



University of Exeter
Audit and Risk Committee

MINUTES AND ACTIONS – APPROVED BY AUDIT AND RISK COMMITTEE
7 November 2024 (10.30am-2.30pm), online via Microsoft Teams

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

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- 24.41.1 Final Annual Report of the Audit and Risk Committee

Part II – For Information

- 24.41.2 Bribery Act: University of Exeter Framework for Compliance

ACTIONS

Item	Action	Owner	Deadline
25.1	ACTION: to revise and refresh the current action log to help streamline and close any duplicative or historic actions prior to the next meeting on 27 March 2025.	Jeremy Diaper	March 2025
28.5	AGREED: In light of the fact the c. 42 Business Continuity Plans had not previously been reviewed by the Audit and Risk Committee a further assurance paper would be scheduled outlining the overarching programme to enable an assessment of the overall control environment for the University, a review of the timeframes over which the Plans had been tested and to determine any high-risk areas that may have been omitted.	Jeremy Diaper	November 2025
28.5	ACTION: that the Chair of Audit and Risk Committee would be invited to attend a Gold Command Business Continuity exercise to enable further Independent input and feedback.	Mike Shore-Nye / Kate Lindsell	November 2025
28.5	ACTION: That the Business Continuity plans would be provisionally included in the internal audit programme for the forthcoming Academic Year 2025-26 or subsequent Academic Year 2026-27.	Mike Shore-Nye / Kate Lindsell	September 2025

29.3.5	ACTION: to develop a roadmap of the forward programme to the 2026 NIST target, in order to more clearly signpost key milestones, potential obstacles to delivery, and required investment decisions to enable continued progress on cyber security implementation.	Mike Shore-Nye	September 2025
35.3.2	ACTION: To enhance and refine the methodology for when elements on the horizon scanning log become distilled as an emerging risk and formally captured on the corporate risk register.	Mike Shore-Nye / Kate Lindsell	May 2025
35.3.2	ACTION: To develop a more sophisticated template for grouping the information captured on the horizon scanning log according to thematic areas and to classify these based on short term / medium term / long term risks.	Mike Shore-Nye / Kate Lindsell	March 2025
35.3.2	ACTION: To capture key risks in relation to TNE projects (including cyber security risks) in the next iteration of the report.	Mike Shore-Nye / Kate Lindsell	March 2025
35.4	ACTION: That the going concern assurance paper for 2024/25 onwards would be circulated to Audit and Risk Committee via e-circulation and provided to Finance and Investment Committee (28 November 2024) and Council (10 December 2024) for information and assurance.	Dave Stacey / Jeremy Diaper	March 2025
35.4	ACTION: That the going concern assurance paper would be incorporated as an annual item of business.	Dave Stacey / Jeremy Diaper	March 2025
35.11	ACTION: That the format of the Value for Money report would be enhanced to enable the institution to adopt a sector-leading approach to monitoring cost effectiveness, help to drive institutional performance and ensure the University was operating as effectively and efficiently as possible, including development of alternative comparative benchmarks with the public/private sector.	Dave Stacey / Mike Shore-Nye	March 2026
35.11	ACTION: That further consultation and engagement would be undertaken with the Chair of Audit and Risk Committee to help inform the refreshed format of the Value for Money report.	Dave Stacey / Mike Shore-Nye	March 2026

39.2	ACTION: to run a mini competition via the Crown Commercial Services Framework 1 to allow for further exploration of services and explore potentially more competitive price offerings.	Kate Lindsell	March 2025
39.2	ACTION: that following the mini competition via the existing CCS framework the Audit and Risk Committee would be presented with an evaluation and moderation of results for their endorsement in March (27 March 2025), prior to final approval by Council via e-circulation.	Kate Lindsell	March 2025

DECISIONS

Item	Decision	Paper No.
27.1	AGREED: to endorse the updated Terms of Reference (see Appendix 2) to Governance and Nominations Committee (28 November 2024) and Council (10 December 2024).	AUD/23/24-25
33.3.2	AGREED: To endorse the risk management report to Council (10 December 2024).	AUD/32/24-25
34.4	AGREED: To endorse the annual report and financial statements to Finance and Investment Committee (22 November 2024) for final review prior to Council approval on 10 December 2024.	AUD/33/24-25
36.5	ENDORSED: The External Auditors Report to Council (10 December 2024) for information and assurance.	AUD/33b/24-25
34.4	ENDORSED: the standard letter of representation in connection with the audit of the University's financial statements for the year ended 31 July 2024 to Council (10 December 2024) for final approval.	AUD/33c/24-25
35.11	ENDORSED: the Value for Money report to Council (10 December 2024) for information and assurance.	AUD/33e/24-25
36.3	APPROVED: TRAC process in light of the compliance with TRAC requirements and plans for future improvements, including a review of 2022-23 TRAC result against benchmarks with a brief commentary on University costs and cost recovery	AUD/34/24-25

