



University of Exeter
Audit and Risk Committee

MINUTES AND ACTIONS – APPROVED BY AUDIT AND RISK COMMITTEE
29 September 2025 (11am -3pm), online via Microsoft Teams

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

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25.21	Closed Session for Independent Members of Audit and Risk Committee Members Only (discussion not minuted)

ACTIONS

Item	Action	Owner	Deadline
6.4	To revise the Council standing orders to include reference to all Council committees.	Jeremy Diaper	6 November 2025
7.3	To provide a further progress update on the implementation of the Removable Media Policy.	Nathan Burden	6 November 2025
10.6	To provide further clarification would be provided surrounding the increase in risk level for CR69 (OfS Registration Requirements).	Kate Lindsell	6 November 2025
10.6	To incorporate Curriculum for Change (C4C) in the risk 'deep dive' programme for 2026/27.	Kate Lindsell	26 June 2026
10.6	To present a final version of the risk 'deep dive' programme for 2026/27 to Audit and Risk Committee in June 2026.	Kate Lindsell	26 June 2026
14.9	To consider if more detailed information on contingent liabilities should be included within the financial statements.	Joe Wall	31 October 2026
18.4.3	To consider minor revisions to the Internal Audit Policy to remove the elements of procedure within the policy and remove the reference to external audit.	Kate Lindsell	6 November 2026
18.4.3	To review the role of the Audit and Risk Committee detailed within the Internal Audit Policy in alignment with the committee's Terms of Reference and identify any necessary changes.	Kate Lindsell	6 November 2026

DECISIONS

Item	Decision	Paper No
3.1	AGREED: to endorse the minutes of the meeting of 27 June 2025 to Council (23 October 2025).	AUD/01/25-26 AUD/01a/25-26
5.3	ENDORSED: the Audit and Risk Committee terms of reference to Governance and Nominations Committee (November 2025) and Council (9 December 2025).	AUD/02/25-26, AUD/02a/25-26, AUD/02b/25-26
6.4	ENDORSED: Gap Analysis against CUC HE Audit Committee Code of Practice to Governance and Nominations Committee (November 2025) and Council (9 December 2025).	AUD/03/25-26, AUD/03a/25-26, AUD/3b/25-26
10.7	APPROVED: The Deep Dive Risk Programme for 2025/26.	AUD/08/25-26 AUD/8a/25-26
13.2	ENDORSED: The Annual Report of the Audit and Risk Committee 2024/25 to Council (9 December 2025).	AUD/11/25-26
14.23	ENDORSED: Contingent liabilities as at 31 July 2025, Financial Covenants, Going Concern Briefing to Council (9 December 2025).	AUD/12B/25-26 AUD/12c/25-26 AUD/12D/25-26
17.6	APPROVED: The Due Diligence Policy.	AUD/15/25-26

Attendees

Members Present

Tim Weller	Chair and Independent Member
Karime Hassan	Independent Member
Sarah Matthews-DeMers	Independent Member
Gareth Mostyn	Independent Member

In attendance

Dan Charman	Senior Vice-President and Provost (<i>present for items 2-10</i>)
Mike Shore-Nye	Senior Vice-President and Registrar & Secretary
Dave Stacey	Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services
Joe Wall	Director of Finance
Chrysten Cole	General Counsel and Director of Legal and Student Cases
Kate Lindsell	Assistant Director, Compliance and Risk

Alison Breadon	PwC, Internal Audit (<i>present for items 2-4</i>)
Matthew Elmer	PwC, Internal Audit

Rees Batley	KPMG, External Audit (<i>present for items 4-20</i>)
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Secretary

Dr Jeremy Diaper	Director of Governance Services
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Support Staff

Totty Brobyn	Governance Services Administrator
Sarah Hicks	Deputy Head of Governance Services (minutes)

Apologies

None

Invited to Attend:**Minute item 11**

Imelda Rogers	Deputy Registrar and Executive Divisional Director of Human Resources, Culture and Assurance
Shades Chaudhary	Assistant Director, Culture and Inclusion

Minute Items 15 and 16

Tracey Allen	Insurance, Audit and Risk Manager
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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 Director of Governance Services was also in attendance.

2. Welcome and Declarations of Interest

- 2.1 The Chair welcomed Audit and Risk Committee members to the meeting. A warm welcome was extended to Gareth Mostyn who was attending their first meeting of the Committee.
- 2.2 It was noted that there were no new declarations of interest in relation to items on the agenda.
- 2.3 The Chair noted that Rees Batley (KPMG) would join the meeting at midday and that Dan Charman would need to leave the meeting at 1pm. The Chair highlighted that the Internal Audit items (under section 8 of the published agenda) would be required to be brought forward on the agenda to enable PwC colleagues to leave the meeting at midday to attend an annual conference.

