



University of Exeter
Audit and Risk Committee

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

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

CONTENTS:

No.	Item
24.63	Closed Session for Independent Members of Audit and Risk Committee Members Only (discussion not minuted)
24.64	Welcome and Declarations of Interest
24.65	Minutes of the Meeting held on 27 March 2025
24.66	Action Log 2024-25
24.67	Business Schedule 2024-25 and Forward Plan 2025-26
24.68	Internal Audit: a) Internal Audit Progress Report 2024-25 b) Internal Audit Reports 2024-25 i) HR (Staff Grievances) ii) International Student Recruitment iii) Finance (P2P) Cycle iv) Enabling Strategy 2030: Gold Group c) Internal Audit Plan for 2025-26
24.69	External audit: a) External audit plan
24.70	Final Financial Forecast 2024-25
24.71	Risk Report 3 AY 2024-25 and Horizon Scanning
24.72	Risk Maturity Update
24.73	Risk 'Deep Dive' Programme: CR25: Failure in Balancing Freedom of Speech and Duty of Care
24.74	Risk 'Deep Dive' Programme: CR23: Imbalance in Inclusivity Focused Areas
24.75	Deep Dive Risk Programme for AY 2025-26
24.76	Public Interest Disclosure (Whistleblowing) Policy and Procedure Annual Update
24.77	IT Services Update a) NIST Maturity Checkpoint b) Data Loss Prevention Audit Findings c) Removable Media Policy
24.78	Assurance Report on Import / Export Control and Trusted Research Framework
24.79	Mandatory Training Update
24.80	Compliance Committee Annual Report

- 24.81 Chair's Closing Remarks
 24.82 Part II – for information
 i) Procurement Competition Waiver: Quarterly Reports
 ii) PwC Assurance of Sustainability Data 2023-24
 iii) Data Assurance Statutory Return
 24.83 Closed Session for Independent Members of Audit and Risk Committee Members Only (discussion not minuted)

ACTIONS

Item	Action	Owner	Deadline
67.3	To ensure there was a longer lunch break and sufficient comfort break for Audit and Risk Committee meetings in the Academic Year 2025-26.	Jeremy Diaper	September 2025
68.2	That the Chair of Audit and Risk Committee would highlight in his post-meeting feedback session with the Chair of Council and President and Vice-Chancellor the importance of ensuring accurate management information was provided to monitor and measure the impact of the Curriculum for Change programme on graduate employability on a sustained basis.	Tim Weller	July 2025
68.13	To ensure the backlog of due diligence checks was completed and provide assurance to the Audit and Risk Committee that all records were complete in respect of due diligence checks on agents used to support international student recruitment activity.	Mike Shore-Nye	December 2025
68.13	To review the due diligence training provision for the International Student Recruitment team.	Mike Shore-Nye	December 2025
68.24	To update the internal audit plan to note the postponement of the internal audit planned for Overseas Diversification (B10).	Mike Shore-Nye	December 2025
68.24	To ensure the internal audit plan for 2025/26 incorporated an internal audit on graduate employability, but without expanding the length of time spent on this or incurring any additional costs or associated demands on management time.	Kate Lindsell	September 2025
72.7	To review and expedite the timescale for implementation of risk appetite statements.	Mike Shore-Nye	July 2026
72.7	That consideration should be given to utilising the risk appetite statements as a mechanism to help support the review and refresh of Strategy 2030 and strategic objectives.	Mike Shore-Nye	July 2026
75.4.2	To develop a 3-year rolling risk deep dive programme, including the series of deep dives that had been considered in the previous academic year and provisional forward plan of forthcoming academic years in the process of development.	Kate Lindsell	September 2025

75.4.2	To retain the timing of the planned deep dive on staff wellbeing in Term 1 AY 2025-26, and to consult with the Deputy Registrar and Executive Divisional Director of HR, Culture and Assurance on potential benefit of scheduling another deep dive at the beginning of the Academic Year 2026-27.	Kate Lindsell	September 2025
75.4.2	To defer the Failure to deliver Carbon net zero deep dive to (June 2026) and bring forward the Philanthropy deep dive to November 2025.	Kate Lindsell	September 2025
76.8.3	To improve signposting to other relevant policies alongside the public interest disclosure policy.	Jeremy Diaper / Kate Lindsell	September 2025
76.8.3	To publish the accompanying flowchart online to assist employees ability to navigate the public interest disclosure procedure and assimilate the most salient information.	Jeremy Diaper / Kate Lindsell	September 2025
77.7	To develop an effective mechanism for more clearly highlighting the progress on the Cyber Security roadmap and any material delays when reporting to Audit and Risk Committee.	Mike Shore-Nye	September 2025
77.13	That the Divisional Director of IT Services would discuss and finalise the timing for the implementation of the updated removable media policy in consultation with the Senior Vice-President and Provost and Senior Vice-President and Registrar & Secretary and in recognition that there would be a significant period of institutional change in August 2025.	Mike Shore-Nye	September 2025
77.13	To discuss and consider the optimal way forward to ensure partner organisations have sufficiently robust IT and cyber security protocols in and provide an assurance report to Audit and Risk Committee.	Mike Shore-Nye	July 2026

