

THE UNIVERSITY OF EDINBURGH

BUSINESS FOR MEETING OF THE UNIVERSITY COURT to be held in the Prestonfield Room, John McIntyre Centre, Pollock Halls on Monday 14 December 2009 2.00 p.m.

A buffet lunch will be available in the Centro, John McIntyre Centre,
Pollock Halls from 1.00 p.m.

This meeting of Court will be preceded by a presentation by Mr Richard Kington,
Director of Accommodation Services entitled 'Accommodation Services - An
Update'

A FORMAL BUSINESS

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| 1. | Minute of the meeting held on 19 October 2009 | A1 |
| 2. | Note of the Seminar held on 12 October 2009 | A2 |

B PRINCIPAL'S BUSINESS

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| 1. | Principal's Communications | B1 |
| 2. | University Secretary | B2 |
| 3. | Vice-Principal (Equality and Diversity) | B3 |
| 4. | Renaming of the West Wing, Old Medical Quad | B4 |

C SUBSTANTIVE ITEMS

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| 1. | Report of the Finance and General Purposes Committee | |
| | .1 Comments on the Report of the Central Management Group | C1.1 |
| | .2 Report on Other Items | C1.2 |
| 2. | Risk Management Committee end of year report | C2 |
| 3. | Risk Management - Post Year End Assurance Statement | C3 |
| 4. | Audit Committee Annual Report | C4 |
| 5. | Reports and Financial Statements | |
| | .1 Reports and Financial Statements for the year ended 31 July 2009 | C5.1 |
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| 7. | Performance Monitoring | |
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| 8. | Remuneration Committee Annual Report | C8 |
| 9. | Governance issues | |
| | .1 Final outcome of discussions with Court Members | C9.1 |
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D ITEMS FOR FORMAL APPROVAL OR NOTE

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| 1. | Resolutions | D1 |
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UNIVERSITY OF EDINBURGH

MINUTE OF A MEETING of the University Court of the University of Edinburgh held in the Raeburn Room, Old College on Monday, 19 October 2009.

Present: The Rector (in the chair)
The Principal
Mr D A Connell
Professor A M Smyth
Mrs M Tait
Dr M Alliotta
Professor D Finnegan
Professor P Munn
The Rt Hon G Grubb, Lord Provost of the City of Edinburgh
Professor J Barbour
Professor S Monro
Mr M Murray
Mr D Brook
Mr T Graham, President Students' Representative Council
Mr E Beswick, Vice-President Students' Representative Council

In attendance: Ms S Beattie-Smith, Rector's Assessor
Vice-Principal Professor N Brown
Vice-Principal Professor J Haywood
Vice-Principal Professor A McMahon
Vice-Principal Professor L Waterhouse
Mr M D Cornish, University Secretary
Mr N Paul, Director of Corporate Services
Dr A Cornish, Director of Planning and Deputy Secretary
Mr I Conn, Director of Communications and Marketing
Mr A Currie, Director of Estates and Buildings
Mr J Gorringe, Director of Finance
Ms J McCloskey, Principal's Policy and Executive Officer
Dr K J Novosel, Head of Court Services

Apologies: The Rt Hon Lord Cameron of Lochbroom
Dr J Markland, Vice-Convenor
Professor L Yellowlees
Mr P Budd
Ms A Richards
Ms G Stewart
Mr D Workman

The Court received a presentation from Dr A Cornish, Director of Planning and Deputy Secretary on International Benchmarking Collaboration.

A FORMAL BUSINESS

1 MINUTE OF THE MEETING HELD ON 22 JUNE 2009

Paper A1

The Minute of the meeting held on 22 June 2009 was approved as a correct record.

Court welcomed Mr David Brook to his first meeting of Court in his capacity as Non-Teaching Staff Assessor. Court further welcomed Ms Sarah Beattie-Smith and Vice-Principal Professor April McMahon to their first meeting of Court in their new capacities.

2 VACATION COURT

Paper A2

Court homologated the decision of the Vacation Court to approve authorisation of the opening of a University bank account outwith the UK.

3 RECTOR'S ASSESSOR

Paper A3

Court noted that the Rector had appointed Ms Sarah Beattie-Smith to the position of Rector's Assessor with effect from 7 September 2009 to succeed Mr A Ramsay who was standing down due to relocation to England.

4 POSTGRADUATE STUDENT

The University Secretary made a short statement regarding the position of a postgraduate student.

B PRINCIPAL'S BUSINESS

1 PRINCIPAL'S COMMUNICATIONS

The Principal reported as follows:

Economic Climate: Court noted the anticipated reduction in future Scottish Government funds in light of recent UK Government announcements and the anticipated impact on sector funding. Against this background, the University, in common with other institutions world-wide, was experiencing an increase in high calibre student applications which was challenging to manage. The University continued however to take forward opportunities for capital investment and staff recruitment: three exceptional new Professors had been recently appointed to take forward research in the areas of carbon storage, innovation in the life sciences and vascular regeneration.

Scottish Government draft budget: The Scottish Government announced its draft budget last month, key points for the sector are a 2.2% increase in the overall budget for the Education and Lifelong Learning portfolio, a 3.6% or 2.1% in real terms increase for universities and significant proposed cutbacks in teacher training funding of around 30%.

Contingency Planning: Over the summer the University had undertaken a contingency planning exercise covering a three year period commencing 2010/2011.

Scottish Funding Council: Proposals were now out for consultation to reduce the current 12 subject funding groups to 4 which, if implemented, would result in significant redistribution of funding between subjects and institutions.

Undergraduate and postgraduate intakes 2009/2010: The University was over target by around 450 for home/EU undergraduates and 119 for overseas undergraduates. 2010/11 intake numbers will require to be strictly contained: PSG was taking an active oversight of admissions processes for next year. Home/EU and overseas postgraduate numbers were up on figures for the same period last year.

ERI 2008/2009 outturn: Court welcomed the very successful year for research applications, awards secured and commercialisation activities.

Pay negotiations: Discussions were continuing nationally with trade unions to secure a pay settlement, Unison had accepted the final employers' offer of 0.5%, but other unions had rejected it.

2009 National Student Survey Results: The University's overall position had remained

the same as last year which was disappointing given the efforts of Colleges and Schools to improve the student experience. The University was actively engaging with EUSA to ascertain how best to initiate further improvements.

Tuition fees: There had been much recent debate on this matter in the media: the University continued not to take a public position.

Modern languages provision: Plans for provision of modern languages, as agreed last academic session, had been prepared and a report would be presented to the next meeting of Court.

League Tables: The University had been ranked 20th in the THE-QS World University Tables 2009.

Universities UK: A successful annual conference had been held in Pollock Halls at the beginning of September 2009.

UK Minister for Higher Education: Mr David Lammy visited the Informatics Forum in September, meeting colleagues involved in research commercialisation and students and staff involved in widening participation initiatives.

Edinburgh International Festivals: The University had played a leading role in this year's international festivals, being the largest venue provider and hosting 'Fringe Central' at Appleton Tower.

Santander Universities: Emilio Botín, Chairman Banco Santander visited the University in July 2009 and announced funding from the Bank for 20 additional scholarships for Latin American students.

Various opening events: The Chancellor had opened the new Euan MacDonald Centre for Motor Neurone Disease and Ian Rankin had opened the refurbished main Library over the summer. A child epilepsy research centre was opened on 19 October 2009 made possible by a £1m pledge from the Muir Maxwell Trust, a paediatric epilepsy charity.

EUSA Advice Place: Court congratulated EUSA on its Advice Place being awarded the Matrix Standard: a national quality award for providers of information, advice and guidance for learners. It is thought to be the first students' association facility to have been granted the accreditation.

Court welcomed the intention to prepare a communications report for future Court meeting on various international, national and University issues and events. This would be circulated in advance with the agenda and papers for meetings. The Principal would continue to provide a verbal report, but this would be more succinct, focusing on issues of particular strategic importance to the University.

2 VICE-PRINCIPAL AND HEAD OF THE COLLEGE OF HUMANITIES AND SOCIAL SCIENCE

Court welcomed the appointment of Professor Dorothy Miell to the position of Vice-Principal and Head of the College of Humanities and Social Science with effect from 1 March 2010.

3 HONORARY VICE-PRINCIPAL AND ASSISTANT PRINCIPAL

Paper B3

Court approved the proposals to appoint Professor Ian Howard, Principal of the Edinburgh College of Art an Honorary Vice-Principal for an initial period of three years in recognition of the close working partnership between the University and the College

of Art and Professor Martin Siegert, Head of the School of GeoScience, Assistant Principal for Energy and Climate Change for an initial period of two years: the commencement date for each appointment was yet to be determined.

C SUBSTANTIVE ITEMS

1 REPORT OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

In the absence of Dr Markland, Mr Murray introduced the papers previously circulated.

Report from Central Management Group Meetings of 17 June and 23 September 2009 **Paper C1.1**

The Scottish Government's Procurement Handbook and APUC (Advanced Procurement for Universities and Colleges) Procurement Manual were adopted by Court for implementation across the University in line with revised internal procurement arrangements. Court further approved the revised terms of reference for the Staff Committee and commended the draft Policy on Dignity and Respect which would be available in its final format for approval at the next meeting of Court. The significant areas of activity being undertaken by the Staff Committee were noted in particular the areas around performance review and reward and recognition for teaching and how these related to the promotion process for academic staff. The comments in the Staff Committee report on nursery provision were also noted. Court further welcomed the work on contingency planning in respect of a pandemic flu.

Report on other Items **Paper C1.2**

Court welcomed the full year research and commercialisation report noting the excellent achievements of ERI which had been discussed in detail at the Court seminar on 12 October 2009. It was noted that progress was being made with the EUCLID project and that the Finance and General Purposes Committee had therefore now agreed to receive exception reports. The debate on an appropriate way forward and response to the Trustees of the SBS following the outcome of the Scheme's triennial valuation results were noted and Court endorsed the process being proposed including seeking independent actuarial advice for the University. The reduction in insurance premiums was welcomed.

2 REPORT OF ESTATES ADVISORY GROUP **Paper C2**

The change of name of the Estates Advisory Group to the Estates Committee and the revised terms of reference for the Committee were approved by Court. Estates and building issues had formed part of the financial scenario planning undertaken over the summer and Court noted the revised funding assumptions and capital projection plan; the ability to initiate projects should funding become available was welcomed. Assurances were provided on the detailed risk analysis available for each significant capital project, the on-going monitoring of funding assumptions and the liaison between estates and buildings and finance and as appropriate development and alumni on financial and funding matters. The various recommendations as listed on the coversheet to the paper were approved by Court noting in particular the funding now available to take forward the resurfacing of the Old College Quad. In respect of the next phase in the refurbishment of the Main Library, Court noted the discussions on the co-location of certain student services to the main library and that further information would be available at the next meeting of the Main Library's Strategic Committee on this matter.

3 REPORT OF AUDIT COMMITTEE **Paper C3**

Court approved the extensively revised terms of reference for the Internal Audit Service which now provided better clarity on the roles and responsibilities of the Service and was

in line with the revised guidance on audit practice as issued by the Scottish Funding Council. It was welcomed that the Audit Committee had now completed its performance review 2008/2009 of Internal and External Audit Services and that the Committee had concluded that both services were performing very satisfactorily. Court further noted the content of the draft Minute of the last meeting of the Audit Committee.

4 REPORT OF NOMINATIONS COMMITTEE

Paper C4

On the recommendations of the Nominations Committee, Court approved the following appointments:

Professor S Monro and Ms A Richard to be re-appointed for a further three years as Co-Opted Members of Court until the end of 2012/2013 and Mr M Murray to be re-appointed as a Co-Opted Member of Court until the end of 2011/2012.

Mr D Bentley's appointment as an external Member of the Audit Committee to be extended until the end of December 2010, Professor A Smyth's appointment to the Audit Committee to be extended until the end of 2010/2011 and Ms A Richard's appointment to the end of 2012/2013.

Mr D Connell's appointment to the Committee on University Benefactors to be extended until the end of 2010/2011 and Professor L Yellowlees' appointment until the end of 2009/2010.

Mr M Murray's appointment to the Estates Committee (previously EPAG) to be extended until the end of 2011/2012.

Vice-Principal Professor A McMahon to be appointed to the Finance and General Purposes Committee with effect from 1 September 2009 for as long as she holds the planning and resources portfolio, Mr D Connell's appointment to the Finance and General Purposes Committee be extended until the end of 2010/2011, Mr M Murray's appointment to the end of 2011/2012 and Professor S Monro's appointment to the end of 2012/2013.

Professor A Smyth's appointment to the Nominations Committee to be extended until the end of 2010/2011.

Professor S Monro's appointment to the Remuneration Committee to be extended until the end of 2012/2013.

Dr J Markland's appointment to the Staff Committee to be extended until the end of 2010/2011.

Vice-Principal Professor A McMahon to be appointed Convener of the University's Research Ethics Committee and Professor S Monro's appointment to this Committee to be extended until the end of 2012/2013.

Mr D Brook to be appointed a Member of the University's Collections Advisory Committee for three years until the end of 2012/2013.

Mr M Murray's appointment in respect of the Code of Practice on reporting malpractice and raising concerns under the Public Interest Disclosure Legislation to be extended until the end of 2011/2012.

Vice-Principal Professor Nigel Brown to be appointed a Curator of Patronage with immediate effect until the end of 2011/2012.

5 PROPOSED REPEAL OF THE COMMISSIONERS' ORDINANCE AND PROMULGATION OF A NEW ORDINANCE ON THE EMPLOYMENT OF ACADEMIC STAFF **Paper C5**

Court noted that it had been the University's desire for some time to replace the present 'Commissioners' Ordinance' with more up to date, flexible and legally compliant arrangements for regulating the employment of academic staff. Court approved the proposed approach which had been formulated following discussion with colleagues from the eight older Scottish Universities affected by the current arrangements, an encouraging statement from the Scottish Government on its policy in regard to these matters and the success of the University of Stirling in securing revisions to its Charter.

Two Ordinances would require to be taken forward, the first to empower the University Court to vary or revoke the current Commissioners' Ordinance and the second to put in place the new provisions which would continue to recognise a commitment to academic freedom; it was unclear as yet whether the first Ordinance would require to be approved by the Privy Council before the second could be advanced or whether both could be considered simultaneously. Court further noted that prior to submitting final Ordinances to the Privy Council for approval the University required to initiate an eight week consultation period during which time the observations of the General Council and the Senate would be sought on the draft Ordinances and there would also be discussion with trade unions. Any observations received would be brought to the next meeting of Court for consideration on the way forward.

6 DRAFT CORPORATE GOVERNANCE STATEMENT **Paper C6**

Court approved the draft Corporate Governance Statement noting that it was little changed to the version approved in respect of the 2007/2008 Accounts.

7 SUMMARY OF OUTCOME OF DISCUSSIONS WITH COURT MEMBERS **Paper C7**

In accordance with the framework agreed by Court in December 2008, the University Secretary and the Vice-Convenor of Court had initiated a series of meetings with Court members to ascertain their views on the operation of Court and on support available to Court members. The paper set out a summary of these discussions and the main themes emerging. In the absence of the Vice-Convenor it was agreed that a final paper be prepared for consideration at the next meeting of Court which would include any further comments received from any Court member. Court noted and endorsed the suggestions set out in the paper to improve the operation of meetings of Court.

A paper on taking forward the formal process to review the effectiveness of Court and its Committees would also be presented to the next meeting of Court.

8 ANNUAL REVIEW **Paper C8**

Court approved the articles to be included in the University's Annual Review subject to incorporation of any further comments received by Court Members and noted that this was the formal report on University activities required to be presented to the General Council.

D ITEMS FOR NOTING AND FORMAL APPROVAL

1 ACADEMIC REPORT **Paper D1**

Court noted the report from the Senatus Academicus of its electronic Senate conducted

The University of Edinburgh

The University Court

14 December 2009

Court Seminar –12 October 2009

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

Attached is an informal note of the Court Seminar held on 12 October 2009.

Action requested

Court is invited to note the content of the paper.

Resource implications

None directly.

Risk Assessment

Where applicable, noted in the paper.

Equality and Diversity

None.

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the commercial interests of any person or organisation

Dr Katherine Novosel
Head of Court Services
23 October 2009

The University of Edinburgh

The University Court

14 December 2009

Principal's Report

Members will recall that at its last meeting Court agreed with a suggestion from the Principal that the bulk of his communications to Court would henceforth be provided in written form in advance of the meeting. This will allow him more time at meetings to brief Court verbally on any major issues facing the University. The Principal's communications will continue to highlight current issues of interest to the University and to update Court on recent University development and events.

These are grouped below into international, UK and Scottish developments, followed by details of University news and events:-

International

EU Commissioners

The President of the European Commission has announced his team of Commissioners that he hopes will join him in forming the new Commission in January. Maire Geoghegan-Quinn (Ireland), a former Irish Government minister and member of the European Court of Auditors, has been designated as Research and Innovation Commissioner. Androulla Vassilio (Greece) a lawyer and politician and wife of the former President of the Republic of Cyprus, has been designated as Commissioner for Education, Culture, Multilingualism and Youth.

Lisbon Strategy

On 23 November the European Commission published its 6th annual report on progress towards the Lisbon Strategy objectives in education and training (http://ec.europa.eu/education/lifelong-learning-policy/doc1951_en.htm). The report concludes that since 2000, education performance has improved considerably in most areas identified by European education ministers as central to achieving the Lisbon goals. However the overall rate of progress has been slow and it is likely that four out of the five education and training objectives set for 2010 will not be reached. Notable positive trends are a marked increase in the number of EU students studying abroad (up around 50% since 2000) and an increase in the time young people are staying in education in all EU countries.

Chinese Education Minister

The Chinese Government last month moved its Minister for Education, Mr Zhou Ji, to another role. Mr Zhou had served 6 years in the role and visited the University in October 2005. His departure has been widely reported in the international press as representative of a growing criticism in China over the quality of education provision and concerns about the level of graduate unemployment. His successor is Mr Yuan Guiren, a former president of Beijing Normal University, whom I expect to meet in Beijing this month.

Recent International Travel

In late October I went on a week long visit organised and partially sponsored by Santander Bank to Latin America. The purpose of the visit was to explore possible links with universities in Chile, Argentina and Brazil and discuss arrangements for the additional 20 scholarships for Latin American students in Edinburgh which Santander announced in the summer. Whilst there I also met with several alumni from the region.

During November I joined colleagues from Development and Alumni on an awareness raising / fundraising trip to the USA (New York and Washington). This comprised meetings with key supporters as well as evening events for alumni living in the region, centred around talks by Professor Charles French-Constant of the Centre for Regenerative Medicine.

On 7 December I travelled to the University of Karlsruhe in Germany as part of my participation in the German Initiative for Excellence, or 'Excellenzinitiative', and on 11 December to Beijing to attend the Annual Conference of the Confucius Institute Headquarters.

Related Meetings

On 29 October I was a panel discussant at the UK-India Business Council Summit in London, speaking on the University's experience of entry into the Indian market. The Summit was opened by the President of India, Pratibha Patil. Last month I hosted a British Council sponsored visit by a delegation from Saudi Arabia, led by the Deputy Minister for Higher Education.