3. Minutes of the Meeting held on 27 June 2025 (AUD/01/25-26 and AUD/01a/25-26, Strictly Confidential)

3.1 The minutes of the meeting of 27 June 2025 were **APPROVED**.

APPROVED: The minutes of the meeting of 27 June 2025.

4. Internal Audit**a) Internal Audit Progress Report 2024-25 and 2025-26 (AUD/06/25-26, Confidential - Commercial in Confidence)**

4.1 The Chair invited Matthew Elmer (PwC) and Alison Breadon (PwC) to introduce the internal audit progress report 2024/25 and 2025/26. The following points were highlighted:

4.1.1 The fieldwork was in progress for the 3 remaining reviews in the 2024/25 internal audit plan. These reviews were currently on schedule and due for completion in November 2025.

4.1.2 The Curriculum for Change internal audit review had been deferred for delivery in 2025/26 due to changes in personnel and other business priorities for the relevant team ahead of the new academic year. The review was scheduled to start in October 2025 and would be reported on as part of the 2025/26 reporting schedule.

4.1.3 The majority of the 2025/26 reviews had been scoped with management. This included the Treasury Management Review.

4.1.4 The Committee noted 68 internal audit actions were yet to reach their target completion date, but no actions were recorded as overdue as at 31 August 2025.

4.1.5 Management had requested extensions for 2 medium risk actions that related to staff wellbeing and academic quality. The Committee acknowledged that these extensions would provide sufficient time for the impact of the major projects to be embedded. The Chair of the Audit and Risk Committee requested for the internal auditors to highlight if there were any future concerns about postponement of actions or overdue deadlines in the Academic Year 2025-26.

b) Completed Internal Audit Reports 2024-25**i) Partnerships (TNE) (AUD/06a/25-26, Confidential – Commercial in Confidence)**

4.2 The review had focused on the University's transnational education (TNE) partnerships and included the key processes for governance, assessment and management of existing and potential partnerships. The positive progress that had been achieved so far was recognised and that timing of the review had aligned well with the recent announcements on TNE and ambitious plans for the University of Exeter to partner with Zhejiang University of Technology (ZJUT) to create a world-class education Joint institute in China and a commitment to collaborate with Ain Shams University in Egypt.

- 4.3 The report had been classified as a medium risk and two medium risk findings were reported:
- 4.3.1 The lack of a structured monitoring and evaluation framework was highlighted. It was considered this would hinder ability to assess performance, identify areas for improvement, and implement necessary corrective actions. PwC had since been assured that appropriate processes were in place, however they had not been in place at the time of the field work and this had been noted in the review.
- 4.3.2 It was recommended that the Global Partnerships Strategy 2030 and targets be refreshed as the University had already surpassed its goal and it was important to ensure they remained realistic, relevant and aligned with objectives of the Global Strategy.
- 4.4 In addition, two low risk findings had been identified. These had related to the absence of a centralised register for TNE partnerships and the lack of established internal protocols or comprehensive guidelines surrounding contract termination procedures.
- 4.5 The following was noted in discussion:
- 4.5.1 It was affirmed that the review team had been aware of the wider work undertaken across the University to strengthen the University's due diligence policy. Whilst this wider activity had not been specifically assessed as part of the review, there had been consideration for the application of due diligence in relation to the TNE partnerships and there had been no specific findings in relation to this.
- 4.5.2 Management had accepted the findings within the report, but the responses to the review provided a different perspective on the assessment of risk in context of wider context of ability to moderate any potential impact on the organisation and importance of TNE development to support the objectives within Global Strategy 2030.
- 4.5.3 The Audit and Risk Committee was pleased to note that management had responded with clear actions to the recommendations and that work had been initiated in response to these

Rees Batley (KPMG) joined the meeting online.

ii) Data Quality (Staff HESA) (AUD/06b/25-26, Confidential – Commercial in Confidence)

- 4.6 The Audit and Risk Committee was advised the Data Quality: Staff HESA internal audit review had resulted in a medium risk report. 7 findings had been identified: 3 medium risk, 2 low risk and 2 advisory findings. The 3 medium risks had related to incorrect coding. The lowest risk findings had been linked with the control design, and recommendations had been provided where controls could be strengthened.
- 4.7 Well-established processes for the Staff HESA return were in place, with clear segregation of duties among individuals responsible for staff records management and the annual Staff HESA return preparation and submission process. The review had highlighted areas where controls could be strengthened, and the Committee was informed that the findings were similar to those identified in other institutions.