DECISIONS

Item	Decision	Paper No
65.1	AGREED: to endorse the minutes of the meeting of 27 March 2025 to Council (10 July 2025).	AUD/56/24-25, AUD/56a/24-25
68.25	ENDORSED: The Internal Audit Plan for 2025/26 to Council (part II) on 10 July 2025 for information and assurance.	AUD/60/24-25
71.7	ENDORSED: Risk Report 3 of AY 2024-25 to Council (10 July 2025).	AUD/62/24-25
72.7	ENDORSED: The Risk Maturity Update to Council (part II paper) for information and assurance on 10 July 2025.	AUD/63/24-25
75.4.2	ENDORSED: The Deep Dive Programme for AY 2025-26 to Council (part II) on 10 July 2025 for information and assurance.	AUD/66/24-25

Attendees

Members Present

Tim Weller	Chair and Independent Member
Karime Hassan	Independent Member
Sarah Matthews-DeMers	Independent Member
Alison Reed	Independent Member

In attendance

Dan Charman	Senior Vice-President and Provost
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

Matthew Elmer	PwC, Internal Audit
Alison Breadon	PwC, Internal Audit

Rees Batley	KPMG, External Audit
Samuel Hoey	KPMG, External Audit

Secretary

Dr Jeremy Diaper	Director of Governance Services
------------------	---------------------------------

Support Staff

Sarah Hicks	Deputy Head of Governance Services (minutes)
-------------	--

Apologies

Mike Shore-Nye	Senior Vice-President and Registrar & Secretary
----------------	---

Invited to Attend:

Minute Item 71

Ben Lawlor	Insurance, Audit and Risk Manager
------------	-----------------------------------

Minute items 73 and 74

Professor Rajani Naidoo	Vice-President and Deputy Vice-Chancellor (People and Culture)
Shades Chaudhary	Assistant Director, Culture and Inclusion

Minute item 77

Nathan Burden	Divisional Director of Information Technology
---------------	---

Minute item 78

Steve Popham	Assistant Director, Research Finance, Governance & Systems
--------------	--

Minute item 79

Holly Davey	Assistant Director, HR Partnering and OD
-------------	--

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

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

64. Welcome and Declarations of Interest

64.1 The Chair welcomed Audit and Risk Committee members to the meeting and noted that there were no new declarations of interest in relation to items on the agenda.

64.2 It was also noted that apologies had been received from the Senior Vice-President and Registrar & Secretary.

65. Minutes of the Meeting held on 27 March 2025 (AUD/56/24-25 and AUD/56aa/24-25 Strictly Confidential)

65.1 The minutes of the meeting of 27 March 2025 were **APPROVED**.

66. Action Log - Academic Year 2024-25 (AUD/57/24-25 and AUD/57aa/24-25 Strictly Confidential)

66.1 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.

67. Business Schedule for 2024-25 and Forward Plan for 2025-26 (AUD/58/24-25, AUD/58a/24-25 and AUD/58b/24-25) Strictly Confidential)

67.1 The Audit and Risk Committee received the updated Business Schedule for the current Academic Year 2024-25 for information.

67.2 The Audit and Risk Committee noted the forward plan for 2025-26 and highlighted that the enhanced format of the Business Schedule was especially helpful in enabling the committee to look ahead to forthcoming academic year.

67.3 In recognition that Audit and Risk Committee meetings were scheduled to take place online between 11am to 3pm during 2025-26, members requested that sufficient time for lunch and comfort break was incorporated within meeting agendas.

ACTION: To ensure there was a longer lunch break and sufficient comfort break for Audit and Risk Committee meetings in the Academic Year 2025-26.

68. Internal Audit

a) **Internal Audit Progress Report 2024/25 (AUD/59/24-25 Commercial in Confidence)**

- 68.1 The Chair invited Matthew Elmer (PwC) to introduce the internal audit progress reports for 2024-25. Three points were highlighted:
- 68.1.1 Good progress had been made against the 2024/25 internal audit plan and fieldwork for seven of the 13 reviews had been completed;
- 68.1.2 In response to management requests, minor changes to the 2024/25 internal audit plan had been accommodated for the following audits: Curriculum for Change, Governance (Part 2), Freedom of Speech and Duty of Care;
- 68.1.3 An update on recent developments in the sector had been included within Appendix D. This included a summary of recent publications on Graduate Employability themes from Internal Audit and OfS expectations on Industrial Action. It was noted that Graduate Employability had been included within the internal audit plan for 2025/26.
- 68.2 Further to discussions that had previously taken place at Council in respect of graduate employability, the Audit and Risk Committee acknowledged that one aim of the University's C4C programme would be to have a positive impact on graduate employability. This would require accurate management information to be provided on a sustained basis in order that the impact of changes could be measured over several years.

ACTION: That the Chair of Audit and Risk Committee would highlight in his post-meeting feedback session with the Chair of Council and President and Vice-Chancellor the importance of ensuring accurate management information was provided to monitor and measure the impact of the Curriculum for Change programme on graduate employability on a sustained basis.

b) Internal Audit Progress Reports 2024/25

i) HR (Staff Grievances) (AUD/59a/24-25 Commercial in Confidence)

- 68.3 The audit of Staff Grievances had proved timely due to developments that were in process in the University's informal resolution process. The report had been classified as medium risk.
- 68.4 Two medium risk findings were reported:
- 68.4.1 Several opportunities to enhance and encourage informal resolution had been identified;
- 68.4.2 A more structured approach to data reporting on trends and themes in grievance cases had also been recommended as an area for improvement.
- 68.5 Three low risk findings identified improvements were required in the following areas: communication and updating of grievance procedures; formal documented timelines; and development of staff training.
- 68.6 The Committee noted that no significant concerns had been identified.
- 68.7 The following was noted in discussion:

- 68.7.1 That whilst overall the current procedures had been applied effectively, there were nevertheless opportunities to enhance the use of informal resolutions at an earlier stage to minimise use of formal staff grievance process;
- 68.7.2 The benefit of utilising informal resolutions was noted and it was acknowledged that it was more likely to result in a positive impact in comparison to formal processes which tended to result in a deleterious impact on ongoing working relationships and staff morale irrespective of the outcome;
- 68.7.3 The importance of widely communicating and promoting benefits to employees of seeking informal resolution in the first instance was recognised;
- 68.7.4 That it was recognised in the current sector-wide landscape of continuing financial pressures and staff redundancy programmes, there was the potential for the number of staff grievances to be increased in response to this and that these trends should be monitored and mitigated against.

ii) International Student Recruitment (AUD/59b/24-25 Commercial in Confidence)

- 68.8 The internal audit of International Student Recruitment had reviewed the University strategy, plans and key processes, including the use of agents by the University to support international student recruitment activity.

Closed Minute – Confidential

- 68.10 The Audit and Risk Committee noted two low risk findings had also been included within the report.
- 68.11 In response to a question about whether all due diligence checks for international agents had been completed in cases where incomplete records had been identified, the Committee was assured the majority of due diligence checks had been undertaken. It was recognised it would be important to follow up on this to ensure all due diligence checks for current agents had been comprehensively completed, especially in light of increasing scrutiny the quality of international agents and associated reputational risks.
- 68.12 The Committee noted that the University had signed up to the UK Agent Quality Assurance Framework and that a recent review had been undertaken to ensure all contractual arrangements reflected the expected standard an institution and that these are in line with the Framework. As part of the contract, agents are told they must adhere to The National Code for Ethical Practice for UK Education Agents 2021.
- 68.13 The Committee was advised the University's Due Diligence Policy was under review and due to be presented to UEB on 11 July 2025. The revised policy would include the University's agreed approach to and timescales for dealing with the backlog of training. Furthermore, the assurance was given that due diligence training had been provided for the Directors within the Global Engagement team as part of planned TNE activity. It was noted that it would also be prudent to develop a specialist training package directed specifically at international agents and International Student Recruitment team.

ACTION: To ensure the backlog of due diligence checks was completed and provide assurance to the Audit and Risk Committee that all records were complete in respect of due diligence checks on agents used to support international student recruitment activity.

ACTION: To review the due diligence training provision for the International Student Recruitment team.

iii) Finance (Purchase to Pay) (AUD/59c/24-25 Commercial in Confidence)

68.14 The Purchase to Pay internal audit had resulted in a low risk report. It was noted the PS Connect structure and the new procurement operating model had resulted in a positive impact in relation to process improvements and the support provided to staff on purchasing activity.

68.15 One low risk finding was reported. The Committee acknowledged the internal audit had provided a positive report.

68.16 The Audit and Risk Committee noted the audit had focused on transactions and welcomed the procurement focused audit planned for 2025/26 which would provide a valuable opportunity to examine the end-to-end procurement process.

iv) Enabling Strategy 2030: Gold Group (AUD/59d/24-25 Commercial in Confidence)

68.17 The Enabling Strategy 2030 internal audit had focused on the actions implemented through the Enabling Strategy 2030 Gold Group, the maturity of the associated individual work streams (workforce, non-pay, teaching and research) and route to cash.

68.18 The Committee was advised the audit had resulted in a medium risk report, with two medium risks identified:

68.18.1 The availability of data and maturity of the different workstreams had resulted in varied oversight of financial performance across the different workstreams;

68.18.2 Varied understanding of the route to cash across the different workstreams had affected the ability to identify and implement effective cost-saving measures, it had particularly affected the Teaching workstream which had demonstrated the least coherent approach in its route to cash.

68.19 The Audit and Risk Committee was pleased to note several areas of good practice had been identified as a result of the establishment of the Gold Group, including the robustness of the overarching structure, governance framework and central oversight; the clear action plans of work associated with workstreams; and effective communication and stakeholder engagement.

68.20 The following was noted in discussion:

68.20.1 It was recognised that it was critical to develop a robust understanding of Recurrent and non-recurrent costs to enable a secure plan to reduce the cost base that was realistically deliverable;

- 68.20.2 The Committee acknowledged the different levels of maturity across the workstreams, Whilst the non-pay workstream was the most mature as it provided a clear route to cost efficiencies, the Teaching workstream was particularly complex in nature as it was dependent on a range of factors, including workload and time allocation of academic staff across a range of activities, including research, scholarships and citizenship
- 68.20.3 In response to the internal audit, there had been a particular focus on enhancing the maturity of all workstreams to enhance the routes to cost efficiencies. Further financial analysis and insight into potential cost savings was going to be undertaken as part of the next phase of activity;
- 68.20.4 That caution was required to avoid double counting, particularly in respect of teaching efficiencies.

c) Internal Audit Plan for 2025/26 (AUD/60/24-25 Commercial in Confidence)

- 68.21 The Internal Audit Plan for 2025-26 had been developed as a collaborative endeavour and had involved dialogue with key stakeholders, PSDLT and UEB. Consideration had been given to the most significant risks identified within the corporate risk register, statutory and legislative requirements of the internal audit service, previous areas of internal audit focus and wider consideration of risk and controls.
- 68.22 The Committee affirmed that the proposed internal plan was thorough and acknowledged the benefit of the updated format of the 3-year rolling plan that mapped the current year plan alongside future years to ensure the overall programme was considered holistically.
- 68.23 The Audit and Risk Committee noted the Internal Audit Plan for 2025-26 showed an increase of allocated days as a result of the Graduate Employability audit that had been included in the plan following discussions with UEB.
- 68.24 The Committee considered whether to retain the increased number of days or determine that an audit should be de-prioritised. It was agreed to postpone the internal audit planned on Overseas Diversification (B10).
- 68.25 The Audit and Risk Committee extended thanks to PwC for a clear and coordinated internal audit plan.