UK

Higher Education Framework

On 3 November the UK Government published its Higher Education Framework *Higher Ambitions: The future of universities in the knowledge economy* (<http://www.bis.gov.uk/wp-content/uploads/publications/Higher-Ambitions.pdf>). The Framework sets out 17 proposals covering the full range of university activity, perhaps the most noticeable of which are: that all universities should publish a standard set of information for prospective students; that there should be more concentration of research funds; and that there will be a greater element of competition for funding. I plan to attend a related Universities UK briefing meeting with Lord Mandelson on 15 December.

The Framework includes explicit acknowledgement that in the tightening funding environment, 'the burden of financing higher education's diversity of excellence will need to be more equitably shared between employers, the taxpayer and individuals'. The UK Government's fees review is a key part of the background to the Higher Education Framework.

Independent Fees Review

On 9 November the Secretary of State for Business, Innovation and Skills announced an independent review of higher education and student finance. The Review is to be chaired by Lord Browne (former chief executive of BP) and will 'analyse the challenges and opportunities facing higher education and their implications for student financing and support. It will examine the balance of contributions to higher education funding by taxpayers, students, graduates and employers. Its primary task is to make recommendations to

Government on the future of fees policy and financial support for full and part-time undergraduate and postgraduate students’.

The Review is expected to report by autumn 2010. Any changes following the review will not come into effect before academic year 2011/12 at the earliest. Although the Review is concerned with funding of higher education in England, it is of obvious interest to Scotland given the potential impact of any changes.

White Paper on Scotland’s Future in the UK

On 25 November the Scottish Secretary announced the publication of the above White Paper which sets out the UK Government’s response to the Calman Commission and proposes the transfer of powers to Scotland on a range of issues. Central to the Paper is the proposed devolution of tax powers (including income tax) and a corresponding reduction in the Barnett formula. A Bill would not be brought forward until after the 2010 UK General Election. The Conservative Shadow Secretary of State, David Mundell, has indicated that his party will bring forward their own White Paper if elected. Some form of change to taxation and other powers therefore appears likely regardless of the election outcome.

HEFCE Consultation on the Research Excellence Framework (REF)

At the end of September, the Higher Education Funding Council for England (HEFCE) published a consultation on proposals for a Research Excellence Framework (REF) to replace the RAE. The REF will focus on three key elements against which it will assess institutions’ research performance – outputs, impact and environment. The consultation invites input on policy and operational aspects of the new Framework. The deadline for response is 16 December.

The University’s response to the consultation is currently being finalised and will incorporate contributions from members of the Principal’s Strategy Group as well as College Research Deans and Research Committees. The University is also closely engaged with Universities Scotland and with the Russell Group in the drafting of their responses. Key points for the University are issues around the attribution, measurement and weighting of the ‘impact’ of research, and the question of the timescale for the implementation of changes.

National Pay Negotiations

An outcome from the negotiations is now four months overdue. The Universities and Colleges Employers Association met with representatives of all the trade unions and ACAS on 24 November to conclude negotiations. As there is no prospect of any improvement on UCEA's 0.5 per cent offer, UNITE's education conference recommended on 26 November that members accept the deal. The result of a ballot on the issue is expected in the next two weeks. As was reported to Court in October, UNISON has already accepted the offer. The University and College Union's higher education committee met on 4 December and we are currently awaiting information on the outcome of that. Subject to the outcome of their consultations, all parties recognise that the 2009 negotiations have concluded.

Related Meetings

On 3 November I had a useful meeting at Westminster with Ian Taylor MP (Conservative), Chairman of the UK Parliamentary & Scientific Committee to discuss science and innovation policy. On 27 November I participated in an interesting SCDI organised breakfast briefing meeting in Edinburgh with Kenneth Clark MP, Shadow Secretary of State for Business.

Scotland

Funding for Teacher Training

Court will recall that at the October meeting I explained that the draft Scottish Government budget proposes a significant cut to the funds available for teacher training (from £31.8m to £22.1 million). Officials from the Scottish Government continue to meet with Deans of Education to discuss the likely impact and its plans for maintaining future capacity. It is clear that this proposed reduction in student numbers and funding poses a serious problem and we will need urgent clarity on the likely distribution of student intake for 2010 and on the availability of transitional funding. The Scottish Government has since announced (20 November) a review of teaching education in training in Scotland to be conducted by Graham Donaldson, Senior Chief Inspector at Her Majesty's Inspectorate for Education. This review will consider the full spectrum of teacher education from initial teacher education through induction and onto continuing professional development. It will begin in January 2010 and report to Ministers by autumn 2010. The University's proposed actions to the anticipated reduction in funds available for teacher training are set out in appendix 3 of Court paper C1.1.

Scottish Government Reshuffle

Court will likely be aware of the Scottish Cabinet Reshuffle of last week. Mike Russell has been appointed Cabinet Secretary for Education and Lifelong Learning in succession to Fiona Hyslop who replaces him as Minister for Culture and External Affairs. Mr Russell is an alumnus of the University. I have written inviting him to an early meeting.

Consolidation Policy

The Scottish Government has written recently to the Scottish Funding Council to set out a revised consolidation policy to apply from the next academic year. The policy applies to all full-time UK/EU undergraduate provision in non-controlled subjects. Indicative numbers are set for each institution and actual numbers are assessed against them. If an institution over enrolls by more than the indicative number plus tolerance then it will incur a penalty. The revised policy introduces a 10% tolerance for priority subjects (currently these are outside the consolidation policy) and a 7% tolerance for non-priority subjects (currently 10%). Priority subjects are defined as science, maths, statistics, operational research, engineering, technology, computing / informatics, and modern languages.

University News

Darwin Celebrations - The Talbot Rice Gallery's exhibition on *Darwin's Edinburgh* which explores how Darwin's time as a medical undergraduate at Edinburgh influenced his future career and *An Entangled Bank* a presentation of work by five acclaimed contemporary artists which interprets the continuing relevance of Darwinian ideas in art opened on the 23 October 2009.

UNESCO Chair in International Development – On 3 November 2009 the University was awarded a UNESCO chair in recognition of the University's contribution to international development. Professor Paul van Gardingen from the School of GeoScience and Director of the University's International Development Centre will be the first Chair holder.

Global Health Academy – launched on 6 November 2009 this new Academy will bring together staff from across the University from areas such as medicine and the biomedical sciences, public health, social sciences and engineering to collaborate on global health

challenges including obesity, pandemic flu, tuberculosis, diabetes and tropical diseases such as malaria, sleeping sickness and rabies. Professor Sue Welburn has been appointed Director of the Academy which will provide a portfolio of online postgraduate degrees enabling health care professionals from around the globe to participate in the University's postgraduate education whilst continuing to live and work within their local communities. It is the first in a series of Academies to be launched by the University with others focussing on climate change and international development.

Julius Nyerere Scholarship – named after the Edinburgh graduate and first President of Tanzania this scholarship launched on 9 November 2009 will provide funding for Tanzanian students to attend the University.

Chancellor - visited the University on 16/17 November 2009, attending the celebration to mark 40 years of innovation which highlighted the work and achievements of ERI, opening the John Burnett accommodation block at Pollock Halls and the refurbished John MacIntyre Centre, and hosting a dinner at Holyrood Palace for supports of research into MND, MS and childhood epilepsy.

HRH Prince El Hassan bin Talal of Jordan – also visited the University on 16 November and delivered a lecture to staff and students on *'Trends in Arab Thought'*.

Anders Fogh Rasmussen - the Secretary-General of the North Atlantic Treaty Organisation (NATO) and former Prime Minister of Denmark was the third VIP to visit the University on 16 November when he delivered a public lecture on *'The Future of Peace Support Operations'*.

Winter Graduations - 25-27 November 2009. Honorary degrees were awarded to: Sir Tom Hunter, Dr Elizabeth Svendsen, Mr John Leighton, Rt Hon Lord Wallace of Tankerness, Mr Paul Gudgin and Mr Michael Boyd. Students who had completed an online degree course and were graduating with an MSc in E-learning on the 26 November 2009 are thought to be among the first in the UK to be able to attend a virtual degree ceremony – as well as graduating in the McEwan Hall they were also able to attend a second ceremony in Second Life – the world's largest user created 3D virtual community. Ms Annie Lennox was also awarded an honorary degree at a separate ceremony held on the 20 October 2009.

Atomium Culture – the University has been invited to participate in a project along with 21 other selected European universities (only 1 other UK University invited), newspapers and businesses to allow new research and discoveries to be shared throughout the continent.

Exascale Technology Centre – launched on 3 December 2009 this new centre is part of a broader initiative in partnership with the Cray supercomputer company to boost processing speeds; researchers will attempt to make supercomputers be able to perform an Exaflop - a trillion calculations per second - within the next decade. The Centre was launched by Mr Peter Ungaro, Chief Executive of Cray, and I.

Postgraduate Open Day – took place on 4 December 2009 with a series of events including a student services fair and opportunities to visit Schools and talk to staff and students.

Research in the news:

- Roslin Institute researchers have draft first genetic blueprint for pigs.
- CERN particle accelerator switched back on to resume the quest for Professor Higg's boson.

- Students have developed a simple, cheap, accurate test to find undetected landmines using custom-made bacteria which glow green on contact with chemicals leaked by buried explosives.
- A new chemical compound that mimics the body's ability to fight bacteria has been developed in collaboration with researches at St Andrews, Glasgow Caledonian and UHI which could help in combating hospital superbugs.
- New electrical generators developed in the School of Engineering will improve cost and efficiency of wind turbines – a new spin out company NGenTec formed to market the new C-GEN technology.
- Gene discovered which could help explain the causes of severe mental illnesses such as schizophrenia, bipolar disorder and depression.
- Researches at the Medical Research Council Centre for Regenerative Medicine have for the first time produced liver cells specific to different ethnic groups that could revolutionise the development of drugs to treat diseases.

Lectures/Events:

- I hosted a special reception in November to welcome more than 150 University undergraduate and postgraduate students who were in receipt of scholarships awarded for their outstanding academic performance and secured through a competitive process.
- As part of the Year of Homecoming 2009, I opened the University's very popular St. Andrews Day event in the Playfair Library featuring pipes, clarsach, Scots and Gaelic songs and poetry.
- Canada's national Inuit leader Mary Simon, President of Inuit Tapiriit Kanatami - the national Inuit organisation in Canada – delivered a public lecture on 1 December 2009 on Arctic Issues. The event was hosted jointly by the Centre of Canadian Studies at the University and National Museums Scotland.
- On 5 December Lady O'Shea and I had the pleasure of hosting an afternoon tea in the Principal's Residence to welcome new members of the Carlyle Circle. Everyone who makes a personal pledge to the University is invited to join the Carlyle Circle, a prestigious group united by a shared interest in the success of the University.
- Professor Chris Bishop, Professor of Computer Science and Chief Research Scientist at Microsoft Research Cambridge is the 2009 Tam Dalyell science prize winner; he was presented with a medal from Dr Dalyell at an event on the 9 December 2009 and delivered a lecture on what he considers will be the impact of new materials for computer storage.

The University of Edinburgh

The University Court

14 December 2009

Principal's Communications: University Secretary

I regret to inform members of the Court that the University Secretary has indicated his firm intention to retire from the service of the University in the late summer of 2010.

Melvyn Cornish is an outstanding servant of the University who in addition to leading an important support group and acting as Secretary to the Court provides me with highly effective and timeous support over a wide range of demanding domains.

Following consultation with the Vice Convener, I believe it is necessary to proceed without delay to fill this key post by external advertisement, so as to ensure a reasonable handover period.

I should be grateful for the Court's concurrence with this approach.

TMMO'S
December 2009

The University of Edinburgh

The University Court

14 December 2009

Vice-Principal (Equality and Diversity)

Court at its meeting on the 15 May 2006 approved the designation of Professor Lorraine Waterhouse, School of Social and Political Science as Vice-Principal (Equality and Diversity) having previously approved a job description and the process to identify a suitable colleague to take forward the responsibilities of this role.

Vice-Principal Professor Waterhouse was appointed with effect from 1 January 2007 for an initial period of three years and during her term of appointment she has fulfilled her valuable role as Vice-Principal in an excellent manner particularly in respect of her Convenership of the Equality and Diversity Committee and of the Staff Committee. The role remains very important to the strategic priorities of the University and it is therefore recommended to Court that Professor Waterhouse should continue in this position for a further three years.

There are no additional resources implications.

Court is invited to endorse this proposal.

TMMO'S
December 2009

The University of Edinburgh

The University Court

14 December 2007

Re-Naming of the West Wing, Old Medical Quad

School of History, Classics and Archaeology

In August, 2010 the School of History, Classics and Archaeology will move to the refurbished West Wing of the Old Medical School in Teviot Place. This will provide an eagerly awaited excellent single site location for the School. There is strong support within the School, endorsed by the College, for transferring the name of William Robertson from the existing building on the east side of George Square to the refurbished West Wing. As one of the leading figures of the Scottish Enlightenment, an internationally recognised historian, and a distinguished Principal memorialised by one of Raeburn's finest portraits, William Robertson has long been associated with the study of history in the University of Edinburgh.

Professor Tom Devine, Head of the School, has written the following in support of this proposal:

‘William Robertson (1721–1793) was a Scottish scholar of many parts and great distinction. He was Principal of the University of Edinburgh from 1762 to 1793, a period which some regard as the intellectual climax of the Scottish Enlightenment when his own institution was filled with a galaxy of intellectual stars in the Humanities who achieved global fame. He himself was a prolific writer whose works rank among the very best of that golden age. He published on the history of the ancient and classical world, the Indies and the Americas as well that of Europe and Scotland. Robertson was fascinated by social theory, by the impact of material and environmental factors on the fashioning of the human condition and by the intellectual possibilities of rigorous enquiry. His works remained deeply influential across the world well into the nineteenth century and they reach across the disciplines of the School. One of William Robertson's favoured aphorisms (in Latin) was said to be 'Life without Literature is Death'. Perhaps not all of us today might go quite as far as that. Nevertheless, he and his generation of eighteenth century scholars stood for the kinds of values which I personally hope will become integral to our community in the School's new building: tolerance of different ideas, the highest standards of teaching and research, robust debate, respect for the range of approaches across our activities, the capacity to think out of the box and, not least, a spirit of harmony which may at times also lead to conviviality.’

Following consultation with relevant staff, this proposal is commended to the Court for approval. It should be noted that the timing of the transfer of the name will be agreed following consideration of the continuing use of any of the teaching space in the current William Robertson building and subject to clarification of the acceptable postal address for the refurbished West Wing of the Old Medical Quad.

TMMO'Shea
December 2009

The University of Edinburgh

The University Court

14 December 2009

**Report of the Finance and General Purposes Committee
(Comments on the Report of the Central Management Group's meeting of 18 November 2009)**

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

This paper comprises the Report to the Finance and General Purposes Committee at its meeting on 30 November 2009 from the Central Management Group of its meeting of 18 November 2009. Comments made by the F&GP Committee are incorporated in boxes within the report at relevant points.

Action requested

The Court is invited to approve the IT Strategy at item 7 and the Information Security Policy at item 8 and to note the remaining items with comments, as it considers appropriate.

Resource implications

As outlined in the paper.

Risk Assessment

As outlined in the paper.

Equality and Diversity

As outlined where appropriate in the paper.

Freedom of information

Can this paper be included in open business? Yes except for those items marked closed.

Originators of the paper

Dr Alexis Cornish
Dr Katherine Novosel
7 December 2009

Central Management Group meeting

of 18 November 2009

3 EUCLID – UPDATE REPORT

The EUCLID and satellite projects, although making significant progress, had been subject to some slippage and the EUCLID Strategy and Quality Assurance Group was currently assessing the position to ensure delivery of the high priority systems and features. A contingency plan was also being developed particularly for the period immediately after the cessation of the project at the end of the 2009/2010 academic session to make sure all requirements were in place for the start of the next academic year.

5 REPORT FROM THE STANDING CONSULTATIVE COMMITTEE ON REDUNDANCY AVOIDANCE (SCCRA) (Appendix 2)

CMG welcomed the production of this monitoring report and commended the very effective working of the Committee.

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| <p>The Committee noted the first report from the Standing Consultative Committee on Redundancy Avoidance (SCCRA) which would become more informative as year on year more information was available: it was suggested that annual reporting was sufficient. The Committee further welcomed the partnership working demonstrated by the significant activities of SCCRA and the effectiveness of consultation with colleagues: the end of a fixed term contract was classified as a redundancy situation regardless of the expectations of the individual involved.</p> |
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7 IT STRATEGY (Appendix 4)

The IT Strategy for the University was endorsed by CMG and commended to Court for approval.

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|---|
| <p>The Committee endorsed the Strategy.</p> |
|---|

8 INFORMATION SECURITY POLICY (Appendix 5)

The Information Security Policy for the University was endorsed by CMG and commended to Court for approval. CMG welcomed the production of this document to assist in the management of this high risk area and noted that a series of Codes of Practice would form an integral part of this policy.

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|---|
| <p>The Committee endorsed the Policy.</p> |
|---|

9 DRAFT SOCIAL RESPONSIBILITY & SUSTAINABILITY STRATEGY

CMG endorsed the draft Strategy for wider consultation across the University community noting the intention to prepare a number of action plans to deliver the finalised Strategy. The Director of Corporate Services was confirmed as the senior management executive champion of sustainable procurement as required under the Scottish Government Plan.

10 SETTING STUDENT RENTS

It was noted that the proposed rent increases for 2010/2011 and indicative increases for

2011/2012 and 2012/2013 had been endorsed by the Fees Strategy Group and had the support of EUSA. CMG approved the 2010/2011 rent increases which averaged 1.25% for the majority of accommodation with rents frozen in some areas, small reductions in other less favourably located accommodation and a slightly higher increase of 1.31% for Pollock Halls. CMG further approved the cross-subsidy of £1.83m from commercial surplus to students' rents acknowledging that this was an above inflation increase.

11 HEALTH AND SAFETY QUARTERLY REPORT FOR JULY-SEPTEMBER 2009 (Appendix 6)

The quarterly report from Health and Safety was noted.

12 REPORT FROM SUSTAINABILITY AND ENVIRONMENTAL ADVISORY GROUP

CMG noted the satisfactory outcome of the 'Universities that Count' benchmarking exercise 2009 with the University being ranked 2nd in respect of the environment index and joint 5th for the corporate responsibility index. Subject to further lobbying to improve the appropriateness of the questionnaire CMG approved the recommendation that the University takes part in the 2010 exercise: the process to be led by Vice-Principal Professor Bownes, the Director of Corporate Services and the Energy & Sustainability Adviser. CMG further noted the improvements achieved by the University in the areas of waste and recycling and the success in taking forward the project to cut carbon emissions.

13 REPORT FROM SPACE MANAGEMENT GROUP

The NPRAS rates to be applied for 2010/2011 were endorsed and the rates for 2009/2010 confirmed.

14 REPORT FROM UNIVERSITY'S RESEARCH ETHICS COMMITTEE

CMG approved the proposal to incorporate the business currently considered by the Research Ethics Committee within the Research Policy Group thus disbanding the Research Ethics Committee, noting the considerable overlap in remit and membership of both these groups. A section on the agenda of future meetings of the Research Policy Group would be given over to matters relating to research ethics to which the current members of the Research Ethics Committee would be invited to attend.