4.8 The following was noted in discussion:

- 4.8.1 There was increased opportunity for error where data updates had been devolved to individuals and the review had therefore highlighted the importance of control design;

Closed minute – Commercial in Confidence

iii) Capital Planning and Governance (AUD/06c/25-26, Confidential – Commercial in Confidence)

- 4.11 The Capital Planning and Governance review had resulted in a low risk report with several areas of good practice identified. It was reported the University's governance structure for capital projects was clear and effective, senior leadership oversight was in place at key decision points, and clear accountability for the approval of significant capital investments had been provided. The Audit and Risk Committee was assured the University's overall approach to business case development reflected cross-sector good practice. Several strong examples of business bases were examined as part of the review and the capital plan updates presented to Council were clear, comprehensive and well structured.
- 4.12 The review identified 1 medium risk and 3 low risk findings. The medium risk was linked to the variation in depth and consistency of analysis across business cases.
- 4.13 The lack of a formal lessons learned process, lack of policy for capital project prioritisation and the opportunity to improve the responsiveness of the capital governance process were identified as low risks that would be beneficial to implement to further improve the process.
- 4.14 The Audit and Risk Committee noted that development of the lessons learned process would enable cost benefit analysis and scenario planning work to be undertaken and applied to future projects.
- 4.15 The Audit and Risk Committee extended thanks to management for the work that had been undertaken to address the actions outlined in the internal audits.

c) Draft Internal Audit Report 2024-25 (AUD/06e/25-26, Confidential – Commercial in Confidence)

- 4.16 The Audit and Risk Committee received the Draft Internal Audit Report 2024/25. The Committee was advised the report would be updated following completion of the final three 2024/25 internal audits. It was anticipated there would be no significant change in the opinion of reasonable assurance / moderate assurance recorded. It was noted this remained the highest level of assurance received by Higher Education institutions and that no other institution had received the highest rated opinion (substantial assurance).
- 4.17 Financial challenges faced across the sector had continued to stress test controls and the Committee was advised there had been a reduction in the number of institutions receiving a reasonable /moderate assurance opinion provided by auditors across the sector. The final report would be shared at the next meeting of the Audit and Risk Committee on 6 November 2025.

- 4.18 Attention was drawn to the continued improvements which had contributed to the opinion of opinion of reasonable assurance / moderate assurance at Exeter. This included:
- 4.18.1 Continued improvements to the risk management framework. Implementation of the new risk management system had resulted in streamlined reports and time had been freed up to focus on management of risk and horizon scanning;
 - 4.18.2 Actions to address audit findings in relation to target risks and risk appetite had been addressed;
 - 4.18.3 Significant action had been taken to improve the control environment in relation to the management of fire safety risk following a high risk report in 2022/23. A low risk report had been achieved during 2024/25;
 - 4.18.4 There had been a continued focus on effective financial planning and management given the broader financial challenges faced across the wider sector.
- 4.19 The Audit and Risk Committee was assured that University management had responded in a timely manner when issues had been identified and there were no outstanding actions.
- 4.20 The following points were noted in discussion:
- 4.20.1 Institutions across the sector had employed various methods of cost reduction, this had included centralisation of services which had often highlighted a deterioration in controls or issues related to consistency;
 - 4.20.2 Following the second round of The Exeter Release Scheme (TERS), the Committee acknowledged the importance of monitoring the potential impact of staff changes on the control environment.

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- 4.20.4 The Committee noted there had been no high risk rated or critical findings reported in the last two years. PwC confirmed this was an accurate representation and high risk and critical findings had been reported previously, for example with fire safety.
- 4.21 The Chair extended thanks on behalf of the Committee to management for the timely response to the internal audits throughout the year and comprehensive action plans that had been put in place to address findings.
- 4.22 The final internal audit report would be presented to the Audit and Risk Committee on 6 November and reported to Council on 9 December 2025.

Alison Breadon (PwC) left the meeting.

5. Audit and Risk Committee Terms of Reference and Review of Effectiveness in AY 2024-25
(AUD/02/25-26, AUD/02a/25-26, AUD/02b/25-26, AUD/02c/25-26 and AUD/02d/25-26 Open)

- 5.1 Minor changes were proposed to the Audit and Risk Committee Terms of Reference following the latest annual review. These changes included amendments to reflect updated committee membership, job titles and enhanced committee processes, including verbal updates to Council following each meeting and a streamlined approach to the approval of the annual report and financial statements. In addition, the requirement for the Vice Chancellor to attend one meeting each year had been removed from the Terms of Reference, as this had reflected historic practice when the Committee membership had included external co-opted members.
- 5.2 The Committee noted the review of effectiveness that had been undertaken against its Terms of Reference. An effectiveness survey had not been issued to committee members during the 2024/25 academic year due to the Council external effectiveness review which was scheduled to be undertaken in the 2025/26 academic year and would encompass consideration of Council committees. An update on the proposed scope of the Council effectiveness review and shortlisted providers would be provided to Council on 23 October 2025.
- 5.3 The Committee welcomed the opportunity to reflect on their effectiveness further as part of the Council external review of effectiveness.

ENDORSED: The Audit and Risk Committee Terms of Reference 2025-26 to Governance and Nominations Committee (November 2025) and Council (9 December 2025).