ACTION: To update the internal audit plan to note the postponement of the internal audit planned for Overseas Diversification (B10).

ENDORSED: The Internal Audit Plan for 2025/26 to Council (part II) on 10 July 2025 for information and assurance.

ACTION: To ensure the internal audit plan for 2025/26 incorporated an internal audit on graduate employability, but without expanding the length of time spent on this or incurring any additional costs or associated demands on management time.

69. External Audit

a) **External Audit Plan for 2025-26 (AUD/61/24-25 Commercial in Confidence)**

- 69.1 The Chair invited Samuel Hoey (KPMG) to introduce the external audit plan for 2025-26.
- 69.2 Thanks were extended to the Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services, and the Director of Finance, for their co-operation which had resulted in the completion of 2024-25 audits by February 2025.
- 69.3 The Committee was advised the 2025-26 plan outlined two significant risks:
- 69.3.1 The risk of error related to revenue recognition for research income;
- 69.3.2 The fraud risk related to the unpredictable way management override of controls may occur;
- 69.4 Other risks had been identified as:
- 69.4.1 The valuation of Exeter Retirement Benefits Scheme (ERBS) pension obligations, that an inappropriate amount would be estimated for the defined benefit obligation;
- 69.4.2 Risks relating to going concern in light of heightened financial pressures across the higher education sector resulting from challenges with student recruitment (overseas and domestic) alongside rising operational costs;
- 69.5 The Committee noted the following in relation to materiality:
- 69.5.1 Qualitative factors had been considered when determining materiality for the financial statements, with a benchmark of 2.25% (£15.4m) materiality used for the financial statements as a whole;
- 69.5.2 Misstatements reported to the Committee relating to the University were £770k.
- 69.6 The Committee noted no change was planned for subsidiary audits, these would remain as Exeter ISC Limited and The Exeter University Foundation.

Closed Minute – Confidential, Commercial in Confidence

70. Final Financial Forecast (Verbal Update)

- 70.1 The Committee was advised a written paper would be presented to Finance and Investment Committee on 1 July 2025 ahead of the Council meeting on 10 July 2025. The following key points were provided as a verbal update:

Closed Minute – Confidential, Commercial in Confidence

- 70.2 The Committee acknowledged the significant amount of work undertaken in respect of the budget position.

- 70.3 The Audit and Risk Committee reflected on the recently published report presented to the Scottish Funding Council by Professor Pamela Gillies and the independent investigation into the financial oversight and decision making at the University of Dundee. The following points were noted in discussion:
- 70.3.1 The Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services had conducted an in-depth analysis of the findings, which had been shared with the President and Vice-Chancellor, the Senior Vice-President and Registrar & Secretary, the Senior Vice-President and Provost, and Director of Governance Services
- 70.3.2 The published findings had outlined failings in relation to financial planning, corporate governance, risk management and the underlying culture of the University. This included poor financial judgement and leadership, incomplete and inaccurate financial reporting, ineffective governance (including late papers and regular verbal reports), and a culture where challenge was not welcomed or listened to. The Committee noted that following a detailed review of the report and key findings no significant areas of concern had been identified at the University, but recognised that it was important to avoid complacency and that a series of improvements had been identified in relation to the level of detailed reporting on cash and working capital;
- 70.4 The Committee noted the work that had been undertaken in relation to horizon scanning, business continuity planning and scenario modelling. Recent work had examined and modelled the impact of provider failure, from the perspective of Exeter taking on board another Institution, and also a review of the scenario in reverse.
- 70.5 The UUK Transformation and Efficiency Task Force had considered a variety of scenarios and examples of sector-wide collaborations that could be explored to address the financial challenges facing the sector, including Federations, Group structures, Multi-Academy Trusts, and Strategic Partnerships and alliances.
- 70.6 The Committee affirmed that it would be important to learn lessons from the challenges that had faced the Further Education sector and that it would be beneficial to draw upon the experience and expertise of Sir Richard Atkins (the Pro-Chancellor and Deputy Chair of Council) in his previous role as Further Education Commissioner;
- 70.7 The Committee recognised the complexities of the HE sector and that any effective approach to sector-wide transformation would need to have a deep-seated consideration of the regulatory framework, elements of competition law and the distinctive nature of the size and shape of institutions and their estate.

71. Risk Report 3 of 2024-25 and Horizon Scanning (AUD/62/24-25 Confidential, Commercial in Confidence)

The Chair invited Ben Lawlor (Insurance, Audit and Risk Manager) to the meeting to briefly introduce the risk management report.

- 71.1 Following review by Compliance Committee (27 May 2025) and UEB (12 June 2025) the third report of the 2024-25 risk management reporting cycle was presented to the Audit and Risk Committee.

71.2 In light of discussions at the previous meeting of Audit and Risk Committee in March 2025, UEB had re-considered the risk rating for CR53 (failure to achieve the planned home and international post graduate taught numbers). Previously rated as 'very high', it had been reduced to a 'high' rating due to increased clarity and strong controls in place.

