

# CAMBRIDGE UNIVERSITY REPORTER

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UNIVERSITY OF  
CAMBRIDGE

**NOTICES****Calendar**

30 January, *Saturday*. Congregation of the Regent House at 11 a.m. (degrees in absence only) (see pp. 306 and 324).

9 February, *Tuesday*. Discussion via videoconference at 2 p.m. (see below).

13 February, *Saturday*. Lent Term divides.

**Discussions (Tuesdays at 2 p.m.)**

9 February

23 February

9 March

23 March

**Congregations (Saturdays unless otherwise stated)**

30 January, 11 a.m. (degrees in absence only)

27 February, 11 a.m. (degrees in absence only)

27 March, 11 a.m. (degrees in absence only)

**Discussion on Tuesday, 9 February 2021**

The Vice-Chancellor invites those qualified under the regulations for Discussions (*Statutes and Ordinances*, November 2020, p. 105) to a Discussion via videoconference on Tuesday, 9 February 2021 at 2 p.m., for the discussion of:

1. Supplementary Report of the Board of Scrutiny, dated 11 January 2021, on Allocations from the Chest for 2020–21, (p. 322).

Those wishing to join the Discussion by videoconference should email [UniversityDraftsman@admin.cam.ac.uk](mailto:UniversityDraftsman@admin.cam.ac.uk) from their University email account, providing their CRSid (if a member of the collegiate University), by 10 a.m. on the date of the Discussion to receive joining instructions. Alternatively, contributors may email remarks to [contact@proctors.cam.ac.uk](mailto:contact@proctors.cam.ac.uk), copying [ReporterEditor@admin.cam.ac.uk](mailto:ReporterEditor@admin.cam.ac.uk), by no later than 10 a.m. on the day of the Discussion, for reading out by the Proctors,<sup>1</sup> or ask someone else who is attending to read the remarks on their behalf.

<sup>1</sup> Any comments sent by email should please begin with the name and title of the contributor as they wish it to be read out and include at the start a note of any College or Departmental affiliations they have.

**‘Scarlet days’ and the flying of Flags from the Old Schools in 2021****Scarlet days**

The Vice-Chancellor wishes to remind members of the University of the days in 2021 appointed by regulation for the wearing of festal gowns by Doctors (which are also the days on which the academic dress of other universities may in general be worn). Under this regulation the day of the Honorary Degree Congregation is designated an additional ‘Scarlet day’, as in 2021 are any extra Congregation days in substitution for General Admission to Degrees 2020.

4 April	Easter Day
13 May	Ascension Day
23 May	Whitsunday
30 May	Trinity Sunday
23 June	Honorary Degree Congregation
30 June and 1, 2 and 3 July	General Admission to Degrees
16 and 17 July	Substitutions for General Admission 2020
10 and 11 September	Substitutions for General Admission 2020
1 November	All Saints’ Day
7 November	Commemoration of Benefactors
25 December	Christmas Day

**Flying of Flags from the Old Schools**

Published for information are the days when the University Flag will be flown from the Old Schools, provided that staffing arrangements make it both safe and practicable to do so.

6 February	Accession of HM The Queen
21 April	Birthday of HM The Queen
23 April	St George’s Day
10 June	Birthday of HRH The Duke of Edinburgh
12 June	Official Birthday of HM The Queen
14 November	Birthday of HRH The Prince of Wales

The University Flag will also be flown on Congregation days, including 1 October (Election and Admission of the Proctors and Address by the Vice-Chancellor) and the Honorary Degree Congregation.

Additionally the Rainbow Flag will be flown on the first and last days of February (or on the nearest Monday or Friday as appropriate).

## Congregation of the Regent House on Saturday, 30 January 2021

A Congregation by videoconference will take place on Saturday, 30 January 2021 at 11 a.m., to approve the supplicat for degrees in absence and Graces for degrees submitted under Statute B II 2 (p. 324). In addition to the necessary official participants, access will also be provided to members of the Regent House wishing to attend for this business, who should please give notice by email to [vco.ceremonial@admin.cam.ac.uk](mailto:vco.ceremonial@admin.cam.ac.uk) before 6 p.m. on Friday, 29 January. The supplicat for degrees will be posted online (Raven access only) at <https://www.student-registry.admin.cam.ac.uk/graduation/supplicat-lists-degree-ceremonies>.

## University accredited as Living Wage Employer

Following a formal application to the Living Wage Foundation, the University of Cambridge has been accredited as a Living Wage Employer. This ensures that wages for University staff and those of contractors who regularly work on University premises will never be lower than the independent benchmark set by the Living Wage Foundation.

## Annual Report of the Audit Committee for the financial year 2019–20

The Council has received the Annual Report of the Audit Committee for the financial year 1 August 2019–31 July 2020. The report is published below for the information of the University. Appendices A, C, E and F to the report are provided as a separate pdf file at <https://www.admin.cam.ac.uk/reporter/2020-21/weekly/6604/AuditReport-Appendices.pdf>. Appendices B, D and G are not reproduced.

### Introduction and executive summary from the Chair of the Audit Committee

In my Introduction to the 2018–19 Annual report I noted that (it) ‘.. has been a challenging year for UK HEIs...’. In anticipating challenges for 2019–20, we could not have imagined what would unfold in the form of the Covid-19 pandemic, which provides the unavoidable backdrop to this Report.

Covid impacted on all aspects of the collegiate University’s activities, including the work of Audit Committee. In particular our work plan was reshaped to allow Internal Audit to support recovery planning, and whilst providing assurance that controls had resilience and robustness in light of the rapid transition of many activities and processes to remote working and digital delivery.

Prior to the Covid emergency (and in parallel with Covid-related activity) the Committee received reports on seventeen completed assignments from Internal Audit, the majority of which came with substantial assurance. However, four received limited assurance (GDPR Toolkit, Access and Widening Participation, Shared Services and Graduate Student Support). In all cases actions have been agreed with management and the Committee will review progress next academic year. The Committee will also keep under review open actions from previous audits, the number of which increased this year. Notwithstanding the disruption effected by Covid, the Committee views progress on this front as a high priority.

Other priorities in 2019–20 for the Committee included supporting the evolution of the University Risk Register and overseeing a review of Internal Audit provision. The former followed detailed review by the University’s Senior Leadership Team; the latter concluded that internal audit provision should continue to be outsourced, but with migration to a hybrid model involving greater internal oversight of planning and follow up.

A key function of the Audit Committee is to provide an opinion on the adequacy and effectiveness of the University’s arrangements for: risk management, control and governance; economy, efficiency and effectiveness (value for money); and the management and quality assurance of data submitted. The Committee gains its assurance from Internal Audit reports, the External Auditors Management Letter, regular reports from Senior Officers and other commissioned work. Based on review and discussion of this body of evidence, the Committee is able to provide assurance that arrangements are adequate and effective, whilst noting again the tension between institutional autonomy inherent in the University’s devolved structure, and the need for compliance with central policies and procedures.

Recognising that living with Covid will continue to impact on the University, the Committee will work to rolling six monthly audit plans in academic year 2020–21. This will allow the Audit Committee to respond flexibly to changes in the risk profile, whilst providing assurance on arrangements for risk management, control and governance; value for money; and data management.

Professor Sir David Greenaway  
*Chair of the Audit Committee, University of Cambridge*

### 1. Background

The Audit Committee is required to submit an annual report to the Council<sup>1</sup> and subsequently to the Office for Students (‘OfS’)<sup>2</sup>. The purpose of the report is to set out the current membership and constitution of the Audit Committee, to report on its work and activity over the last financial year and to provide the Committee’s and the auditors’ opinions on the adequacy and effectiveness of the University’s systems of risk management, control, governance and value for money. The report is informed by the internal audit annual report (see Appendix B [not reproduced]). It follows the guidance set out in Appendix 6 of the Committee of University Chairmen’s Handbook for Members of Audit Committees in Higher Education Institutions (endorsed by the OfS).

<sup>1</sup> Specified in Chapter XIII of the University’s *Statutes and Ordinances* (November 2020, p. 1072).

<sup>2</sup> The Audit Committee Annual Report is submitted to the OfS in December as part of the University’s annual assurance return.

The Audit Committee Annual Report is for the 2019–20 financial year (1 August 2019–31 July 2020), and is delivered in four sections:

- An introduction and executive summary from the Chair of the Audit Committee;
- an overview focusing on key themes arising from the work of the Audit Committee during 2019–20;
- the opinion of the Audit Committee on the reliance to be placed on the internal control and reporting systems of the University; and
- a description of the University’s arrangements for internal and external audit, including the overall opinion of the internal auditor and the findings in the external auditor’s annual report.

