirm that they would be invited to attend a meeting of Council in the Academic Year 2023-24 and that the Committee Secretariat would be in touch to confirm the specific date following further consultation with the Chair of Council.

**6. Updated Terms of Reference and Review of Effectiveness Against Terms of Reference in 2022-23 (AUD/04/2023-24 Confidential)**

6.1 the Committee welcomed the new template which had been introduced to help review the effectiveness of Audit and Risk Committee against its Terms of Reference. It was noted that in

agreement with the Chair of Council and Chair of Audit and Risk Committee, the previously agreed Objectives for the Academic Year 2023-24 would no longer be in use as no other Committees of Council were currently adopting Objectives;

6.2 in relation to the revised and updated Terms of Reference:

- 6.2.1 that the wording in section 2 (Membership) paragraph 4 would be revised further to provide further clarification surrounding the requirement for specific financial, accounting and auditing expertise;
  - 6.2.3 that section 6, paragraph b should be amended as 'acting as the conscience of the institution' was the wider responsibility of Council;
  - 6.2.4. that it was important that the Terms of Reference accurately reflected the role and responsibility of Audit and Risk Committee and mitigated the potential risk of the Committee discussing issues which should be retained primarily for Council consideration;
- 6.3 it was confirmed that following the 1-2-1 feedback sessions held between Independent Members of Council and the Chair of Council, an effectiveness survey would be submitted to members of Audit and Risk Committee to elicit their feedback and suggestions to inform continued improvements surrounding committee effectiveness, which would be informed by Appendix 3 of the CUC HE Audit Committee Code of Practice;
- 6.4. in relation to appendix 4, which provided a visualisation of the business considered by the Committee, including the volume of papers within each categorisation, it was noted that this did not currently show the consideration given to cultural and EDI matters. It was recognised that the Committee had received a number of updates in relation to these issues, including at its previous meeting in June, and that future iterations of the analysis would reflect this;

**ACTION:** to schedule a revised and updated version of the Terms of Reference for approval at the Audit and Risk Committee on 10 November 2023;

**ACTION:** that an effectiveness survey would be circulated electronically to Audit and Risk Committee to elicit their feedback, with results scheduled for consideration at the meeting on 10 November 2023.

**7) Gap Analysis: Committee of University Chairs' (CUC) Higher Education Audit Code of Practice (AUD-05-23-24 and AUD-05a-23-24 Open)**

- 7.1 Audit and Risk Committee noted that the analysis of the University's governance arrangements against the key criteria of the CUC Higher Education Audit Code key provided in Appendix 1 (AUD-05a-23-24) demonstrated a high-level of compliance and that a number of opportunities had been identified to further strengthen compliance against the Code;
- 7.2. the Committee recognised the benefit of continuing to review its effectiveness on a regular basis, but also highlighted that it would be important to ensure this was undertaken in a simple and efficient manner and to have appropriate mechanisms in place to facilitate this.

**ACTION:** that the key areas of enhancement identified as part of the Gap Analysis against the CUC HE Audit Committee Code of Practice would be progressed in Academic Year 2023-24 and embedded into Audit and Risk Committee operations.

**8) Global Update: Developing an Inclusive and Welcoming Student Community (AUD/06/23-24 Confidential)**

*The Chair invited Professor Richard Follett (Vice-President and Deputy Vice-Chancellor, Global Engagement) and James Hutchinson (Director of Education Services and Student Experience) to the meeting to deliver a presentation on Developing an Inclusive and Welcoming Student Community.*

- 8.1 the Strategy 2030 'Our Place' theme clearly stated the University's ambition to be a globally-networked University and to increase the international diversity of staff and students. In alignment with Strategy 2030, the Global Exeter 2030 Strategy was focused on enabling Exeter to become a truly global institution by extending our presence, reach and impact around the world;
- 8.2 the Global Exeter 2030 Strategy was focused on four priority areas (Global Partnerships; Global Reputation; Global Recruitment; Global Opportunities) and aimed to inspire collaboration, future proof income, foster inclusion, and enhance Exeter's status as an international leader and partner of choice for research, education and knowledge exchange;
- 8.3 two of the key targets were to achieve top 100 ranking in the QS global ranking and to grow proportion of international students online and overseas to reach 40% of international students by 2030;
- 8.4 the global opportunities theme outlined the aim to provide an outstanding experience through the student journey, from application to alumnus. This outstanding experience would be pivotal to attract more international students to the University;
- 8.5 it was recognised that it would be critical to ensure that international opportunities were available to all of our students and staff to equip them with globally transferable skills and an international outlook and to develop a more international culture on all of the University's campuses;
- 8.6 the Education and Student Experience Executive Committee (EdSEEC) had strategic oversight and responsibility for the International Student Experience, with the Success for All Group responsible for addressing key aspects of student life, including: Access; Transition and Induction; Progression; Financial Support and Inclusive Education;
- 8.7 the International Student Experience Task and Finish Group had been established in April 2023 to consider recommendations of the Success for All International Student Experience Working Group and to develop an action plan for implementation for the 2023/24 academic year to enhance the international student experience. A number of key issues were identified, including:

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- 8.8 a number of actions had been implemented for the Academic Year 2023/24 to improve international Student experience, including: investment in a pilot for international student ambassadors in Streatham, St Luke's and Penryn to support community engagement and integration throughout the academic year; additional events and support sessions for international students and the Development of a Strategy for International Student Experience to set out vision, opportunities and continued enhancement to map dependencies with other strategic activities; reviewing learning spaces and considering the design of the new Al-Qasimi Building to ensure spaces were appropriate for a diverse international community; continuing to build on partnership working with key partners across the City and local region; upskilling sessions for the EDI team across the University of Exeter, Guild and Students' Union; offering enhanced levels of support for international students in Cornwall, including airport collection service, international welcome programme and termly activities;

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8.9 in relation to obtaining timely feedback from international students:

8.9.1 that it would be important to identify suitable mechanisms to monitor feedback from international students at regular intervals throughout the year to determine whether the University was successfully meeting international student expectations, identify potential areas of weakness in current levels of support and service provision and any necessary interventions;

8.9.2 further consideration should be given to developing a method of capturing international student feedback at more frequent intervals than in welcome/arrival week, including levels of engagement with key wellbeing and welfare services;

8.9.3 the implementation of the new University digital phone app would potentially provide an opportunity to gather feedback from students on a more regular basis and to utilise current compliance related activity as a mechanism to obtain frequent feedback;

8.9.4 whilst the International Student Barometer, the global benchmark for the international student Experience, had previously been utilised to obtain insights to inform continuous improvement it tended to focus on feedback received in the arrival period and towards the end of the year;

**ACTION:** that further work would be undertaken on utilising the implementation of the University's digital app as a mechanism for obtaining rapid feedback from international students at regular intervals through the year.

**ACTION:** that the University would consider obtaining feedback via the International Student Barometer benchmarking tool to inform continued enhancements to the international student experience and satisfaction.

**ACTION:** that an update would be provided to Council in July 2023 on the metrics for measuring the international student experience.

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*The Chair thanked Professor Richard Follett (Vice-President and Deputy Vice-Chancellor, Global Engagement) and James Hutchinson (Director of Education Services and Student Experience) for their contribution and invited them to leave the meeting.*

### **9) University Annual and Accountability Reports**

#### **a) Draft University Annual Report and Financial Statements to 31 July 2023 (AUD/07a/23-24 Confidential)**

9.1 the Audit and Risk Committee received the Draft University Annual Report and Financial Statements which provided a comprehensive overview of performance over the year to 31 July 2023;

9.2 the USS Trustee's proposed funding assumptions and methodology for the scheme's 2023 actual variation was consistent with indicative results and showed a significant improvement in the scheme's funding position (when compared to the 2020 valuation). Whilst the assumptions by Mercers were currently being assessed, there was no evidence to suggest at this stage that the assumptions were inaccurate.

**b) Financial Covenants 2022-23 (AUD/07b/23-24 Confidential)**

9.2 the paper considered the financial covenants that the University was required to comply with on an annual basis under the terms of the debt lending agreements, financial ratios imposed by the Office for Students and USS Debt monitoring Parameters. The Committee noted that all covenant tests had been passed for 2022/23 (31 July 2023) and that there were no issues within the forecast position;

9.3 that alongside the wider covenant position, the biggest risk to the covenants was the joint debt with Falmouth University to support FX plus as it was a joint debt with Falmouth University;

9.4 the financial covenants had been renegotiated with Lloyds during Covid-19 pandemic and they remained open to further engagement if necessary.

