



## UNIVERSITY OF EXETER

### AUDIT COMMITTEE

A meeting of the Audit Committee was held on 6 July 2020 via Teams at 11:00-13:00hrs

### Minutes and Actions

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9	Chair's Closing Remarks

CONFIRMED

**Attendees:**

**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:**

Heather Ancient	PWC, Internal Auditor
Ali Breadon	PWC, Internal Auditor (for item 3 only)
Andrew Connolly	Chief Financial Officer
Alan Hill	Chief Information and Digital Officer
Jacqueline Hodges	Deputy Secretary to Council (Minutes)
Chris Lindsay	Director Compliance, Governance and Risk
Mike Shore-Nye	Registrar & Secretary
Professor Wendy Robinson	PVC, SISS (Academic Representative)
Tracey Tuffin	Interim Internal Audit Manager

**Apologies:**

Kate Lindsell Head of Compliance

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

The Chair welcomed Committee members to the meeting and explained that it was an additional meeting being held in light of the circumstances created by Covid-19, noting that the Audit Committee's role was vital within the crisis to ensure scrutiny of the financial robustness of plans, including the continuation of investment where it was needed in order to support the future of the institution, and also the effectiveness of the management response to the pandemic.

He thanked Committee members for making the effort to consider issues and give up time and energy to do what they could to help the University during difficult times. Representatives from PWC and KPMG were also welcomed to the meeting.

No declarations of interests were made

## **2 Minutes of the Meeting 4 June 2020 (AUD/20/32)**

The minutes of the meeting of 4 June 2020 were approved as an accurate record

### **Matters Arising From Minutes**

The letter drafted for Sir Steve Smith on behalf of the committee to thank him for his contribution was noted.

## **3 PWC: Lessons Learnt from the HE Sector Response to Covid-19**

Alison Breadon, the PWC lead for the education industry within the UK, shared a verbal update on the issues and themes that had arisen within the sector since the onset of the pandemic. She explained that she worked closely with the Office for Students and the Department for Education in her role and this provided her with insight and informal knowledge of what lay ahead for the sector.

The briefing detailed what had gone well and not well within HE institutions, noting the political climate within which the sector was now operating.

**DECISION: The Committee noted the briefing**

**ACTIONS:**

- 1. CUC Code for Audit Committee's to be discussed on the September meeting (Director , CGR)**
- 2. Provide access to PWC's digital fitness apps for university usage (PWC)**

## **4 Governance of Online Training**

The Registrar and Secretary provided an update on progress made to ensure compliance with mandatory training requirements amongst staff. He shared slides outlining the current completion

rates against targets set for the four areas of mandatory training, a summary of the changes introduced to the management of compliance oversight and highlighted that the improvements made to the process had resulted in increased levels of compliance. Credit was paid to the team for the considerable work undertaken to achieve the improvements.

**DECISION: The Committee noted the briefing**

**ACTION: No further actions**

**5 Update on Overdue Audit Actions (AUD/20/33)**

The Director of CGR presented a paper which provided an update on progress made on the management of overdue internal audit actions. It was highlighted that actions were being monitored by PWC via their online tracker system and the Director, CGR had spoken directly to the directors of services with overdue actions.

The paper noted 16 overdue actions. It was highlighted the risks relating to GDPR had been progressed to the point where closure was being sought and whilst action 86 remained a high risk score, it was confirmed that mitigations were in place and implementation of these had been delayed due to the circumstances caused by the covid-19 pandemic. It was further confirmed that the Registrar had put in place a process to ensure that regular discussions on progress with overdue actions took place during 1:1 meetings with the relevant service directors.

**DECISION The Committee noted the paper:**

**ACTION: Clarify the circumstances of the extended deadline for the actions relating to the red risk for student experience (Director, CGR)**

**6 Internal Audit Update:**

**Internal audit progress report (AUD/20/34) & Internal audit plan 2020/21 (AUD/20/35)**

The reports were taken as read.

**Health and Safety Internal Audit Report (AUD/20/36)**

The Committee discussed the report and queried the method used for inspections for both reports. It was clarified that physical inspections had not been undertaken however documentation had been reviewed. It was confirmed that a full review was to be undertaken in the next year incorporating the design and testing of controls.

**Treasury Management Internal Audit Report (AUD/20/37)**

The Committee discussed the Treasury Management Internal Audit Report.

It was agreed that the management action plan put in place included sensible steps to be taken and a more detailed breakdown of deadlines for the work proposed was requested, including specific targets so it was possible for Audit Committee to have oversight of progress.

**DECISION: The Committee noted the reports**

**ACTION: Provide a detailed breakdown of actions and targets for the Treasury Management action plan for the period until August 2021 (PWC/CFO)**

**7 Financial:**

**Financial Projections (AUD/20/38 & Council Finance Sub Committee Update**

The Chief Financial Officer outlined the main points of the Financial Projections report, explaining that the figures incorporated had resulted from a bottom up exercise undertaken within the core recovery groups, noting that the key detail was the teaching and income streams.

**ACTION: Include key milestone dates in future projections reports to the Committee (CFO)**

**Loan Covenants Update (AUD/20/39)**

Progress with the Lloyds banking covenant was discussed.

**DECISION: The Committee noted the reports**

**ACTION: Include key milestone dates in future projections reports to the Committee (CFO)**

**8 ELE Resilience and Cyber Security**

The Chief Information and Digital Officer shared a presentation with the Committee on progress with ensuring the resilience of the Exeter Learning Environment (ELE) and University's cyber security.

**DECISION The Committee noted the briefing**

**ACTION: Share the presentation with the Dual Assurance lead for Education (CIDO)**

**Chair's Closing Remarks**

**9**

The Chair thanked members for their contributions and confirmed that the next meeting was due to take place on 22<sup>nd</sup> September 2020.

The Committee also noted the following papers:

- Approved Minutes of the Finance Sub Committee (for reference - previously circulated via Boardpacks)
  - 12th May 2020
  - 19th May 2020
  - 4th June 2020
  - 18th June 2020
- PWC: Where next for universities (AUD/20/41)