A copy of this report will be published in the University’s official journal, the *Reporter*, for the information of the University.

## 2. Overview of the Audit Committee and its work

### 2.1. Role and membership of the Audit Committee

The Constitution of the Audit Committee is set out in the *Statutes and Ordinances of the University of Cambridge*. Further information on the Committee’s membership, terms of reference and meetings are provided in Appendix A.

### 2.2. Audit providers

The University’s internal auditor is Deloitte LLP and its external auditor is PricewaterhouseCoopers LLP (PwC). Further information on the University’s arrangements for internal and external audit are provided in Section 4 of the report.

### 2.3. How the Audit Committee gains assurance

The Audit Committee is required to provide an opinion on the adequacy and effectiveness of the University’s arrangements for:

- risk management, control and governance;
- economy, efficiency and effectiveness (value for money); and
- the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, the OfS, Research England and other bodies.

The Audit Committee’s opinion is based on the Committee’s consideration of the University’s Risk Register and its role in assessing and managing risk, the internal auditor’s annual report, the external auditor’s Management Letter, other work commissioned by the Committee during the year and on discussions at its meetings and workshops. The Committee routinely invites senior officers in particular areas of operation to present to the Committee and answer questions. Workshops are held outside formal meetings to enable more in-depth discussion on a particular topic. The Committee receives further reports from the audit sponsors (the senior officer responsible for the area of audit) of internal audit reports which carry limited assurance ratings.

In addition to oral reports, the Committee receives a range of written reports throughout the year. These include annual reports on value for money, research grants audits, the University’s anti-bribery and corruption policy and an annual report from the Committee on Benefactions and External and Legal Affairs.

### 2.4. Covid-19 pandemic

The Covid-19 pandemic had and continues to have a significant impact on the operations of the University, including the work of the Audit Committee. Following the Vice-Chancellor’s announcement on 18 March 2020 that the University would enter the Red Phase and suspend normal operations with effect from 5 p.m. on 20 March 2020, internal audit activity was temporarily suspended whilst new remote working processes were embedded throughout the University. The Vice-Chancellor announced the move to the Crimson Recovery Phase on 23 April 2020. Internal audit activity resumed at the same time. Meetings of the Audit Committee in May and July took place virtually. At those meetings, the Audit Committee received extensive reports on the University’s Covid-19 crisis management and recovery plans. Recognising that the crisis had significant impact on the University’s risk profile, the Audit Committee reviewed and amended the internal audit plan for the remainder of the academic year 2019–20. The revised plan focused on areas which were at higher risk due to the sudden move to remote working. For 2020–21, the Audit Committee agreed a six months rolling internal audit plan for the year 2020–21 with a focus on the recovery work. The second part of the six months rolling plan is due to be agreed in Michaelmas Term 2020.

### 2.5. Specific areas of work

In 2019–2020, the Audit Committee has looked at a number of key areas of operational risk including the GDPR toolkit, shared services, access and widening participation, graduate student supervision and cyber security. Internal audit activity was refocused in the later part of 2019–20 in response to the Covid-19 crisis, concentrating in the first instance on any potential heightened risks relating to financial processes. This work started to be reported to the Audit Committee in October 2020, and a full description of this work will be included in next year’s Report. Of the seventeen internal audits carried out in 2019–2020, ten carried substantial assurance, three were non-rated and four carried limited assurance. A full list of internal audit reports considered by the Audit Committee during 2019–20 is provided in Appendix A.

#### (i) GDPR toolkit

In November 2019, the Committee received a report relating to the GDPR Toolkit, which carried limited assurance. The three recommendations focus on ‘business as usual’ departmental data protection compliance procedures, central assurances mechanisms over these, and specific follow-up issues surrounding the implementation of the GDPR Toolkit that was circulated to all departments in November 2017 to guide their preparations for the new law.

The Committee noted the accompanying report from the Information Commissioner's Office on the consensual audit of data protection compliance at the Psychometrics Centre and the University more widely, which overlapped in part with the matters in the internal audit.

The Committee noted that the Governance and Compliance Division would develop a 'business-as-usual' toolkit to be circulated to departments on an annual basis to ensure GDPR compliance, and recommended that a follow-up audit was scheduled for the 2020–21 audit plan to review the effectiveness of the business-as-usual GDPR toolkit.

(ii) *Shared services*

In March 2020, the Committee received an audit report relating to the Finance Division's Shared Services Centre (SSC), which carried limited assurance. The audit noted that the SSC had developed from a need for certain departments to have support in the central processing of invoices and expense claims, rather than as a strategic function to create efficiency and value for money. As a result, the use of the SSC was not compulsory, and to encourage increased adoption of the services, the SSC did not mandate requirements as to how departments provide information. This led to an overall lack of efficiency in the way that the SSC operated.

The Committee noted that the limited assurance rating should be seen as an opportunity to improve co-ordination and effectiveness rather than as a criticism of the work of the central shared services, and that similar findings had emerged as part of the work on the Finance Transformation Programme.

(iii) *Access and widening participation*

In March 2020, the Committee received an audit report in relation to access and widening participation, which carried limited assurance. The audit had been timed to coincide with the Office for Students' new approach, and to identify any issues with the processing in place to deliver the new Access and Participation Plan (APP) at an early stage. The report noted a shared commitment by the University and Colleges to meet the targets identified in the APP, but also noted scope for improvement in relation to ensuring a robust, joined-up approach to access and participation, with clearly defined roles and responsibilities, and that a clear, cohesive and coordinated approach was required to ensure the ambitious APP targets were achieved.

The Committee noted that the Strategic Review Group (chaired by the Chair of the Audit Committee) would note the findings and recommendations from the internal audit, and that management responses would be provided when the Review Group reported in 2020–21. They noted the ambitious targets, focussing on participation, considering attainment and awarding gaps, particularly related to BAME students, and those with mental health issues.

(iv) *Graduate student supervision*

In July 2020, the Committee received a report following an audit relating to the supervision of graduate students, which carried limited assurance. The report noted that the process to monitor student supervision is highly devolved, with Degree Committees and Departments working closely together to manage the process, with limited monitoring from Education Services. The report also noted that students faced challenges within a culture where achieving academic excellence through a strong work ethic may be perceived to be prioritised over student wellbeing, work-life balance and mental health, and there were reported cases of supervisors having a larger number of students than recommended. An additional challenge was due to academics being given significant freedom in their research and work, and therefore there are difficulties in enforcing or mandating requirements such as training or timely submission of progress reports.

The Committee noted the recommendations and management responses, and acknowledged that neither Departments nor the central Student Services had resources in place to take greater control over some of the issues highlighted in the report. The Committee agreed that the issues should be addressed through Learning and Teaching reviews. They also noted that Education Services would explore whether mandatory online training could be provided for supervisors, and that Student Services would liaise more closely with Heads of Departments to manage the issues of supervisors taking on too large a number of research students.

(v) *Cyber security*

In March 2020, the Committee received a follow-up report to the Information and Cyber Security Review that had taken place in October 2017. The review focused on the appropriateness and completeness of the Information and Cyber Security Strategy 2018–2021, as a refreshed approach to the management of cyber risk across the University. It was noted that the 'human element' of cyber security had not been explored fully in the Strategy.

The Committee noted that cyber security had the potential to interrupt business continuity, especially taking into account the decentralised nature of the University, and that steps had been put in place to mitigate the risks relating to people and their behaviour, as this was central to ensuring cyber security. The Committee noted that more work needed to be done in terms of communicating with staff and students regarding cyber security, and requested that a further follow-up be arranged.

## 2.6. *Risk management*

The new risk management framework continued to be embedded throughout 2019–20. Each risk within the University Risk Register was reviewed by the risk owners on a quarterly basis. In accordance with the University's Risk Framework, the Senior Leadership Team (SLT) carried out a comprehensive review of the University's Risk Register in December 2019 and recommended the revised Risk Register, including a new risk on the environment and separating out the risk on infrastructure into two separate risks (Estates and IT infrastructure), to the Audit Committee. The Audit Committee agreed with the view of the SLT and recommended the Risk Register to the Council for approval.

The Committee further noted that Schools and Non-School Institutions (NSIs) had been asked to provide risk registers as part of the review process by the SLT. The review had concluded that almost 80% of the risks identified in the School and NSI risk registers could be mapped to risks within the University Risk Register. Of those risks that did not map to the University Risk Register, 60% related to local issues that were not shared more widely across the institutions, and would be best managed at a local level. The remaining risks related to reputation and compliance issues. The SLT had agreed that those areas should be highlighted in the risks within the University's Risk Register where appropriate.