Attendees**Members Present**

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

In attendance

Mike Shore-Nye	Senior Vice-President and Registrar & Secretary (from 12.10pm)
Dan Charman	Senior Vice-President and Provost
Dave Stacey	Chief Financial Officer
Dr Michael Wykes	Divisional Director, University Corporate 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

Secretary

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

Martha Keats	University Corporate Services Administrator
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Invited to Attend:**Minute Items 29-31 and 32e**

Nathan Burden	Divisional Director of Information Technology
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Minute Item 33

Ben Lawlor	Insurance, Audit and Risk Manager
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Minute Item 45

Dr Chloe Onoufriou	Assistant Director (Research Management and Development)
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22. Closed Discussion for Independent Members of Audit and Risk Committee

- 22.1 A closed discussion was held for Independent Members of Audit and Risk Committee. The Assistant Director (Governance) was also in attendance.

23. Welcome and Declarations of Interest

- 23.1 The Chair welcomed members to the meeting and noted that there were no new declarations of interest in relation to items on the agenda.

24. Minutes of the Meeting held on 30 September 2024 (AUD/20/24-25 and AUD/20a/24-25 Strictly Confidential)

24.1 The minutes of the meetings of 30 September 2024 were **APPROVED**.

25. Action Log - Academic Year 2024-25 (AUD/21/24-25 and AUD/21a/24-25 Strictly Confidential)

25.1 The Audit and Risk Committee received the action log for information and noted the status of the actions.

ACTION: To revise and refresh the current action log to help streamline and close any duplicative or historic actions prior to the next meeting on 27 March 2025.

26. Business Schedule and Forward Plan for 2024/25 (AUD/22/24-25 and AUD/22a/24-25 Strictly Confidential)

26.1 The Audit and Risk Committee received the Business Schedule for the forthcoming Academic Year 2024-24 for information.

27. Audit and Risk Committee: Updated Terms of Reference Academic Year 2024-25 (AUD/23/24-25 Strictly Confidential and AUD/23a/24-25 Strictly Confidential)

27.1 The Audit and Risk Committee noted the proposed minor amendments to the Terms of Reference (Appendix 2), which had been informed by prior feedback provided on 30 September 2024 and a further desktop review of best practice as detailed in the paper.

AGREED: To endorse the updated Terms of Reference (see Appendix 2) to Governance and Nominations Committee (28 November 2024) and Council (10 December 2024).

28. Business Continuity Assurance Report (AUD/24/24-25 Confidential)

28.1 The paper outlined the ongoing planning and testing of Business Continuity Plans to ensure the University was able to respond effectively to major incidents or events which presented business continuity issues;

28.2 It was noted that Business Continuity testing had been deployed to increase confidence in planned events (including confirmation and clearing), alongside unplanned events such as national power outage tests;

28.3 The University's strategy for major event and Business Continuity management included the "Gold", "Silver" and "Bronze" model, where different teams were utilised depending on the nature and severity of the issue;

28.4 That the Compliance and Risk service was in the process of recruiting a new Business Continuity Advisor and that further testing of Business Continuity plans would be undertaken in the new Academic Year following their appointment;

28.5 The Audit and Risk Committee reaffirmed the importance of undertaking a regular cycle of testing of Business Continuity Plans in a range of high-risk and wide-ranging areas, such as

cyber security, power outages, global pandemics and terrorist incidents.

AGREED: In light of the fact the c. 42 Business Continuity Plans had not previously been reviewed by the Audit and Risk Committee a further assurance paper would be scheduled outlining the overarching programme to enable an assessment of the overall control environment for the University, a review of the timeframes over which the Plans had been tested and to determine any high-risk areas that may have been omitted.

ACTION: That the Chair of Audit and Risk Committee would be invited to attend a Gold Command Business Continuity exercise to enable further Independent input and feedback.