6. Gap Analysis against CUC HE Audit Committee Code of Practice (AUD/03/25-25, AUD/3a/25-26 and AUD/3b/25-26, Confidential)

- 6.1 The Committee considered the gap analysis against the Committee of University Chairs (CUC) Higher Education Audit Committees Code of Practice and noted that this provided another mechanism to review its effectiveness. Analysis of the University's governance arrangements for 2024/25 against the key criteria of the Code demonstrated a high level of compliance.
- 6.2 In relation to the areas of omission highlighted by the gap analysis, it was noted that a number of additional assurance reports were scheduled to be presented to the Committee in the academic year 2025/26 on the following issues: the Nolan principles, 'fit and proper' persons test, management of conflicts of interest, and the development of the University's policy registry, in the academic year 2025/26.
- 6.3 The gap analysis had also highlighted one omission that related to Committee standing orders and a comprehensive benchmarking analysis had subsequently been undertaken against other Russell Group and wider HE institutions. Whilst this had demonstrated it was not common practice to publish standalone Audit Committee Terms of Reference, several institutions had published standing orders that covered procedures for Council and Council committees.

- 6.4 The Audit and Risk Committee noted that the CUC Higher Education Code of Governance was due to be updated in early 2026 and any proposed changes to the CUC HE Audit Committee Code of Practice would be monitored closely.

ACTION: To revise the Council standing orders to include reference to all Council committees.

ENDORSED: Gap Analysis against CUC HE Audit Committee Code of Practice to Governance and Nominations Committee (November 2025) and Council (9 December 2025).

7. Action Log 2025-26 (AUD/04/25-26 and AUD/4a/25-26, Strictly Confidential)

- 7.1 The Audit and Risk Committee received the updated action log for information and noted the status of the actions. The Chair expressed thanks to the Director of Governance Services for continued efforts to streamline and update the action log in response to previous feedback.
- 7.2 In relation to Action 122/2024-25 and 123/2024-25, it was noted that the new Removable Media Policy had been rolled out across three divisions since August 2025. Rollout had been implemented division by division, and the Committee noted the good progress that had been made to date. The policy was scheduled to be rolled out more widely to Faculties by the end of 2025.
- 7.3 The Committee noted the importance of the removable media policy, and that a further update would be provided at the next meeting of the Audit and Risk Committee on 6 November 2025.

ACTION: To provide a further progress update on the implementation of the Removable Media Policy.

8. Business Schedule for 2025-26 (AUD/05/25-26, AUD/05a/25-26 and AUD/05c/25-26, Strictly Confidential)

- 8.1 The Audit and Risk Committee received the updated Business Schedule for the current Academic Year 2025-26 for information and noted the benefit of a clear plan that provided focus for the work of the Committee.

9. External Audit

a) Higher Education (HE) Financial Statements Benchmarking (AUD/07/25-26, Confidential)

- 9.1 The Chair invited Rees Batley (KPMG) to provide an update. The HE Financial Statements Benchmarking Report had been based on published accounts from 78 higher education providers and illustrated Exeter's financial performance against other institutions.
- 9.2 Analysis showed the sector had experienced a further reduction in operating surplus and a significant reduction in cash flow from operating activities for both pre-1992 and post-1992 providers when compared to the previous year. It was acknowledged the year ahead would provide further challenges across the sector.

- 9.3 The Audit and Risk Committee noted the relative strength of position of the University of Exeter when compared to other providers against measure 9 (net cash inflow from operating activities as a % of total income), and the relative mid position in performance against other measures.
- 9.4 The Committee noted that the report provided an interesting reflection on the significant financial challenges faced across the sector. The following points were noted in discussion:
- 9.4.1 Background information on the University's financial position would be presented at the forthcoming Induction for new Council members on 9 October 2025.
- 9.4.2 That the relative strength of financial position of the institution, particularly in relation to net operating cash flow, had been the result of significant focus on cost efficiencies and implementation of workforce planning initiatives.
- 9.4.3 The Committee noted that it would remain important to understand the underlying performance of the institution. Initial analysis had demonstrated that core business activities related to teaching and research had contributed less to the financial strength of the institution than other peripheral streams of income.
- 9.4.4 The Committee noted the University had been one of 9 Russell Group universities to take part in a recent DfE study that had examined the cost of teaching home undergraduate students.

b) **Higher Education (HE) Risk Benchmarking (AUD/07a/25-26, Confidential – Commercial in Confidence)**