15 FEES STRATEGY GROUP

CMG approved the following as recommended by the Fees Strategy Group:

- Home and Away fees scheme for postgraduate students (reduced fees for those studying away from the University for 12 months or more) to be abolished for new students.
- The annual continuation fees to be charged pro rata for the full period of the approved extension rather than quarterly from 2010/2011.
- Undergraduate Home/EU students to be charged for credits taken pro rata to the appropriate full time programme tuition fee up to 80 credits and the full year fee to be charged for those in excess of 80 credit from the start of 2010/2011. Current fees were charged in units of 20 credits. This approach also to be applied to overseas/high cost rate of tuition fees.
- All fee discount schemes require to be considered by the Fees Strategy Group.
- Specific proposals for various programmes in each of the Colleges.

16 REVIEW OF PUBLIC HOLIDAYS

CMG approved the proposals on the new arrangements for public holidays which offered greater flexibility and included an additional one day annual leave entitlement for all categories of staff. A formal offer would now be made to trade unions and, if agreed, implementation was expected to be undertaken in February 2010.

Report from the Standing Consultative Committee on Redundancy Avoidance

Introduction

1. The purpose of this report is to provide Court, as the body which has ultimate responsibility for the appointment and dismissal of staff, with clear information on the policies, structures and processes in place to ensure that the University is fulfilling its obligations in relation to employment law and good governance in the area of redundancy.
2. It is important to note in this context that 'redundancy' includes the termination of fixed term contracts. Over 500 such contracts terminate each year, very largely involving staff externally funded from research grants and contracts. A main function of the Standing Consultative Committee on Redundancy Avoidance is to enable the University to work with the unions in minimising the number of such staff wishing to have continued employment with the University who fail to secure this objective. The other main function is to enable early discussion of the potential consequences of organisational change which might result in the need for staff losses, again with a view to minimising the number of compulsory redundancies which arise in such circumstances: in practice, very few such redundancies have proved to be necessary.

The Standing Consultative Committee on Redundancy Avoidance

3. Taking account of both external and internal pressures for change, as much related to changes in organisational culture and practice as to shifts in employment law, the University has created a University level committee for the effective oversight of this area: the Standing Consultative Committee on Redundancy Avoidance (SCCRA).
4. SCCRA was established as a result of a ground-breaking agreement on Consultation on Avoidance of Redundancy between the University and the recognised unions in 2008. The committee is chaired by the Vice-Principal Planning, Resources and Research Policy and includes members from all the recognised unions as well as management from across the University. Its remit is to:
 - Develop and review policies and provisions with a view to avoiding and/or reducing the number of redundancies within the University and, where redundancies cannot be avoided, to mitigate the consequences of redundancies
 - Review and discuss overview information on potential redundancies in the period ahead: comprising the reasons for potential redundancies, numbers and descriptions of employees affected, total number of employees in each category and any University proposals for handling the potential redundancies including selection and compensation arrangements
 - Oversee arrangements for identifying situations where consultation on potential redundancies may be necessary
 - Identify any areas of concern and advise on necessary action
 - Refer for local collective consultation, if agreed to be appropriate
 - Ensure that arrangements are in place for communicating the policies and provisions for the avoidance of redundancies to managers and staff, as appropriate.

5. SCCRA met for the first time on 23 June 2008 and has considered overview information on staff at risk of redundancy (including, most notably, those on fixed-term contracts) each month since then, as well as identifying and taking forward policy matters. This report summarises SCCRA's work and achievements in its first year of operation, reports on work that is underway and planned, and provides summary information regarding redundancy and avoidance of redundancy in the University.

SCCRA's Work and Achievements

6. Since its inception in June 2008, SCCRA has:
 - a) established a joint Working Group on policy development (August 2008).
 - b) established agreed mechanisms for reporting on quantitative information on potential redundancies, including, most substantially, expiry of fixed-term contracts . (A standard format was settled upon in September 2008.)
 - c) reviewed and discussed overview information on potential redundancies on a monthly basis from June 2008, incorporating information on actual redundancies relative to those originally 'at risk' from February 2009.
 - d) established an agreed basis for reporting on 'one-off' restructuring-type situations, and reviewed and discussed that information on a monthly basis from November 2008
 - e) developed and agreed *Interim Guidelines for consultation in relation to organisational change potentially involving redundancies* (September 2008). The recognised unions have welcomed the implementation of these guidelines, which have encouraged early communication and partnership working in relation to restructuring and other significant organisational change.
 - f) developed an outline Policy Framework on Avoidance and Management of Redundancy (September 2008)
 - g) developed a fixed-term contract employment life-cycle flowchart providing an overview of the process for managers and staff. Published that on the HR website at www.humanresources.ed.ac.uk/policies/FTCs/FTC_Flowchart.pdf in March 2009.
 - h) developed a Talent Register database, process and guidance, to support the redeployment of staff at risk of redundancy, which was made live on the HR website at www.humanresources.ed.ac.uk/Recruiters_Manual/Talent_Register/Talent_Register.htm in April 2009.
 - i) consulted on communication of the Talent Register to potential redeployees. Staff at risk of redundancy were informed of the Talent Register by letter in May/June 2009 and, at the same time, details were incorporated into the standard letters issued to notify members of staff that they are at risk of redundancy. Two staff have been redeployed through the Talent Register since then.
 - j) consulted on Redeployment Guidance for Recruiters which will be issued by the end of 2009

Planned developments and priorities

7. At its first meeting, SCCRA agreed that, taking account of the areas for policy development noted in the agreement on Consultation on Avoidance of Redundancy, the following policy areas should be the priorities to address.

- (i) The core process for handling potential redundancies (including redundancy payment)
 - (ii) Redeployment policy and support, including talent pool management and retraining
 - (iii) Outplacement support, including careers advice and training/development support
 - (iv) Managing contracts and maximising job security, including review of the use of fixed-term contracts in relation to redundancy, in the context of diverse sources of funding
 - (v) Arrangements for voluntary severance in relation to avoidance of redundancy
8. Subsequently, SCCRA agreed that development of redeployment support should be prioritised, and that is reflected in the development of a Talent Register and Redeployment Guidelines for Recruiters.
 9. Priority is now being given to completing development of a Policy Framework on Avoidance and Management of Redundancy, and reviewing the current operational processes relating to fixed-term contracts and staff at risk of redundancy. The Policy Framework is intended to replace the current procedures for redundancy, and so is related to the ongoing action to revise the Commissioners' Ordinance.
 10. It has been agreed that that priorities (iv) and (v) above should be addressed once these ongoing projects are completed (while noting that the work underway on reviewing the standard FTC/'at risk' letters will contribute to priority (iv)).

Overview of data on redundancy

11. Each month SCCRA considers overview data and other information relating to potential and actual redundancies (mainly the expiry of fixed-term contracts) for the University as a whole. This is a critical aspect of the University's statutory obligation to carry out collective consultation on redundancy with the recognised unions, and has been welcomed by the unions.
12. SCCRA considers data on the numbers of staff with contracts due for expiry or review, staff who have been informed that they are at risk of redundancy, and staff actually made redundant, relative to those originally at risk for the same period. These data are analysed by length of service, enabling account to be taken of very short term/seasonal staff and particular attention to be paid to those with longer service. The data are split between staff on fixed-term and open-ended contracts and also analysed by School/Support Department, reason for contract expiry/review and grade. The large majority are staff employed from restricted funding which is coming to an end.
13. SCCRA also receives a monthly summary of significant 'one-off restructuring/closure situations' that are under consideration or in progress across the University, which notes the stage local consultations have reached and any anticipated redundancies.
14. SCCRA has identified these approaches to exercising oversight in a spirit of partnership working between University management and the unions and in order to ensure that it can fulfil its responsibilities to satisfy employment law and good practice.
15. In addition to the overview taken by SCCRA, the unions are provided with a monthly detailed list of staff at risk of redundancy (most of whom are on fixed-term contracts and restricted funding), and consultation on specific restructuring-type situations is carried out locally, by the relevant HR team and the managers concerned.
16. The appendix to this paper is an extract of the most recent overview information considered by SCCRA, showing the numbers of staff originally declared at risk of

redundancy relative to the actual numbers of staff made redundant from December 2008 to August 2009. Excluding those with under one year's service (which would include significant numbers of short-term 'cover' and seasonal staff), in total 579 staff (460 fixed-term and 119 open-ended) were at risk of redundancy in that period and 143 staff (121 fixed-term and 22 open-ended) were made redundant.

17. SCCRA has noted that there is considerable variation in the proportion of staff who are actually made redundant relative to the numbers placed at risk from month to month. However, the one consistent factor is that the University shows considerable success in avoiding redundancy for those declared at risk, with well under half of the staff with one year's service or more who are declared at risk actually being made redundant, and the average proportion over the past nine months being only 25%.

Conclusion

18. CMG and Court are invited to note the work of the Standing Consultative Committee for Redundancy Avoidance and the University's current position in relation to redundancy and avoidance of redundancy. CMG and Court are asked to consider whether they would wish to see such updates on SCCRA's work, and on our success in avoiding redundancy, on a regular basis. If so, would twice per year be appropriate?

Staff 'at risk' and actual redundancies - December 2008 to August 2009

The tables below show data reported to SCCRA in October 2009 on the numbers of staff declared to be at risk of redundancy, the numbers actually made redundant, and the % of those declared at risk that were actually made redundant, for each month from December 2008 to August 2009. Most of these data relate to staff employed on restricted funding. Details of the type of contract (fixed-term or open-ended) and the length of service of the staff are also shown.

| Length of Service (LOS) at point of Redundancy | Dec-08 | | | | | Jan-09 | | | | | Feb-09 | | | | |
|--|---------|-----|-----------|----|--------|---------|----|-----------|----|--------|---------|----|-----------|----|--------|
| | At Risk | | Redundant | | % | At Risk | | Redundant | | % | At Risk | | Redundant | | % |
| | FTC* | OE* | FTC | OE | FTC/OE | FTC | OE | FTC | OE | FTC/OE | FTC | OE | FTC | OE | FTC/OE |
| Less than 1 Year | 33 | 1 | 32 | 0 | 94.1% | 20 | 0 | 14 | 0 | 70.0% | 16 | 0 | 8 | 0 | 50.0% |
| From 1 to less than 2 Years | 27 | 0 | 5 | 0 | 18.5% | 12 | 0 | 1 | 0 | 8.3% | 13 | 2 | 0 | 0 | 0.0% |
| From 2 to less than 4 Years | 45 | 2 | 6 | 0 | 12.8% | 14 | 0 | 11 | 0 | 78.6% | 18 | 0 | 10 | 0 | 55.6% |
| From 4 to less than 6 Years | 8 | 9 | 0 | 0 | 0.0% | 1 | 1 | 3 | 0 | 150.0% | 1 | 0 | 0 | 0 | 0.0% |
| From 6 Years + | 0 | 27 | 0 | 3 | 11.1% | 0 | 5 | 0 | 2 | 40.0% | 0 | 4 | 0 | 4 | 100.0% |
| Total Including less than 1 year | 113 | 39 | 43 | 3 | 30.3% | 47 | 6 | 29 | 2 | 58.5% | 48 | 6 | 18 | 4 | 40.7% |
| Total Excluding less than 1 year | 80 | 38 | 11 | 3 | 11.9% | 27 | 6 | 15 | 2 | 51.5% | 32 | 6 | 10 | 4 | 36.8% |

| Length of Service (LOS) at point of Redundancy | Mar-09 | | | | | Apr-09 | | | | | May-09 | | | | |
|--|---------|----|-----------|----|-----------|---------|----|-----------|----|-----------|---------|----|-----------|----|-----------|
| | At Risk | | Redundant | | Redundant | At Risk | | Redundant | | Redundant | At Risk | | Redundant | | Redundant |
| | FTC | OE | FTC | OE | FTC/OE | FTC | OE | FTC | OE | FTC/OE | FTC | OE | FTC | OE | FTC/OE |
| Less than 1 Year | 34 | 11 | 25 | 0 | 55.6% | 28 | 0 | 13 | 0 | 46.4% | 30 | 0 | 22 | 0 | 73.3% |
| From 1 to less than 2 Years | 34 | 1 | 2 | 0 | 5.7% | 13 | 0 | 7 | 0 | 53.8% | 13 | 0 | 3 | 0 | 23.1% |
| From 2 to less than 4 Years | 12 | 3 | 5 | 0 | 33.3% | 24 | 1 | 6 | 0 | 24.0% | 16 | 0 | 7 | 0 | 43.8% |
| From 4 to less than 6 Years | 7 | 1 | 2 | 0 | 25.0% | 4 | 2 | 1 | 1 | 33.3% | 1 | 1 | 0 | 0 | 0.0% |
| From 6 Years + | 11 | 6 | 1 | 0 | 5.9% | 0 | 4 | 2 | 3 | 125.0% | 3 | 9 | 2 | 3 | 41.7% |
| Total Including less than 1 year | 98 | 22 | 35 | 0 | 29.2% | 69 | 7 | 29 | 4 | 43.4% | 63 | 10 | 34 | 3 | 50.7% |
| Total Excluding less than 1 year | 64 | 11 | 10 | 0 | 13.3% | 41 | 7 | 16 | 4 | 41.7% | 33 | 10 | 12 | 3 | 34.9% |

| Length of Service (LOS) at point of Redundancy | Jun-09 | | | | | Jul-09 | | | | | Aug-09 | | | | |
|--|---------|----|-----------|----|-----------|---------|----|-----------|----|-----------|---------|----|-----------|----|-----------|
| | At Risk | | Redundant | | Redundant | At Risk | | Redundant | | Redundant | At Risk | | Redundant | | Redundant |
| | FTC | OE | FTC | OE | FTC/OE | FTC | OE | FTC | OE | FTC/OE | FTC | OE | FTC | OE | FTC/OE |
| Less than 1 Year | 26 | 0 | 12 | 0 | 46.2% | 12 | 0 | 18 | 0 | 150.0% | 32 | 0 | 25 | 0 | 78.1% |
| From 1 to less than 2 Years | 17 | 1 | 5 | 0 | 27.8% | 19 | 3 | 1 | 0 | 4.5% | 24 | 0 | 1 | 0 | 4.2% |
| From 2 to less than 4 Years | 27 | 2 | 6 | 0 | 20.7% | 31 | 0 | 7 | 2 | 29.0% | 29 | 0 | 17 | 0 | 58.6% |
| From 4 to less than 6 Years | 5 | 2 | 2 | 1 | 42.9% | 14 | 5 | 5 | 1 | 31.6% | 8 | 2 | 2 | 0 | 20.0% |
| From 6 Years + | 1 | 11 | 0 | 2 | 16.7% | 6 | 9 | 1 | 0 | 6.7% | 2 | 6 | 0 | 0 | 0.0% |
| Total Including less than 1 year | 76 | 16 | 25 | 3 | 30.4% | 82 | 17 | 32 | 3 | 35.4% | 95 | 8 | 45 | 0 | 43.7% |
| Total Excluding less than 1 year | 50 | 16 | 13 | 3 | 24.2% | 70 | 17 | 14 | 3 | 19.5% | 63 | 8 | 20 | 0 | 28.2% |

| Length of Service (LOS) at point of Redundancy | TOTAL Dec 08 to Aug 09 | | | | |
|--|------------------------|-----|-----------------|----|--------|
| | Total At Risk | | Total Redundant | | % |
| | FTC | OE | FTC | OE | FTC/OE |
| Less than 1 Year | 231 | 12 | 169 | 0 | 69.5% |
| From 1 to less than 2 Years | 172 | 7 | 25 | 0 | 14.0% |
| From 2 to less than 4 Years | 216 | 8 | 75 | 2 | 34.4% |
| From 4 to less than 6 Years | 49 | 23 | 15 | 3 | 25.0% |
| From 6 Years + | 23 | 81 | 6 | 17 | 22.1% |
| Total Including less than 1 year | 691 | 131 | 290 | 22 | 38.0% |
| Total Excluding less than 1 year | 460 | 119 | 121 | 22 | 24.7% |

* FTC = staff with fixed-term contracts
OE = staff with open-ended contracts

IT Strategy

Introduction

This document gives a high-level framework which can be used in the University to guide decision-making over the next three to five years. This is the same time frame as the University and Information Services' strategic plans. The detail of what standards, technology or even approaches to particular issues such as authentication, authorisation and storage are not covered. This is intentional, as it is impractical to try and cover all the detail – since technical solutions are changing faster than the timeframe for the overall strategy. It is more effective to harness specialist expertise in specific issues as it is needed; such work should form specific policies that underpin and mesh with the overall strategy presented here.

Aim

To deliver services that support the University's strategic goals of excellence in learning and teaching, research, and commercialisation & knowledge exchange whilst exceeding user expectations

The aim puts the user experience rather than the technology at the heart of the strategy. In order to be able to exceed user expectations there has to be an element of setting or managing expectations as well as delivering great services. This is also helpful in ensuring that users do understand what those services are.

Service Characteristics

Anytime, anyplace

Services that are not constrained by time or location

*Our services need to run 24*7 so that they are available no matter what the user's working pattern or time zone. Similarly a user should be able to access the services from any location: e.g. students getting their results from an internet café or a principal investigator making spending decisions on her grant while visiting another institution. Many of the client devices will not be owned by the University and will encompass mobile devices such as phones as well as more traditional computers. Effectively this means that services will be web-delivered and require no client-side set-up, for example using virtual private networks with no network address-based restrictions. This is not possible for all services at present but is a growing need, and over time it is expected that it will become the norm.*

Easy to Use

Keep it simple and tell people about it

Making services easy to use is more important than making them functionally rich. If people cannot use a service they will invent duplicate solutions, requiring high levels of support and training and resulting in higher costs and decreased user satisfaction.

Integrated

People expect organisations and their IT to be joined up

We all use online services where we get immediate results, for example buying an airline ticket: we do not expect to be referred to different departments or to come back later to check that there really is a seat available. Traditionally the IT functions in most organisations have been delivered by monolithic applications – for example, Virtual Learning Environment, Finance, HR, Student Records and Research Archives. We now need joined up functions that cross these silos, so that – for example – a student can change course online, have the fees adjusted, make payments and get the right materials from the learning environment– all in 'real time'.

Secure

Not a concern for the user

All users should be confident that information they have entered into systems will be maintained securely, will not be improperly accessed, will be secure in transmission, and will be made available to them when they want it and how they expect it to be.

Principles

Many of the principles that follow are inter-dependent, or different facets of the same issue – for example, standardisation is a mechanism for maintaining simplicity.

Keep it simple

Most services have large elements that go unused because people simply don't find them, or users are unable to understand how to use them. This has multiple implications for service providers: additional cost for no return, users inventing duplicate solutions, cost of training and support high and user satisfaction low. An important dimension that is often overlooked in the University culture is that the desire to capture all possible requirements and deliver 'perfect' solutions leads to slow solutions; a more agile approach of making a service available quickly is often a better solution than having a more complex solution delivered later.

Once a core functionality level has been met, ease of use rather than functionality is the deliverable that causes users' expectations to be exceeded. There is much evidence to show that 'core functionality' is a much lower barrier than might be expected.