ACTION: That the Business Continuity plans would be provisionally included in the internal audit programme for the forthcoming Academic Year 2025-26 or subsequent Academic Year 2026-27.

29. Cyber Security Update and NIST Maturity Update (AUD/25/24-25 Confidential)

The Chair invited Nathan Burden (Divisional Director of IT Services) to the meeting and invited him to deliver a presentation.

29.1 In relation to cyber security the following was noted:

29.1.1 Approximately 50 staff in IT Services had now completed the external cyber security check, including all members of the IT Operating Board;

29.1.2 The University had successfully renewed its Cyber Insurance in October 2024 with a zero increase in cover fees because of the cyber protection work undertaken;

29.1.3 The SITS platform was now fully hosted in the cloud with MFA defences applied and upgrades included in the managed cloud service;

29.2 In relation to Generative AI the following was noted:

29.2.1 The institutional AI Policy was in the process of development to empower digital innovation at the University. It was recognised that the AI Policy would need to be sufficiently future-proofed to effectively act as both an enabler for transformative change, whilst also ensuring appropriate levels of management oversight and proportionate approach to emerging risks;

29.2.2 The development of the AI Policy had received constructive input from the Compliance Committee and initial discussions had also been held with PwC in relation to Policy creation.

29.3 The following was noted in discussion:

29.3.1 The University did not currently control web browser activity or internet access when users were logged onto different networks outside of the University campus, but there were restrictions currently placed on administrator installation permissions;

29.3.2 In relation to the NIST Framework it was noted that the University's 2026 target balanced the need to make progress on cyber security implementation amidst increasing levels of risk, whilst minimizing the impact on student and researcher experience. The Committee recognised that good progress had been made in relation to achieving the NIST target and that there would be a need to maintain levels of significant investment in this area to continue to enhance the levels of

cyber security resilience;

29.3.3 The transition to central device provision had resulted in good financial improvement of management of IT assets;

Closed Minute – Confidential

ACTION: To develop a roadmap of the forward programme to the 2026 NIST target, in order to more clearly signpost key milestones, potential obstacles to delivery, and required investment decisions to enable continued progress on cyber security implementation.

30. Update on IT Disaster Recovery Plan (AUD/26/24-25 Confidential)

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

- 30.1 In light of the number of IT applications and solutions (600+) that the University operated, it was noted that there was a need to review the level of criticality and risk and to develop a more formal test report in relation to Disaster Recovery work and to fast-track the management response;
- 30.2 The Audit and Risk Committee recognised that there was also a need to thin out the number of solutions and reduce the level of overlap to minimize cost and enhance resilience and transition towards centralised management of software solutions across the organisation. This approach had been implemented successfully with the recent centralisation of IT hardware;
- 30.3 That the Disaster Recover testing was focused on applications and systems within immediate control of IT in the first instance, but there was a need to ensure sufficient level of rigour so that a scalable approach could be adopted.

31. Data Loss Prevention (AUD/27/24-25 Confidential)

- 31.1 The Committee were provided with an overview of the advisory Data Loss Prevention (DLP) findings by PwC and noted the target date for completing management actions and that a DLP Project Board had been established to deliver on these management action findings;
- 31.2 The Committee noted the previous PwC finding that “removable media poses significant data privacy risks due to potential data exposure, malware infections, and hardware failures and these risks need to be mitigated”;
- 31.3 The University was in the process of approving the Removable Media Policy which had been updated to block the use of removable media (USB sticks and hard drives) on all managed devices with two exemption areas for media usage: i) Lectern PC’s linked to teaching; ii) research and infrastructure teams (who were able to access an exemption process with cases reviewed by IG and IT security teams);
- 31.4 FX Plus was an area that required further investigation. The current approach and policy would only cover the University’s devices in Penryn rather than shared environments. Further dialogue had been undertaken with Falmouth to provide technical guidance and support in relation to the cyber security landscape and develop a more robust understanding surrounding associated risks and potential reputational damage;

- 31.5 The Committee endorsed the proposed approach to the Removable Media Policy which was deemed sensible and proportionate, but noted the importance of ensuring there were robust controls in place to strictly limit the number of ‘exemptions’ in the research and infrastructure teams to ensure robust control mitigations surrounding potential risks.

