



University of Exeter  
**Audit and Risk Committee**

**MINUTES AND ACTIONS – APPROVED BY AUDIT AND RISK COMMITTEE**  
**9 May 2024 (11am-3pm), Council Chamber (Northcote House) and online via Microsoft Teams**

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

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## ACTIONS

Item	Action	Owner	Deadline
55.3	<b>ACTION:</b> That a light-touch effectiveness review would be undertaken following the completion of external audit programme on an annual basis in alignment with current sector best practice.	Joe Wall / Dave Stacey	June 2024
55.3	<b>ACTION:</b> That an approach to the external audit programme effectiveness review would be developed by Rees Batley (KPMG) in consultation with the Chief Financial Officer and Director of Finance.	Joe Wall / Dave Stacey	June 2024
58.8	<b>ACTION:</b> To provide a further progress update on the insurance renewal process to Audit and Risk Committee on 28 June 2024.	Assistant Director, Compliance and Risk	June 2024
58.8	<b>ACTION:</b> That the incoming Chair of Audit and Risk Committee in 2024-25 would reflect further on the process for inputting into the development of the Terms of Reference for the internal audit programme to consider whether there should be a mechanism for sharing the final drafts more widely beyond the Chair to enable timely input and feedback from the full committee, without impeding progress on the delivery of the plan.	Tim Weller	June 2024
58.8	<b>ACTION:</b> That further consideration would be given to the potential prioritisation of specific risks within the internal audit plan for 2024/25, as highlighted in section 58.8.2.	Assistant Director, Compliance and Risk / PwC	June 2024
59.9. 3	<b>ACTION:</b> That a review of the implementation of the digital risk management software would be undertaken to identify lessons learned and opportunities for enhancement in future and presented to Audit and Risk Committee in the Academic Year 2024/25.	Assistant Director, Compliance and Risk / Insurance Audit and Risk	December 2024

59.9.3	<b>ACTION:</b> That with support from PwC, a wider review of the lessons learned from implementation of leading edge digital systems (including the T1 Finance System) to identify common themes and wider lessons learned to inform future projects.	Manager Assistant Director, Compliance and Risk / Senior Vice-President & Registrar and Secretary / PwC	December 2024
59.9.3	<b>ACTION:</b> That in spite of the challenges with the implementation of the digital risk management software, work would still be undertaken on revising the format and streamlining the content of risk report 3 for endorsement to Council in July 2024.	Assistant Director, Compliance and Risk / Insurance Audit and Risk Manager	June 2024
60.5	<b>AGREED:</b> To Schedule a further assurance report for Audit and Risk Committee in AY 2024-25 on progress and continuous improvements in relation to the Public Interest Policy and Procedure.	Assistant Director, Governance	June 2025
61.6	<b>ACTION:</b> That further consideration would be given to the reassessing the prioritisation of the scheduling of 3 Phase systems to ensure tests relating to alarms and other health and safety elements were prioritised.	Divisional Director (IT Services)	July 2024
61.9.5	<b>ACTION:</b> That a detailed review and assessment of the business need for enabling USB data moves would be undertaken, including specific cases studies, assessment of current risk profile and risk mitigations in place to inform the presentation of an assurance paper to Audit and Risk Committee with a series of key recommendations.	Divisional Director (IT Services) / Senior Vice-President and Registrar & Secretary	December 2024
62.4	<b>ACTION:</b> That a written assurance report would be presented to the Audit and Risk Committee on 28 June 2024, including an overview of the implementation of previous recommendations.	Divisional Director, UCS	June 2024

## DECISIONS

Item	Decision	Paper No.
54.3	<b>AGREED:</b> that as the UUK Accommodation Code of Practice audits for the Penryn, St Luke's and Streatham campuses could continue to be undertaken robustly with independent timeframe and there was no clear	AUD/52/23-24

	benefit in aligning the timetables together these would not be amended, especially as it would necessitate FX Plus losing a year of audits.	
54.3	<b>AGREED:</b> that action 65 (2022-23) would be closed based on the rationale above.	AUD/52/23-24
57.4	<b>AGREED:</b> he provisional timetable for the external audit cycle 2023/24.	AUD/54/23-24