In Easter Term, the Audit Committee addressed concerns raised by the Council with regard to the description and/or scoring of risk 1 (financial sustainability). Following consultation with the risk owners, and taking into account the impact of the Covid-19 pandemic on the University's (long-term) financial position, the Audit Committee recommended a revised version of risk 1 to the Council for approval. The revised Risk Register was (retrospectively) approved by the Council in July 2020. A more comprehensive review of the Risk Register in light of the impact of the Covid-19 pandemic on the University's risk profile will take place in Michaelmas Term 2020.

### *2.7. Report on the Internal Audit Provisions Working Group*

In October 2018, the Audit Committee agreed to establish a Working Group to explore different options for the University's future internal audit provisions with a view to increasing the effectiveness and impact of internal audit (rather than to generate cost-savings). In October 2019, the Group reported its findings to the Audit Committee and recommended that the University develop its current outsourced audit function (comprising a single external (internal) audit firm) into a hybrid model, i.e. a managed outsourced model comprising a single external (internal) audit firm and a dedicated senior University member with a broad understanding of the University and of internal audit acting as a facilitator. The Group was of the opinion that this model would allow the University to combine external and independent audit expertise with in-depth knowledge of the academic and administrative processes at the University. As a result, this model would deliver a more risk-targeted and effective internal audit function as part of a maturing risk management process and three-line defence model of internal audit. The Audit Committee agreed with the conclusions of the Group and approved the recommendations. Implementation of the recommendations in full would be subject to a small increase in resources for Internal Audit. The Audit Committee strongly endorsed approval of these additional resources to the University for 2021–22.

### *2.8. Challenges for 2020–21*

The year 2019–20 has been dominated by the Covid-19 pandemic and the crisis will continue to have significant impact on the operations of the University in 2020–21. The Audit Committee will aim to respond flexibly to the changes in the University's risk profile and priorities at this time of uncertainty, while also ensuring the University receives adequate assurances over its arrangements for risk management, control and governance, value for money and data management.

The two main challenges, highlighted in the Committee's last report for 2018–19, continue to stand out in the findings and information provided through presentations to the Audit Committee. The first is the tension between institutional autonomy under the University's devolved structure and the need for compliance by those institutions with central policies and procedures. The second theme is the consideration of how far the University's culture of academic freedom extends into non-academic areas, particularly in relation to areas of growing reputational risk to the University such as cybersecurity and the student experience.

The impact of the Covid-19 pandemic on the financial position of the University and its overall operations, with staff largely working remotely, makes it all the more imperative for the University to increase accountability and an awareness of risk. It has also become even more important to ensure the University's operations are sustainable, with improved processes at all levels of the University's operation. In this context, the Audit Committee welcomes the fact that the University's Recovery Plan includes three substantial, University-wide programmes which directly address these areas of concern: (1) Reimagining Professional Services, (2) Enhanced Procurement, Purchasing and Contract Managements, and (3) Reshaping the Estate.

The Committee will consider how best to address the challenges outlined above, including how to monitor and support the large-scale change programmes of the University's Recovery Plan.

## **3. Audit Committee's opinions 2019–2020**

### *3.1. Opinion: Risk management, control and governance arrangements*

The Audit Committee keeps under review the University's risk management strategy and implementation, and effectiveness of the University's systems of financial and other internal controls and governance as follows.

#### *(i) Risk management*

The University is committed to ensuring it has a robust and comprehensive system of risk management in line with the requirements of the Office for Students, and follows good practice in risk management. A summary of how risks are identified and evaluated, and how risk management is embedded in ongoing operations is provided below.

- (a)* The University's Senior Leadership Team is responsible for identifying and managing risks across the University's activities, within the context of the University's priorities and objectives. The review of risks encompasses business, operational, compliance, financial and reputational risks.
- (b)* All identified risks are evaluated using a common framework for scoring that considers both the likelihood and impact of risks becoming a reality. The scoring guidance for evaluating risks prompts risk owners to consider the following categories of impact: finance, compliance, safety, service delivery (operational), reputation and people.
- (c)* The risk management framework applies across the University's institutions, with further guidance and information provided to those who own or manage University, School, Faculty or Departmental risks (primarily through web-based resources and training). Risk assessment underpins the University's programme of internal audit and is embedded as part of the University's annual planning processes.
- (d)* The University's Risk Register identifies those risks that are considered to have a fundamental impact on the University's ability to deliver its mission or to operate effectively. The Risk Register is considered and formally approved by the Council at least annually, enabling it to receive direct updates on the evaluation and management of risks.
- (e)* From June 2019 onwards, a discussion on the status of each risk on the University Risk Register and progress with mitigating actions has taken place with risk owners as part of a schedule of monthly meetings.

Under the new risk management framework introduced during 2018–19, the Audit Committee will continue to consider risk management as a standing item in its meetings to ensure routine monitoring. The Audit Committee will report to the Council on internal controls and alert the Council to any emerging issues as necessary. In addition, the Audit Committee will formally review the University Risk Register at least twice a year, and make a recommendation to the Council as to whether the Risk Register and the management of risks is appropriate.

It is acknowledged that the University is still at an early stage of maturity in relation to its approach to risk management. The recent changes made to the risk management framework are the first step of a process that is expected to develop and evolve over time, with a long term aim to map out and understand how the University gets assurance over the processes and controls that it has put in place to mitigate risk.

A new online risk management training course was launched in October 2019 and is available for all University staff. Fifty-three members of the University completed this course during the 2019–20 academic year. A face-to-face risk management training seminar was also run through the Personal and Professional Development training programme in October 2019 (nine attendees), and bespoke risk management training sessions were undertaken with the School of Technology and Cambridge University Libraries at their request.

(ii) *Corporate governance and internal control*

The Council is responsible for ensuring that a sound system of internal control is maintained. The Statement of Internal Control, included in the Financial Statements and provided in Appendix C, sets out the University's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities. It also includes an account of how the principles of internal control have been applied.

The Council is also responsible for reviewing the effectiveness of the system of internal control. The Audit Committee supports the Council in this role as described below.

- (a) The Chair of the Audit Committee provides periodic reports to the Council concerning internal control and risk management.
- (b) Risk management is a standing item on the Audit Committee agenda and is the driving element in the design of the annual internal audit programme of work. The Audit Committee considers the effectiveness of the risk management framework and reports on this annually.
- (c) The Council receives minutes of all meetings of the Audit Committee.
- (d) The Audit Committee receives regular reports from the University's internal auditor, which includes the internal auditor's independent opinion on the adequacy and effectiveness of the University's system of internal control and risk management, together with recommendations for improvement.
- (e) The Audit Committee reviews and reports on the implementation of actions in response to recommendations for improvement made as part of the regular audit cycle and other investigations as required.
- (f) The Audit Committee reviews the University's Policy against Bribery and Corruption on an annual basis and considers the effectiveness of the University's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities.

Through the consideration of reports from the internal auditor and other investigations, the Audit Committee is assured that the University's system of internal control is currently effective and is able to report its reassurance to the Council for the year 2019–20.

(iii) *Fraud, bribery and corruption*

The Audit Committee oversees the University's Policy against Bribery and Corruption. Under the Financial Regulations, any member of staff must report immediately to the Registry and the Director of Finance any suspicion of bribery, fraud or other irregularity. Instances of bribery and fraud that involve sums of over £25,000 must be reported to the OfS under its terms and conditions of funding for higher education institutions.

In the 2019–20 academic year, across the University, the Colleges and the University's subsidiaries, there have been reports of two security breaches (one of which resulted in financial fraud), two cases of potential bribery or fraud (for which no evidence of wrongdoing was found). Two further cases are currently under investigation. In July 2020, the Committee received an annual review of the University's Policy against Bribery and Corruption. Bribery Act training is conducted through the University's online Anti-Bribery and Corruption training module. The course was re-designed in 2017 to focus on more relevant examples and to incorporate material on the legislation on two new Corporate Criminal Offences introduced in the UK in September 2017. The Committee noted that uptake of training by staff had improved compared to last year and that the challenge would be to consolidate these numbers.

(iv) *Cambridge University Press and Cambridge Assessment*

Cambridge University Press (CUP) is governed by the Press Syndicate, and Cambridge Assessment (CA) by the Local Examinations Syndicate. Both Syndicates have delegated their powers to the joint Press and Assessment Board (PAB) which has various sub-committees including the PAB Regulatory Compliance Committee and the PAB Audit Committee. The PAB Audit Committee has oversight of the internal audit arrangements for CUP and CA and reviews the findings of internal audit reports and the management responses. A full list of internal audits considered by the PAB Audit Committee during 2019–20 is provided in Appendix G [not reproduced]. The Chair of the PAB Audit Committee attends the University Audit Committee to provide assurance on the respective governance, control and risk management practices of both the Press and Cambridge Assessment.