Closed Minute – Confidential

32. Internal Audit

a) Internal Audit Progress Report (2023/24 and 2024/25) (AUD/28/24-25 Confidential)

- 32.1 The Chair invited Matthew Elmer and Alison Breadon (PwC) to introduce the internal audit progress report for 2023/24 and 2024/25. It was noted that all of the fieldwork for the delivery of the 2023/24 internal audit had been completed and was reflected in the Annual Report and Opinion;
- 32.2 The Committee noted that the Sustainability Internal Audit had been unable to be included within the internal audit plan and that the Committee would be provided with an opportunity to review and comment on materials at the subsequent meeting in March 2025;
- 32.3 Following the approval of the Draft Internal Audit Plan for 2024/25 by Audit and Risk Committee in June 2024, it was noted that scoping meetings had been held for all reviews scheduled to be undertaken in Quarter 1 and Quarter 2;
- 32.4 In relation to the Extension request for the project risk management audit, the Committee queried whether the revised extension date of 28 February 2025 would enable sufficient time for risk management processes to be rolled out within the new structure following the planned replacement and development of the Enterprise Portfolio Management Office (EPMO). It was acknowledged that the extension date could prove challenging and that a further update would be provided outside of the meeting.

Secretary’s Note: Further to the above discussion surrounding the outstanding actions on the 2022/23 Project Risk Management Audit, the Chair of the Committee was provided with a further email update on 19 January 2025 to approve the further deferral of the actions to the forthcoming academic year 2025/26 and provide the EPMO function sufficient time to be established and for robust processes to be embedded, including the effective implementation of the project risk management framework.

b) Final Internal Audit Reports 2023/24

i) Review of University Executive Board Governance Structure (AUD/29/24-25 Confidential)

- 32.5 The review had focused on the governance changes made to the University Executive Board and sub-committees as part of the Committee Workstream within the recent Governance, Planning and Policy Review. This had included a review of a wide-range of documentation, including: the project log and summary recommendations; guidance notes for minute writing and actions logs; templates action logs and summary reports; and updated Terms of Reference documents for UEB and subcommittees;
- 32.6 The review had identified some recommendations that would help to further strengthen the

design of the existing arrangements and a separate audit would be undertaken as part of the 2024/25 Internal Audit plan to focus on the operating effectiveness of the new structure during the first year of operation.

ii) Academic Quality – Assessment and Feedback process (AUD/30/24-24 CONFIDENTIAL)

32.7 The audit had focused on the University's processes and controls in relation to the assessment and feedback process, including the consideration of student feedback on the current arrangements and planned changes to the process. Three low risk findings had been identified and one medium risk in relation to limitations in the process to collate and analyse external examiner feedback;

32.8 It was noted that a number of the current areas of improvement to assessment and feedback performance in the NSS were scheduled to be addressed as part of the Curriculum for Change programme.

iii) Internal Audit 2023/24: IT Systems and Platforms: Estates and Commercial (AUD/40/24-25 and AUD/40a/24-25 Strictly Confidential)

32.9 That there were currently a large number of individual IT systems and platforms in use at the University with a number of these managed by decentralised support teams. In light of recent cyber incidents in the HE sector where attackers had gained access through platforms/systems that were not managed centrally by IT an internal audit had been agreed to be undertaken;

32.10 The IT related audit had focused on two applications used within Commercial and Estates, Kinetics Welcome (used to manage student accommodation bookings) and Planon (used for building management). The focus of the audit had been on understanding and assessing the design effectiveness of the current processes to manage and provide support for these systems and platforms;

32.11 The Committee noted that the detailed management response on each finding (including targeted delivery date) was still due to be filed but received an update on the core themes of the expected management response. It was anticipated that key actions would involve reviewing contract arrangements, adding both platforms to the Data Recovery testing programme, and conducting cyber security health checks around permissions and account management;

32.12 The Committee noted that there were a large number of individual IT systems and platforms in use at the University, with a number of these managed by decentralised support teams outside of IT Services.

c) Internal Audit Annual Report 2023/24 (AUD/31/24-25 Strictly Confidential)

32.13 The internal audit annual report provided an opinion on the adequacy and effectiveness of the institutions arrangements for risk management, control and governance, and economy, efficiency and effectiveness (value for money) arrangements. The opinion was achieved through a risk-based plan of work, agreed with management and approved by the Audit and Risk Committee;

32.14 The opinion indicated that governance, risk management and control, and value for money arrangements in relation to business critical areas were generally satisfactory and provided

reasonable assurance / moderate assurance. PwC advised that no other institutions in the HE sector had received an assessment of 'substantial assurance' on the basis of the size and complexity of University operations;