Closed Minute – Confidential, Commercial in Confidence

71.7 The Audit and Risk Committee affirmed the updated Risk Report reflected the current position.

ENDORSED: Risk Report 3 of AY 2024-25 to Council (10 July 2025).

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

72. Risk Maturity Update (AUD/63/24-25, Open)

72.1 Further to previous discussions at Audit and Risk Committee, UEB had been presented with a paper that outlined a proposal in relation to further development of the University's risk management strategy. The proposal had been developed with support from key stakeholders across University. It had incorporated recommendations from PwC alongside the outcome from field work / sector review and had been referenced against the Institute of Risk Management.

72.2 The Audit and Risk Committee noted the development of the University's risk management strategy comprised three elements, including development of a strategic risk register, implementation of target risk scores, and creation of a risk appetite framework;

72.3 Target risk scoring was agreed as a priority by UEB, with implementation confirmed for October 2025. UEB had acknowledged the benefits of a strategic risk register that provided a clear link between risks and Strategy 2030 objectives. It was noted further work would be required and the target date for implementation was outlined as February 2026.

72.4 Risk appetite statements would enable an upper limit to be set for risk taking, by subject matter and with a statement to explain what was tolerable and why. The target date for implementation was initially anticipated to be February 2027.

72.5 The following was noted in discussion in relation to the proposed strategic risk register:

72.5.1 Development of a strategic risk register would enable a more focused framework and sophisticated structure to ensure greater alignment and coherency between consideration of the Strategy and risks. Risk related to the effective management of the organisation (Corporate risks) and operation of the organisation (Operational risks) would remain separate and continue to be reviewed at Compliance Committee;

72.5.2 That a strategic risk register would ensure a clearer indication of the risks that may affect delivery of the strategy, which would help further focus work of the Audit and Risk Committee;

- 72.5.3 It was also acknowledged that the development of a strategic risk register would enable risks to be considered thematically to improve visibility of the University's risk landscape, it would be important that this was not over-engineered and did not involve the production of additional reports or information;
- 72.6 The following was noted in discussion in relation to the proposed risk appetite statements:
- 72.6.1 The Committee noted the significance of risk appetite statements as integral to strategic decision making;
- 72.6.2 It was acknowledged that risk appetite had already been considered as part of strategic decision making process, however, there had been no written statement that outlined the University's approach to risk appetite;
- 72.6.3 Several Committee members expressed concern about the proposed implementation date of February 2027 and requested that development of risk appetite statements and timeframes for implemented be prioritised;
- 72.6.4 That it was acknowledge risk appetite statements would have been beneficial in enabling a more detailed consideration of the risks associated with setting a Strategy 2030 Net Zero target.
- 72.6.5 That it would be too challenging to develop a holistic institutional risk appetite statement due to the complexity of the organisation and that multiple risk appetite statements would be required to enable more granular consideration of specific strategic areas of activity and residual risks.
- 72.7 The Audit and Risk Committee noted that the proposed changes were significant and would further enhance the University's risk management strategy.

ACTION: To review and expedite the timescale for implementation of risk appetite statements.

ACTION: That consideration should be given to utilising the risk appetite statements as a mechanism to help support the review and refresh of Strategy 2030 and strategic objectives.

ENDORSED: The Risk Maturity Update to Council (part II paper) for information and assurance on 10 July 2025.

73. Risk Deep Dive Programme – CR25: Failure in Balancing Freedom of Speech and Duty of Care (AUD/64/24-25, Commercial in Confidence)

The Chair invited Professor Rajani Naidoo (Vice-President and Deputy Vice-Chancellor, People and Culture) and Shades Chaudhary (Assistant Director, Culture and Inclusion) to the meeting to introduce the deep dives.

- 73.1 CR25 (Failure in Balancing Freedom of Speech and Duty of Care) had been on the risk register since 2021. The Committee was advised it was currently a live sector issue. Initial

assessment rated the risk as 'high' but effective controls had been implemented and the risk rating had been reduced to 'moderate'.

- 73.2 Effective controls that had been implemented included a Joint Freedom of Speech and Good campus relations group with the Students' Union and Students' Guild and a robust Policy Framework.
- 73.3 It was noted the risk rating had increased to 'high' for a period during 2023-24 due to ongoing protests and encampments on campus and across the sector. The risk had since been mitigated down through development of the RESPOND protocol for managing protests, training of Senior Responsible Officers, introduction of the Protest Guidelines, Close expectation and relationship management with students and colleagues, HE in Palestine and Investment and Treasury working groups and oversight from the Middle East Gold Group.
- 73.4 The Audit and Risk Committee acknowledged the requirement for the University to balance Freedom of Speech alongside the requirement to meet Equality Act duties and noted that the current geopolitical climate had added further complexity.
- 73.5 The Committee was provided with assurance of a detailed range of controls as outlined in the paper (AUD/64/24-25), that had been put in place to manage the risk.
- 73.6 OfS guidance related to Freedom of Speech had been published on 19 June 2025 and would come into effect on 1 August 2025. The Committee was advised the University would develop and implement a free speech code of practice to meet regulatory requirements.
- 73.7 The following was noted in discussion:
- 73.7.1 The Regulator had not provided a model free speech code of practice, each Institution would need to develop their own code;
- 73.7.2 The code developed by the University of Birmingham had been tested in the Courts and had been considered to provide an example of best practice;
- 73.7.3 It was noted to be a complex area that involved a wide range of legislation across property law and health and safety legislation;
- 73.7.4 The Committee acknowledged the requirement to ensure the safety of students and staff, alongside protecting freedom of speech;
- 73.7.5 Work with UUK had proved helpful and confirmed that development of the University's code of practice was on track.