At each Audit Committee meeting, the Chair of the PAB Audit Committee provides an oral update on the business of Cambridge Assessment and Cambridge University Press and the items of discussion at the latest PAB Audit Committee meeting. In addition, a written annual report of the PAB Audit Committee is received at the Audit Committee's November meeting, and a half-year report at its May meeting. Under the PAB Audit Committee's Terms of Reference, the Chair of the PAB Audit Committee has direct access to the Chief Financial Officer as Chair of the PAB and to the Vice-Chancellor as Chair of both the Press Syndicate and Local Examinations Syndicate.

A report on each of the organisations' activities and controls in relation to their Anti-Bribery and Corruption policies is incorporated within the University's annual Bribery Policy report. The Audit Committee further agreed to strengthen the link between the Committee and the Audit Committee of the Press and Assessment Board (PAB) and to put proposals for the corresponding changes to the Committee's terms of reference and its membership to the Regent House for approval in 2020–21. The Audit Committee also acknowledged the significant income stream that CA and CUP provide to the University.

**Audit Committee Opinion: Risk management, control and governance:** *The Audit Committee has monitored and considered the effectiveness of the University's risk management, control and governance arrangements throughout 2019–20. These arrangements support the University in fulfilling its policies, aims and objectives, enabling the University to identify, understand and manage its principal risks, and to be accountable and transparent in its governance. The Committee considers that the University and subsidiary companies have continued to make clear and sustained efforts to understand, communicate and incorporate best practice in risk management, governance and internal controls.*

*The Audit Committee has agreed that the Statement of Corporate Governance and the Statement of Internal Control provided in Appendix C and included in the Financial Statements for 2019–20 is an accurate reflection of the risk management, control and governance arrangements in place. The Committee is satisfied that these arrangements are adequate and effective.*

### 3.2. Opinion: Economy, efficiency and effectiveness (value for money)

The Audit Committee considers whether arrangements adopted throughout the University for promoting economy, efficiency and effectiveness in the use of public funds and other resources are satisfactory, by monitoring the following financial controls, systems and management structures. The Committee is required to relay its view on the University's arrangements for achieving value for money to the Council in its annual report.

#### (i) Value for money

The Council has the responsibility to put in place arrangements that will ensure value for money (VFM) is being sought. To help discharge this responsibility, the University's Resource Management Committee (RMC) is responsible for providing advice to the Council on VFM matters, and for keeping the Council and the Audit Committee advised of VFM issues.

The University's Value for Money Strategy sets out how the University will achieve value for money in line with the requirements of the OfS. This is supported by the Value for Money Policy, which explains the University's underlying approach to value for money. The Strategy and Policy are endorsed annually by the RMC.

At its meeting in November 2020, the Audit Committee received the VFM annual report, which described a number of specific VFM-related initiatives that had taken place during 2019–20 and outlined new initiatives that had been accelerated in response to Covid-19; Enhanced Financial Transparency, Strategic Procurement and Purchasing, Reimagining Professional Services and Reshaping the Estate. The report also included a set of value for money reporting indicators showing the University's performance in a number of areas, including financial sustainability, research, education and the administration and workforce.

In addition to the internal VFM report, economy, efficiency and effectiveness in the use of resources are considered as part of each system audit undertaken by the University's internal auditor, with recommendations made as part of the individual audit reports as appropriate.

Efficiency and value for money also continue to be promoted through both local-level and University-wide initiatives and the University also collaborates with the Colleges through the Bursars' Committee to ensure value for money across the collegiate University.

#### (ii) Assurance on Colleges' use of student fees for educational purposes

The Committee has agreed a protocol enabling the Director of Finance, on an annual basis, to provide assurance to the Audit Committee that the public funds received by the University from the Student Loans Company and transferred between the University and Colleges are used by the Colleges for the intended educational purposes. An annual meeting takes place between the Chair of the Audit Committee, the Chair of the Colleges' Committee, the Head of the Governance and Compliance Division (as Deputy for the Registry), and the Chair of the Bursars' Committee to review the total expenditure on education by Colleges against their total educational income including the College fee. This year's meeting took place in September 2020 and a note of the meeting was provided to the Audit Committee at its meeting in October 2020. The Committee agreed that the analysis provided reasonable assurance that the money was spent for the purposes intended.

The Committee also received the annual report by the General Purchasing sub-Committee to the Bursars' Committee on Value for Money (see Appendix D [not reproduced]). The report described (1) how the Colleges worked together to maximise value for money through information sharing and collective purchasing arrangements and (2) collaborative projects between the University and Colleges. The Colleges and the University worked collaboratively in areas such as waste management, IT and student counselling.

**Audit Committee Opinion: Economy, efficiency and effectiveness (Value for Money):** *The Committee has monitored the effectiveness of the University's financial controls, systems and management structures in place for promoting efficiency, effectiveness and economy in the use of public funds and other resources.*

*The Committee has noted the continuing adoption of and improvement in financial procedures and management practices designed to support the achievement of value for money and institutional effectiveness. The Committee is satisfied that these arrangements are appropriate and effective.*

### 3.3. *Opinion: Management and quality assurance of data returns*

The Audit Committee monitors the effectiveness of the University's management and quality assurance of data returns submitted to the Higher Education Statistics Agency, the Student Loans Company, the OfS, Research England and other bodies through its programme of internal audit.

Internal audit reviews of various aspects of data management form part of the three-year cycle of audits. In 2019–20, fieldwork was completed for an internal audit on data quality with respect to the annual HE-BCI (Higher Education Business and Community Interaction Survey). The outcome of this audit will be reported to the Audit Committee during 2020–21. The table below summarises the results of data quality audits undertaken over the past six years.

Academic year	Audit area	Assurance rating
2019–20	HE-BCI	To be reported during 2020–21
2018–19	HESA Staff Return	Substantial
2017–18	Research Costing and Time Allocation (TAS and TRAC processes)	Full
2016–17	Museum Data Quality	Substantial
2015–16	HESA Return	Substantial
2014–15	HESES Return	Substantial

***Audit Committee Opinion: Management and quality assurance data returns:*** *The Audit Committee is satisfied that the management control and quality assurance of data returns submitted to the Higher Education Statistics Agency, the Student Loans Company, the OfS, Research England and other bodies are adequate and effective.*

## 4. Audit arrangements and auditor opinions

### 4.1. *Internal audit*

#### (i) *Provider*

Deloitte LLP is the University's internal auditor. Deloitte was reappointed as the internal auditor for the University with effect from 1 August 2014 for a three-year term until 31 July 2017. It was reappointed for a further two years until 31 July 2019, which was subsequently extended until 31 July 2021, pending the outcome of a review of the University's internal audit provision.

The performance of the internal auditor and their lead partner is considered annually by the Committee.

The fees paid for internal audit work completed in the financial year 2019–20 are shown in Appendix E.

#### (ii) *Internal audit programme*

The internal audit programme provides independent and objective assurance on the University's operations in order to evaluate and improve the effectiveness of the University's internal control systems. A draft internal audit plan is developed around the University's objectives and assessment of its fundamental risks, as identified by the University's Senior Leadership Team.

The internal audit plan comprises a programme of cyclical audits, thematic audits and the departmental assurance survey. Different teams of auditors are assigned to undertake the work depending on the level of specialism required, and audits typically involve visits to a range of departments and institutions to follow up on particular functions. The internal audit plan for 2020–21 will be a six-month rolling plan, with the first half of the year focusing on the University's response to the Covid-19 pandemic, and the second half of the year to be determined in Michaelmas Term 2020.

Assurance over departmental controls is primarily provided via the annual departmental self-assurance survey, which addresses a range of key topic areas from compliance with financial processes and HR policies to departmental management planning activity and IT controls. To help validate the findings of the survey, the results are followed up by selected on-site testing and face-to-face meetings. The results of the survey are shared with management, together with a number of recommendations for improvement.

The questions in the Departmental Assurance Survey were reviewed in advance of the 2019–20 survey to focus on departmental compliance with key controls. The findings of the 2019–20 survey were reported to the Audit Committee in July. The report of management responses was delayed to Michaelmas Term 2020 to allow for other urgent recovery work in relation to the Covid-19 crisis to take place. Further re-evaluation of the approach to departmental assurance was delayed during 2019–20 due to ongoing work to support the University's Covid-19 crisis management, and will take place during the 2020–21 academic year.