User focused

Clear communication and simple routes for getting help and support are essential if we are to satisfy user expectations. There are many examples of services in the University being under-used because users, and in some cases the IT support staff, do not understand them, because the information needed to use them is not clear or easily available. Obviously where services are complex this exacerbates the problem.

De-Duplication

Duplication of services, where different parts of the organisation look to achieve similar outputs through different means, is an expensive problem that costs both to implement and to maintain; as such it is to be avoided. Often duplication is only considered in terms of duplicating centrally provided services; however, it may also occur where several Schools duplicate services that are not provided centrally. Where duplication occurs, it is usual to find that a small element of the 'duplicated' services are not common, or not delivered as effectively, and this is often the justification for the duplication. As central services are developed they will increase in functionality and many of the reasons for local duplication will become irrelevant. The problem of removing duplication through the development of appropriate central services is a governance issue that is greatly eased if the quality of the central service exceeds user expectations.

Standards

Using standards – whether they are standards we have created ourselves, industry standards or internationally accepted standards – is an important strategy for reducing complexity, removing duplication, fostering collaboration and managing relationships with vendors. The more 'standard' the item is, the greater the pressure there should be to use standard offerings. What standards are adopted and how their use is encouraged is a significant governance issue, as everyone will support the use

of standards until it comes to the crunch and they have to compromise to comply. An important element of the use of standards is having relevant policies that make relevant information easily accessible.

Technology Change

The IT industry is young, and the pace of change is high and will continue to be so for the foreseeable future. The University must retain the flexibility needed to be able to take advantage of new technology, whether that be improvements in hardware or software, new applications, new models of delivery such as open source development, software as services, outsourcing, and the general consumerisation of IT where we can all get free services from the 'cloud' without any IT department involvement.

Compliance

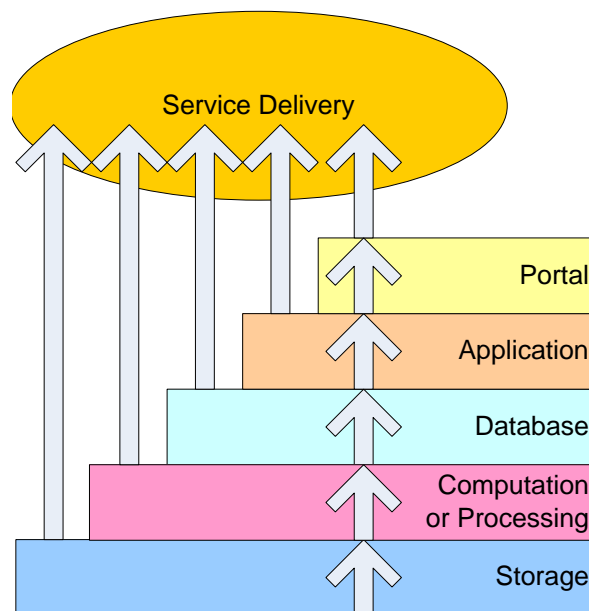
Legislative compliance, whether it is Disabilities, FOI or data protection, is an integral part of the environment.

Practical Considerations

The aim and principles lead into a number of practical considerations that are helpful to use to guide thinking towards implementation.

Layered Model

The principles lead us to the idea that increasingly complex services can be built from much simpler components that form layers. Taking as an example the delivery of administrative services, the following simple diagram illustrates the principle of the layered model:



To deliver most services we need to store data, for example for the student information service (EUCLID), University Web Site (UWS), the Library Catalogue, the Edinburgh Research Archive, *etc.* By standardising on the way in which we store data, a common approach to all data storage can be adopted. This has the potential advantages of reducing support costs, economies of scale in the procurement, and ensuring a common backup with similar cost reductions possible there. We are doing this with the storage area network (SAN). This is represented as the storage layer in the diagram. Within a layer there may be more than one service offering, and it is usual in a large and complex organisation for this to be the case.

The identification of layers and the services in each layer helps to reveal unnecessary duplication.

An important aspect of the model is that a service may be exposed to end users or may be combined with other layered services to deliver higher value services. To continue the example, all of MyEd, UWS and EUCLID require data processing or computation and an underlying database. By standardising on the Oracle RDBMS running on Unix computers we are able to reduce support costs, get economies of scale – in this case by negotiating a site licence for the software – and again enabling common support services such as disaster recovery, security patching *etc.* The Oracle database service can then be exposed to applications that are written and managed by Applications Division or other staff at the University, or through open source initiatives or commercial software vendors. In an ideal world there would be only one database in the layer; however, when working with a wide range of vendors it is not practicable to have a single database platform, so the strategy adopted for centrally-delivered applications has been to use Oracle as the first choice, and MicroSoft SQL server and the open source MySQL as necessary.

In the research domain, direct access is already offered to the lower layer storage and compute-cluster services (*via* ECDF) where nearly 200 TBytes are stored already and the 12 TFlop cluster is used to capacity. At the next layer up, a University-wide global file system could be provided (*e.g.* AFS) to allow storage to be accessible from anywhere on and off campus. Another example could be a code-versioning framework which would sit above the storage layer. At higher levels both Web server and database services are already used.

Similar principles apply to learning and teaching; for example, the use of video in learning materials delivered by the VLE requires storage of the media, streaming services and presentation via applications and web interfaces. Adopting a layered model enables the same storage services to be used as in the admin example and the streaming video service to be shared with the University web presence.

A more complete but still simplified model which does not show exposure of individual services (the steps in the diagram above) is shown below:

| | | | | |
|--------------------|---|-----------------------|----------|---------------------------------|
| | EASE/Active Directory/Other | | | |
| Information access | Web/MyEd/Other | | | |
| | Integration Includes business intelligence strategy as well as transactional stuff | | | |
| | | Authorisation | | |
| Application Logic | Administration | Learning and Teaching | Research | Communication and Collaboration |
| Services | Common Middleware Services - Web servers, application servers, databases, soa support, desktop (file, print, office, etc) | | | |
| | Infrastructure - hardware, storage, file systems, networking, operating systems, and some higher level protocols | | | |

Standardisation

Standardisation is important, as it reduces complexity – which lowers support costs and increases the scale of the service, which in turn reduces unit costs. These two drivers, reduced complexity and scale, will enable improved service and reduced costs. A great example of this is the introduction of the managed desktop for Windows PCs. However, we cannot ignore the requirements of the business in this process of standardisation. We have to be able to balance the desire to standardise to improve service and reduce cost against the need to enable our users to use the tools that are appropriate for their work. To this end we have adopted policies that define what centrally-supported services are across a limited range of choices. For example we have Windows, Macintosh and Linux for desktop PCs, Mozilla Firefox and Internet Explorer for web browsers, and Oracle, SQL Server and MySQL for databases. There will always be some people who need to operate outside the prescribed environment. It is important that we balance between appropriate pressure to conform to standards and the need to innovate. We have a few areas where control is essential, such as procurement where we have both benefits to achieve and legal obligations to comply with. In the main, the more ‘standard’ an item is, the more pressure there should be to use it; good examples would be buying a desktop PC or a standard software applications. To achieve the desired approach, we need to encourage people to use the standard route, by making it clear what is expected and by delivering great services. We should not necessarily prevent people doing what they want (it’s too hard), but we should not support them when they move beyond the central set. There is a difficulty in balancing the desire to allow people to do their own thing, with the possibility that they will adversely affect other members of the community.

No central service can keep pace with all of the new innovation. It is therefore important that the work of those at ‘the sharp end’ can, where appropriate, be brought into the central service so that the benefit of the innovation can be enjoyed by all. Good examples of this issue lie in the virtual learning and research environments where ideas, tools and services are still evolving and what constitutes a mature service has yet to be defined. At the start of the academic year, the centrally-run service based on WebCT introduced an e-Portfolio tool which is expected to become the standard offering. With this improvement to the service, all learners can have it, they only need to engage with one system, and institutional support costs are reduced. However, those areas that were innovative and introduced e-Portfolios ahead of the central service provision will have to go through some transition over time to be able to use the centrally-provided service. Processes for managing the cycle from innovation to standard service delivery are not easy, as they run into all the pressures of people and the ways they behave, together with the ability of the service provider to deliver and the need for a governance model that can differentiate between innovation and duplication.

As we engage with more and more suppliers, a problem arises because of duplication in the functionality that is provided; for example, e-Financials, e-Vision (EUCLID) and WebCT all have elements of a portal and offer elements of single sign-on that duplicate some of the functionality – but not all – in MyEd/EASE. Many vendor strategies are based on what could be described as ‘King of the Hill’: if you use my portal, my authentication, my ..., everything will work terrifically well (and it helps to shut out other vendors). Increasingly, the effort of the central service supplier has to be on integrating these services so that for example an announcement made in WebCT is delivered via MyEd and/or WebCT. This is often difficult because the vendors don’t provide the interfaces needed to allow this to happen, and the ‘King of the Hill’ strategy fits well with implementation projects where there is a single focus. Again this produces a governance tension.

Service Orientated Architecture – SOA

The SOA approach fits well with the strategy, as it is effectively a mechanism to deliver business logic that follows the principles of the layered service model. SOA is very much in vogue at the time of writing: it has been adopted by the major vendors of business applications SAP, Oracle, Microsoft, IBM, *etc.*, and it will play an important part in both industry and University strategies. This section is included because the way in which SOA works illustrates many of the principles that we wish to adopt in the University, and it will form an important implementation strand over the next five years.

As the SOA approach may not be familiar to all readers the following is a detailed but still simple explanation.

Service orientated architecture – SOA – is a way of disaggregating the functionality in a large business application into what are called *services*. ‘Service’ is a much used word in the IT industry and means many things to many people. In this context, services are business functions which are generally much smaller than the functionality in a whole application. A couple of examples follow giving both an education perspective and a large-scale commercial application – demonstrating both its applicability to HE and its ability to deliver in very large scale applications

Example 1 – there are an increasing number of tools in the collaboration space: blogs, wikis, discussion fora, email, ed diary, etc. In many cases, users want to be able to work with a set of collaborators, whether it is their research colleagues who may be spread around the world or groups of students they are teaching. Adopting a central group management service, as has been done at Newcastle University, and exposing its ability to update groups and to publish groups as services, allows a mechanism for applications to use those services to enable real time synchronisation of groups across multiple tools. The user only needs to update the group once but can immediately use all the tools with the updated group. The advantage from an IT perspective is that the services only have to be published once and then many applications can use them, rather than having to build point-to-point integration for each tool combination.

Example 2 – the DVLA application that enables the public to buy road tax online needs to check whether the vehicle has a MoT and insurance. These checks are done using services that allow the DVLA to send a request to all of the participating insurance company systems and their MoT system and get a response in ‘real time’ that enables the end user to complete the online application and payment. It does not matter what application the insurance company is using, so long as it can deliver the right service interface to the DVLA. The services provide a mechanism to deliver a great customer experience, as the process seamlessly integrates the MoT and insurance check. From the DVLA point of view, it only needs one service for all insurance companies – not one per company as would have been the case a few years ago, greatly reducing duplication and hence its costs.

The services are based on standards that are independent of the hardware/software platform being used, and are loosely coupled together via the Internet. The use of standards gives us the flexibility to extend the functionality of applications with components from more than one vendor or in-house developments, the ability to provide cross-application integration in real time, and an easier mechanism to replace components with new services as they become available.

The SOA approach fits well with the layered model as it is effectively disaggregating the business logic layer into smaller components or layers. It enables us to avoid duplication, as we can provide a service like ‘send announcement’ that may be called from many locations, for example in the portal, in WebCT, in a workflow, *etc.* This addresses the ‘King of the Hill’ problem, allowing us greater control over the user experience rather than being locked in to an individual vendor’s approach. Similarly it provides a framework for Schools to extend centrally-provided services to meet their local requirements. The ability to extend functionality in this way using a framework based on standards will encourage innovation and agility whilst retaining the necessary control to deliver robust services.

As SOA follows the layered model, the governance issues are very similar to those of the overall IT strategy: who is allowed to use services, how do you avoid duplication, overlapping but slightly dissimilar functionality, dependence on others for availability and difficulty of problem identification/location.

Transparency and Charging

As the technology changes there is a constant need to review allocation of funding so that new services can be implemented. However, funding based on historical allocations restricts the flexibility to change. It is extremely difficult to withdraw existing services, so change is limited to the amount that can be committed from the central allocation to new initiatives and the amount that can be saved from running costs of existing services – working smarter, cheaper technology *etc.* Generally, the amount of money available to invest in new services will be limited and will always be insufficient to fund major new initiatives such as EUCLID or the University Web Site. In these cases funding has to be requested from central funds if the projects are to proceed. It is just as important to stop doing things that are no longer required as it is to ensure that new initiatives are not allowed to proceed if funding restrictions mean that user expectations cannot be met.

In some cases the University has taken the view that funding for particular initiatives should be provided through charging at the point of delivery, so that the service can be scaled to meet demand: for example, charging for network ports and SAN disk usage. Charges of this kind can be very helpful, both in making sure that new services are adequately funded to deliver the required quality, and in generating a more entrepreneurial and agile environment whilst stimulating greater accountability.

Given that we are unlikely to have a radical shift in our funding model, it would seem sensible to adopt a mixed model which aims to deliver some services to users where all costs are met from central provision (for example, Finance, HR, Library Catalogue), some where a mixed model applies (for example Network, where there are some charges aimed at recovering the marginal costs of installing and running new ports and wireless access points), and some where there is full cost recovery (for example delivering services to PIs, as they are expected to recover full economic costs from their funders or work for external bodies). In all cases, whether the service is being delivered with or without charges, we need to be able to determine costs of service delivery transparently.

The mix of funding types, charges, withdrawal of services, *etc* are areas where central service directors would be expected to seek guidance from the governance bodies supporting IT at the University.

Partnership

As described earlier, no one area of the University can do it all – whether that is central IT provision from Information Services or research group based computing. We all have symbiotic relationships and many partnerships to sustain if we are going to achieve the best. This may be internally, within the University, and/or with partners and collaborators in other universities or research institutes, or indeed with commercial vendors such as Cray with Hector or Tribal with EUCLID. Respecting, encouraging and developing these partnerships are important to our combined success, and form an important part of the strategy. Providing our approach to standards and duplication is followed, there is no definition in the strategy that defines who should fulfil a particular service.

Governance

There is a need for a place where strategy can be developed and the kinds of governance decisions about standardisation, duplication, authorisation, charging, *etc.* can be brought. The first Kenway Review recommended that a Group should be set up to do this. In many ways this would be a re-formulation of the IT Committee. The Group would be advisory to the Vice Principal (CIO role) and formally report to the Knowledge Strategy Committee (KSC). The overall strategy would be signed off by the KSC, but more operational policy would be developed by the Group and short life working parties as necessary.



Information Security Policy

This policy recognises that a core aim of the University is the dissemination of knowledge, and that any policy which assumes that access to that knowledge must, by default, be denied will fail. Instead, our concern is with ensuring that the steps taken to ensure the integrity of our information and, where necessary and appropriate, its confidentiality are proportional and effective.

1. Introduction

1.1 The objectives of this Information Security Policy are to:

- i. protect against the consequences of breaches of confidentiality, failures of integrity or interruptions to the availability of that information.
- ii. ensure that all the University's information assets and associated facilities are protected against damage, loss or misuse.
- iii. ensure compliance with all relevant legislation which applies to the processing of information.
- iv. increase awareness of information security and the responsibilities of users for the data which they handle.

1.2 Sections 1 to 4 apply to all users. Section 5 to system owners and system controllers.

1.3 This policy provides the overall management direction for information security across the University. Individual 'Codes of Practice' are an integral part of this policy and are listed in Appendix A which will be updated as required.

1.4 Information and services in the University can be categorised as either open to the public or restricted by some mechanism to a set of people. This policy addresses the prevention of unauthorised access.

2. Policy Authorisation and Compliance

2.1 It is the University's policy that the information it is responsible for shall be appropriately secured to protect against the consequences of breaches of confidentiality, failures of integrity or interruptions to the availability of that information; and to protect it against damage, loss or misuse.

2.2 This policy has been ratified by the University Court and forms part of its policies and procedures, including its Computing Regulations. It is applicable to, and will be communicated to, all users.

2.3 This policy shall be reviewed regularly to ensure that it remains appropriate.

2.4 The responsibility for ensuring the protection of information systems and ensuring that specific security processes are carried out shall lie with the Head of the School, Support Unit or Administrative Department responsible for that information.

2.5 Specialist advice on information security shall be made available, throughout the University, from Information Services and drawing on appropriate expertise within the wider University community.

2.6 An information system's compliance with the information security policy shall be reviewed in line with the assessed criticality of the system independently of the system owner.

2.7 The University's Computing Regulations and other documents (such as the Contract of Employment for staff, and disciplinary codes for students) set out the responsibilities of staff and students with respect to information security.

2.8 In exceptional circumstances the Chief Information Officer may elect to waive particular clauses of this policy for specific systems after due regard is taken of the risks and benefits.

3. Criticality

Systems can be described using a spectrum of criticality. Criticality is an assessment of the impact and likelihood of a security failure for a particular system. Issues that should be considered include, but are not limited to, inconvenience, distress or damage to personal reputation, financial loss, harm to organisational programmes or reputation, legal violations and personal safety. This policy sets out the requirements across the range of "low", "medium" and "high" criticality systems. As part of a general risk assessment process, individual system controllers should determine the criticality of their system. This process should also consider system dependencies - any system upon which the security of a high criticality system depends is also a high criticality system, regardless of its own nature.

4. Information Security for All

4.1 General

All users of information systems will be given a summary of the information security policy.

4.2 Information Handling and Use of Computers

4.2.1 All users of information systems must manage the creation, storage, amendment, copying, archiving and disposal of data files in a manner which safeguards and protects the confidentiality, integrity and availability of such files.

4.2.2 Any username and password or any other access credential shall be used in accordance with the appropriate Code of Practice and, where applicable, any requirements of the central authentication service.

4.2.3 All users must ensure they comply with the guidance in the appropriate services Code of Practice in relation to physical security, the environment from where access is made and the type of access.

4.3 Mobile Working

4.3.1 It is recognized that mobile computing is a normal part of University business. However, this entails additional risk and users must take additional precautions.

4.3.2 Users who work using equipment outside the University and/or remove data from the University must be aware of the additional risks and take appropriate steps to mitigate them.

4.3.3 Users of mobile computing equipment must adhere to the appropriate Code of Practice giving guidance on how to conform to the University's information security policy and other good practices.

4.3.4 Users must take all steps to mitigate the risks associated with the environment or 3rd party equipment they may use while engaged in mobile or off site working.

5. Information Security for System Owners and System Controllers

5.1 General

5.1.1 The University's information systems shall be managed and run by suitably trained and qualified staff.

5.1.2 All staff involved in managing information systems shall be given access to IT security training and advice.

5.2 Operations

5.2.1 Areas and offices that contain high criticality systems shall be given an appropriate level of physical security and access control, including protection from unauthorised access, environmental hazards and electrical power failures.

5.2.2 The procedures for the operation and administration of all information systems and activities must be documented at a level appropriate for their criticality. These documents should be subject to regular maintenance and internal review.

5.2.3 Duties and areas of responsibility, appropriate to the criticality of the system, shall be segregated to reduce the risk and consequential impact of information security incidents, that might result in financial or other material damage to the University.