- 9.5 The Risk Benchmarking Report outlined the top strategic risks from risk registers across 48 HE providers. It demonstrated commonality across the sector, with financial sustainability, cyber security and student recruitment included in the list of strategic risks for the majority of institutions.
- 9.6 No specific issues requiring attention had been identified for Exeter as a result of the benchmarking exercise and the Committee was assured that there were no obvious areas of omission. However, the Audit and Risk Committee noted that all institutions included in the study had reported a different list of top 10 strategic risks, and it was recognised this was partly attributable to the priorities of each institution and the particular categorisation each institution applied to the risks.
- 9.7 It was noted that AI had moved up the list of strategic risks recorded by institutions across the sector and that the potential impact on student recruitment and student experience would need to be carefully monitored and considered.
- 9.8 The Audit and Risk Committee recognised that both the wider geopolitical landscape and any anticipated shift in government priorities and policies as a result of a potential change in government at the next general election would also be important to monitor.

c) External Audit Progress (Verbal Update)

- 9.9 Rees Batley (KPMG) provided assurance that good progress had been made with all external audit work and it was anticipated that this would be completed in line with the required timeline to meet the deadlines. A further update would be provided at the next meeting of the Audit and Risk Committee on 6 November 2025.

10. Risk 'Deep Dive' Programme for AY 2025-26 (AUD/08/25-26 and AUD/8a/25-26, Confidential – Commercial in Confidence)

- 10.1 The Audit and Risk Committee noted the 2025/26 academic year would be the second year of embedding risk 'deep dive' assessments within its schedule of business. It was affirmed that the risk 'deep dives' had provided a valuable opportunity to explore issues that may not have otherwise not been covered by the internal audit programme.
- 10.2 The Risk 'Deep Dive' Programme 2025/26 had been revised in response to feedback at the previous Audit and Risk Committee meeting in June 2025. The programme has been updated and included a list of deep dives previously carried out during the 2024/25 academic year, a plan for the current academic year 2025/26 and a proposed programme for the following academic year 2026/27.
- 10.3 The rolling 3-year approach within the risk deep dive programme had been mapped against the internal audit programme in order to cover all appropriate risks and any gaps in assurance had been identified. It was noted that 55 risks would be directly or indirectly reviewed. The Committee noted the 23 risks that would not be directly or indirectly reviewed were categorised as low risk.
- 10.4 In response to a query from the Chair of Audit and Risk Committee about the increase in risk level for CR69 (OfS Registration Requirements), it was noted that further clarification would be provided on this matter outside of the meeting.
- 10.5 The Audit and Risk Committee confirmed the deep dive programme for 2025/26 provided appropriate coverage of risks and provided assurance in areas where there had been no planned internal audit. There would be a requirement to review the plan for 2026/27 in Summer 2026 to ensure that it continued to reflect an accurate view.
- 10.6 It was noted that it would be helpful to incorporate a review of Curriculum for Change (C4C) within the risk 'deep dive' programme during 2026/27 academic year. This approach would enable a detailed review of new systems and processes, in comparison to the PwC internal audit scheduled for 2025/26 that would analyse the early stages of implementation.

ACTION: To provide further clarification would be provided surrounding the increase in risk level for CR69 (OfS Registration Requirements).

ACTION: To incorporate Curriculum for Change (C4C) in the risk 'deep dive' programme for 2026/27.

ACTION: To present a final version of the risk 'deep dive' programme for 2026/27 to Audit and Risk Committee in June 2026.

APPROVED: The Deep Dive Risk Programme for 2025/26.

Dan Charman left the meeting.

11. Risk Deep Dive Programme – CR28: Staff Wellbeing and Mental Health (AUD/09/25-26, Confidential)

The Chair invited Imelda Rogers (Deputy Registrar and Executive Divisional Director of Human Resources, Culture and Assurance) and Shades Chaudhary (Assistant Director, Culture and Inclusion) to the meeting to introduce the deep dive.

- 11.1 CR28 (Staff Wellbeing and Mental Health) had been on the risk register since 2021. The Committee was advised the risk had been rated as high, and had since been reduced to a moderate risk due to effective controls in place.

Closed minute – Commercial in Confidence

- 11.3 The Audit and Risk Committee was provided with a list of controls detailed in the paper (AUD-09-25-26) that included a Corporate Stress Risk Assessment and the Colleague Experience Survey.

- 11.4 The following points were highlighted:

- 11.4.1 Assurance was provided that all change programmes had been subject to a wellbeing impact assessment;
- 11.4.2 A bespoke training module on ‘Supporting the Mental Wellbeing of your Team’ had been introduced to ensure line managers had the knowledge and skills needed to support others and help enable a positive work experience for all colleagues. Whilst the development of this online training was commended, the Committee recognised that the level of management engagement with the training had been low. The training completion levels would continue to be monitored and in addition the development of bite-size training options would be considered alongside enhanced communications and improved accessibility to increase the level of take up across the University;
- 11.4.3 The colleague wellbeing toolkit included resources and signposted further support and guidance available. It was recognised that following the second round of The Exeter Release Scheme this was as important tool to support staff;
- 11.4.4 Escalation points had been clearly promoted. This signalled that colleagues could raise a concern with HR in relation to workload if it had not been possible to resolve the matter with their line manager. Colleagues had also been signposted to Dignity and Respect Advisors, Speak Out Guardians and the newly available online reporting system;
- 11.4.5 The importance of the Wellbeing Inclusion and Culture Committee (WICC) at corporate level, within Professional Services and within Faculties had also been a significant factor and wellbeing had been reviewed termly;