## Attendees

### Members Present

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

### In attendance

Mike Shore-Nye	Senior Vice-President and Registrar and Secretary
Dan Charman	Senior Vice-President and Provost
Dr Michael Wykes	Divisional Director, University Corporate Services
Dave Stacey	Chief Financial Officer
Joe Wall	Director of Finance
Ben Lawlor	Insurance, Audit and Risk Manager
Chrysten Cole	General Counsel
Alison Breadon	PwC, Internal Audit
Rees Batley	KPMG, External Audit
Kate Lindsell	Assistant Director, Compliance and Risk
Nathan Burden	Divisional Director of Information Technology (Minute Item X)

### Apologies

Matthew Elmer	PwC, Internal Audit
Bethany Wheatcroft	KPMG, External Audit

### Secretary

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

Totty Brobyn	Committee Secretariat Administrator
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## **52. Closed Discussion for Independent Members of Audit and Risk Committee**

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

## **53. Welcome and Declarations of Interest**

- 53.1 The Chair welcomed members to the Audit and Risk Committee meeting. There were no new declarations of interest in relation to agenda items under discussion.
- 53.2 The Chair noted that apologies had been received from Matthew Elmer (PwC).

## **54. Minutes of the Meetings of 5 March 2024 (AUD/51/23-24 Strictly Confidential), Action Log (AUD/52/23-24) and Business Schedule (AUD/53/23-24)**

- 54.1 The minutes of the meetings of 5 March 2024 were **APPROVED**.
- 54.2 The Audit and Risk Committee noted the action log and business schedule 2023/24 which had been received for information.
- 54.3 The Assistant Director (Compliance and Risk) noted in relation to action 65 (2022-23) that further consideration had been given to aligning the timing of the UUK Accommodation Code of Practice Audit of the University's accommodation in Streatham, St Luke's and Penryn to take place at the same time of year. It had been identified that whilst it would be possible to align the timings of these audits if it was considered important, this would necessitate FX Plus agreeing to lose a year within their current audit timetable at Penryn in order to ensure the timings of these were all aligned.

**AGREED:** That as the UUK Accommodation Code of Practice Audits for the Penryn, St Luke's and Streatham campuses could continue to be undertaken robustly with independent timeframes and there was no clear benefit in aligning the timetables together these would not be amended at this stage, especially as it would necessitate FX Plus losing a year within their current timetable.

**AGREED:** That action 65 (2022-23) would be closed based on the above rationale.

## **55. Matters Arising (Verbal Update)**

### **a) Advance HE Governance Development Programme**

- 55.1 It was reported that Nicholas Cheffings (Chair) and Simon Enoch had attended the Advance HE Governance Development Programme virtual 1-day online event on Wednesday 13 March 2024 for those on Audit and Risk Committees. In response to a presentation delivered by Rees Batley (KPMG) it had been highlighted that current sector best practice was to undertake an effectiveness review after the completion of the external audit programme on an annual basis;
- 55.2 the University of Exeter had been commended as a best practice example of a suitably rigorous

tender process on the basis it incorporated a small number of carefully considered questions which focused on the pertinent issues and were suitably challenging;

#### **Closed Minute – Confidential**

**ACTION:** That a light-touch effectiveness review would be undertaken following the completion of external audit programme on an annual basis in alignment with current sector best practice;

**ACTION:** That an approach to the external audit programme effectiveness review would be developed by Rees Batley (KPMG) in consultation with the Chief Financial Officer and Director of Finance.