#### (iii) *Internal audit reports and assurance ratings*

Deloitte LLP provide an assurance rating for each internal audit report, based on their assessment of the adequacy and effectiveness of the system of internal control. The assurance ratings given are as follows:

Full	There is a sound system of internal control designed to achieve the University's objectives. The control processes tested are being consistently applied.
Substantial	While there is a basically sound system of internal control, there are weaknesses, which put some of the University's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the University's objectives at risk.
Limited	Weaknesses in the system of internal controls are such as to put the University's objectives at risk. The level of non-compliance puts the University's objectives at risk.
Nil	Control processes are generally weak leaving the processes / systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes / systems open to error or abuse.

Where recommendations are made as part of the internal audit process, Deloitte LLP classifies their recommendations as follows:

Priority 1	Issues that are fundamental to the University, for the attention of senior management and the Audit Committee.
Priority 2	Issues that are fundamental to the area subject to internal audit, for the attention of senior management and the Audit Committee.
Priority 3	Important issues to be addressed by management in their areas of responsibility.
Priority 4	Housekeeping issues or good practice suggestions.

(iv) *Audit Committee review of internal audit reports*

The Audit Committee is provided with access to all internal audit reports through its online portal and the internal auditor summarises the findings of those reports in a progress report provided to each meeting of the Audit Committee. However, the Committee only discusses in detail those reports that carry limited or nil assurance ratings. In such cases, the audit sponsor is invited to attend the meeting at which the report is discussed, to enable them to respond to the report and answer questions that members of the Committee may have.

During 2019–20, the Committee received and considered seventeen internal audit reports. Where a rating was ascribed, 73% of reports were given Substantial or Full assurance. This report refers only to those final internal audit reports that were received and considered by the Audit Committee between 1 August 2019 and 31 July 2020.<sup>3</sup> A full list of internal audit reports considered by the Audit Committee during 2019–20 is provided in Appendix A.

(v) *Internal auditor opinion*

The annual report for the period 1 August 2019 to 31 July 2020 was received by the Audit Committee at its meeting of 16 November 2020 (see Appendix B [not reproduced]). The internal auditor's annual report refers to internal audits where the fieldwork took place during 2019–20. However, the final reports for all audits were not all considered by the Audit Committee during the 2019–20 academic year and so the number of completed assignments may differ to the figure provided in 4.1(iv). A full list is provided in Appendix A. Subject to the limitations of the work described in Deloitte LLP's report, the internal audit opinion given was as follows:

*'Subject to the scope of the work described above and taking into account the proposed actions by management to rectify the control weaknesses identified in our internal audit reports, we provide **reasonable** assurance that the University has an adequate and effective system of governance, risk management and internal control for the year ending 31 July 2020, except for:*

- **Limited assurance reports** – *Out of 18 completed assignments, there were seven limited assurance reports for the year, specifically for Access and Widening Participation, Shared Service Centre, Graduate Student Supervision, CUFS Penetration Testing Management, Institutional Cyber Security Capability, Departmental IT Controls and Data Quality (HE-BCI Return).*
- **Follow-up** – *The number of open management actions has increased at year end compared with October 2019, from 131 to 147, of which 77 are overdue. Only 46 recommendations have been reported as closed during the year. Follow-up of internal audit actions was on hold from March 2020, due to prioritisation of management focus on the response to Covid-19. However, the University now needs to re-focus efforts on closing down agreed actions to avoid an overall increase in future years.*

*We have not undertaken a dedicated audit on the University's risk management arrangements in FY2019/20. However, we note that the framework has been refreshed, and significant work has been undertaken at a strategic level. We have undertaken a walkthrough with central management of the Risk Management Framework and Policy. The University Risk Register was approved by Council on 20 July 2020, and was being updated at the time of writing this report to incorporate Covid-19 risks.'*

(vi) *Review of assurances received*

The Audit Committee accepts the internal auditor's opinion and agrees that the effectiveness of controls in some areas needs to be improved. The Committee notes the number of outstanding internal audit actions. Follow-up on actions had been paused in consultation with the Internal Auditors in spring 2020 at the beginning of the Covid-19 lockdown period. As a result, the low number of closed recommendations was to be expected. The Audit Committee agrees that the focal points for work in 2020–21 should be: (1) assessing whether the open actions still represent priority areas with regard to the changes to the University's risk profile in light of Covid-19, and (2) closing those actions that are deemed a priority. The Governance and Compliance Division is working with the administrative leads of the respective actions to implement these actions.

The Audit Committee notes that the challenges arising from the University's operating model, which were highlighted in the Committee's last report to the Council in 2018–19, continue to be at the heart of many findings in this year's limited assurance audits. The University needs to develop a more effective way of ensuring that controls across the devolved University are properly implemented and monitored. To this end, the Audit Committee emphasises two points. First, it recommends that the challenges of the current operating model be taken into account in the context of the following three initiatives (each part of the Recovery Plan): Reimagining Professional Services, the Enhanced Procurement, Purchasing and Contract Management Programme, and Reshaping the Estate. Secondly, it welcomes the Governance and Compliance Division's work on an integrated assurance framework. The first step of this has been to make changes to the Departmental Assurance Survey such that it becomes a biannual initiative, with targeted work on departmental control taking place every other year.

<sup>3</sup> This includes any reports that were issued in draft during 2018–19, but which were not finalised for the Committee's consideration until 2019–20. It does not include any 2019–20 reports that have been finalised recently by internal audit, but were not considered by the Audit Committee during 2019–20.

#### 4.2 External Audit

##### (i) External audit provider

PricewaterhouseCoopers LLP (PwC) was reappointed as the external auditor for the University for the financial year 2019–2020. External audit informs the Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit.

The fees paid for work completed in the financial year 2019–20 are shown in Appendix F.

##### (ii) Review of appointment

In accordance with the OfS's terms and conditions of funding for Higher Education Institutions, the external auditor is appointed or reappointed annually. The *Statutes and Ordinances of the University of Cambridge* also require that the accounts of the University are audited annually by qualified accountants appointed by Grace on the nomination of the Council.<sup>4</sup>

Following a market testing exercise in 2018, PwC was reappointed to provide the external audit provision (subject to annual reappointment). However, the University agreed that PwC would discontinue the audits of low materiality subsidiaries as this work was more suitable for a smaller firm. It was agreed that for the 2019–20 audit, the audit of these subsidiaries would be undertaken by a local firm, Peters Elworthy & Moore.

At its January 2020 meeting, the Committee received positive feedback from the University and its subsidiary organisations in regard to the performance of the external auditor. The Committee therefore agreed to recommend to the Council that a Grace be promoted for the annual reappointment of PwC as the external auditor for the Financial Year 2019–2020.

##### (iii) Details of non-audit services

During 2019–20, the external auditor and PwC international affiliates firms carried out non-audit work in the following areas for the University: Financial Conduct Authority client asset work on behalf of Cambridge Investment Management Ltd; tax audit work for Cambridge Assessment India Private Limited; a stand-alone environmental report; and evaluation of the benefits of using Building information modelling ('BIM'). In each significant case the engagement was subject to the Audit Committee's policy on non-audit services to ensure that the external auditor's independence was not placed at risk.

##### (iv) External auditor's annual report to the Audit Committee

The Audit Committee received PwC's external audit annual report 2019–20 at its meeting on 16 November 2020.

The Audit Committee considered the report and was satisfied with the remarks on auditing and accounting matters, detailed control observations and other observations from around the University group. The Audit Committee was also satisfied with the University's management response included as an Appendix to the report.

<sup>4</sup> See Statute F I 5 (*Statutes and Ordinances*, November 2020, p. 46).

## VACANCIES, APPOINTMENTS, ETC.

### Vacancies in the University

A full list of current vacancies can be found at <http://www.jobs.cam.ac.uk>.