- 11.4.6 A dedicated TERS risk assessment had been used to monitor key stress indicators. It was noted that staff behaviours may be impacted by TERS and therefore staff had been signposted to the support available.
- 11.5 The Audit and Risk Committee noted the level and breadth of work that had been undertaken and the focus that had been placed on the provision of support for colleagues through a significant period of institutional change.
- 11.6 The following points were noted:
- 11.6.1 In response to a question about the impact of work that had been undertaken, the Committee was provided with assurance that the Corporate Stress Risk Assessment (an assessment against HSE standard that sets out six stressors) had shown a positive reduction in scores against all indicators;
- 11.6.2 The Committee was keen to understand if it had been possible to measure the health and wellbeing of staff across the organisation in a single score. The Committee was advised that whilst there was no single score, the overall data had indicated staff felt supported. It was further noted that mental health and wellbeing at work was multi-faceted and had potential to be influenced by other factors outside of work;
- 11.6.3 The Audit and Risk Committee explored improvements in the health and wellbeing of staff due to the work that had been undertaken, and had been keen to understand how the impact of the work would be measured;
- 11.6.4 Responses from the Colleague Experience Survey provided evidence that relationships were strong across the organisation and staff valued this aspect of their role. It had been further evidenced that staff knew where to access support. Work was underway to provide support for members of staff that have been impacted by colleagues that had left the University following the second round of TERS;
- 11.6.5 That the culture of the organisation was important and staff had indicated in responses to the Colleague Experience Survey that they felt able to access support when required. It had also been reported via the Colleague Experience Survey that managers had demonstrated the importance of wellbeing, and staff felt able to take time off when ill. The c. 22,000 written comments in the Colleague Experience Survey provided valuable evidence and demonstrated the strong culture of the organisation;

Closed minute – Commercial in Confidence

- 11.6.7 The Audit and Risk Committee was advised that UEB were scheduled to discuss the results of the most recent Colleague Experience Survey at a forthcoming meeting. Recent feedback from staff across the organisation had indicated that the survey had been issued too frequently and completion had therefore originally been reduced from three times a year to twice a year. Most recently, the survey had been issued annually as completion rates had reduced from c. 70-75% to c. 52% for the most recent survey. The importance of identifying the optimal balance for the frequency and timing of the Colleague Experience Survey to maximise return rate was noted.

- 11.7 The Audit and Risk Committee recognised the importance of a continued institution-wide focus on staff health and wellbeing in the challenging sector-wide landscape. The Committee noted the assurance provided about the controls in place and welcomed the clear and detailed overview of work that had been undertaken to support staff.

The Chair thanked Imelda Rogers (Deputy Registrar and Executive Divisional Director of Human Resources, Culture and Assurance) and Shades Chaudhary (Assistant Director, Culture and Inclusion) for their contribution and invited them to leave the meeting.

12. Risk Deep Dive Programme – CR6: Health and Safety Management Arrangements (AUD/10/25-26, Confidential)

- 12.1 CR6 (Health and Safety Management Arrangements) had seen a fluctuation in the level of risk over recent years. The current risk score was rated moderate. The Committee noted the approach to maintaining health and safety management arrangements and was assured that strong assurance processes had been established
- 12.2 The HSG65 guide produced by the Health and Safety Executive had been selected as the model for the management of health and safety across the University, which helped to ensure health and safety management was considered as an integral part of good management rather than as a standalone system.
- 12.3 The Health and Safety Team had produced over 50 policies, procedures, guidelines and specialist training courses. Advice continued to be offered by the team and systems were in place to support this first line of defence in the University's health and safety arrangements;
- 12.4 The Committee noted the University operated under a devolved safety culture with managers responsible for the risk profile in their area. It was noted that work was underway to develop training for researchers who have a requirement to work outside of typical working hours.
- 12.5 The health and safety management system was reported to have matured over a significant period of time (10-12 years) which had resulted in less time required for ongoing development of policy and low-level advisory work and enabling more time to focus on complex projects and continuous improvement.
- 12.6 Monitoring and oversight arrangements were noted as:
- 12.6.1 Safety committees established across all Faculties and Professional Services that provided a mechanism for staff to report any concerns;
- 12.6.2 Fortnightly meetings between the Head of Health and Safety and the Trade Union representatives;
- 12.6.3 Regular assurance reports provided to the Compliance Committee;
- 12.6.4 An annual report from the Compliance Committee provided to Audit and Risk Committee;