**c) Contingent Liabilities Update (AUD/07c/23-24 Confidential)**

9.5 as part of the University's financial statements, the committee noted the annual update on the status of the University's contingent liability exposure, including the movement as a result of the recent INTO transaction, which concluded in August 2023;

9.6 as of 29 September 2023, and during the academic year 2022-23, no contingent liabilities have been re-classified as actual liabilities;

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**d) Office for Students Accounts Direction (AUD/07d/23-24 Confidential)**

9.9 the Office for Students' guidance on preparing and publishing financial statements was received for information. It was confirmed that there had been no changes to the guidance for this year's financial statements (year ending 31 July 2023);

9.10 that the narrative parts of the Financial Statements would be provided to the Committee for review at the meeting on 10 November 2023 and would be provided with an opportunity to provide thorough attention and meaningful feedback.

**10) External Audit Plan (Verbal Update)**

10.1 the accounting statements had been submitted to the University's external auditors (KPMG) for review and no issues or areas of concern had been identified to date. Work was underway to meet the timetable for the November meeting of Audit and Risk Committee;

10.2 that the narrative parts of the Financial Statements would be provided to the Committee for review at the meeting on 10 November 2023 and they would be provided with an opportunity to provide thorough attention to detail and meaningful feedback.

*The Senior Vice-President and Registrar and Secretary briefly left the meeting to attend a prior engagement.*

**11) Internal Audit**

**a) Final Internal Audit Reports**

**i) Internal Audit Report: Staff Expenses (AUD-08a-23-24 Confidential)**

11.1 the internal audit for managing staff expenses had identified that the University had well-designed processes and controls in place for managing staff expenses and the overall risk level was low;

**ii) Internal Audit Report: Pricing for Student Courses (AUD-08b-23-24 Confidential)**

11.2 the internal audit had reviewed the approach taken to pricing unregulated student courses, focusing on the design and effectiveness of the controls in place relating to the setting of the strategy and policy for pricing, the effective use of benchmarking and the governance in place to oversee the decisions made. The overall report classification was medium risk.

**iii) Internal Audit Report: Project Risk Management (AUD-08c-23-24 Confidential)**

11.3 the focus of the review had been on three recent projects, including: PS Connect (the new Shared Services Centre to deliver core professional services to staff; the Centre for Resilience in Environment, Water and Waster (CREWW); and the Research and Impact Management Environment (RIME);

11.4 the overall medium risk classification of the report reflected that although there was evidence that project risks were being managed by the respective project teams, there were inconsistencies in the way in which these were carried out, recorded, scored and escalated;

11.5 that the Estates Portfolio Management Office ensured there was a consistent approach to portfolio management across IT, Estates and Faculties and a single-point where major institutional projects were captured;

11.6 in discussion: that further work was underway to improve the process for non-capital projects and to ensure there were effective performance measures and controls in place; post-implementation reviews would be undertaken on significant capital projects to ensure feedback and lessons learned could inform the institutional approach; a new planning process had been implemented in the Academic Year 2023-24 to enable greater UEB oversight of strategic dependencies and enhanced co-ordination through planning process

**ACTION:** that further consideration would be given to incorporating an internal audit of the revised planning process within the internal audit plan for 2024-25.

**iv) Strategy 2030 Implementation (AUD-08d-23-24 Confidential)**

11.7 the internal audit identified that there was a strong understanding of, and commitment to the strategy and significant commitment to delivering it. A number of areas were highlighted to improve the reporting of progress against Strategy 2030, including performance reporting framework and enhanced alignment between institutional key performance indicators and the five strategic pillars of Strategy 2030. The overall report classification of the risk was medium;

11.8 in discussion: that whilst the greater focus on institutional KPIs was welcomed, it was noted that it would be important to recognise the need to not lose sight of importance of adhering to regulatory requirements, including data;

**ACTION:** that further consideration would be given to establishing a Task and Finish Group with Council and Audit and Risk Committee representation to oversee enhancement to KPI report.

**ACTION:** that further consideration would be given to utilising external input into the development of the enhanced Key Performance Indicators associated with Strategy 2030 delivery.

**v) Internal Audit: Data Protection (AUD-08e-23-24 Confidential)**

11.9 whilst the report had been rated as a medium risk as there were a number of areas which had been identified for improvement, there was nevertheless a good level of focus on understanding and improving the arrangements for securing the effective protection of data in the areas in scope through the work of the Data Protection Officer and support of the Compliance Committee;

11.10 the delivery of actions in the report would be overseen by the Information Governance Manager and Data Protection Officer and Assistant Director (Compliance and Risk).