74. Risk Deep Dive Programme – CR23: Imbalance in Inclusivity Focused Areas (AUD/65/24-25, Commercial in Confidence)

- 74.1 CR23 (Imbalance in Inclusivity Focused Areas) had been on the Risk Register since 2018 and had been rated as 'low' due to the effectiveness of controls in place. It had been retained on the risk register, despite the low rating, to ensure that work and action plans retained a

focus on parity and prioritisation based on needs and feedback across all protected characteristic groups.

- 74.2 The Committee was advised that actions had been driven by data and student feedback, and regular updates had been provided to the Wellbeing Inclusion and Culture Committee (WICC). The EDI team had been designed to ensure each protected characteristic was supported by a responsible owner within the team.
- 74.3 A recent review had identified management of the risk could be further improved through:
- 74.3.1 A review of EDI governance to ensure actions would be taken forward at a local level in a balanced way;
- 74.3.2 Improvements in practice on Equality Impact Assessments to ensure the needs of all groups would be considered in change processes and projects.
- 74.4 The following was noted in discussion:
- 74.4.1 Discussions at WICC highlighted that students and staff had raised classism as a concern at the University;
- 74.4.2 Widening participation and access plans had been designed to improve the student experience, but no similar requirement for staff had been developed;
- 74.4.3 The University had sought strategic advice and guidance from the Rare Recruitment agency to help embed continuous enhancements. Additional data collection would be undertaken to enable further insight and opportunities for improvement;
- 74.4.4 Training had been used to encourage wider awareness and understanding of inadvertent classism;
- 74.4.5 It was recognised that class was not an area covered by protected characteristics, but had nevertheless been recognised as an important area for development and would feature strongly in plans for the new academic year;

The Chair thanked Professor Rajani Naidoo (Vice-President and Deputy Vice-Chancellor, People and Culture) and Shades Chaudhary (Assistant Director, Culture and Inclusion) for their contribution and invited them to leave the meeting.

75. Risk Deep Dive Programme for AY 2025-26 (AUD/66/24-25, Open)

- 75.1 The Deep Dive Risk Programme for 2025-26 was presented to the Audit and Risk Committee.
- 75.2 The Committee was presented with an approach for 2025-26 that mirrored the successful thematic approach that had been adopted for 2024-25. Development of the programme had taken into consideration the PwC internal audit plan for 2025-26, the University's strategic priorities, the work of the Compliance Committee and it had been aligned with the provisional schedule of Council business for 2025-26.

- 75.3 The Committee noted the deep dive sessions had been designed to provide opportunity to explore areas of strategic risk that had not been included in the PwC annual internal audit plan.
- 75.4 The following was noted in discussion in relation to the proposed schedule for deep dives:
- 75.4.1 In relation to a query about the requirement for a deep dive on staff wellbeing, PwC had planned an internal audit on staff welfare in Q2, the importance of a deep dive on staff wellbeing was affirmed. It was acknowledged this would assist with evaluation of the impact of TERS.
- 75.4.2 Consideration would be given to the timing of the Philanthropy deep dive (provisionally planned for June 2026), and the Failure to deliver carbon net zero deep dive (provisionally planned for November 2025) following the launch of the University's new Climate Strategy in the Autumn.

ACTION: To develop a 3-year rolling risk deep dive programme, including the series of deep dives that had been considered in the previous academic year and provisional forward plan of forthcoming academic years in the process of development.

ACTION: To retain the timing of the planned deep dive on staff wellbeing in Term 1 AY 2025-26, and to consult with the Deputy Registrar and Executive Divisional Director of HR, Culture and Assurance on potential benefit of scheduling another deep dive at the beginning of the Academic Year 2026-27.

ACTION: To defer the Failure to deliver Carbon net zero deep dive to (June 2026) and bring forward the Philanthropy deep dive to November 2025.

ENDORSED: The Deep Dive Programme for AY 2025-26 to Council (part II) on 10 July 2025 for information and assurance.

76. Public Interest Disclosure (Whistleblowing) Policy and Procedure Annual Update (AUD/67/24-25, Confidential)

- 76.1 The Chair invited the Director of Governance Services to introduce the annual update and assurance report on the Public Interest Disclosure Policy and Procedure.
- 76.2 The Audit and Risk Committee noted the paper (AUD/67/24-25) provided assurance on compliance with the University's Public Interest Disclosure Policy and Procedure and reported on progress against agreed actions identified in the previous desktop review completed for Compliance Committee (8 February 2024) and the assurance report presented to Audit and Risk Committee (9 May 2024).
- 76.3 No disclosures had been reported within the period under review (May 2024 to May 2025).
- 76.4 The Committee noted that a detailed desktop review and benchmarking analysis had been undertaken to identify any areas for further enhancement and to ensure the policy and procedure had been applied appropriately;

- 76.5 UEB had recently approved an update to the policy and procedure which had been publicised in the Weekly Bulletin to all staff;
- 76.6 The Committee was provided with assurance that the majority of actions identified previously had been addressed, including:
- 76.6.1 Development of a confidential log to record any disclosures;
- 76.6.2 Additional guidance, including checklists for HR colleagues with prompts to ensure issues relevant to the Public Interest Disclosure would be considered and documented as applicable;
- 76.6.3 A new email address had been introduced to enable employees to report any concerns in confidence. The Committee noted that the introduction of a separate email address would provide a confidential and discrete way for employees to raise concerns.
- 76.7 The Committee welcomed the inclusion of web page statistics and web search terms within the paper, and acknowledged the flowchart represented a helpful overview of the process.
- 76.8 The following was noted in discussion:
- 76.8.1 Employees had often misunderstood that the public interest disclosure process had been designed to enable concerns about malpractice or impropriety to be raised separately from other employment procedures (for example, the complaint or grievance procedures). It was noted that recent developments to the University's informal resolution process would assist employees in their identification of the correct procedure to use;
- 76.8.2 The importance of fostering a University culture that ensured employees felt able to raise any relevant concerns confidentially and without detriment through the public interest disclosure procedure;
- 76.8.3 Assurance was provided that the policy and procedure had been reviewed by the University's employment solicitor;

ACTION: To improve signposting to other relevant policies alongside the public interest disclosure policy.