- 12.6.5 Regular inspections and reports that involved external organisations, including: Environment Agency, Health and Safety Executive, counter terrorism security advisors, Department for Transport, fire and rescue and Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR).
- 12.7 The Committee noted that as part of the TERS scheme, it had been a requirement to notify if the colleague due to leave held a compliance role (eg first aider). This had enabled gaps in compliance roles to be identified.
- 12.8 In relation to barriers to continued improvement, the Committee was advised that not all managers across the University had a comprehensive view of the importance of their role in the management of safety, particularly in academic areas. Furthermore, there were instances where the Health and Safety team had received late requests for support with complex safety arrangements.
- 12.9 Future developments would involve implementation of an improved digital reporting tool for incidents. The Service Improvement Plan would be approved by Council later in the year, and work would continue on the trusted research framework. A new compliance self-assessment tool would be introduced to assist managers to identify and fill gaps in their skills and knowledge.
- 12.10 The following points were noted in discussion:
- 12.10.1 The Committee noted staffing changes within the Health and Safety team and high risk research were amongst the most significant areas of potential concern;

Closed minute – Confidential

- 12.10.5 The current focus on managers had derived from the reported lack of understanding of their role in the management of safety, particularly in academic areas;
- 12.10.6 The Audit and Risk Committee noted that changes in staffing through TERS may have identified single points of failure that would need to be addressed. It was affirmed that health and safety remained a priority across the University, and management and governance of health and safety would continue to be an area of focus. Lessons learned from other institutions had been shared through the GW4 group and published HSE improvement notices.

13. Annual Report of the Audit and Risk Committee (AUD/11/25-26, Confidential)

- 13.1 The Audit and Risk Committee received the Annual Report of the Audit and Risk Committee 2024/25. The Committee was assured that the level of detail included in the report was comparable to other Russell Group universities. The report would be presented to Council and submitted to the OfS.
- 13.2 The Committee was satisfied the report provided an accurate and complete representation of its work.

ENDORSED: The Annual Report of the Audit and Risk Committee 2024/25 to Council (9 December 2025).

14. University Annual Reports

a) **Draft University Financial Statements to 31 July 2025** (AUD/12/25-26 and AUD/12a/25-26, Confidential – Commercial in Confidence)

- 14.1 The draft University financial statements were presented to the Audit and Risk Committee. The near final version would be presented at the next meeting of the Audit and Risk Committee on 6 November 2025. The draft financial statements had been issued to KPMG.

Closed minute – Commercial in Confidence

- 14.3 It was noted there had been no significant changes compared to last year in the requirements for preparation of the accounts. There had been no changes to FS102 (the Financial Reporting Standard) or the OfS Accounts Direction.
- 14.4 In response to a question about the Going Concern paragraph (page 23 of AUD/12a/25-26), it was affirmed this paragraph would be updated based on information in the accompanying paper (AUD/12d/25-26) and subsequent discussion.
- 14.5 The following points were discussed:
- 14.5.1 That the financial statements accurately reflected the context and significant factors, but the wider narrative within the annual report would require a balanced view and ensure clear focus on driving forward strategic change and addressing the financial challenges across the sector;
- 14.5.2 There was no current requirement to provide a separate report on financial viability. However, OfS Condition of Registration D indicated that providers must be financially viable, financially sustainable and have the resources to provide and fully deliver the courses as advertised and necessary to comply with the conditions of registration.

b) **Contingent Liabilities as at 31 July 2025** (AUD/12b/25-26, Confidential – Commercial in Confidence)

- 14.6 The Committee noted that the draft financial statements had included a definition of contingent liabilities but had not specified the specific contingent liabilities. Contingent liabilities from UPP (student residences) and arrangements with INTO had been assessed. It had been concluded that all would remain recognised as contingent liabilities.

Closed minute – Commercial in Confidence

ACTION: To consider if more detailed information on contingent liabilities should be included within the financial statements.

c) **Financial Covenants** (AUD/12c/25-26, Confidential – Commercial in Confidence)

- 14.10 The Audit and Risk Committee received a report on the specific and generic financial covenants that the University must comply with on an annual basis. The Committee was assured that all covenant tests had been passed for 2024/25 (31 July 2025 financial year end) based on the budget approved by Council on 10 July 2025 and assumed continued action on mitigation plans.
- 14.11 Confidence in declaration of compliance with all debt lending covenants in 2024/25 was reported. Although reported as a provisional position at present, the final position would be reported within the finalised annual report and accounts for 2024/25.
- 14.12 The Committee was advised the University must comply with a series of debt monitoring trigger events within the Universities Superannuation Scheme (USS). It was noted all five metrics had been reported as compliant.

Closed minute – Commercial in Confidenced) **Going Concern Briefing** (AUD/12d/25-26, Confidential – Commercial in Confidence)

- 14.16 The Audit and Risk Committee received the Going Concern Briefing and was advised that the accounts had been prepared on a going concern basis which demonstrated the University's confidence in medium term financial sustainability.