#### **b) Council Assurance Review**

55.3 Jeremy Diaper reported that following Council's approval of the recommendations of the Council Assurance Review, the membership and Terms of Reference of all newly Council subcommittees and existing committees with a significant increase in scope would subsequently be presented to Nominations Committee (1 July 2024) for endorsement prior to Council approval (11 July 2024);

55.4 All other sub-committees (including Audit and Risk Committee) would be reviewed in consultation with chairs over the summer as per usual, prior to endorsement by the full committee, Nominations Committee and Council in Term 1 of the Academic Year 2024/25;

#### **56. President and Vice-Chancellor's Update (AUD/62/23-24 Strictly Confidential)**

*The Chair welcomed the President and Vice-Chancellor who joined the meeting online via Microsoft Teams and invited them to deliver a presentation to the Committee which was tabled and has subsequently been shared with the Committee for information. Key points were:*

- 56.1 That irrespective of the outcome of the UK General Election there was no indication at this stage that there would be any significant increase in £9,250 home tuition fees in Higher Education;
- 56.2 The University remained deeply distressed and saddened by the suffering caused by the ongoing conflict in Israel and Gaza and continued to be committed to supporting members of the University community affected by the crisis, while upholding academic freedom and freedom of expression, including the right to peaceful protest in line with our values of community, inclusion and respect;
- 56.3 The President and Vice-Chancellor had recently participated in a roundtable with the Deputy UK Prime Minister at Whitehall which had highlighted that further consultation would be undertaken on proposals to enhance research security in Higher Education. The UK Government's Research Collaboration Advice Team (RCAT) had been given a brief to deal with enhanced security risks and it was anticipated that this would result in more detail exploration of the potential risks surrounding research collaborations with China;
- 56.4 A further roundtable had been held with the Prime Minister regarding the encampments affecting many UK universities and it had been recognised that the disruptions were having a continued impact on University operations;
- 56.5 Whilst there were currently no encampments on the University's campuses as of 9 May 2024, in light of the fact that many encampments had emerged across other UK Universities it was anticipated these would be likely emerge on the University's campuses in due course;

- 56.6 The UK government's measures to prevent international students coming with family members and other dependents to study on one-year taught masters programmes had placed the UK Higher Education sector at a competitive disadvantage and resulted in a shortfall for international recruitment in both January and September intakes. The shortfall for September 2024 within the sector was particularly pronounced in India, Nigeria and Pakistan;
- 56.7 There remained significant risks surrounding the potential outcomes of the Migration Advisory Committee (MAC) which had been commissioned to undertake a rapid review into the graduate route. There had been a significant amount of lobbying highlighting the economic benefit of international students to the UK and profound impact this could have on the financial sustainability of UK Higher Education;
- 56.8 That the UK home undergraduate tuition fees of £9,250 had fallen in real terms since 2012 by 40% and was now equivalent to c. £6,000 in real terms. With increasing inflation and financial pressures/costs, for every c. £1 earned the University was now spending c. £1.05 pence;
- 56.9 There was increased sector dependence on international students. Since 2016-17 tuition fee income from non-EU overseas students increase from 13% to 19% by 2021-22. Within non-Russell Group Universities a number of institutions had experienced a steep downturn in international student recruitment, with some institutions facing a c. 70% downturn in international recruitment and significant financial challenges;
- 56.10 In the face of an extremely challenging sector-wide environment the successful delivery of Strategy 2030 was absolutely pivotal to the long-term financial sustainability of the University;
- 56.11 It remained critical for the University to: develop its global reputation in light of an increasingly competitive international recruitment market; enhance research quality, research power and research cost recovery; and to develop a distinctive educational offering that was both highly attractive to an international audience and financially sustainable;

#### Closed Minute – Commercial in Confidence

- 56.12 The Chair extended thanks to the President and Vice-Chancellor on behalf of the wider committee for providing such a comprehensive update on wider challenges facing the sector and invited them to leave the meeting.

#### 57. External Audit

##### i) External Audit Planning Document (AUD/54/23-24)

- 57.1 Rees Batley reported that the external audit planning and risk assessment procedures had commenced and identified two significant risks pertaining to research income (research income: risk of error related to revenue recognition and expenditure recognition) and management override of controls. Other audit risks identified for further focus included valuation of ERBS pension liability, going concern and use of funds;
- 57.2 Whilst there was no specific element of concern in relation to management override of controls, the professional standards required the fraud risk from management override of controls to be communicated as significant and also because of the increasing challenges surrounding international recruitment and pressures on university budgets the risk had increased

from the prior year;

- 57.3 That it had been determined that there was no significant risk attached to the valuation of the University Superannuation Scheme provision for the 2023-24 audit as a result of the much-improved deficit provision;
- 57.4 That the proposed fee variation for International Standards of Auditing (ISA) 315 from 2023/24 was not anticipated to result in any significant or immediate changes for the University.