ACTION: To publish the accompanying flowchart online to assist employees ability to navigate the public interest disclosure procedure and assimilate the most salient information.

77. IT Services Update (AUD/68/24-25, Commercial in Confidence)

The Chair invited Nathan Burden (Divisional Director of IT Services) to the meeting to provide an IT Services Update.

- 77.1 Following the presentation of the draft AI Policy at the previous meeting of the Audit and Risk Committee in March 2025, the Committee was advised that good progress had been made with the AI Policy. Some further enhancements had been made in response to

feedback and the policy had been well received by Senate. It would be presented to UEB on 11 July 2025.

a) Cyber Security NIST Maturity Checkpoint

- 77.2 The Audit and Risk Committee was presented with the IT roadmap that detailed the range of planned tasks. The Committee was provided with assurance that the roadmaps were reviewed termly by the IT Operations and Security Group, led by the Senior Vice-President and Registrar & Secretary and the Senior Vice-President and Provost.
- 77.3 All items on the roadmap had been mapped to the NIST framework and progress was carefully tracked. Cyber Essentials + had provided assurance of compliance, and additional checks had been completed to ensure that the NIST framework and ISO related work remained compatible.
- 77.4 Task completion had been closely monitored and any delays had been reported to the IT Operations and Security Group.
- 77.5 Following recent publicised cyber security events with M&S and the Co-op, the Committee was assured that human factors had been considered and roadmaps adjusted in response. For example, the helpdesk response to password change requests had been amended and additional requirements for some accounts had been implemented.

Closed Minute – Strictly Confidential

- 77.7 In response to a question about delays associated with roadmap tasks, it was agreed further consideration would be given to reporting material delays to Audit and Risk Committee.

ACTION: To develop an effective mechanism for more clearly highlighting the progress on the Cyber Security roadmap and any material delays when reporting to Audit and Risk Committee.

b) Data Loss Prevention

- 77.8 A new Data Loss Prevention Project Board had been commissioned to deliver the management findings that resulted from a PwC audit. The Audit and Risk Committee was provided with assurance that all actions had been completed.

c) Removable Media Policy

- 77.9 Following the PwC internal audit finding that removable media posed significant data privacy risks, the Committee was provided with an update that had been made to the Removable Media Policy to block the use of removable media (USB sticks & hard drives) on all managed devices.
- 77.10 The updated policy had been approved and was currently planned to be effective from the end of August 2025 with two exemptions: Lectern PCs linked to teaching, and Research and Infrastructure teams that would be able to access a controlled exemption process.

77.11 Audit and Risk Committee noted the decision to implement the policy was necessary but would be likely to be unpopular across the University community.

77.12 The following was noted in discussion:

77.12.1 That it would be beneficial to provide guidance and support to the wider University community to enable a smooth transition and implementation of the Removable Media Policy;

77.12.2 Introduction of the updated policy could be used to educate the community more widely on cyber security and associated risks, from a university and a personal perspective;

77.12.3 The complexity associated with partner organisations was noted. The Committee was advised there was an element of separation within IT systems but it had not been possible to implement complete separation. It was acknowledged the level of complexity within the University community was not often replicated outside of the sector.

77.13 The Committee expressed concern with the variety of practice between the University and partner organisations, particularly in relation to mandatory training requirements, and noted that wider conversations would take place with partner organisations.

ACTION: That the Divisional Director of IT Services would discuss and finalise the timing for the implementation of the updated removable media policy in consultation with the Senior Vice-President and Provost and Senior Vice-President and Registrar & Secretary and in recognition that there would be a significant period of institutional change in August 2025.

ACTION: To discuss and consider the optimal way forward to ensure partner organisations embed sufficiently robust IT and cyber security protocols and provide an assurance report to Audit and Risk Committee.

The Chair thanked Nathan Burden (Divisional Director of IT Services) for their contribution and invited them to leave the meeting.

78. Assurance Report on Import / Export Control and Trusted Research Framework (AUD/69/24-2, Confidential Commercial in Confidence)

The Chair invited Steve Popham (Assistant Director Research Finance, Governance and Systems) to join the meeting and to briefly introduce the report on Import / Export Control and Trusted Research Framework.

78.1 The Audit and Risk Committee was provided with an update on compliance arrangements in the context of increased legislation that related to international security.

78.2 The new Partnership Principles and Due Diligence assessment process would provide a vital checkpoint to ensure compliance requirements had been met.

78.3 The Trusted Research Framework, developed by the National Protective Security Authority (NPSA), had collated the various topics that required consideration to protect the integrity of a research collaboration. The Compliance and Risk Team had developed a toolkit that

enabled the topics within the Trusted Research Framework (TRF) to be assessed in practice. The toolkit was launched in mid-February 2025 and 132 responses had been received since its launch.