5.2.4 Procedures to report security incidents and suspected security weaknesses in the University's systems, will be established and widely communicated. Mechanisms shall be in place to monitor and learn from those incidents. Anonymous reporting is allowed in line with University policy.

5.2.5 Procedures will be established to report software malfunctions and faults in the University's high criticality systems. Faults and malfunctions shall be logged and monitored and timely corrective action taken.

5.3 System Planning and Development

5.3.1 The information assets associated with any new, or updated, high criticality service must be identified, classified and recorded. A risk assessment should be undertaken to identify the risks of security failure, and an assessment of any legal obligations which may arise. Responsibility for updating this information shall be identified and recorded.

5.3.2 The development, use or modification of all software on the University's critical systems for their complete lifecycle shall be appropriately controlled to protect against the introduction of security risks.

5.3.3 Acceptance criteria for new high criticality information systems, upgrades and new versions shall be established and suitable tests of the system carried out prior to migration to operational status. This includes ensuring compliance with the University's information security policies, access control standards and requirements for ongoing information security management.

5.4 Systems Management

5.4.1 The user account management process must be handled in a secure manner over its lifecycle.

5.4.2 Access controls for all systems shall be set at an appropriate level in accordance with the value of the assets being protected, and the criticality of the system. Access controls shall be regularly reviewed, with any changes in access permissions being authorised by the system owner. A record of permissions granted must be maintained.

5.4.3 Access to all information systems shall use an appropriate access mechanism with security appropriate to the criticality of the system. Access to parts of high criticality systems may be augmented by requiring stronger assurance, further authentication, or controlled by time of day or location of initiating system.

5.4.4 All access to high criticality services will be logged and monitored to identify potential misuse of systems or information.

5.4.5 Formal change control procedures, with audit trails, shall be used for all changes to high criticality systems. All changes must be properly tested and authorised before moving to the live environment.

5.4.6 Security event logs, operational audit logs, error logs, transaction and processing reports must be properly reviewed and managed by the system controller.

5.4.7 System clocks must be regularly synchronised across all University high and medium criticality machines.

5.5 Network Management

5.5.1 The network must be segregated into separate logical domains with routing and access controls operating between the domains. Appropriately configured firewalls shall be used to protect the networks supporting the University's critical systems.

5.5.2 Moves, changes and other reconfigurations of users' network access points will only be carried out by staff authorised to perform such functions according to defined procedures. Networks and communication systems must all be adequately configured and safeguarded against both physical attack and unauthorised intrusion.

5.6 Business Continuity

5.6.1 All business continuity plans must comply with the appropriate sections of the Information Security Policy.

5.7 Outsourcing and Third Party Access

5.7.1 Persons responsible for agreeing contracts will ensure, after a risk assessment, that the contracts to be signed are in accord with the content and spirit of the University's information security policies.

5.7.2 The School or Unit will assess the risk to its information and, where deemed appropriate because of the confidentiality, sensitivity or value of the information being disclosed or made accessible, the University will require external suppliers of services to sign a confidentiality or non disclosure agreement to protect its information assets.

5.7.3 Any facilities management, outsourcing or similar company with which the University may do business must be able to demonstrate compliance with the University's information security policies; and enter into binding service level agreements that specify the performance to be delivered and the remedies available in case of non-compliance.

5.7.4 Where personal data are being transferred to any external organisation then the appropriate University policy must be followed.

Glossary/Definitions

| | |
|----------------------|--|
| Computing facilities | Includes central services as provided by UoE Information Services, UoE School or College computers; personally owned computers and peripherals, and all programmable equipment; any associated software and data, including data created by persons other than users, and the networking elements which link computing facilities. |
| User | Staff, students and any other person authorized to use computing facilities. |
| System owner | The person (or persons) with overall responsibility for a system and its data as a University asset. |
| System controller | The person (or persons) with the responsibility for the day to day operation, control and maintenance of an information system. |
| Code of Practice | The codes of practice provide practical guidance and advice on how to achieve the standard required by the policy. |
| Information Systems | Any system which processes the University of Edinburgh's information assets or any data or information belonging to others that we use or process on their behalf. |
| Process | Any action on data including, but not limited to, creation, amendment, deletion, storing and dissemination by any means. |

Appendix A – Codes of Practice

Codes of Practice which are current as at 5/3/09 are –

1. Use of the Edinburgh Authentication Service (EASE) Code of Practice

Health and Safety Quarterly Report 2008/2009

Quarterly reporting period: 1st July 2009 – 30th September 2009

Accidents and Incidents

| Type of Accident/Incident | Qtr 1 Jul '09 – 30 Sept '09 | Qtr 1 Jul '08 – 30 Sept '08 | Year to Date 1 Oct '08 – 30 Sept '09 | Year to Date 1 Oct '07 – 30 Sept '08 |
|---|--------------------------------|-----------------------------------|--|--|
| Fatality | 0 | 0 | 0 | 0 |
| Specified Major Injury | 0 | 0 | 2 | 2 |
| > 3 day Absence | 4 | 3 | 21 | 24 |
| Public to Hospital | 4 | 8 | 13 | 14 |
| Reportable Dangerous Occurrences | 0 | 0 | 0 | 0 |
| Total Reportable Accidents / Incidents | 8 | 12 | 36 | 40 |
| Total Non-Reportable Accidents / Incidents | 69 | 102 | 351 | 375 |
| Total Accidents / Incidents | 77 | 114 | 387 | 415 |

Further information by College/Support Group is shown in Appendix One

The incidents reported to the Enforcing Authorities during the quarter comprise:

- Employee allegedly injured his hand whilst handling rubbish bags in June. Whilst hoovering in July, the IP noted his hand was sore and was subsequently absent. (*>3 day injury*).
- Postgraduate received a needlestick injury whilst re-sheathing a needle. He attended hospital as a precaution. IP had received full training on not re-sheathing needles with posters and signs displayed prominently in the lab to re-enforce this issue. (*Public to Hospital*).
- Employee was lifting a table on her own and injured her back in the process. Task re-defined as two person lift. Dispute between employee and manager over appropriateness of original risk assessment; employee had been offered but had not attended manual handling training. (*>3 day injury*).
- Employee dropped a part of a rack onto his foot which struck just above the steel toecap. IP was carrying out a routine procedure, for which he had been fully instructed, and had received manual handling training. (*>3 day injury*).
- Employee rolled a boulder onto his finger whilst trying to manoeuvre it into the bucket of a mini digger, sustaining a cut which required stitches. Lifting operation re-designed and refresher manual handling training applied. (*>3 day injury*).
- Visitor fell down last few stairs of an internal staircase, sustaining cuts and bruising. Attended hospital as a precaution. Door mat had been on the floor but was not able to fully prevent others from walking in water on a particularly wet day. (*Public to Hospital*).
- Visitor tripped over a proud bollard cap, bollard had been removed for access earlier. Sustained grazed knee and sore wrist. Attended hospital as a precaution. Bollard cap to be levelled or highlighted. (*Public to Hospital*).
- Postgraduate cut his finger with a Stanley knife and received 5 stitches. Activity now to be undertaken using scissors or other suitable tool. (*Public to Hospital*).

Other Issues and Developments

Pandemic Flu Preparedness

Papers have recently been submitted to Risk Management Committee, CMG and Health and Safety Committee summarising events from April to mid-October 2009, the University's internal structures and systems set up to deal with this public health issue, and our links with Lothian Health Public Health and with the Scottish Government.

Our preparedness planning continues to evolve, taking account of the developing pandemic situation, as we move into the most effective phase of infection control – the national H1N1 swine flu vaccination programme.

Monitoring of ill health in both the staff and student populations continues, and we remain vigilant to meet any significant changes in the nature of the pandemic. It appears increasingly unlikely that the University's anti-viral strategy will now require to be mobilised; initial discussions have taken place with the Lothian Health Public Health team, regarding the re-deployment of the University's anti-viral stock by the NHS, to ensure that our stocks do not run out of shelf life. This re-deployment will likely need to be covered by a Memorandum of Understanding between the University and Lothian Health.

Aon Partnership Audit Programmes

The pandemic flu desk top exercise programme has now been completed, and a Report on this partnership project has been received from Aon. The programme has served not only to raise awareness of the need for pandemic preparedness planning at School level and below, but has also been valuable in raising awareness in the area of business continuity management (BCM) in general. Discussions have taken place with Aon on the best means of building upon that platform, to help further embed BCM within the University's structures, systems and culture.

Phase Two of the current Health and Safety Management and Compliance Audit cycle is about to commence, and is scheduled to run until July 2011. These audits will follow up on the previous Management Audit of School or Support Unit, to verify whether the structures and systems described during Phase One translate into reality "at the coal face" in places of work and study.

The Audit programmes will be completed by the implementation, for the first time, of a Corporate Health and Safety Management Audit, which will comprise a systematic review of the University's corporate health and safety management systems, including examining routes of information and guidance flow to the Senior Management Team, Court, and CMG.

First Aid Regulations and Guidance

The potential impact of changes to First Aid legislation and guidance on the University has been analysed. The primary objective in implementing the required changes to our own internal and external training programmes is to maintain our reputation as a top class first aid training provider, whilst HSE guidance increases the burden on diminishing administrative resources.

First Aid Regulations and Guidance (cont.)

The key area for consideration is the strong guidance from HSE on the provision of annual refresher courses – an entirely new element which has been added to the familiar three year training/re-training cycle for first aiders. Various alternative approaches to coping with this additional resource burden have been considered, and a viable way forward has been agreed by Health and Safety Committee.

HSE Input on Slips, Trips and Falls

The University's H&S Training and Audit Co-ordinator attended a workshop provided by HSE's specialist unit on the prevention of slips, trips and falls; this workshop was followed up by a visit in August 2009 from two HSE specialists, who were seeking to identify case studies which demonstrated the impact of their workshop programme.

During a presentation to, and detailed discussions with, HSE's specialists it was emphasised that much of our work on prevention in this area was progressing anyway, though HSE's "Shattered Lives" campaign helped to add fresh impetus. The HSE specialists were shown around the new JMC refectory and kitchen area, and the new John Burnett residence block at Pollock Halls, where they professed themselves most impressed with the anti-slip measures in place, both in terms of surfaces and footwear.

Health and Safety Website

The Health and Safety Department website continues to provide a valuable source of health and safety information accessible to the majority of University staff and students, and indeed to the wider community. In common with other University sites the Health and Safety Department website is in the process of being updated to take advantage of the new polopoly software.

The site is a large and ever expanding multi-discipline site and in order to improve navigation, the decision has been taken to create a number of sub-sites which will pull together all topic-specific information into one place, within the main Health and Safety site. These sub-sites will include Fire Safety, Radiation Safety, Biological Safety and Occupational Health.

CHASTE II Annual Report

The CHASTE Project's first annual report on the second phase of the Project (CHASTE II) was submitted to the Scottish Funding Council (SFC) on 1st October 2009. The SFC has pronounced itself happy with this report on progress with the project, which is funded until May 2011.

Alastair Reid
Director of Health and Safety
9th November 2009

Accidents & Incidents

Quarterly period: 01/07/2009 – 30/09/2009

Year to Date Period: 01/10/2008 – 30/09/2009

(Fourth Quarter)

| COLLEGE / GROUP | REPORTABLE (TO HSE) ACCIDENTS / INCIDENTS | | | | | | | | | | | | | | TOTAL Non-Reportable Accidents / Incidents | | TOTAL ACCIDENTS / INCIDENTS | |
|-----------------------------|---|-----|------------------------|----------|----------------|-----------|--------------------|-----------|-----------------------|-----|------------------|-----|----------------------------|-----------|--|------------|-----------------------------|------------|
| | Fatality | | Specified Major Injury | | >3 day absence | | Public to Hospital | | Dangerous Occurrences | | Reportable Fires | | TOTAL Reportable Acc / Inc | | Qtr | Ytd | Qtr | Ytd |
| | Qtr | Ytd | Qtr | Ytd | Qtr | Ytd | Qtr | Ytd | Qtr | Ytd | Qtr | Ytd | Qtr | Ytd | | | | |
| Humanities & Social Science | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 24 | 1 | 24 |
| Science & Engineering | - | - | - | - | - | 3 | 1 | 2 | - | - | - | - | 1 | 5 | 10 | 74 | 11 | 79 |
| Medicine & Veterinary Med. | - | - | - | 1 | 1 | 3 | 1 | 6 | - | - | - | - | 2 | 10 | 20 | 106 | 22 | 116 |
| SASG | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 5 | 1 | 5 |
| Corporate Services Group | - | - | - | 1 | 2 | 14 | 2 | 5 | - | - | - | - | 4 | 20 | 33 | 132 | 37 | 152 |
| ISG | - | - | - | - | 1 | 1 | - | - | - | - | - | - | 1 | 1 | 4 | 10 | 5 | 11 |
| Other Units | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| UNIVERSITY | - | - | - | 2 | 4 | 21 | 4 | 13 | - | - | - | - | 8 | 36 | 69 | 351 | 77 | 387 |

* Units noted below taken from organisational hierarchy report 09/10 - http://www.planning.ed.ac.uk/edin/orghier/versions/Version12_0.xls

SASG: Student and Academic Services Group: Academic Registrar's Division, Academic Affairs/Records Management, Biological Services, Careers Service, Chaplaincy, Communications and Marketing, Development and Alumni, Disability Office, EUCLID, General Council, Governance and Strategic Planning, International Office, Pharmacy, Principal's Office, Registry, SASG Business Unit, Student Counselling Service, Student Recruitment and Admissions, Student Services, University Health Service.

ISG: Information Services Group: Applications, EDINA and Data Library, DCC, Information Services Corporate, Library and Collections, Infrastructure, User Services Division.

CSG: Corporate Services Group: Accommodation Services (incl Festivals Office), Centre for Sport & Exercise, Day Nursery, Edinburgh Research & Innovation (ERI), Edinburgh Technopole, Edinburgh University Press, Estates and Buildings, Finance, Health and Safety, Human Resources, Internal Audit, Joint Consultative and Advisory Committee on Purchasing, Procurement Office (inc Printing Services).

Other: Students Association, Sports Union, Talbot Rice Gallery, Associated Institutions.

C1.2

The University of Edinburgh

The University Court

14 December 2009

Report of the Finance and General Purposes Committee (Report on Other Items)

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

This paper reports on the meeting of the Finance and General Purposes Committee held on 30 November 2009 covering items other than the CMG report. Detailed papers not included in the appendices are available from Dr Novosel.

Action requested

The Court is invited to approve the Fraud Policy at item 2 and the subsidiary companies Financial Statements 2008/2009 at item 5 and note the remaining items with comments as it considers appropriate.

Resource implications

If applicable, as noted in the report.

Risk Assessment

Where applicable, risk is covered in the report.

Equality and Diversity

No implications.

Freedom of Information

Can this paper be included in open business? Yes

Except for items 4-11

Its disclosure would substantially prejudice the commercial interests of any person or organisation.

Originator of the paper

Dr Katherine Novosel
7 December 2009

University Court, Meeting on 14 December 2009

**Report of the Finance and General Purposes Committee
30 November 2009
(Report on Other Items)**

1 SUMMARY RESEARCH AND COMMERCIALISATION REPORT FOR THE 3 MONTHS TO 31 OCTOBER 2009 **Appendix 1**

It had previously been predicted that it would become increasingly difficult to secure funding from external sources and the Committee noted that the figures for the first quarter of the new financial year recorded a decrease in applications and awards secured; although the picture varied when the figures were considered in detail with some areas showing increases in performance compared to last year. A number of actions were being taken to encourage continued submission of grant applications and to assist in their preparation. The Committee welcomed the continued performance in commercialisation activities with increases in all areas except patents filed in comparison with the same period last year and of particular note was the formation of 10 new companies.

2 FRAUD POLICY **Appendix 2**

The Committee endorsed the Fraud Policy which had been previously reviewed and endorsed by the Audit Committee, and recommended its adoption to Court. It was noted that there were separate procedures in respect of academic fraud where there were no financial implications.

3 SBS MEDICAL RETIREMENT ARRANGEMENTS

The Committee endorsed changes to the Staff Benefits Pension Scheme (SBS) involving the introduction of a two tier approach to medical retirement provision, noting that this brought SBS into alignment with USS and other pension schemes of which University staff were members. The two tier approach would require rule changes involving a modification to the definition of 'incapacity' to draw a distinction between 'partial incapacity' and 'total incapacity'.

**EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2009**

1. RESEARCH APPLICATIONS AND AWARDS

1.1 Introduction

The arrival of a new academic year heralds a rather changed research grants landscape, with year to date summary application and award figures all lower than for the first quarter last year. This has been predicted for some time, but, with the exception of the College of Humanities and Social Science (CHSS), has taken a year to influence our statistics. Funders of University research are no more resistant to the effects of the current financial environment than the rest of society and there is strong evidence of belt tightening, particularly amongst the Research Councils and charities, two sectors on which Edinburgh has traditionally been very reliant. The need for Government to recover its critical financial situation will undoubtedly have an impact on Research Council grants for the next few years.

All this being said, we would caution against drawing too many inferences from a three-month data set. The numbers of awards, in particular, are still comparatively small and even a single large grant awarded to a School in the second quarter can have a disproportionate effect.

1.2 Applications

1.2.1 Number

By the end of October 2009, the University had submitted 549 applications, 136 (20%) less than the same period last year. This however masks significant variance between the three Colleges, with the College of Medicine and Veterinary Medicine (CMVM) actually slightly ahead of Q1 last year, showing 170 applications compared to 168. Biomedical Sciences in particular has had a good start to the year, having submitted 14 more applications than last year.

Science and Engineering (CS&E) is some 11% behind (282 compared to 316), although both Informatics and Chemistry continue to outperform last year's Q1 application numbers, some 39% and 21% ahead respectively.

CHSS continues to show the most impact with less than half the number of applications submitted in Q1 compared to last year (93 compared to 199). While there are undoubtedly fewer opportunities for arts, humanities and social science subject areas to bid for at present, we are predicting healthier figures for November and December, owing to the deadline slippage of a very popular British Academy scheme and the replacement of an AHRC scheme, which had a September deadline, with a new open-deadline scheme, which we believe will gain popularity over the next few months.

1.2.2 Value

The total value of applications submitted for the quarter-end was £248,372k, 10% behind the same period last year.

While CS&E have submitted fewer applications in number, the cumulative value has in fact been 4% higher (£170,974k compared to £164,674k). Biological Sciences have submitted proposals worth £16,757k more than Q1 last year, a similar, but more modest, story also to be seen in Informatics (+£8,295k) and Engineering (+£5,091k).

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3 MONTHS TO 31 OCTOBER 2009

Application value for CMVM is 23% down on Q1 last year (£64,782k compared to £84,096k), although both Biomedical Sciences and Clinical Sciences and Community Health have shown excellent growth this quarter with application values up 133% and 36% respectively.

CHSS has submitted applications worth £12,450k, less than half of the application value submitted for Q1 last year. With the exception of Arts, Culture and Environment, all Schools are showing negative variances although the values are not statistically significant enough to infer anything material at this stage in the year. Further, it should be noted that there are a number of applications currently in preparation for submission by Christmas, including a small number of high value large and programme grants.