**ACTION:** that a further update on progress against the management action plan would be provided at the forthcoming meeting of Audit and Risk Committee on 10 November 2023.

**b) Progress Report 2022/23 (AUD-09-23-24 Confidential)**

11.11 the internal audit reviews for IT Disaster Recovery (ITDR) Follow Up and Cyber Security (Data Loss Prevention) were nearing completion and the final reports would be scheduled for the Audit and Risk Committee meeting on 10 November 2023;

11.12 in relation to The Times Education Commission (published in June 2023), it was recognised that the current funding model of Higher Education was unsustainable and the reliance on international students continued to present a significant risk to the sector as a whole, particularly in light of increasing international competition in the USA, Canada, Australia and China.

**AGREED:** to approve the extension request for the 2021/22 IT Obsolescence internal audit until the revised target date of December 2023.

**AGREED:** to approve the extension request for the 2021/22 IT Third Parties until the revised target date of December 2023.

**ACTION:** that in recognition that Cyber Security continued to be one of the most significant areas of risk facing the Higher Education Sector, a follow up internal audit review for IT Obsolescence and IT Third Parties would be undertaken.

**c) Verbal Updates on Actions arising from Audit Reports, identified at the last committee meeting:**

**i) Fire Safety Audit action**

11.13 all actions identified in the Fire Safety internal audit (presented to Audit and Risk Committee in June 2023) had now been completed, with the exception of one risk in relation to digital system which was not due for completion until March 2024. An update report had been presented to UEB on 14 September;

**ii) CCTV Policy Review**

11.14 it was confirmed that the update and review of the CCTV Policy had been completed and that

Action 64 (2022/23) on the Audit and Risk Committee action log could now be closed accordingly.

### **12) Draft Annual Report and Opinion 2022/23 (AUD-10-23-24 Confidential)**

12.1 the report outlined the internal audit work that had been carried out for the year ended 31 July 2023 and provided reasonable assurance /moderate assurance that the governance, risk management and control, and value for money arrangements in relation to business critical areas was generally satisfactory;

12.2 it was recognised that in response to the only high risk report on Fire Safety, management had developed a comprehensive action plan to address the findings identified;

*The Chair thanked the Senior-Vice-President and Provost for joining the meeting and it was recognised that further consideration would be given to the most effective mechanism for ensuring the committee remained apprised of academic activity and key risks in this area.*

*The Senior Vice-President and Registrar & Secretary rejoined the meeting.*

**ACTION:** that the Chair of Audit and Risk Committee and Assistant Director (Governance) would reflect further on possibility of the Provost attending Audit and Risk Committee on a regular basis to enable the committee to be sighted on key academic issues and risks.

### **13) Risk Management Update (AUD-11-23-24 Confidential)**

13.1 the committee were provided with an update on risk management activities, including: reporting timelines, the implementation of the digital risk register system and examples of reporting functionality and outputs available from the new system (Appendix 1);

13.2 that the digital risk register project had experienced delays but would not impact on delivery of the report in Risk Cycle 1 to Audit and Risk Committee (10 November 2023) and Council (12 December 2023);

13.3 a significant amount of work had been undertaken over the summer to prepare the risk data for migration into the new system. The risk scoring methodology had also been updated to include risk scoring definitions and matrix to ensure greater accuracy and consistency;

13.4 the new digital risk register would provide enhanced functionality, an intuitive interface and visuals to assist committees in analysis of risk and offer the most comprehensive set of risk data to date;

13.5 a workshop had been held with Education team to review and refine risks to ensure clearly aligned with OfS regulatory requirements;

**ACTION:** that a schedule of deep dive discussions into high-risk areas at Audit and Risk Committee meetings in the Academic Year 2023-24 would be developed and provided to the committee for approval at the meeting on 10 November 2023 to enable a more focused consideration of specific risks and to invite risk owners to highlight key issues of concern.

### **14) Draft Annual Report of Audit and Risk Committee 2022-23 (AUD-12-23-24 Confidential)**

14.1 the draft annual report summarized the business of the Audit and Risk Committee over the 2022-23 academic year, including the delivery of the internal audit plan and the progression of internal audit

actions, external audit business and ad-hoc items throughout the year;

14.2 that the final version of the report would be provided to Audit and Risk Committee on 10 November 2023 for endorsement prior to Council consideration on 12 December 2023.