- 78.4 The University Communications Team had supported with the development of a communication campaign on Export Controls and Trusted Research. SharePoint pages had been restructured and included information for academics.
- 78.5 The Committee was advised of future plans that would include:
- 78.5.1 the need to ensure the academic community would be engaged in the purpose and drivers for these areas by creating a culture where checking security arrangements and compliance would become second nature;
- 78.5.2 increased awareness of the risks involved and how to assess the risks;
- 78.5.3 increased oversight arrangements through the Due Diligence and Pre-Award Risk Assessment processes that would ensure as much risk as possible was captured as early as possible.
- 78.6 The Committee acknowledged the legislation involved was complex. The Committee was advised work would continue to develop existing structures to minimise the impact on academics. It was noted that raising awareness would have a significant positive impact and training had been provided to support academics. Teams with robust processes in place had been encouraged to share elements of good practice.
- 78.7 Whilst it was noted that progress had been made resulting in the number of red scores achieved in the NPSA gap analysis, 10-20% of the assessment had still been rated as amber and it was acknowledged there was still work to do. The Committee was provided with assurance that it was discussed and actively considered at Compliance Committee meetings.

The Chair thanked Steve Popham (Assistant Director, Research Finance, Governance and Systems) for their contribution and invited them to leave the meeting.

79. Staff Mandatory Training Compliance Update (AUD/70/24-25, Open)

The Chair invited Holly Davey (Assistant Director, HR Partnering and OD) to the meeting to introduce the staff mandatory training update.

- 79.1 The Audit and Risk Committee was advised that the Mandatory Training Policy had been implemented in 2018 and set out the requirement that all staff (including those on casual contracts and associates) must complete four 'all staff' mandatory courses on day 1 of employment, including: Health and Safety, Diversity and Inclusion, Information Governance & Cyber Security, and Safeguarding & Prevent.
- 79.2 The rate of mandatory training take up had continued to be monitored at Compliance Committee, WICC, Health and Safety Committee and the Information Governance Steering Group.

- 79.3 The Audit and Risk Committee was assured that the data indicated an improvement in mandatory training completion. Whilst several creative ways to support compliance had been impacted by the pause of schemes like the 'above and beyond' scheme, the introduction of new mechanisms for reminders had already demonstrated a positive impact.
- 79.4 The Committee was alerted to a minor concern in respect of completion rates by staff employed on casual contracts and associates.
- 79.5 The Committee noted TERS would provide the opportunity for further enhancements to be embedded as a result of anticipated changes to staffing structures and spans of control.
- 79.6 The following was noted in discussion:
- 79.6.1 It would be important to ensure staff employed on casual contracts and associates were continued to be required to complete mandatory cyber security and Prevent training;
- 79.6.2 Development a Micro-package of mandatory training was underway for casual contract and associate staff which would bring together all essential elements into a more streamlined and condensed format;
- 79.6.3 It remained critical for local management induction to be completed effectively alongside online mandatory training to ensure new starters received appropriate onboarding;
- 79.6.4 That it was critical to ensure cyber security training was completed by all staff in light of the significant associated risks;
- 79.6.5 Although staff are paid to complete mandatory training, the system had not always accurately recorded completion by staff employed on casual contracts and associates.

The Chair thanked Holly Davey (Assistant Director, HR Partnering and OD) for their contribution and invited them to leave the meeting.

80. Compliance Committee Annual Report (AUD/71/24-25, Confidential – Commercial in Confidence)

- 80.1 The Audit and Risk Committee was advised of the wide responsibilities of the Compliance Committee, which included the following:
- 80.1.1 Oversight of over 350 legal, license or sector requirements to ensure accountability and responsibility was understood and that compliance related risk was managed effectively;
- 80.1.2 The established Compliance Framework and Assurance Reporting Program, and assessment of compliance activity across all University activity;
- 80.1.3 Coordinated approach with the annual internal audit plan, and an annual reporting program that generated detailed information on compliance across the second line of defence;
- 80.1.4 since 2022, the Compliance Committee had received 168 assurance reports which had generated over 500 improvement actions.

- 80.2 The Audit and Risk Committee noted the Compliance and Risk team had started to develop a Policy Registry that would bring all University approved policies into one place, to enable improvements in governance and oversight. It would ensure all corporate policies are reviewed on time, with an approved author and committee approval route.
- 80.3 The Committee commended the work of the Compliance Team and was delighted to note the University's Compliance Framework and Assurance reporting programme had been shortlisted in the 2025 International Compliance Awards for "Program of the Year".

81. Chair's Closing Remarks

- 81.1 The Chair thanked members for their contribution to the meeting and advised that the next meeting would be held on 29 September 2025.
- 81.2 On behalf of the Audit and Risk Committee, the Chair extended grateful thanks to Alison Reed for her exceptional contribution to Audit and Risk Committee over a significant period of time.
- 81.3 The Committee noted that Alison Reed would be succeeded by Gareth Mostyn from 1 August 2025. Gareth Mostyn would be a member of both Audit and Risk Committee and Finance and Investment Committee.

82. Part II

- 82.1 The following items were received in Part II **for Information and Assurance:**
- 82.1.1 Procurement Competition Waiver: Quarterly Reports (AUD/72/24-25, Confidential Commercial in Confidence)
- 82.1.2 PwC Assurance of University Sustainability Data 2023/24 (AUD/73/24-25, Open)
- 82.1.3 Data Assurance Statutory Return: OfS Annual Financial Return (AUD/75/24-25, Open)

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

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