1.3 Awards

1.3.1 Number

September was the first month where we saw reduced award numbers for all three Colleges (compared to September 2008). This picture was repeated for October, resulting in a 10% reduction in award numbers for the year to date. 215 awards have been secured so far this year, compared with 239 for Q1 last year.

The College that has experienced the least impact, numbers-wise, is CS&E which actually won 5 more awards than the same period last year (92 compared to 87). This, however, conceals some outstanding performance from Geosciences, which, at 29 awards, has secured an impressive 20 more than for Q1 last year. Of note also are Engineering and Informatics, both showing respective positive variances of 50% and 9%. Given the Government's stated intent to 'protect' science, technology, engineering, mathematics and medicine (STEMM) subject areas, we anticipate that CS&E will be the College least affected by the economic downturn.

CMVM is some 17% behind last year's award numbers for the first quarter (90 as opposed to 109). The biggest impact can be seen in R(D)SVS, which experienced a reduction of some 14 awards, although the value of those secured was some 17% higher. One should bear in mind that quite a number of existing awards transferred to Edinburgh from the old Roslin Institute during the course of last year, which may have created a challenging 'spike' for R(D)SVS to overcome this year.

During the first three months of the year, the award numbers for CHSS have gradually improved from 47% behind in August, to 35% in September, to 24% in October. The College has secured 32 awards for the year to date compared to 42 last year. While Social and Political Science has had a good start to the year (150% up), the award numbers are too small on which to base future predictions.

1.3.2 Value

With the exception of CHSS, disappointing results for October saw the year to date value figure for all three Colleges slip into the red for the first time, with a cumulative negative variance of 23% behind the same period last year. The University has received awards worth £38,155k as compared with £49,571k for Q1 last year.

As inferred above, showing the least impact interestingly is CHSS, just 10% behind last year's total award value (£1,782k compared with £1,980k). Social and Political Science in

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RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2009

particular has had a good start to the year, although Divinity, History, Classics and Archaeology and Business are all showing Q1 Award values up on last year.

CMVM, 11% behind, has so far received awards valued at £17,117k (compare £19,240k for Q1 2008/09). As indicated above, R(D)SVS continues to show a positive variance, although over the past few months the size of this has started to decrease (now +17%). The main causative for the variance in CMVM is Clinical Sciences and Community Health, showing a negative variance of 29% or -£2,384k although one should not read too much into this so early in the financial year.

A poor October for CS&E coloured the College's year to date figure, down 32% on Q1 last year (compare £19,196k to Q1 2008/09 £28,302k). The most impact has been felt in the College's largest School, Biological Sciences, down 59% (- £9,363k). Less significant negative variances can also be seen in Informatics and Mathematics. Physics, Geosciences, Engineering and Chemistry, on the other hand, are all showing smallish positive variances.

1.4 Sponsor type profile

While the Research Councils have continued to see the lion's share of applications, there has been a noticeable reduction in activity here compared to Q1 last year (31% down in number, 26% down in value). The number of charity applications too has fallen as have Government tenders generally. In contrast there has been a continuing surge in EU activity as Framework 7 continues to offer new opportunity, with assured budgets through until end 2013.

With awards, the overall picture is broadly the same, with significant reductions in charity award value and Research Council number. Paradoxically number and value of Government contracts are significantly up, as is the case, less surprisingly, with EU awards.

Sponsor type profiles are plotted for the University as a whole and for each College in Appendix 1. These depict awards by sector type, comparing the Q1 award values with last year's total year figures. Assuming 2008/09's total year figures as this year's rudimentary targets, the tables show the percentage of 'target' achieved. The pie charts show the percentage share for each sponsor type proportionate to the whole, comparing Q1 2009/10 with full year 2008/09.

For the University as a whole, above average EU performance (and below average for the other sectors) for the first quarter has resulted in EU claiming a greater share of the funder 'cake', squeezing in particular Research Councils and charities.

Science and Engineering, on the other hand, is showing stronger performance in more sectors, particularly international, EU and Government. Compared to last year's full year picture, Research Council and EU awards have grown at the expense of charity and UK industry funding.

It is in CMVM, however, that EU awards have grown so significantly, with other sectors slow to take off. With the exception of the EU (increased) and Research Council (decreased) slices, the rest of the funder profile mirrors last year's picture.

In all sectors CHSS is some way below the 25% hurdle one would be hoping to see each sector cross for Q1. Contrary to the other two Colleges, EU awards have been slow to come through so far this year, resulting in growth in Research Council and Charity shares at the EU's (and Government's) expense.

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1.5 Country Analysis

Appendix 2 plots award value by sponsor country, comparing the first quarter of this year with the previous year's total year figures. Rather than list every sponsor country, which would make for a somewhat confusing chart, we have selected the 4 largest sponsor countries – UK (excluding Scottish funders), 'European Commission' (awarded from Belgium), Scotland and USA. All other countries have been grouped together but collectively they represent a very small percentage as the charts show. As part of our strategy to increase awards from overseas sponsors, linked in to the University's internationalisation strategy, we would, over time, hope to be able to introduce more countries to this chart, making it a rather more useful tool.

The year to date picture for the University as a whole suggests growth in EU funding at the expense of monies from Scottish sources (much of which is likely to be from Scottish Government). UK (non- Scottish) sources of funds remain stable. This picture is mirrored in CMVM and CS&E, although it is in CHSS where the drop in Scottish funding is most marked, accompanied by a reduction in the EU share, thereby substantially growing its reliance on UK, non- Scottish awards.

1.6 Conclusion

As is always the case, Q1 research figures should be read with care and, as we have found out in previous years, should not be used as indicators of future performance. This is, of course, particularly the case this year, although we are predicting a very much more modest outturn. Over the past couple of months, the main research funders have started to show their hand as regards short term strategy (fewer, lower-value, budget-capped projects), although medium to long term we are not much the wiser yet. Announcements in the last fortnight or so, however, from some sponsors suggest fairly major strategic changes ahead.

Our broad view remains unchanged. We should anticipate further deterioration in Government funding in general, particularly from the Research Councils. It is clear that science, engineering and medicine are faring better than the arts, humanities and social sciences, and we anticipate that will continue. Charities will continue to take a cautious approach to research funding for the foreseeable future, with the markets determining their speed of recovery. We anticipate more applications for EU funding over the next couple of years, but it is likely that our strike rate will fall, as more universities adopt the same strategy.

The focus of ERI's activity over the next 12 months will be twofold: to keep the application momentum going despite less funding availability, by using innovative means of promoting relevant initiatives and reaching out to explore ways of applying for more non-traditional funds, and to play our part in ensuring that the applications submitted by Edinburgh are of the highest quality achievable by continuing to improve the range and quality of service that we provide.

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RESEARCH AND COMMERCIALISATION REPORT
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2. RESEARCH DEVELOPMENT ACTIVITIES

2.1 Events

The *Learning Lunch* and *Integrated University of Edinburgh Research Funding Event* programmes continued to run in the last quarter. Five courses ran with 67 researchers attending. Notably, Professor Tariq Sethi chaired a successful '*Course 3 – Funding opportunities for established researchers*' for CMVM.

Other special events included briefings by UKRO on '*European Research Council Starting Grant*' opportunities and '*Marie Curie Initial Training Networks*'.

We hosted a visit from ESRC's Astrid Wissenburg, who gave a presentation on the new ESRC Strategic Plan. With regard to 'demand management', ESRC expects the University to manage both quantity and quality of applications, but will not be following EPSRC to impose restrictions.

The CHSS *Learning Lunch* programme continued to run, including briefings on ESRC Postdoctoral fellowships, and The Leverhulme Trust's Diasporas Programme.

International Strategy

The series of events focussing on international funding opportunities (Europe and China) continued, with 50 people attending.

2.2 Activities going forward

- New communication strategy

The Research Development Office is currently exploring new ways of sending out information to the academic community, and in the next quarter, the following projects will be undertaken:

- Creation of an electronic newsletter (Research Support & Development e-zine) which will be distributed to all three Colleges, replacing the previously available paper based newsletter for the CHSS.
- Introducing pod-casts and on-line tutorials to provide immediate access to information topics including: 'The application process', 'Completing an IRG', 'Completing the JES forms', and 'Hints and tips on proposal writing'.
- Twitter accounts will be established to send out funding alerts and reminders in relation to application deadlines.

- Events

The *Integrated University of Edinburgh Research Funding Event Programme* and *CHSS Learning Lunches* will continue into the next quarter, specific events to include:

- International Research Collaborations – India
- Framework 7 – ERC Advanced Grants – Proposal Writing Workshop
- British Academy Research Development Awards Briefings
- ESRC Doctoral Training Centres

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- Other

The CSE Research Support team will be attending Chemistry and Engineering Postgraduate Society meetings, talking about funding opportunities and the support that the Research Support and Development Group can offer.

3. UNIVERSITY RESEARCH INCOME

In terms of actual research funds received, The University claimed £40,307k during Q1, an increase of 17% on the same period last year.

4. INVENTION DISCLOSURES

In the 3 months to 31 October 2009, 44 disclosures were made compared to 30 for the previous year, an increase of 47%.

5. PATENT FILINGS

In the 3 months to 31 October 2009, 16 patents were filed on technologies compared to 19 for the previous year, a decrease of 16%.

6. LICENCES

In the 3 months to 31 October 2009, 15 licence deals were signed compared to 9 for the previous year, an increase of 67%.

7. COMPANY FORMATION

In the 3 months to 31 October 2009, 1 spin-out (py 0) and 9 start-up (py 5) companies have been recorded.

8. CONSULTANCY

In the 3 months to 31 October 2009, consultancy income processed through ERI was £1,107k compared to £865k for the same period last year, a rise of 28%.

Hamish Macandrew, Carolyn Brock, Ian Lamb ERI – 20 November 2009

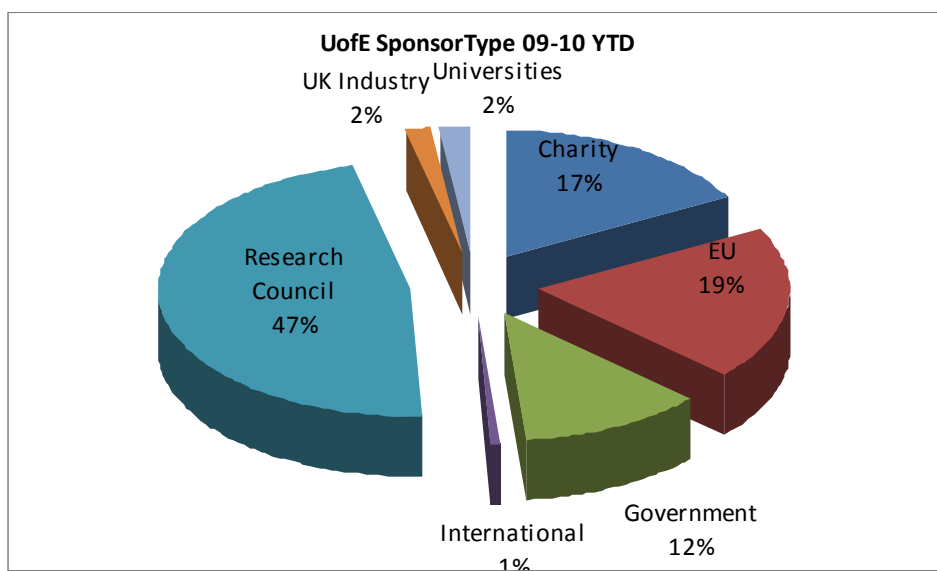
**FINANCE AND GENERAL PURPOSES COMMITTEE
RESEARCH AND COMMERCIALISATION REPORT
Q1 2009/10**

APPENDIX 1

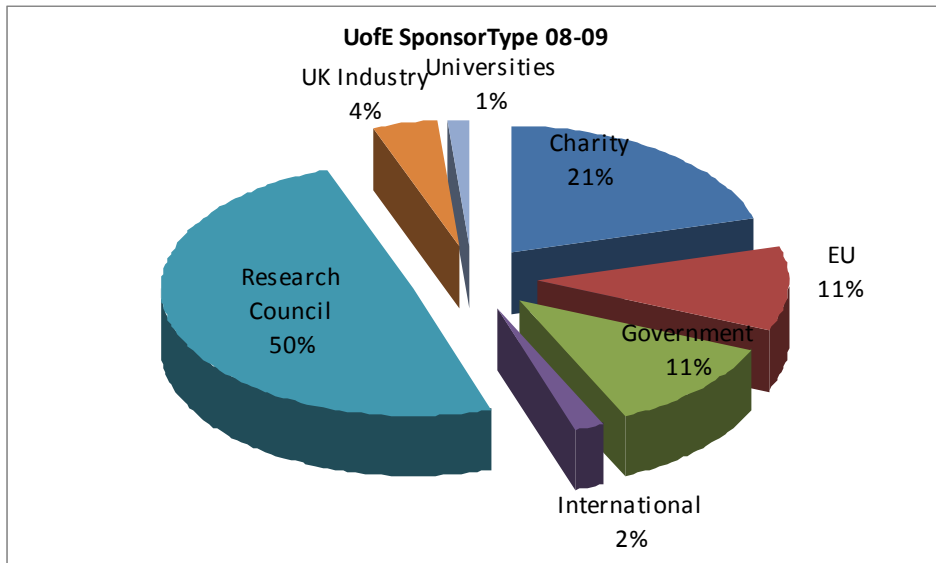
Analysis of Awards by Sponsor Type, comparing Q1 2009/10 with full year 2008/09

University of Edinburgh

| | YTD | 08-09 | % of Target |
|---------------------------|-------------|--------------|-------------|
| Charity | £6,537,533 | £51,426,942 | 13% |
| EU | £7,439,539 | £26,997,829 | 28% |
| Government | £4,575,371 | £28,543,618 | 16% |
| International Research | £221,291 | £4,768,057 | 5% |
| Council | £17,953,098 | £123,492,343 | 15% |
| UK Industry | £730,709 | £10,574,113 | 7% |
| Universities | £697,776 | £3,134,896 | 22% |



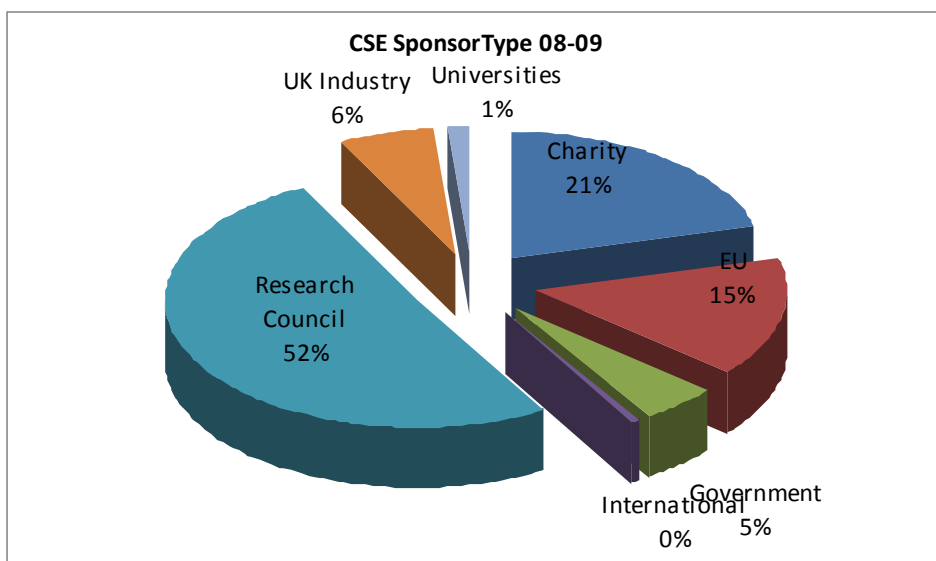
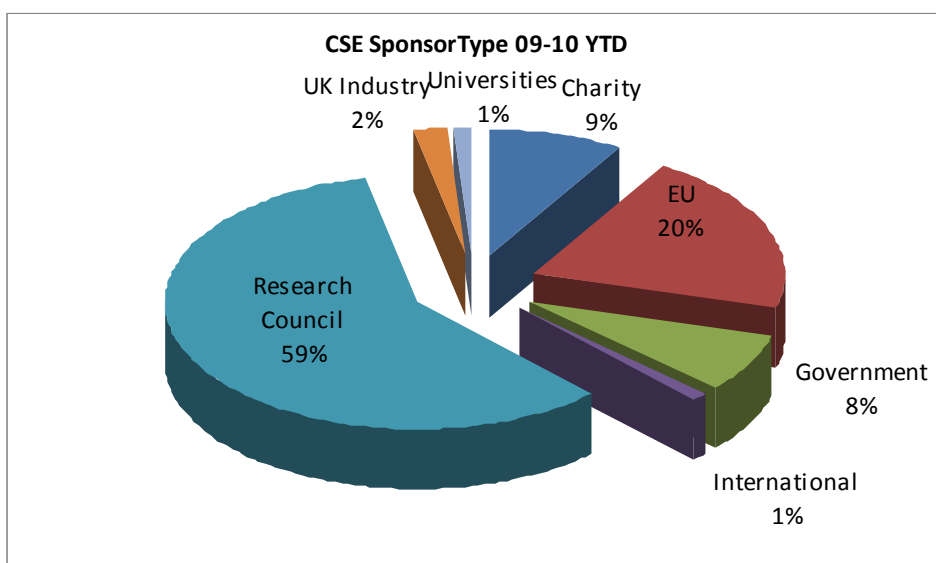
**FINANCE AND GENERAL PURPOSES COMMITTEE
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College of Science and Engineering