**15) Transparent Approach to Costing (TRAC) Quality Assurance and Results 2021/22 (AUD-13-23-24 Confidential)**

15.1 the paper provided assurance on the compliance status with TRAC requirements, including a review of 2021-22 TRAC results against benchmarks with a brief commentary on University costs and cost recovery;

15.2 the Russell Group were lobbying on behalf of the sector to highlight the importance of enhanced research cost recovery in light of the significant financial challenges facing the Higher Education sector. It remained an institutional priority and had potential to have a material impact on finances, particularly for commercial, business and industry related research;

**AGREED:** the compliance status with TRAC requirements and plans for future compliance as acceptable in the light of the assurance provided by senior management and the most recent reports from auditors.

**16) Data Assurance Update and Update on Statutory Returns: UNISTATS (AUD/14/23-24 Confidential)**

16.1 the UNISTATS record was collected to aid prospective higher education students in making a decision about what and where to study. The statutory deadline for the UNISTATS record was met and no significant data issues were identified.

**ACTION:** that the UNISTATS statutory return would be added to the provisional list of internal audit reports in 2023/24.

**17) Procurement Competition Waiver (PCW Report) (AUD/15/23-24 and AUD/15a/23-24 Confidential)**

17.1 the Committee had requested visibility of instances where a purchase with an aggregated value of £50k or above was procured by a non-competitive means as defined in the University of Exeter Financial regulations (supported by the Public Contracts Regulations 2015);

17.2 Appendix 1 (AUD/15/23-24) provided a full list of approved PCWs for the period June 2023 – August 2023, with an overview of noteworthy waivers detailed in section 2.3;

17.3 in discussion: that procurement continued to work closely with Legal Services to ensure there was sufficient justification for a Procurement Competition Waiver and requests without sufficient justification were challenged and requested to go out to competitive tender as necessary; the category management approach had enabled early engagement with requisitions to raise awareness of available guidance, support and training; that there had been a number of occasions where the University had been close to receiving external challenge, but these had been defensible on basis of robust and rigorous approach adopted and there had been no legal challenges;

**ACTION:** to schedule a Procurement Competition Waiver (PCW) report on a quarterly basis.

**ACTION:** that the Procurement Competition Waiver report would be added to the provisional internal audit plan 2024/25.

**18) Pensions Update (AUD/16/23-24 and AUD/16a/23-24 Confidential)**

18.1 the latest developments in relation to the two main pension schemes offered by the University, including the expected significant improvement to the USS position and FRS102 deterioration to ERBS;

18.2 that the University was exploring options in relation to removing the ongoing risk of increased costs due to the position of the Student's Union Superannuation Scheme in light of the consistently challenging funding position of the scheme;

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#### **19) Update on University Insurance Arrangements (AUD/17/23-24 and AUD/15a/23-24 Confidential)**

19.1 the committee noted the outcome of the 2023/24 broker led tender and subsequent placement of the University insurance portfolio, the successful procurement of cyber insurance for 2023/24 and next steps in maturing and communicating the University's insurance processes and policies;

19.2 the terms and levels of excess for insurance cover remained challenging. The table in 4.1.4 below summarized the cover, excess and compare premiums from 2022/23;

#### **Closed Minute – Confidential**

#### **20) Update on Mandatory Training Requirements (AUD/18/23-24)**

20.1 the committee noted the updated on mandatory training compliance rate and noted the following in discussion:

20.1.1 that it would be important to ensure that cyber security training was incorporated in the Information Governance mandatory training requirements;

20.1.2 that the recommendations detailed in section 5 of the paper were not sufficiently robust to enable compliance with mandatory training to increase from c. 82% to 100%

20.1.3 that there was a need to improve the level of compliance, especially amongst associate and casual staff;

**ACTION:** that the Executive Divisional Director for Human Resources would be invited to provide an update on plans to improve compliance with Mandatory Training at the Audit and Risk Committee meeting in March 2024.

#### **21. Chair's Closing Remarks**

21.1 The Chair thanked members for their contribution to the committee during the Academic Year 2022-23.

#### **22. Closed Discussion held for Independent Members of Audit and Risk Committee**

22.1 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.