**ENDORSED:** the provisional timetable for the external audit cycle 2023/24.

**ii) Higher Education Financial Statements Benchmarking (AUD/55/23-24)**

- 57.5 The Committee noted the annual financial statement benchmarking exercise across 75 UK Higher Education institutions and the key financial trends and financial measures to analyse the financial position of providers and general movements in resources across the sector;
- 57.6 Whilst it was recognised that the University tended to be in a median position for most of the data sets, there was nevertheless a clear indication that it was less indebted than other Russell Group institutions which was a positive position in which to be in light of the sector-wide financial challenges being experienced. However, it was also recognised that the University was currently a significant outlier in terms of the overall level of capital expenditure and that this was an area where the University would need to continue to be alert to the benchmarking analysis and wider sector trends to avoid falling behind competitors.

**58. Internal Audit**

**i) Internal Audit Progress Report (AUD/56/23-24)**

- 58.1 Alison Breadon advised that good progress was being made on delivering the 2023/24 internal audit plan;
- 58.2 The Faculty and Governance reviews were now being planned to be delivered in Quarter 4 in order to derive the best value from the audit given other ongoing internal work at the University and competing priorities;
- 58.3 The six most common areas where high risk internal control issues had been identified in the 2022/23 Annual Reports were as follows: Cyber Security, IT Governance, Key Financial Controls, UK Visa Immigration (UKVI) Compliance, Conflict of Interest, Health and Safety;
- 58.4 In relation to the outstanding actions relating to the Insurance Processes the Committee noted concerns surrounding the slippage in the timeframes for delivery on actions which had previously been identified in October 2023. It was highlighted that the actions were close to completion and had been delayed as a result of personnel changes in the insurance team and need to train that individual. It was highlighted that the insurance renewal process had commenced and a further verbal update would be provided to the Committee in 28 June 2024;

**Closed Minute – Commercial in Confidence**

58.5 That extensions had been requested for all six actions that were showing as overdue, including: 1 x Fire Safety; 1 x Data Protection; 2 x Insurance Processes; 1 x Staff Wellbeing; 1 x Risk Management;

58.6 In relation to the 2024/25 internal audit plan:

58.8.1 Discussions had commenced with management regarding the 2024/25 internal audit plan to identify emerging priorities and the proposed areas for the draft plan were provided for review and feedback:

58.8.2 The Committee reviewed and discussed the first draft of the internal audit programme and agreed that further consideration should be given to the possibility of prioritising the following reviews within the plan for 2024/25, including:

58.8.2.1 Conflict of Interest (especially in the context of ensuring appropriate governance and due diligence processes alongside increasing global and international activities);

58.8.2.2 Research Cost Recovery processes and procedures

58.8.2.3 Governance surrounding International Agents, in light of the importance of the strategic ambition to grow and diversify the University's international student population;

58.8.2.4 In relation to Artificial Intelligence: that it would be slightly premature to do an internal audit focus on emerging AI risks and benefits and that it would be more productive to undertake an audit at a later stage once the risks had more clearly crystallised in this space. If an internal audit was to be undertaken on Artificial Intelligence it would be prudent at this stage for this to be focused on potential impact on academic standards and integrity, as this was the specific area of risk that other institutions were exploring most carefully;

58.8.2.5 Whilst further consideration could be given to undertaking internal audits on the Curriculum for Change Programme and transformative modes of educational delivery and the Enabling Strategy 2030 workstream and realisation of cost efficiencies, it was recognised that it may be too early to undertake an audit on these areas of activity and to pick up as part of the 2025/26 audit.

**ACTION:** To provide a further progress update on the insurance renewal process to Audit and Risk Committee on 28 June 2024.