**Clinical Lecturer in Renal Medicine in the Department of Medicine;** tenure: fixed-term, four years or until CCT; salary: £34,466–£60,960 or £33,885–£58,672 or £38,694–£52,036; closing date: 7 February 2021; further details: <http://www.jobs.cam.ac.uk/job/28414/>; quote reference: RC25425

**Clinical Lecturer in Medical Oncology in the Department of Oncology;** tenure: fixed-term, four years or until CCT; salary: £34,466–£60,960 or £33,885–£58,672 or £38,694–£52,036; closing date: 28 February 2021; further details: <http://www.jobs.cam.ac.uk/job/28503/>; quote reference: RD25508

*The University values diversity and is committed to equality of opportunity.*

*The University has a responsibility to ensure that all employees are eligible to live and work in the UK.*

**REGULATIONS FOR EXAMINATIONS****History and Modern Languages Tripos**

*(Statutes and Ordinances, November 2020, p. 352)*

**With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Modern and Medieval Languages and Linguistics, has approved amendments to the regulations to add the option of taking Special Subject papers from Part II of the Historical Tripos, to confirm the suspension of certain papers and make other amendments concerning the availability of papers, and to correct an error in the regulations regarding language study in Part Ib. The amendments are as follows:

*Regulation 13.*

The following paper will not be available to candidates for Part Ib in 2020–21:

Paper 14. European history, c. 900–c. 1450

Paper 22, ‘World history since 1914’, will be renumbered as History Paper 23.

*Regulation 15.*

By deleting sub-paragraph (ii)(b).

By replacing the final sentence with the following:

A candidate who offered an Option B language in Part IA will offer the papers indicated in (i) above in the same language. A candidate who offered an Option A language in Part IA will offer the papers indicated in (ii) above in the same language. All candidates will offer three other papers, including at least one paper from Papers 12–22 in Regulation 13, and at least one paper from (iii) above.

*Regulation 18(iv).*

By inserting new Section B and replacing the reference to Sections C–D with a reference to Sections B–D:

**Section B**

Paper 3. Sources Paper (Special Subject Paper 3 of Part II of the Historical Tripos)

*Regulation 18(c).*

By amending sub-paragraph (c) to read as follows:

(c) *either* three papers from Schedule C and Schedule B and from (iv) above, provided that at least one paper shall be offered from those listed in the Schedules and one paper shall be offered from those listed in (iv), and that no more than one paper shall be offered from Section B in (iv) above.

*or* one paper from (iii) above, and one paper from (iv) above, and a dissertation in accordance with the requirements of Regulation 19;

provided that a candidate who has previously offered a paper from Schedule B cannot offer another paper from that Schedule, and provided that no candidate may offer more than one paper from Schedule B.

*Schedule A.*

By adding footnotes to the following papers, to read as follows:

Ge.1. This paper is not available to candidates for Part Ib.

Ge.4. Papers marked with a dagger (†) may be replaced by two long essays under Regulation 16.

The following papers will be suspended in 2020–21:

It.2. Structure and varieties of Italian

Sl.11. Russia in revolution, from 1861 to 1917

Sl.12. Socialist Russia 1917–1991

*Schedule C.*

The following papers will be suspended in 2020–21:

It.10. The language of Italy

Sp.10. The culture and language of contemporary Catalonia

Sl.11. Russia in revolution, from 1861 to 1917

Sl.12. Socialist Russia 1917–1991

The following paper will be suspended until further notice:

Sp.12. Latin-American culture

**With effect from 1 October 2021**

The General Board, on the recommendation of the Faculty Board of Modern and Medieval Languages and Linguistics, has approved the amendment of the regulations so as to amend the word count for the dissertation and associated submission dates.

By amending Regulation 19 to read as follows:

19.(a) A candidate for Part II who wishes to offer a dissertation under Regulation 18 shall submit an application, including the title of the proposed dissertation and a statement of the scheme of papers to be offered in the examination. Applications, signed by the candidate's Director of Studies, shall be submitted to the Modern and Medieval Languages and Linguistics Faculty Office so as to arrive not later than the third Friday of Full Michaelmas Term next preceding the examination. Applications submitted after that date will be considered only in the most exceptional circumstances.

(b) Each candidate shall obtain the approval of the proposed title by the Committee of Management no later than the last day of the Full Michaelmas Term preceding the examination. When that Committee has approved a title, no change shall be made to it without the further approval of the Committee. A candidate may submit a revised title so as to reach the Modern and Medieval Languages and Linguistics Faculty Office not later than the second Friday of the Full Lent Term; titles submitted after that date will be considered only in the most exceptional circumstances.

(c) A dissertation shall be not more than 10,000 words in length, shall show knowledge of primary sources, and shall give full reference to all sources used. Each dissertation shall be typewritten, with proper attention to style and presentation in accordance with detailed guidelines issued by the Committee of Management. Candidates will be required to declare that the dissertation is their own original work and that it does not contain material already used to any substantial extent for a comparable purpose.

(d) A dissertation shall be submitted to the Modern and Medieval Languages and Linguistics Faculty Office, in accordance with arrangements approved by the Board, so as to arrive not later than the Monday of the last week of the Full Lent Term in which the examination is to be held.

(e) A dissertation shall *either*

- (i) be written in English, except that quotations from primary sources must be in the language of the original; *or*
- (ii) if the Faculty Board so agrees, be written in a language in which a candidate has been examined in Parts IA or IB of the History and Modern Languages Tripos.

(f) A candidate may be called for *viva voce* examination on her or his dissertation and on the general field of knowledge within which it falls.

**Master of Business Administration**

(*Statutes and Ordinances*, November 2020, p. 455)

**With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Business and Management, has approved the amendment of the regulations so as to amend the notice period for the topic and form of assessment for elective modules. This change will bring the course into line with other programmes within the Faculty and streamline the notification process, requiring fewer amendments.

In Regulation 12, under Option A, (b) *Elective modules*, by amending the text so as to read:

The Faculty Board shall publish the topics and form of assessment for each elective module by the end of the term immediately preceding the term in which the work is to be completed.

**Asian and Middle Eastern Studies (Research) for the M.Phil. Degree by thesis**

(*Statutes and Ordinances*, November 2020, p. 513)

**With effect from 1 October 2021**

The General Board, on the recommendation of the Faculty Board of Asian and Middle Eastern Studies, has approved a consolidation of the pathways available, by replacing Arabic, Aramaic, Hebrew, and Middle Eastern and Islamic Studies with Middle Eastern Studies.

## **Advanced Chemical Engineering for the M.Phil. Degree by advanced study**

*(Statutes and Ordinances, November 2020, p. 520)*

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By amending the first sentence of Regulation 2 so as to read:

In publishing the list of modules and additional modules, the Degree Committee shall announce the form of examination for each module, which shall be either a written paper, or one or more pieces of coursework or other exercises, or a combination of these.

## **Architecture and Urban Design for the M.Phil. Degree by advanced study**

*(Statutes and Ordinances, November 2020, p. 524)*

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Architecture and History of Art, has approved the addition of an assessment to the scheme of examination, by inserting new sub-paragraph *(d)* in Regulation 2, to read as follows:

*(d)* passing a written assessment after completion of a course on management, practice and law that meets the requirements for registration as an architect.

## **Bioscience Enterprise for the M.Phil. Degree by advanced study**

*(Statutes and Ordinances, November 2020, p. 525)*

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By inserting new Regulation 3 as follows and renumbering existing Regulation 3 as 4:

**3.** The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## **Biotechnology for the M.Phil. Degree by advanced study**

*(Statutes and Ordinances, November 2020, p. 526)*

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By removing the final sentence of Regulation 1(*b*).

By inserting Regulation 2 as follows and renumbering the remaining regulations:

**2.** The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## Classics for the M.Phil. Degree by advanced study

(*Statutes and Ordinances*, November 2020, p. 526)

### With effect from 1 October 2020

The General Board, on the recommendation of the Faculty Board of Classics, has approved amendments to the special regulations to replace the papers borrowed from Part IA of the Classical Tripos with bespoke language papers.

#### *Regulation 1.*

By replacing sub-paragraph (b) with the following text:

- (b) two pieces of submitted work, each of which may be, subject to the approval of the Degree Committee, either an essay of about 4,000 words or an exercise of comparable substance, each on a topic approved by the Degree Committee and falling within the same general area as the candidate's dissertation or otherwise suitably related to it. The Degree Committee may require a candidate to offer instead of one of the essays a language examination consisting of an exercise in alternative Greek or alternative Latin translation in one of the following written papers:

- Paper 1. M.Phil. Greek language and texts (A).  
This paper will contain passages in Greek for unseen translation, and questions of a grammatical nature relating to a set text.
- Paper 2. M.Phil. Greek language and texts (B).  
This paper will contain passages in Greek for unseen translation, and questions of a grammatical nature relating to a set text.
- Paper 3. M.Phil. Latin language and texts (A).  
This paper will contain passages in Latin for unseen translation, and questions of a grammatical nature relating to a set text.
- Paper 4. M.Phil. Latin language and texts (B).  
This paper will contain passages in Latin for unseen translation, and questions of a grammatical nature relating to a set text.