- 32.15 The Committee noted that the IT control environment had continued to strengthen, with an ongoing focus on implementing actions from previous audits, including in relation to cyber security and IT Disaster Recovery. There had also been continued improvements in risk management arrangements, with a significant amount of work undertaken to implement a new risk management system;
- 32.16 The University had continued to place significant focus on Sustainability and was ahead of other similarly-sized institutions in developing and delivering genuinely sustainable practices;
- 32.17 Other cross cutting-themes noted through medium risk findings identified during the year had included the need for enhanced clarity and communications in guidance and information, consistency and standardisation, and system and process improvements;
- 32.18 The Audit and Risk Committee noted that the University was operating in an increasingly challenging higher education sector environment and commended senior management and the executive in relation to the progress made and affirmed the importance of maintaining focus on continuous improvement.

33. Risk Report 1: 2024-25 Risk Management Reporting Cycle (AUD/32/24-25 Strictly Confidential)

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

- 33.1 The first risk report of the 2024/25 risk management reporting cycle, which had been reviewed by Compliance Committee (8 October 2024) and UEB (24 November 2024), was presented to Audit and Risk Committee and outlined the highest risks on the corporate risk register alongside new risks and peripheral risks;
- 33.2 The Committee reflected on the adequacy and effectiveness of the risk management processes in place and the appropriateness of the articulation and rating of risks. The following was noted:
 - 33.2.1 There was currently one corporate risk rated as very high (red) which related to the potential failure to meet planned Home and International Postgraduate Taught numbers (CR53) and remained unchanged from the previous reporting period. There were also 6 High risks (amber) on the corporate risk register;
 - 33.2.2 Following the government announcement in September of a planned reform of the apprenticeship system, there had been an increase in risk rating for the delivery of Degree Apprenticeships. Philanthropy, financial and volunteering targets had also seen an increase in the risk rating as a result of staff vacancies and long-term absence;
 - 33.2.3 That further consideration should be given to the levels of risk in not achieving the University's scope 3 emissions target, especially in light of recent data quality challenges and changing guidance and definitions;
- 33.3 UEB had reflected on the following issues in their recent review of the risk report:

- 33.3.1 The importance of embedding a holistic review of higher rated risks to ensure clear strategic focus on the top 10-15 risks facing the University;
- 33.3.2 In spite of the actions in place to mitigate the risks relating to home and postgraduate international student recruitment remained very high as the sector-wide risk of underrecruitment had not been reduced. Further consideration was underway regarding the introduction of target risks and risk appetite statement to explore whether UEB, Audit and Risk Committee and Council were comfortable with the current level of risk and to elicit further reflection on whether there was further mitigations that could be put in place to minimize the level of residual risk.

ACTION: To enhance and refine the methodology for when elements on the horizon scanning log become distilled as an emerging risk and formally captured on the corporate risk register.

ACTION: To develop a more sophisticated template for grouping the information captured on the horizon scanning log according to thematic areas and to classify these based on short term / medium term / long term risks.

ACTION: To capture key risks in relation to TNE projects (including cyber security risks) in the next iteration of the report.

AGREED: To endorse the risk management report to Council (10 December 2024).

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

35. University Annual and Accountability Reports

a) Near Final University Annual Report and Financial Statements (Year End 31 July 2024) **(AUD/33/24-25 and AUD/33a/24-25)**

- 34.1 The Annual Report and Financial Statements to 31 July 2024 were a statutory requirement and needed to be externally audited and approved by the governing body within 5 months of the year-end and published on the University's website within two weeks of approval;
- 34.2 The following minor amendments were highlighted in discussion:
- 34.2.1 In relation to paragraph 3 within the Chair's Foreword it was noted that the reference to the University being a "force of overwhelming good in our place, both in the region and the world" should be moderated slightly as the tone currently overstated this point;
- 34.2.2 The Committee recognised that notwithstanding the forecast of £6m EBIT and 1% profit margin for the Academic Year 2024-25 there were significant financial pressures facing the University and wider sector in the medium to longer term;
- 34.2.3 In relation to the section on the 'Financial Review for the year ended 31 July 2024' it was highlighted that it would also be important to acknowledge the increase to UG Home fees announced in November 2024. It was noted this would not have a material impact on longer term financial sustainability and there would be a continued need for collective effort to maintain financial performance;

- 34.2.4 Further consideration would be given to rewording the going concern section to align with the longer term financial outlook;
- 34.3 The Chair noted that members had also provided feedback and minor amendments directly to the Chief Financial Officer and Director of Finance via email with the majority of these scheduled to be incorporated within the next iteration;
- 34.4 The Chair noted that it would be beneficial for the Committee to be provided with a Going Concern briefing for 2024/25 onwards to provide further detail regarding the preparation of the financial statements on a going concern basis. It was recognised that this was particularly relevant in a challenging financial period for the sector and that it would be helpful to receive assurance on going concern commentary including consideration of financial sustainability and risk as well as wider analysis of teaching income, research grants and contracts, staff costs, cash and capital, and sensitivity analysis.