**ACTION:** That the incoming Chair of Audit and Risk Committee in 2024-25 would reflect further on the process for inputting into the development of the Terms of Reference for the internal audit programme to consider whether there should be a mechanism for sharing the final drafts more widely beyond the Chair to enable timely input and feedback from the full committee, without impeding progress on the delivery of the plan.

**ACTION:** That further consideration would be given to the potential prioritisation of specific risks within the internal audit plan for 2024/25, as highlighted in section 58.8.2.

ii) **HE Internal Audit Annual Report Benchmarking 2022/23 (AUD/57/23-24 Strictly Confidential)**

58.7 The Committee noted the summary of themes arising from the 2022/23 Higher Education

Internal Audit Annual Report, including the annual report opinions/assurance ratings issued across PwC's client base, common areas where internal control issues had been highlighted, and a breakdown report and individual finding risk classifications by specific areas;

iii) **Internal Audit Report 2023/24: DATA Protection Impact Assessments (DPIA) (AUD/58/23-24 Strictly Confidential)**

- 58.8 The objective of the audit was to assess the control design and operating effectiveness of the University's DPIA process. The University had an established DPIA process and a dedicated support function, but a number of areas for improvement had been identified, including the need to create a more integrated DPIA process within business-as-usual processes for Departments and Faculties, produce more detailed guidance documentation and enhanced formal process for monitoring risks and actions;
- 58.9 The Committee noted the importance of having a responsive and clear DPIA process which facilitated compliance with GDPR issues and that there was increased risk surrounding data management;
- 58.10 As part of the internal audit a process walkthrough and sample of 15 DPIAs had been reviewed to understand how they were logged and prioritised for review and approval centrally. It was recognised that this reflected a small institutional sample and that there was a lack of a formalised process to monitor ongoing risks and actions more widely across the institution;
- 58.11 There remained a continued risk that actions prescribed by the Data Protection Act were not being implemented and that as a result of a lack of detailed DPIA guidance there was an overreliance on Data Protection team to provide this;
- 58.12 Assurance was received from the Senior Vice-President and Registrar & Secretary who indicated that there was a clear proposal scheduled to be presented to UEB requesting enhanced data governance staffing of 5 new posts, including a Chief Data Officer to ensure sufficient resourcing to address concerns surrounding increasing complexity of operations relating to data management and operations. This new resource would help support with the DPIA workload and enable the team to take a more proactive role in monitoring risks throughout the data lifecycle;
- 58.13 The following in discussion: developing a wider cultural understanding of the importance of information governance and the need to encourage the academic community to actively consider potential risks at a sufficiently early stage of research proposals and to undertake risk assessments; that there remained particularly pronounced risk areas in relation to research, procurement and IT; the need to continue to identify and review potential knowledge gaps across the institution; ensuring there was sufficient training for postgraduate supervisors and guidance for students undertaking undergraduate and masters dissertations to develop awareness and understanding of the risks surrounding collating sensitive data in research projects; that a new module on information governance had been introduced as part of mandatory training, but further consideration could be given developing more advanced training to make this directly specific to certain roles.

**59. Digital Risk System Update (AUD/59/23-24 Confidential)**

- 59.1 The University had been project managing the delivery of a digital risk management system with an external third-party supplier. The initial project plan had been scheduled to deliver the risk

register system into operation in July 2023. However, the implementation of the digital risk system was now 7 months overdue following a period of intensive assessment;

#### Closed Minute – Commercial in Confidence

**ACTION:** That an update would be given to the next meeting on which of the above Options was being pursued and to what effect.

**ACTION:** That a review of the implementation of the digital risk management software would be undertaken to identify lessons learned and opportunities for enhancement in future and presented to Audit and Risk Committee in the Academic Year 2024/25.

**ACTION:** That with support from PwC, a wider review of the lessons learned from implementation of leading edge digital systems (including the T1 Finance System) to identify common themes and wider lessons learned to inform future projects.

**ACTION:** That in spite of the challenges with the implementation of the digital risk management software, work would still be undertaken on revising the format and streamlining the content of risk report 3 for endorsement to Council in July 2024.