## Energy Technologies for the M.Phil. Degree by advanced study

(*Statutes and Ordinances*, November 2020, p. 533)

### With effect from 1 October 2020

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By replacing the current Regulation 1(a) with the following:

- (a) ten modules selected from a set of mandatory and optional modules published by the Degree Committee for the Faculty of Engineering not later than the end of the Easter Term of the academic year preceding that of the examination;

By removing the final sentence of Regulation 2.

By adding new Regulation 3 as follows and renumbering existing Regulation 3 as 4:

- 3.** The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## **Industrial Systems, Manufacture, and Management for the M.Phil. Degree by advanced study**

(*Statutes and Ordinances*, November 2020, p. 539)

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements across all of the Faculty's Master's degrees, and so as to ensure comparable assessment load with other courses.

By amending Regulation 1(a) to read as follows:

- (a) six modules selected from a list of mandatory and optional modules published by the Degree Committee for the Faculty of Engineering not later than the end of the Easter Term of the academic year preceding that in which the examination is to be held; if a student has been examined on any of these modules as part of a previous degree, the Degree Committee shall substitute those modules with modules it deems to be equivalent, and shall give notice of this in the *Reporter* not later than the end of the Michaelmas Term of the academic year of the examination;

By removing the final sentence of Regulation 3.

By inserting new Regulation 4 as follows and renumbering existing Regulation 4 as 5:

- 4. The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## **Machine Learning and Machine Intelligence for the M.Phil. Degree by advanced study**

(*Statutes and Ordinances*, November 2020, p. 541)

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements across all of the Faculty's Master's degrees, and so as to permit alternative assessment on one module.

By removing the final sentence of Regulation 2.

By adding new Regulations 3 and 4 as follows and renumbering existing Regulation 3 as 5:

- 3. Students who have taken papers from Part IIB of the Engineering Tripos prior to starting the course may, with the permission of the Degree Committee, substitute one elective module under Regulation 1(a) above for a technical report on an extension of one of those papers.
- 4. The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## **Nuclear Energy for the M.Phil. Degree by advanced study**

(*Statutes and Ordinances*, November 2020, p. 545)

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By amending the first sentence of Regulation 2 so as to read:

- In publishing the list of modules and additional modules, the Degree Committee shall announce the form of examination for each module, which shall be either a written paper, or one or more pieces of coursework or other exercises, or a combination of these.

## **Connected Electronic and Photonic Systems for the M.Res. Degree**

*(Statutes and Ordinances, November 2020, p. 556)*

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By amending the first sentence of Regulation 2 so as to read:

In publishing the list of modules and additional modules, the Degree Committee shall announce the form of examination for each module, which shall be either a written paper, or one or more pieces of coursework or other exercises, or a combination of these.

## **Future Infrastructure and Built Environment for the M.Res. Degree**

*(Statutes and Ordinances, November 2020, p. 556)*

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By amending Regulation 2 so as to read:

2. The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## **Future Propulsion and Power for the M.Res. Degree**

*(Statutes and Ordinances, November 2020, p. 556)*

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By amending Regulation 2 so as to read:

2. The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## **Graphene Technology for the M.Res. Degree**

*(Statutes and Ordinances, November 2020, p. 557)*

### **With effect from 1 October 2020**

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By amending Regulation 2 so as to read:

2. The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## Sensor Technologies and Applications for the M.Res. Degree

(*Statutes and Ordinances*, November 2020, p. 558)

### With effect from 1 October 2020

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By amending Regulation 2 to read as follows:

2. In publishing the list of modules and additional modules the Degree Committee shall announce the form of examination for each module, which shall be either a written paper, or one or more pieces of coursework or other exercises, or a combination of these.

By inserting new Regulation 3 as follows and renumbering existing Regulation 3 as 4:

3. The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## Ultra Precision Engineering for the M.Res. Degree

(*Statutes and Ordinances*, November 2020, p. 559)

### With effect from 1 October 2020

The General Board, on the recommendation of the Faculty Board of Engineering, has approved the amendment of the special regulations so as to align notice requirements for modules and forms of assessment across all of the Faculty's Master's degrees.

By amending Regulation 2 so as to read:

2. In publishing the list of modules and additional modules, the Degree Committee shall announce the form of examination for each module, which shall be either a written paper, or one or more pieces of coursework or other exercises, or a combination of these. The Degree Committee shall have the power to give notice of additional optional modules not later than the end of the Michaelmas Term of the academic year of the examination.

## History for the M.St. Degree

(*Statutes and Ordinances*, November 2020, p. 569)

### With effect from 1 October 2021

The General Board, on the recommendation of the Faculty Board of History and the Strategic Committee of the Institute of Continuing Education, has approved an amendment to the special regulations so as to change in Regulation 1(a) the number of essays from four to three and the word count from 4,000 words to 3,000 words.

## Diploma in Theology for Ministry

(*Statutes and Ordinances*, November 2020, p. 603)

### With effect from 1 October 2020

The General Board, on the recommendation of the Faculty Board of Divinity, has approved amendments to the regulations to reflect the Faculty Board's delegation of the receipt and approval of proposed dissertations.

*Regulation 3(d).*

By attaching the following footnote to the reference to the Faculty Board:

The Faculty Board of Divinity has agreed to delegate its authority under this regulation to the B.Th. Management Committee.

## Postgraduate Certificate in Sustainable Value Chains

(*Statutes and Ordinances*, November 2020, p. 606)

### With effect from 1 October 2020

The General Board, on the recommendation of the Management Committee for the Cambridge Institute for Sustainability Leadership, has approved the withdrawal of this course from 1 October 2020. The reference to the Certificate in the regulations for the Postgraduate Diploma in Sustainable Business (*Statutes and Ordinances*, November 2020, p. 606) will be removed.

## Language Centre: Certificates of Proficiency

(*Statutes and Ordinances*, November 2020, p. 670)

### With effect from 1 October 2020

The General Board, on the recommendation of the Council of the School of Arts and Humanities, has approved the introduction of new language courses in Greek. The Schedule of subjects approved for certificates of proficiency awarded by the Language Centre has been amended so as to replace 'Greek Basic' with the following two subjects:

- Greek Basic 1
- Greek Basic 2

## REPORTS

### Supplementary Report of the Board of Scrutiny on Allocations from the Chest for 2020–21

The BOARD OF SCRUTINY begs leave to report to the University as follows:

#### Background

1. The Council announced in June (*Reporter*, 6586, 2019–20, p. 512) that, as a consequence of the exceptional circumstances of the Covid-19 pandemic, it would postpone until the Michaelmas Term 2020 publication of its Report recommending allocations from the Chest for 2020–21. Accordingly, the Council published a Report setting out provisional recommendations, the recommendations of which were approved by Grace 10 of 29 July 2020.

2. The 25th Report of the Board of Scrutiny was therefore not able to provide any substantive comments on Allocations from the Chest; instead the Board agreed to submit a Supplementary Report once details of the relevant allocations had been proposed by the Council.

3. On 28 October 2020, the Council duly published its recommended allocations for 2020–21 (*Reporter*, 6593, 2020–21, p. 96). It also published a separate Notice (*Reporter*, 6593, 2020–21, p. 84) entitled 'Allocations Report and budget: Context and framework of the transition to Enhanced Financial Transparency and budget-setting process' which appears to provide some additional commentary on the main Allocations Report. The recommendations of the Council's Report were approved by Grace 1 of 25 November 2020.

4. This Supplementary Report of the Board of Scrutiny is designed to provide the Regent House with some independent scrutiny of the delayed Allocations Report.

#### 2020–21 Allocation

5. The final 2020–21 budget can be expressed as follows – forecast Chest income of £516.7m less Chest allocations of £529.4m give a forecast Chest deficit of £(12.7)m. Schedule 1 to the Allocations Report provides a breakdown of the allocations in the usual format which covers the principal categories of Schools, Academic Institutions and Services, and Administered Funds.

6. On the face of it, the Allocations Report therefore provides what the Council considers to be a viable budget for the University in 2020–21 and with a considerably smaller projected deficit than had been feared.

7. In last year's Allocations Report published on 19 June 2019 (*Reporter*, 6552, 2018–19, p. 699), the forecast deficit for 2020–21 was £(17.0)m. Given the unfolding of the Covid-19 pandemic since that forecast it might, at first glance, seem surprising that it has been possible to arrive at a budget which projects such a modest deficit.

#### Changing Allocation Methodology

8. This relatively benign outcome has mostly been achieved by identifying some £26.5m of one-off 'savings' that will not recur in future years. There has also been a change in the methodology for calculating Allocations which has had some favourable impact on the numbers.