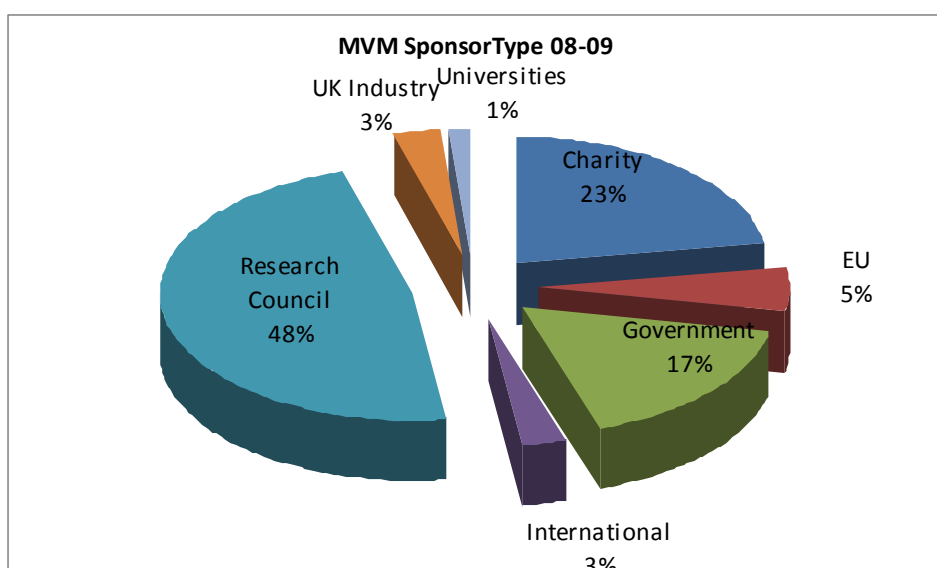
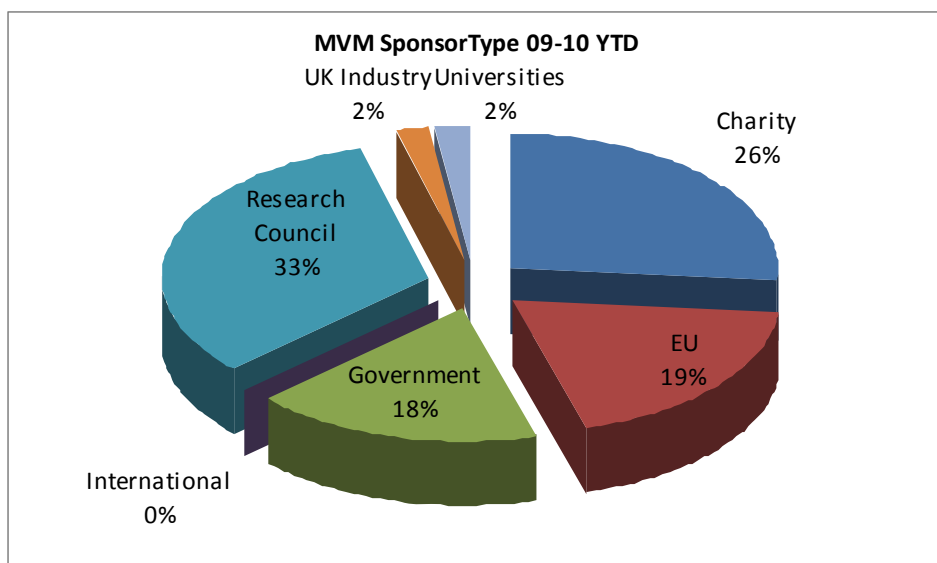
| | YTD | 08-09 | % of Target |
|------------------|-------------|-------------|-------------|
| Charity | £1,671,439 | £21,859,906 | 8% |
| EU | £3,929,053 | £15,958,449 | 25% |
| Government | £1,443,565 | £5,336,916 | 27% |
| International | £202,060 | £505,239 | 40% |
| Research Council | £11,310,742 | £53,532,002 | 21% |
| UK Industry | £418,617 | £6,596,635 | 6% |
| Universities | £220,961 | £1,331,036 | 17% |



**FINANCE AND GENERAL PURPOSES COMMITTEE
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Q1 2009/10**

College of Medicine and Veterinary Medicine

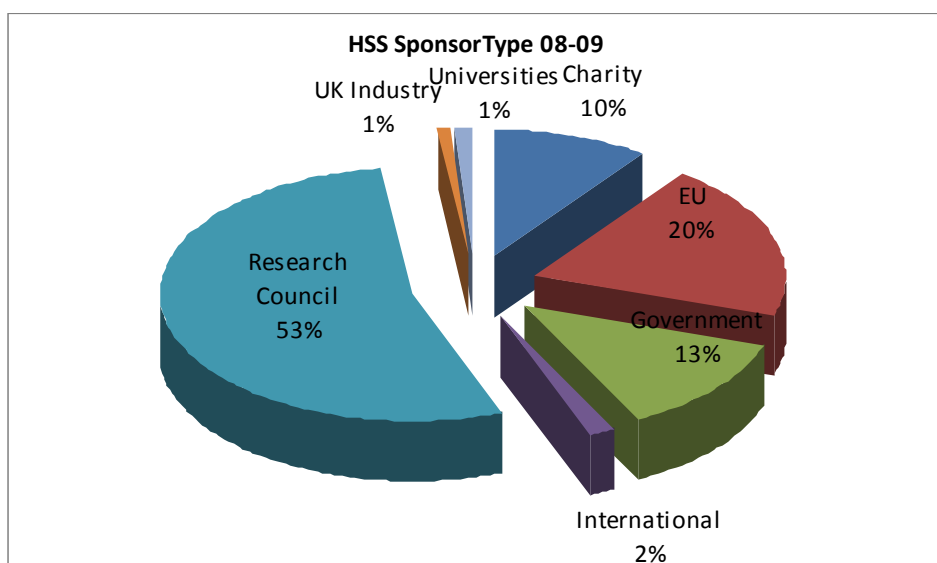
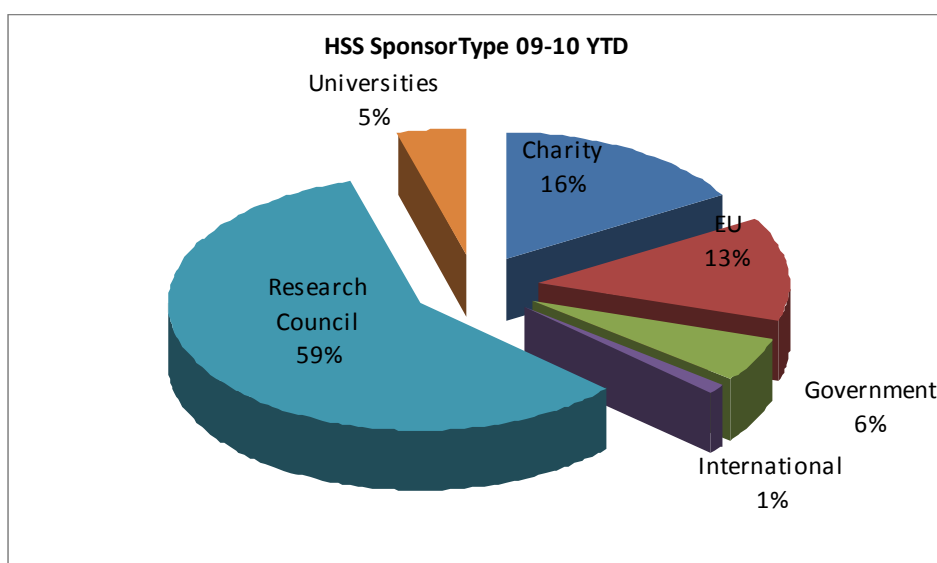
| | YTD | 08-09 | % of Target |
|------------------|------------|-------------|-------------|
| Charity | £4,513,341 | £27,275,251 | 17% |
| EU | £3,273,710 | £6,591,827 | 50% |
| Government | £3,028,453 | £20,459,006 | 15% |
| International | £0 | £3,244,422 | 0% |
| Research Council | £5,593,382 | £57,838,580 | 10% |
| UK Industry | £312,092 | £3,778,702 | 8% |
| Universities | £395,785 | £1,569,662 | 25% |



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College of Humanities and Social Science

| | YTD | 08-09 | % of Target |
|------------------|------------|-------------|-------------|
| Charity | £292,753 | £2,133,052 | 14% |
| EU | £236,776 | £4,264,114 | 6% |
| Government | £103,353 | £2,698,533 | 4% |
| International | £19,231 | £331,481 | 6% |
| Research Council | £1,048,974 | £11,535,499 | 9% |
| Universities | £81,030 | £211,688 | 38% |



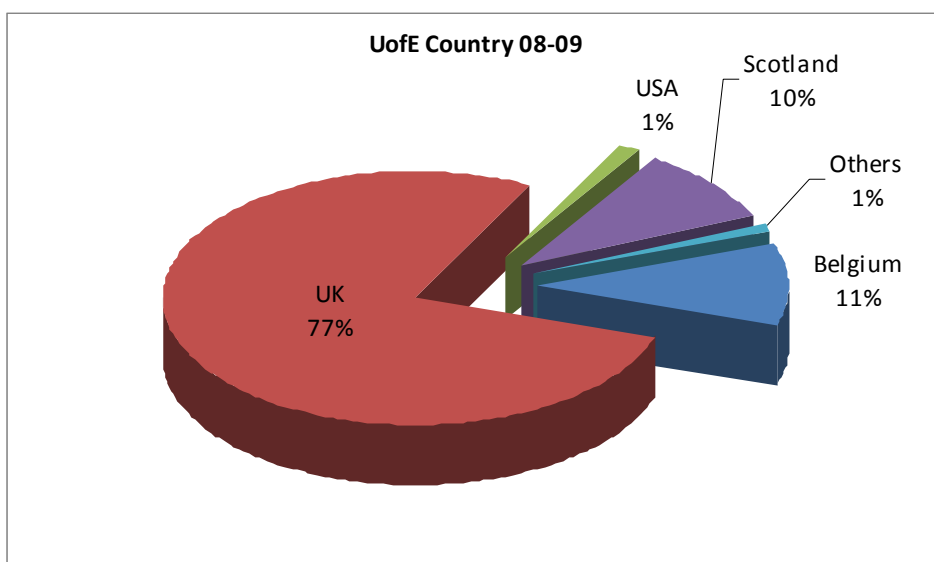
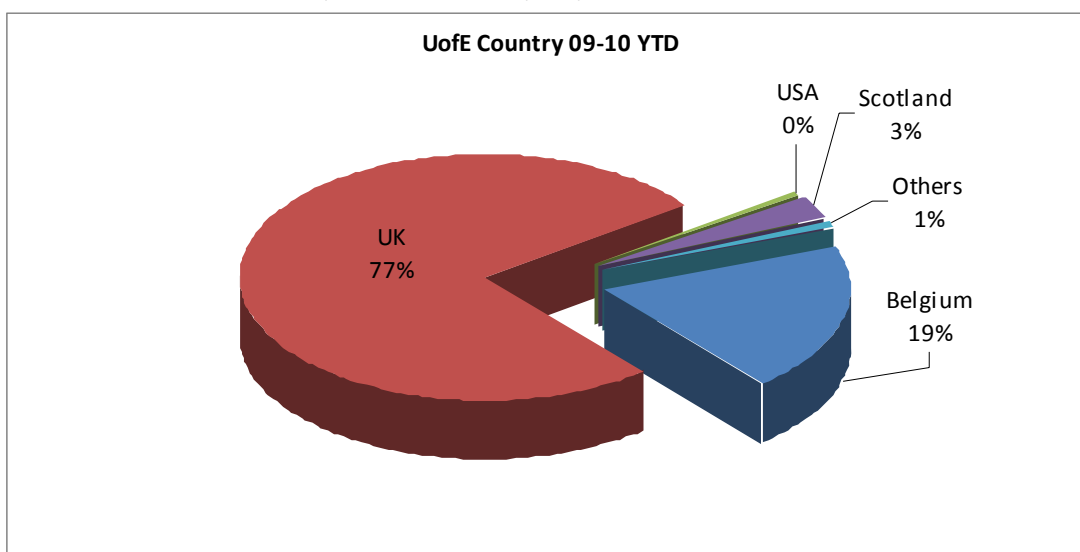
**FINANCE AND GENERAL PURPOSES COMMITTEE
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APPENDIX 2

Analysis of Awards by Country, comparing Q1 2009/10 with full year 2008/09

University of Edinburgh

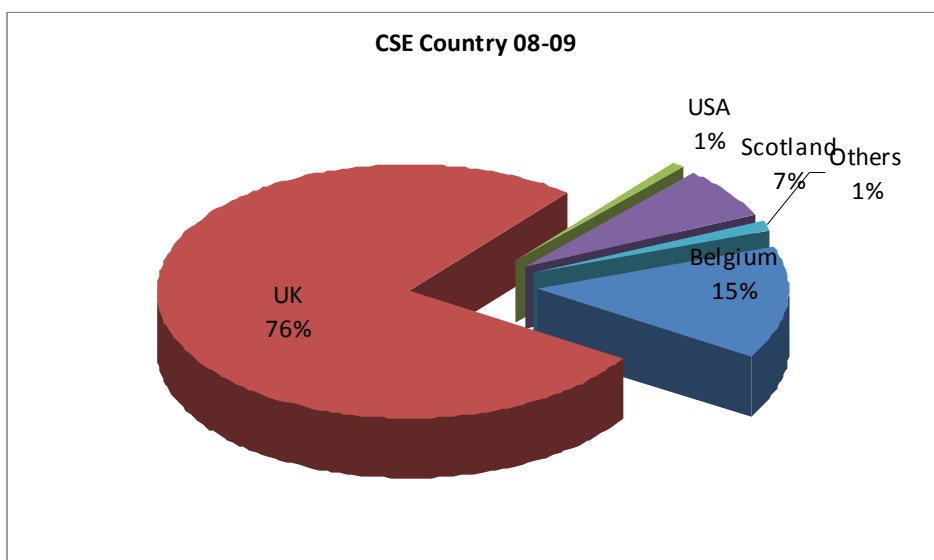
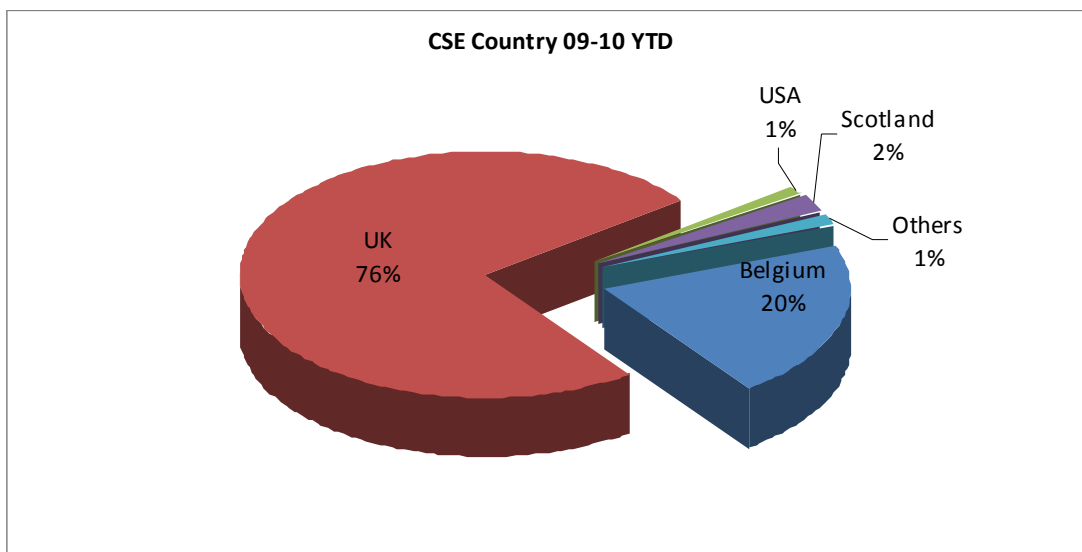
| | YTD | 08-09 | % of Target |
|----------|-------------|--------------|-------------|
| Belgium | £7,439,539 | £26,498,886 | 28% |
| UK | £29,058,981 | £192,853,837 | 15% |
| USA | £188,110 | £3,010,039 | 6% |
| Scotland | £1,182,447 | £24,222,670 | 5% |
| Others | £286,240.00 | £2,344,677 | 12% |



**FINANCE AND GENERAL PURPOSES COMMITTEE
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College of Science and Engineering

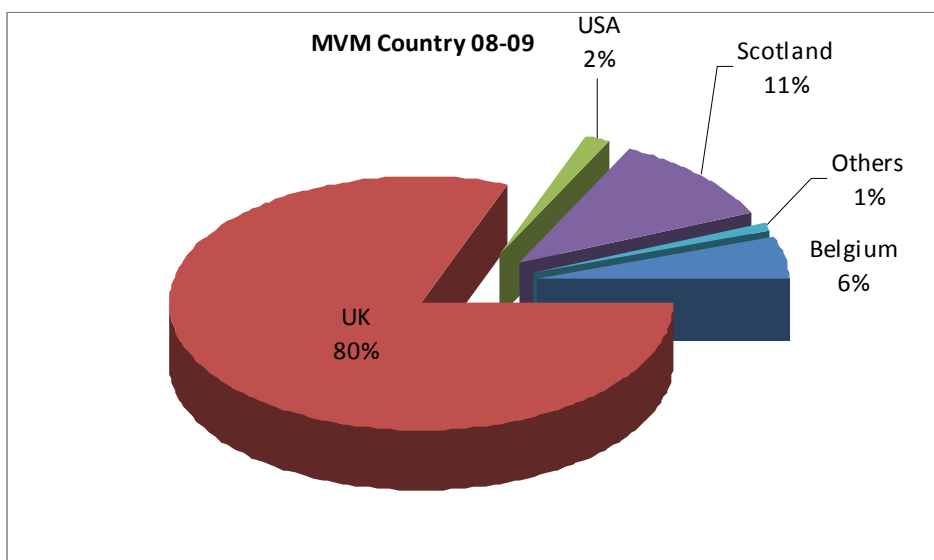
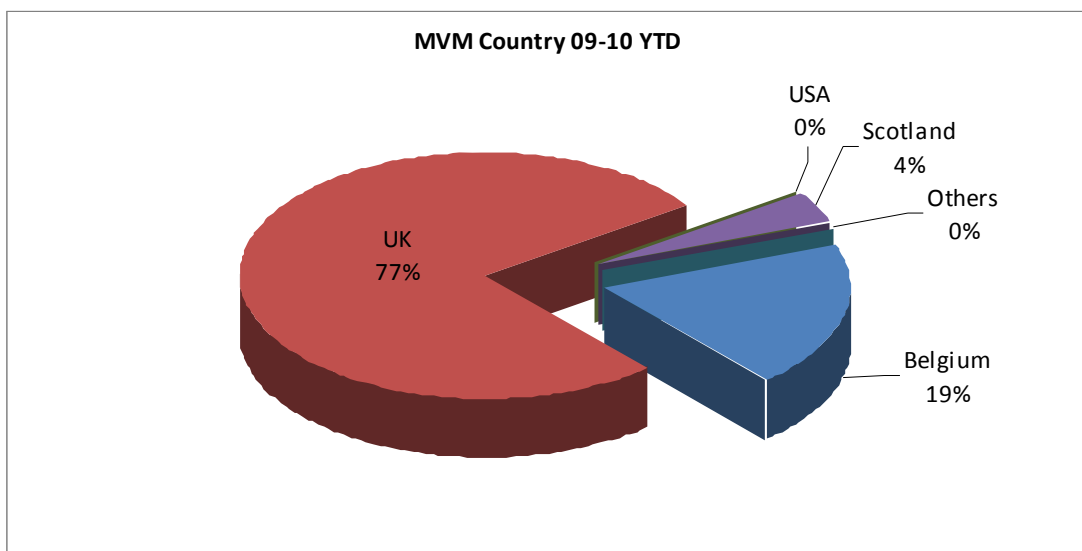
| | YTD | 08-09 | % of Target |
|----------|-------------|-------------|-------------|
| Belgium | £3,929,053 | £15,355,662 | 26% |
| UK | £14,372,219 | £81,299,808 | 18% |
| USA | £188,110 | £1,030,300 | 18% |
| Scotland | £446,593 | £7,027,932 | 6% |
| Others | £260,462.00 | £1,090,837 | 24% |