#### **60. Public Interest Disclosure Policy ('Whistleblowing') Procedure and Annual Data Review (AUD-60-23-24 Confidential)**

- 60.1 The paper on the University's Public Interest Disclosure Policy and Procedure provided assurance of compliance in accordance with the duties of the Committee as specified in the CUC HE Audit Code and the current Terms of Reference, section 6 (j) which stated that one of its primary duties was to 'monitor the Public Interest Disclosure Procedure' ('Whistleblowing') to ensure appropriate investigation of all matters reported under the policy;
- 60.2 The paper was informed by a desktop review of the current Public Interest Disclosure Policy and Procedure undertaken in February 2024 to assess current levels of compliance. The review had identified a number of elements of best practice and areas for further enhancement following the recent refresh of the Policy and Procedure in December 2022;
- 60.3 The key elements of best practice included that there was an appropriate written procedure in place, with a clearly identifiable individuals to approach to make a disclosure, and all disclosures taken seriously and in a consistent manner. There was also a clear explanation of the procedure, expected timeframes and definition of 'Whistleblowing'. Areas for further improvement included clearer guidance and training notes and a strengthened process for logging and recording disclosures, which had been captured as actions during earlier discussions at the Compliance Committee in February 2024;
- 60.4 In discussion: that it was recognised it was challenging to be able to identify whether there were any material issues or concerns surrounding Public Interest Disclosure Act; that it would be useful to do a random sample of different areas of the University (including Departments, Faculties and Professional Services) to identify if staff were aware of the existence of the current policy and procedure, where to locate it and its primary purpose; that it would also be useful to delve deeper into an audit trail of the grievance procedure, complaints process and Speak Out Guardians to cross-reference any issues that may have arisen through those processes which relevant to the Public Interest Policy and Procedure; that it would be useful to review available data over a longer timeframe to identify any emerging trends; that it would be useful to draw on

best practice to identify how other peer institutions and organisations outside of the sector signpost their 'Whistleblowing' policy and procedures to staff and see if there were any further measures that could be introduced to enhance organisational awareness and understanding (including incorporating information on noticeboards, signs etc); the importance of ensuring the University continued to foster a culture of transparency in which staff were able to disclose any such concerns of malpractice in the public interest including improper conduct or unethical behaviour;

- 60.5 The key elements of best practice included that there was an appropriate written procedure in place, with clearly identifiable individuals to approach to make a disclosure, and all disclosures taken seriously and in a consistent manner. There was also a clear explanation of the procedure, expected timeframes and definition of 'Whistleblowing'. Areas for further improvement included clearer guidance and training notes and a strengthened process for logging and recording disclosures, which had been captured as actions during earlier discussions at the Compliance Committee in February 2024.

**AGREED:** To Schedule a further assurance report for Audit and Risk Committee in AY 2024-25 on progress and continuous improvements in relation to the Public Interest Policy and Procedure.

#### **61. IT Services Audit Update (AUD/61/23-24 Strictly Confidential)**

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

##### **i) IT Disaster Recovery Update**

- 61.1 An implementation plan had been agreed and developed for working through the end-to-end recovery processes and ITDR testing for the remaining applications and systems within a time period appropriate to the level of criticality and risk to the University;
- 61.2 Disaster Recovery Tests had been completed for the first 10 critical applications/servers/systems, which included the online learning environment, student records system, Finance and HR systems, Firewalls, email, storage platforms and VPN;
- 61.3 The next 15 planned Disaster Recovery Tests had been identified for 2024. The remaining 35 systems that required testing were not all necessarily critical in nature, but it was recognised that further work could be undertaken to make a good head start on next wave of medium to high-business impacts;
- 61.4 The 10 Disaster Recovery tests that had been completed had been documented and formal test reports had been submitted to PwC. Test Completion reports would also be issued to business and IT technical owners, IT Operating Board to ensure clear process for reviewing lessons learned;
- 61.5 That the Phase 3 systems remaining to be scheduled (including alarms) were ranked as critical and were being prioritised, but were not included in initial 10 Disaster Recovery tests;
- 61.6 The 2023 Phase 1 Testing Outcomes, noting that the Disaster Recovery solution would be tested again once the SITS cloud had been moved to hosting.