9. For the first time the Allocations for 2020–21 have been calculated by using actual expenditure in 2019–20 rather than the Allocation in 2019–20 as a baseline, and then applying a small number of adjustments. This approach has led to some reduction in the total Allocation partly because there was some level of overall under-spend in 2019–20 compared to the Allocations in that year.

10. The £26.5m of 'savings' have largely been made by drawing down some £17.2m of reserves held mainly in centrally administered funds but also, to a lesser extent, by the Schools and non-School Institutions (NSIs) on a one-off basis to meet anticipated expenditure for 2020–21. It will not be possible to repeat this manoeuvre in future years.

11. Whilst these measures have largely managed the deficit in 2020–21, they have not addressed the medium- to long-term 'structural deficit' at the Chest level. The problem remains that, despite efforts over the last five years to constrain the growth of Chest expenditure, it has nonetheless continued to grow ahead of Chest income. Nothing has been done in this round of Allocations that is likely to change that underlying trend.

12. It is notable that, unlike previous years, there are no forward budgetary projections beyond 2020–21. If there were, it would become clear that the £26.5m of 'savings' in 2020–21 would not recur in future years and a sizeable deficit would likely re-appear from 2021–22 onwards.

#### Covid-19

13. In its provisional Allocations Report published on 24 June 2020 the Council rather ominously suggested of the unfolding Covid-19 crisis – 'The financial implications under any scenario are significantly detrimental, causing the collegiate University a reduction in cash-flow of several hundreds of millions of pounds.' It seems that this was the basis on which it was decided that the final Allocations Report should be delayed.

14. Whilst the Board recognises that there was some uncertainty in June as to the likely consequences of the pandemic, it nonetheless notes that the measurable direct net financial impact on the Chest so far seems to have been

more or less negligible. The Allocations Report states that ‘Total exceptional expenditure related to Covid-19 is provisionally estimated at £20m, of which £10m is assumed to be Chest expenditure’, although elsewhere it also states that the costs of Covid-19 have been mitigated by savings arising from a reduction in activity in 2019–20 arising from the pandemic. There has also been no material reduction in student fee income of which the Board is aware, despite this being considered a major risk just a few months ago. Overall it appears that the University’s Covid-19 scenario modelling earlier in the year was, in hindsight, excessively pessimistic and did not highlight a scenario which accurately captured what has, in fact, transpired so far: little to no immediate net financial impact on the Chest. It is acknowledged that the full implications of the pandemic are not yet known but the experience to date indicates that the University’s income streams are more robust than previously thought.

15. The disruption due to Covid-19 has undoubtedly been a stressful experience for most if not all academic and non-academic staff within the University. Many staff have had to work exceptionally hard in difficult circumstances throughout 2020 to keep the University’s operations going. Given this, the suspension of almost all reward and progression schemes, including Academic Career Pathways (previously the Senior Academic Promotions process) in 2020–21 is exceptionally disappointing to many, particularly as this was justified, in part, by the pandemic.

#### Structural Deficit

16. The University has created a concept with the rather inauspicious name of ‘Category 2 initiatives’ which are designed to identify cost-saving and income-generating projects across Schools and NSIs. We are informed that around thirty such initiatives have been identified and appear wide-ranging in scope, including new and expanded taught post-graduate courses, executive education, review of unregulated fee levels, more effective use of trust funds, and introducing charging for services which have previously been provided for free. It is also understood that a small number of restructurings are taking place in relation to particular institutions and activities.

17. As far as the Board can see, the only way that the plans presented in the 2020 Allocations Report could conceivably result in serious progress in addressing the structural deficit is if the University makes substantial headway with these initiatives over the next few years. As no detail is provided about the potential scale of either cost savings or additional income that might be delivered by these initiatives, the Board cannot form a view as to their likely success or otherwise in addressing the problem at hand.

**26. Recommendation: the Council should produce a specific and quantified proposal to address the well-documented structural deficit in a sustainable way, for wider consultation and open discussion with the Regent House before the publication of the next Allocations Report.**

18. The Board does however note that 85% of Chest expenditure relates to employment costs. In the short term, these have been constrained by the zero cost of living increase in 2020 and by the suspension of a range of salary and financial ‘reward and recognition’ initiatives announced just a few years ago.

19. This approach to constraining growth in Chest costs by allowing the endless hollowing out of the salaries and benefits of rank-and-file University employees is clearly not sustainable in the longer term (or even in the medium term), especially as it comes after a 10-year period when cost of living increases have already failed to keep pace with inflation. In the absence of more significant growth of Chest income, it seems likely that some reduction in Chest-funded headcount will have to take place to allow the University to move to a more sustainable financial strategy.

#### Financial Transparency

20. The Board has noted on a number of occasions in the past that the University has suffered from low levels of transparency in its reporting of financial management information, including in its budget-setting process.

21. The 2020 Allocations Report re-iterates the previously stated agenda of the Pro-Vice-Chancellor for Strategy and Planning to reform the Allocations process to increase financial transparency. A central feature of this is to present financial information in a more holistic form which incorporates both Chest and non-Chest income and expenditure.

22. It seems that there is a growing acceptance that these reforms will be neither quick nor easy to implement fully and it is now suggested that the timescale will be 3–5 years (up from the 3 years suggested by senior University officers to the Board over a year ago).

23. The Board considers that these efforts, whilst laudable, will continue to be significantly hindered by the unsatisfactory systems and processes that seem to pervade the financial operations of the University and by the lack of attention historically given to adequate reporting of useful management information.

24. The Board also notes the point made by one member of Council that financial transparency alone will neither save money nor increase income, and therefore cannot resolve the structural deficit by itself.

25. To make actual savings in expenditure, the University will need to engage seriously with the difficult issues of either making real and sustainable improvements in administrative efficiency or in some way reducing the scope of its activities. The Board is not aware of a clearly quantified and plausible route to doing either as yet.

11 January 2021

GRAHAM ALLEN (*Chair*)

JOHN FAWCETT

ANNAMARIA MOTRESCU-MAYES

SABA ALAI

D. J. GOODE

KAREN OTTEWELL

DAVID BUTTERFIELD

MARTIN JONES

MARK SMITH

GILLY CARR

RICHARD MORTIER

IAN WRIGHT

## GRACES

### **Graces to be submitted to the Regent House at a Congregation on 30 January 2021**

The Council has sanctioned the submission of the following Graces to the Regent House at a Congregation to be held on 30 January 2021.

That the following persons be admitted to the degree of Master of Arts under the provisions of Statute B II 2:

1. STEPHEN ANDREW BRODIGAN, Group Chief Technology Officer in the Local Examinations Syndicate.
2. LAURA ELIZABETH HALL, Administrative Officer in the Finance Division of the University Offices.
3. WILLIAM JOSEPH O’HEARN, Fellow of Clare College.
4. JULIENNE JEANNE OBADIA, Fellow of King’s College.
5. CHRISTOPHER DEAN POWLEY, Director of Sales and Marketing in the Local Examinations Syndicate.

## ACTA

### **Approval of Grace submitted to the Regent House on 13 January 2021**

The Grace submitted to the Regent House on 13 January 2021 (*Reporter*, 6602, 2020–21, p. 293) was approved at 4 p.m. on Friday, 22 January 2021.

E. M. C. RAMPTON, *Registrar*

**END OF THE OFFICIAL PART OF THE ‘REPORTER’**

**EXTERNAL NOTICES****Oxford Notices**

*Radcliffe Department of Medicine (and Green Templeton College):* Robert Turner Professorship of Diabetic Medicine; closing date: 8 February 2021 at 12 noon; further details: <https://www.recruit.ox.ac.uk/>, vacancy ID: 148895

*Nuffield Department of Population Health (and Green Templeton College):* Richard Peto Professorship of Epidemiology; closing date: 19 April 2021 at 12 noon; further details: <https://www.recruit.ox.ac.uk/>, vacancy ID: 148925

*The Queen's College:* Junior Research Fellowship in Law; tenure: three years from 1 October 2021; salary: £32,817 (under review) plus additional benefits; closing date: 19 February 2021 at 12 noon; further details: <https://www.queens.ox.ac.uk/vacancies>

*Wolfson College:* Geoffrey Garton Creative Arts Fellowship in Performing Arts 2021 (non-academic fellowship); tenure: two years from 1 October 2021 (with the possibility of renewal for a further year); stipend: £10,180 plus allowances; closing date: 26 March 2021; further details: <https://www.wolfson.ox.ac.uk/vacancy/geoffrey-garton-creative-arts-fellowship-performing-arts-2021-non-academic-fellowship>

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