ACTION: That the going concern assurance paper for 2024/25 onwards would be circulated to Audit and Risk Committee via e-circulation and provided to Finance and Investment Committee (28 November 2024) and Council (10 December 2024) for information and assurance.

ACTION: That the going concern assurance paper would be incorporated as an annual item of business.

AGREED: To endorse the annual report and financial statements to Finance and Investment Committee (22 November 2024) for final review prior to Council approval on 10 December 2024.

b) External Auditors Report (AUD-33b-24-25 Strictly Confidential)

- 34.5 Subject to Council's approval, KPMG anticipated to be in a position to sign the audit opinion on the Board's approval of the financial statements and auditor's representation letter on 13 December 2024 provided that the final outstanding matters on page 6 were satisfactorily resolved. There had been no significant changes to the audit plan and as it was now substantially complete there were no concerns about the planned timetable or delays with meeting the deadline.

ENDORSED: The External Auditors Report to Council (10 December 2024) for information and assurance.

c) Letter of Representation (AUD-33c-24-25 Strictly Confidential)

ENDORSED: The standard letter of representation in connection with the audit of the University's financial statements for the year ended 31 July 2024 to Council (10 December 2024) for final approval.

d) Highlights of the Year (AUD-33d-24-25 Strictly Confidential)

- 35.6 The Committee noted the highlights of the Year for information which would be included at the front of the annual report prior to the Chair's Foreword. The final version of the University Annual Report and Financial Statements would be presented to Council for final approval on 10 December 2024;

- 35.7 The standard letter of representation was also endorsed which would be signed-off by the Chair of Council following approval of the financial accounts.

e) Value for Money (AUD/33e/24-25 Strictly Confidential)

- 35.8 The Committee noted and discussed the paper on the adequacy and effectiveness of the University's arrangements for delivering economy, efficiency and effectiveness (otherwise known as Value for Money) and to help it evidence its opinion on this within its annual report;
- 35.9 The Committee recognised that the University was relatively efficient in comparison to the rest of the Higher Education sector, but agreed that it would be important to embed value for Money more deeply into operations;
- 35.10 That the University's research grant and contract performance indicated a strong conversion rate and healthy income pipeline, with research cost recovery showing signs of improvement and research income per FTE also steadily increasing. It was recognised that increasing the final percentage points in research recovery would be challenging but this remained a key area of institutional focus;
- 35.11 Further work could be undertaken to highlight the high-quality and value for money delivered by the University as research led teaching.

ACTION: That the format of the Value for Money report would be enhanced to enable the institution to adopt a sector-leading approach to monitoring cost effectiveness, help to drive institutional performance and ensure the University was operating as effectively and efficiently as possible, including development of alternative comparative benchmarks with the public/private sector.

ACTION: That further consultation and engagement would be undertaken with the Chair of Audit and Risk Committee to help inform the refreshed format of the Value for Money report.

AGREED: To endorse the Value for Money report to Council (10 December 2024) for information and assurance.

36. Transparent Approach to Costing (TRAC) Quality Assurance - Results 2023/24 and Process 2024/25

(AUD/34/24-25 Strictly Confidential)

- 36.1 The Committee received assurance on the Universities standard costing framework (TRAC) and considered information on the costs and margins of the main activities and full economic cost (fEC) rates used in costing and pricing research projects;
- 36.2 That the TRAC costs were retrospective and based on the 2022/23 financial statements and the data from the formal TRAC submission to the OfS (including the calculation of full economic cost (Fec) costing/pricing rates used in research grant applications was approved by ECSG on 24th January 2024;
- 36.3 That there was a strategic imperative to cost research more effectively to enable the University to successfully secure more research grant income.