**ACTION:** That further consideration would be given to the reassessing the prioritisation of the scheduling of 3 Phase systems to ensure tests relating to alarms and other health and safety elements were prioritised.

**ii) Data Loss Prevention**

- 61.7 The 2022/23 internal audit activity had included a review of the first two phases of the University's Data Loss Prevention (DLP) project progress. The review had identified a number of areas which would benefit from being addressed, with management actions broken up into 8 sub-sections;
- 61.8 The new Data Loss Prevention Policy was being drafted and a Policy Charter had been created, including details of all IT Service policies;
- 61.9 The Data Loss Prevention SLA and escalation matrix had been included in the Cyber Security Management Policy;

**iii) Removable Media**

- 61.10 In relation to the Removable Media:
- 61.10.1 The PwC findings had identified that 'removable media posed significant data privacy risks due to potential data exposure; malware infections; hardware failures and needed to be mitigated;
- 61.10.2 The current position was that Crowd Strike was already monitoring USB events and would inform the data being written to USB drives in our Linex and Server Estates;
- 61.10.3 That all staff devices had Microsoft Defender for Endpoint scanning enabled by default, but the University had not blocked USB data moves at this stage due to concerns around business impact;
- 61.10.4 The Committee raised significant concerns regarding the data security and cyber security risks posed by USB data moves and questioned whether there was a genuine business need and requirement to use this transfer method and issued a strong recommendation that further consideration should be given to blocking all USB data moves and reflecting on cultural change required to effectively engage wider University community in transitioning away from the use of external removable USB drives;
- 61.10.5 In terms of the business impact of USB data moves it was highlighted that there were still areas of research activity which required transmission of data, and that it could also disrupt the educational experience in lecture theatres and guest speaker talks. Assurance was provided that there was no requirement for USB data moves in HR, Finance and IT.

**ACTION:** That a detailed review and assessment of the business need for enabling USB data moves would be undertaken, including specific cases studies, assessment of current risk profile and risk mitigations in place to inform the presentation of an assurance paper to Audit and Risk Committee with a series of key recommendations.

**NOTED:** That the Audit and Risk Committee continued to have significant reservations around the current approach to removable USB devices and that further discussion and assurance would be required on this issue.

**iv) New audit themes for 2024/25**

- 61.11 Two new audit themes had been provisionally agreed with PwC for the Academic Year 2024/25, including i) asset control including central devices and server lifecycle; ii) core systems/platforms review of Estates and Commercial Services;

*The Chair extended his thanks to Nathan Burden (Divisional Director, IT Services) on behalf of the committee for his presentation and invited him to leave the meeting.*

**62. Data Assurance: Verbal Update (AUD/61/23-24 Strictly Confidential)**

- 62.1 The Divisional Director for University Corporate Services provided a verbal update to advise that two data returns had been submitted, including the HESES return on early student numbers which had been delayed in light of challenges surrounding the implementation of the HESA data futures programme;
- 62.2 The University had been able to submit data by the specified deadlines, and had included enhancements suggested from the previous internal audit recommendations;
- 62.3 Further work would be necessary to reconcile Degree Apprenticeship student numbers with the governments separate reporting mechanism to ensure clearer alignment, but work was underway to implement recommendations in relation to this;
- 62.4 The OfS annual financial return had also been submitted based on an amalgamation of data from the Annual Report, annual financial accounts, HESA financial statements and most recent financial forecasts submitted to Council.

**ACTION:** That a written assurance report would be presented to the Audit and Risk Committee on 28 June 2024, including an overview of the implementation of previous recommendations.

**63. Chair's Closing Remarks**

- 63.1 The Chair thanked members for their contribution to the committee and noted that the next meeting would be held on 28 June 2024.

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

- 64.1 A closed discussion was held for Independent Members of Audit and Risk Committee.