Closed minute – Commercial in Confidence

ENDORSED: Contingent liabilities as at 31 July 2025, Financial Covenants, Going Concern Briefing to Council (9 December 2025).

15. Update on University Insurance Arrangements (AUD/13/25-26 and AUD/13a/25-26, Confidential – Commercial in Confidence)

The Chair invited Tracey Allen as the newly appointed Insurance, Audit and Risk Manager to the meeting to briefly introduce the update on the University insurance arrangements.

- 15.1 The Committee was advised the renewal process had been initiated in May 2025 for policy start dates of October 2025. It was confirmed that cover had been placed and a small saving had been achieved overall. The detailed review had provided an opportunity to review cover, minimise duplication, and ensure a focus on value for money to achieve the best cover for the best price.

Closed minute – Commercial in Confidence

- 15.3 It was confirmed that cover had been placed and a small saving had been achieved overall,
- 15.4 The insurance broker contract and all insurance policies would be tendered in February 2026. All new arrangements would comply with the University insurance policy.

- 15.5 The Chair of the Audit and Risk Committee extended thanks to the team for the work that had been undertaken to review and renew the insurance policies.

16. University of Exeter Insurance Policy (AUD/14/25-26 and AUD/14a/25-26, Open)

- 16.1 The Audit and Risk Committee noted this was the first University Insurance Policy, developed in response to a recommendation following an internal audit of insurance processes. It had been approved by UEB on 11 September 2025.
- 16.2 The policy had been introduced at the point where self-insurance had been considered. This issue had since been resolved.
- 16.3 The Committee affirmed the policy was clear and well-articulated.

The Chair thanked Tracey Allen (Insurance, Audit and Risk Manager) for their contribution and invited them to leave the meeting.

17. University of Exeter Due Diligence Policy (AUD/15/25-26, Open)

- 17.1 The Due Diligence Policy had been updated to include improved management oversight arrangements. It had been updated to provide assurance that expected standards were in place and the Partnership Principles had been included.
- 17.2 The updated policy included a risk scoring matrix, an approved governance route for all outcomes, a central repository for all approvals and a new training and information resource. It had been designed to improve ease of use and support staff across the University to make informed decisions on partnerships.
- 17.3 The Committee noted that partnership decisions involved high levels of risk and it would be important that the policy would be used in practice.
- 17.4 It was acknowledged that smaller value partnerships may exhibit high risk issues. It was therefore noted that the approach would need to be embedded across all Faculties and Departments.
- 17.5 The new policy better enabled staff to identify risks earlier in the process. The new policy had been linked with the trusted research framework that had been discussed at the previous meeting of the Audit and Risk Committee in June 2025.
- 17.6 The Committee noted the importance of adherence to the policy and the importance of effective communication about implementation of the policy.

APPROVED: The Due Diligence Policy.

18. University of Exeter Internal Audit Policy (AUD/16/25-26 and AUD/16a/25-26, Open)

- 18.1 The Audit and Risk Committee noted this was the first University Internal Audit Policy. It had been approved by Compliance Committee and included the University's approach to the provision and pre-approval of all non-audit services.

- 18.2 Development of the policy had been identified as an area for enhancement following the review and gap analysis of committee work against the CUC HE Audit Committee Code of Practice in 2024/25.
- 18.3 The Committee was provided with assurance that Compliance Committee would monitor the effectiveness of the policy.
- 18.4 The following was noted in discussion:
- 18.4.1 Increased flexibility to bring the managed outsourced elements in-house may be required in the future.
- 18.4.2 Elements of procedure had been included within the policy, and it may be of benefit to separate these from the policy itself.
- 18.4.3 Reference to the external audit process had been included in error.

ACTION: To consider minor revisions to the Internal Audit Policy to remove the elements of procedure within the policy and remove the reference to external audit.

ACTION: To review the role of the Audit and Risk Committee detailed within the Internal Audit Policy in alignment with the committee's Terms of Reference and identify any necessary changes.

19. Chair's Closing Remarks

- 19.1 The Chair thanked members for their contribution to the meeting and advised that the next meeting would be held on 6 November 2025.

20. Part II

- 20.1 The following items were received in Part II **for Endorsement:**

20.1.1 Annual Assurance Report – Information Governance (AUD/17/25-26, Confidential – Commercial in Confidence)

- 20.2 The following items were received in Part II **for Information and Assurance:**

20.2.1 Procurement Competition Waiver: Quarterly Reports (AUD/18/25-26 and AUD/18a/25-26, Confidential Commercial in Confidence)

20.2.2 Economic Crime and Corporate Transparency Act Report (AUD/19/25-26 and AUD/19a/25-26, Confidential)

20.2.3 Office for Students Accounts Direction (AUD/20/25-26, Open)

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

- 21.1 A closed discussion was held for Independent Members of Audit and Risk Committee. The Director of Governance Services was also in attendance.