APPROVED: the TRAC process in light of the compliance with TRAC requirements and plans for future

improvements, including a review of 2022-23 TRAC result against benchmarks with a brief commentary on University costs and cost recovery.

37. Student Cases Annual Report (AUD/35/24-25 Strictly Confidential)

- 37.1 In the calendar year 2023, the number of cases of academic misconduct referred for consideration under the Chapter on Academic Conduct and Practice remained above pre-pandemic levels, but there had been a decrease in caseload in comparison to the previous year which was a result of a number of factors, including: more robust assessment methods, greater student understanding of the expectations for academic practice within an online examination and a return to in-person assessments in modules ess suited to online assessment;
- 37.2 The Faculty Cases team continued to work with Academic Conduct Officers in Departments to raise awareness of academic misconduct related issues and processes and to help markers to identify and assess conduct issues;
- 37.3 The following was noted in discussion:
- 37.3.01 That the detailed data and trend analysis in the Student Cases annual report provided helpful information and insights;
- 37.3.02 Whilst there was a significant increase in the number of sexual misconduct cases disclosed in 2022, this was deemed indicative of the positive impact of work undertaken on improving access for students to disclose and increasing confidence in reporting process;
- 37.3.03 the Committee noted that of the 1,097 cases of academic misconduct there was a high proportion of proven cases (in the high 900s), but this covered a broad range of misconduct including relatively minor elements of poor academic practice such as a lack of sufficiently robust referencing or academic acknowledgement. The number of instances of plagiarism and collusion were much smaller than this;
- 37.3.04 in relation to academic misconduct, the Committee noted that additional guidance was being produced to advise students on how to utilise AI correctly to support their studies without committing plagiarism along with a policy to explain how it aligned with academic plagiarism. It was acknowledged that Turnitin (the sector's leading plagiarism detector) had developed a new AI Detection Tool, but that it would be important to carefully monitor case trends over the years as a reduction in the number of plagiarism cases could indicate students were getting increasingly sophisticated at utilising AI tools without detection.

37. Summary of External Research Audits (AUD/36/24-25 Strictly Confidential)

The Chair invited Chloe Onoufriou (Assistant Director Research Strategy, Development and Management) to briefly introduce the paper.

- 38.1 The Committee noted that in 2024 the University had participated in 4 major portfolio audits managed through Research Services and 1 internal audit review of research live grant management;
- 38.2 As detailed in Appendices 1 -4, the Committee noted the ongoing actions resulting from recommendations highlighted through each of the four external research audits, updated

procedures and/or expectations impacting research lifecycle management;

- 38.3 It was recognised that the number of research audits undertaken in 2024 was slightly more than usual and that this was because the planned audits had coincided with a cross funder assurance pilot audit.

The Chair thanked Chloe Onoufriou (Assistant Director Research Strategy, Development and Management) for their contribution to the meeting and politely invited them to leave.

39. Internal Audit Procurement Proposal (AUD/37/24-25 Strictly Confidential)

The Chair thanked representatives from KPMG and PwC for their contribution to the meeting and asked them to absent themselves from discussion on the Internal Audit Procurement Proposal as a result of

- 39.1 The Committee noted that PwC had been appointed as internal auditor through an open tender process but the service was now required to be retendered in alignment with the CUC Code.
- 39.2 That it was recommended that the University run a mini competition rather than an open tender process as the proposed Crown Commercial Services Framework Lot 1 available to the University included a supplied list of the 'big 4' internal auditors as well as some smaller suppliers, which would enable a broad range of suppliers who also had some higher education experience.

ACTION: to run a mini competition via the Crown Commercial Services Framework 1 to allow for further exploration of services and explore potentially more competitive price offerings.

ACTION: that following the mini competition via the existing CCS framework the Audit and Risk Committee would be presented with an evaluation and moderation of results for their endorsement in March (27 March 2025), prior to final approval by Council via e-circulation.

40. Chair's Closing Remarks

- 40.01 The Chair thanked members for their contribution to the meeting and advised that the next meeting would be held on 27 March 2025.

41. Part II – Papers for Information

- 41.01 The following items were received in Part II for Information:
- 41.01.01 Final Annual Report of Audit and Risk Committee 2023/24 (AUD/38/24-25 Confidential)
- 41.01.02 Bribery Act: University of Exeter Framework for Compliance (AUD/39/24-25 Confidential)

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

- 42.01 A closed discussion was held for Independent Members of Audit and Risk Committee. The Assistant Director (Governance) was also in attendance.