**FINANCE AND GENERAL PURPOSES COMMITTEE
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Q1 2009/10**

College of Medicine and Veterinary Medicine

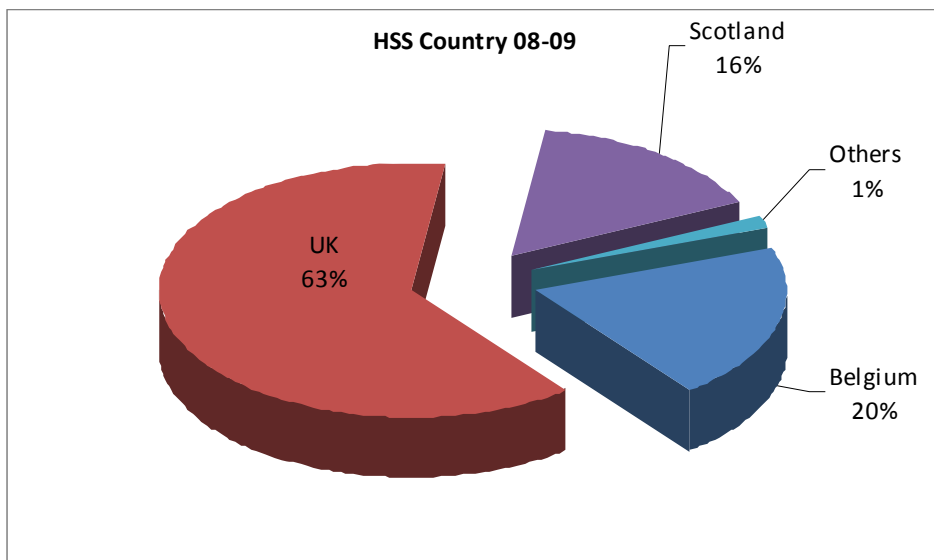
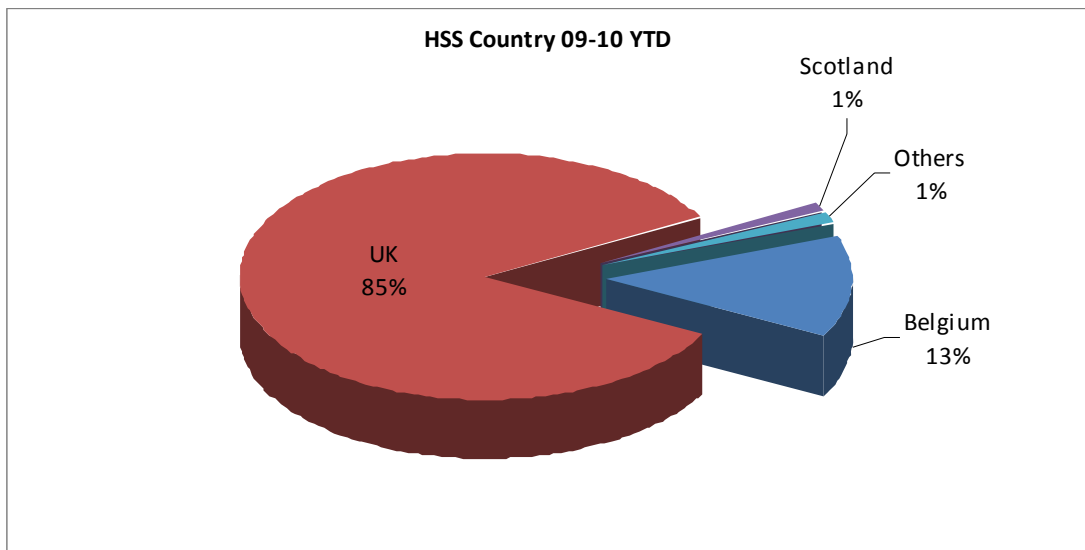
| | YTD | 08-09 | % of Target |
|----------|-------------|-------------|-------------|
| Belgium | £3,273,710 | £6,695,671 | 49% |
| UK | £13,126,139 | £97,321,494 | 13% |
| USA | £0 | £1,974,611 | 0% |
| Scotland | £716,914 | £13,805,869 | 5% |
| Others | £0.00 | £901,905 | 0% |



**FINANCE AND GENERAL PURPOSES COMMITTEE
RESEARCH AND COMMERCIALISATION REPORT
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College of Humanities and Social Science

| | YTD | 08-09 | % of Target |
|----------|------------|-------------|-------------|
| Belgium | £236,776 | £4,264,114 | 6% |
| UK | £1,500,623 | £13,438,377 | 11% |
| USA | £0 | £5,128 | 0% |
| Scotland | £18,940 | £3,366,359 | 1% |
| Others | £25,778.00 | £294,035 | 9% |



EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2009

TABLE 1
RESEARCH APPLICATIONS, AWARDS AND INCOME BY COLLEGE

| RESEARCH ACTIVITY | Current Year | | Previous Year | | | Variance | |
|---|---------------|----------------|----------------|----------------|----------------|--------------|--------------|
| | Month | YTD | Month | YTD | Full Year | Month | YTD |
| All Research Applications - number | | | | | | | |
| CHSS | 50 | 93 | 102 | 199 | 704 | (51%) | (53%) |
| CMVM | 58 | 170 | 80 | 168 | 780 | (28%) | 1% |
| CS&E | 95 | 282 | 151 | 316 | 1,012 | (37%) | (11%) |
| Support Services (EUCS, Library etc) | 2 | 4 | - | 2 | 16 | - | 100% |
| Total - number | 205 | 549 | 333 | 685 | 2,512 | (38%) | (20%) |
| All Research Applications - value - 100% PROJECT VALUE | | | | | | | |
| CHSS | 6,247 | 12,450 | 10,299 | 26,504 | 83,813 | (39%) | (53%) |
| CMVM | 24,178 | 64,782 | 52,531 | 84,096 | 384,244 | (54%) | (23%) |
| CS&E | 63,059 | 170,974 | 71,246 | 164,674 | 436,072 | (11%) | 4% |
| Support Services (EUCS, Library etc) | 75 | 166 | - | 97 | 1,860 | - | 71% |
| Total - value £'000 | 93,559 | 248,372 | 134,076 | 275,371 | 905,989 | (30%) | (10%) |
| All Research Awards - number | | | | | | | |
| CHSS | 15 | 32 | 16 | 42 | 235 | (6%) | (24%) |
| CMVM | 20 | 90 | 54 | 109 | 411 | (63%) | (17%) |
| CS&E | 31 | 92 | 35 | 87 | 410 | (11%) | 6% |
| Support Services (EUCS, Library etc) | 1 | 1 | 1 | 1 | 8 | 0% | 0% |
| Total - number | 67 | 215 | 106 | 239 | 1,064 | (37%) | (10%) |
| All Research Awards - value - 100% PROJECT VALUE | | | | | | | |
| CHSS | 886 | 1,782 | 371 | 1,980 | 21,373 | 139% | (10%) |
| CMVM | 4,361 | 17,117 | 8,645 | 19,240 | 120,758 | (50%) | (11%) |
| CS&E | 3,170 | 19,196 | 13,742 | 28,302 | 105,807 | (77%) | (32%) |
| Support Services (EUCS, Library etc) | 60 | 60 | 49 | 49 | 1,000 | 22% | 22% |
| Total - value £'000 | 8,477 | 38,155 | 22,807 | 49,571 | 248,938 | (63%) | (23%) |
| All Research Awards - value - SPONSOR CONTRIBUTION | | | | | | | |
| CHSS | 822 | 1,609 | 334 | 1,859 | 19,132 | 146% | (13%) |
| CMVM | 4,205 | 16,036 | 7,925 | 17,342 | 113,973 | (47%) | (8%) |
| CS&E | 2,874 | 16,814 | 12,389 | 25,442 | 92,962 | (77%) | (34%) |
| Support Services (EUCS, Library etc) | 60 | 60 | 49 | 49 | 883 | 22% | 22% |
| Total - value £'000 | 7,961 | 34,519 | 20,697 | 44,692 | 226,950 | (62%) | (23%) |
| Industrial Research Applications - number | 6 | 15 | 2 | 9 | 61 | 200% | 67% |
| Industrial Research Applications - value £'000 (100%) | 419 | 954 | 116 | 2,012 | 10,125 | 261% | (53%) |
| Industrial Research Awards - number | 8 | 14 | 14 | 20 | 80 | (43%) | (30%) |
| Industrial Research Awards - value £'000 (100%) | 385 | 827 | 5,999 | 6,187 | 11,161 | (94%) | (87%) |
| Research Income £'000 | | | | | | | |
| CHSS | 1,336 | 4,290 | 2,029 | 3,846 | 16,609 | (34%) | 12% |
| CMVM | 6,817 | 17,600 | 5,480 | 14,270 | 76,736 | 24% | 23% |
| CS&E | 7,933 | 17,907 | 7,704 | 16,023 | 73,744 | 3% | 12% |
| Support Services (EUCS, Library etc) | 197 | 510 | 176 | 434 | 1,986 | 12% | 17% |
| Total - value £'000 | 16,283 | 40,307 | 15,389 | 34,573 | 169,075 | 6% | 17% |

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TABLE 2
RESEARCH APPLICATIONS AND AWARDS BY FUNDING SOURCE 100% PROJECT VALUE

| APPLICATIONS | Current Year | | | | Previous Year | | | | | | YTD Variance | |
|-----------------------------|--------------|---------------|------------|----------------|---------------|----------------|------------|----------------|--------------|----------------|--------------|--------------|
| | Month | | YTD | | Month | | YTD | | Full Year | | Number | Value |
| | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | | |
| Charity | 39 | 13,599 | 116 | 33,393 | 70 | 15,690 | 153 | 35,793 | 699 | 142,234 | (24%) | (7%) |
| European Union - Government | 37 | 27,893 | 67 | 32,497 | 22 | 14,774 | 44 | 17,426 | 165 | 89,420 | 52% | 86% |
| European Union - Industry | 4 | 224 | 4 | 224 | - | - | - | - | 6 | 308 | - | - |
| European Union - Other | - | - | 6 | 19,372 | 1 | 141 | 5 | 990 | 17 | 2,365 | 20% | 1857% |
| Government | 23 | 2,018 | 80 | 20,093 | 57 | 24,175 | 114 | 29,863 | 383 | 77,785 | (30%) | (33%) |
| Health Authorities | 2 | 1,094 | 10 | 4,142 | 2 | 512 | 5 | 4,207 | 34 | 24,985 | 100% | (2%) |
| Industry - UK | 2 | 195 | 11 | 731 | 1 | 95 | 7 | 1,866 | 52 | 9,511 | 57% | (61%) |
| Overseas Charities | 1 | 126 | 2 | 131 | 3 | 508 | 7 | 550 | 26 | 1,494 | (71%) | (76%) |
| Overseas Government | - | - | 1 | 193 | - | - | 1 | 584 | 7 | 3,718 | 0% | (67%) |
| Overseas Industry | - | - | - | - | 1 | 21 | 2 | 146 | 3 | 306 | (100%) | (100%) |
| Overseas Other | 1 | 2 | 1 | 2 | 3 | 44 | 4 | 73 | 18 | 1,859 | (75%) | (97%) |
| Overseas Universities | 1 | 22 | 1 | 22 | - | - | - | - | 8 | 1,894 | - | - |
| Research Council | 90 | 47,924 | 232 | 136,654 | 168 | 78,006 | 336 | 183,716 | 1,047 | 544,660 | (31%) | (26%) |
| Universities etc. | 5 | 462 | 18 | 918 | 5 | 110 | 7 | 157 | 47 | 5,450 | 157% | 485% |
| | 205 | 93,559 | 549 | 248,372 | 333 | 134,076 | 685 | 275,371 | 2,512 | 905,989 | (20%) | (10%) |

| AWARDS | Current Year | | | | Previous Year | | | | | | YTD Variance | |
|-----------------------------|--------------|--------------|------------|---------------|---------------|---------------|------------|---------------|--------------|----------------|--------------|--------------|
| | Month | | YTD | | Month | | YTD | | Full Year | | Number | Value |
| | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | | |
| Charity | 14 | 703 | 63 | 6,538 | 24 | 6,186 | 78 | 16,064 | 304 | 51,427 | (19%) | (59%) |
| European Union - Government | 13 | 2,317 | 24 | 6,974 | 14 | 2,987 | 22 | 4,697 | 100 | 25,709 | 9% | 48% |
| European Union - Industry | 1 | 96 | 1 | 96 | - | - | 1 | 33 | 5 | 191 | 0% | 191% |
| European Union - Other | - | - | 2 | 369 | 2 | 542 | 2 | 542 | 7 | 1,098 | 0% | (32%) |
| Government | 11 | 2,537 | 30 | 3,761 | 9 | 814 | 19 | 1,627 | 154 | 25,803 | 58% | 131% |
| Health Authorities | - | - | 3 | 814 | - | - | - | - | 11 | 2,740 | - | - |
| Industry - UK | 7 | 289 | 13 | 731 | 13 | 5,978 | 18 | 6,133 | 72 | 10,574 | (28%) | (88%) |
| Overseas Charities | - | - | - | - | 1 | 11 | 6 | 154 | 19 | 2,611 | (100%) | (100%) |
| Overseas Government | - | - | - | - | - | - | - | - | 8 | 902 | - | - |
| Overseas Industry | - | - | - | - | 1 | 21 | 1 | 21 | 3 | 396 | (100%) | (100%) |
| Overseas Other | 2 | 58 | 2 | 58 | 2 | 27 | 5 | 76 | 18 | 771 | (60%) | (24%) |
| Overseas Universities | 3 | 75 | 5 | 163 | - | - | - | - | 5 | 88 | - | - |
| Research Council | 12 | 2,307 | 57 | 17,953 | 31 | 5,942 | 74 | 19,601 | 304 | 123,493 | (23%) | (8%) |
| Universities etc. | 4 | 95 | 15 | 698 | 9 | 299 | 13 | 623 | 54 | 3,135 | 15% | 12% |
| | 67 | 8,477 | 215 | 38,155 | 106 | 22,807 | 239 | 49,571 | 1,064 | 248,938 | (10%) | (23%) |

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**TABLE 3
RESEARCH APPLICATIONS AND AWARDS BY SCHOOL (100% PROJECT VALUE)**

| APPLICATIONS | Current Year | | | | Previous Year | | | | YTD Variance | | | |
|--|--------------|---------------|------------|----------------|---------------|----------------|------------|----------------|--------------|----------------|--------------|--------------|
| | Month | | YTD | | Month | | YTD | | Full Year | | | |
| | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | | |
| Arts, Culture and Environment | 2 | 1,036 | 5 | 1,697 | 3 | 420 | 12 | 888 | 38 | 3,932 | (58%) | 91% |
| Business School | 5 | 114 | 6 | 340 | 3 | 12 | 7 | 353 | 36 | 2,961 | (14%) | (4%) |
| Divinity | - | - | - | - | 6 | 42 | 7 | 308 | 21 | 1,475 | (100%) | (100%) |
| Health in Social Science | 2 | 233 | 7 | 945 | - | - | - | - | 23 | 3,384 | - | - |
| History, Classics and Archaeology | 3 | 98 | 3 | 98 | 16 | 501 | 29 | 2,858 | 88 | 6,366 | (90%) | (97%) |
| Law | 2 | 150 | 6 | 459 | 3 | 531 | 9 | 1,883 | 30 | 3,776 | (33%) | (76%) |
| Literatures, Languages and Cultures | 9 | 802 | 14 | 1,131 | 16 | 292 | 28 | 1,366 | 81 | 3,901 | (50%) | (17%) |
| Moray House School of Education | 3 | 197 | 8 | 603 | 15 | 1,770 | 24 | 2,846 | 94 | 11,072 | (67%) | (79%) |
| Philosophy, Psychology and Language Sciences | 10 | 1,761 | 16 | 4,141 | 15 | 2,079 | 40 | 8,299 | 157 | 25,307 | (60%) | (50%) |
| Social and Political Science | 14 | 1,856 | 28 | 3,036 | 25 | 4,652 | 43 | 7,703 | 136 | 21,639 | (35%) | (61%) |
| TOTAL CHSS | 50 | 6,247 | 93 | 12,450 | 102 | 10,299 | 199 | 26,504 | 704 | 83,813 | (53%) | (53%) |
| Biomedical Sciences | 15 | 4,579 | 31 | 11,658 | 7 | 1,406 | 17 | 4,997 | 100 | 42,428 | 82% | 133% |
| Clinical Sciences and Community Health | 23 | 11,600 | 83 | 32,476 | 36 | 14,232 | 77 | 23,922 | 378 | 125,282 | 8% | 36% |
| Molecular and Clinical Medicine | 12 | 3,758 | 28 | 8,209 | 23 | 9,504 | 46 | 21,989 | 163 | 85,696 | (39%) | (63%) |
| Royal (Dick) School of Veterinary Studies | 8 | 4,241 | 28 | 12,439 | 14 | 27,389 | 28 | 33,188 | 139 | 130,838 | 0% | (63%) |
| TOTAL CMVM | 58 | 24,178 | 170 | 64,782 | 80 | 52,531 | 168 | 84,096 | 780 | 384,244 | 1% | (23%) |
| Biological Sciences | 22 | 15,348 | 57 | 37,121 | 21 | 9,971 | 61 | 20,364 | 218 | 96,677 | (7%) | 82% |
| Chemistry | 9 | 7,500 | 47 | 21,204 | 11 | 7,916 | 39 | 24,611 | 136 | 61,441 | 21% | (14%) |
| Engineering | 12 | 8,341 | 39 | 31,749 | 31 | 12,955 | 54 | 26,658 | 163 | 68,481 | (28%) | 19% |
| Geosciences | 6 | 563 | 24 | 4,119 | 17 | 5,750 | 42 | 8,716 | 180 | 34,034 | (43%) | (53%) |
| Informatics | 19 | 10,820 | 57 | 43,918 | 22 | 11,917 | 41 | 35,623 | 157 | 90,195 | 39% | 23% |
| Mathematics | 3 | 2,148 | 13 | 4,439 | 14 | 7,401 | 24 | 16,630 | 43 | 24,608 | (46%) | (73%) |
| College General | - | - | - | - | - | - | - | - | - | - | - | - |
| Physics | 24 | 18,339 | 45 | 28,424 | 35 | 15,336 | 55 | 32,072 | 115 | 60,636 | (18%) | (11%) |
| TOTAL CSE | 95 | 63,059 | 282 | 170,974 | 151 | 71,246 | 316 | 164,674 | 1,012 | 436,072 | (11%) | 4% |
| Support Services | 2 | 75 | 4 | 166 | - | - | 2 | 97 | 16 | 1,860 | 100% | 71% |
| Grand Total | 205 | 93,559 | 549 | 248,372 | 333 | 134,076 | 685 | 275,371 | 2,512 | 905,989 | (20%) | (10%) |

| AWARDS | Current Year | | | | Previous Year | | | | YTD Variance | | | |
|--|--------------|--------------|------------|---------------|---------------|---------------|------------|---------------|--------------|----------------|--------------|--------------|
| | Month | | YTD | | Month | | YTD | | Full Year | | | |
| | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | Number | Value £'000 | | |
| Arts, Culture and Environment | 1 | 19 | 2 | 25 | 1 | 12 | 4 | 158 | 11 | 286 | (50%) | (84%) |
| Business School | - | - | 1 | 90 | - | - | 1 | 25 | 14 | 2,578 | 0% | 260% |
| Divinity | 1 | 280 | 1 | 280 | 1 | 2 | 2 | 22 | 6 | 86 | (50%) | 1173% |
| Health in Social Science | - | - | 1 | 9 | - | - | - | - | 7 | 176 | - | - |
| History, Classics and Archaeology | 1 | 2 | 3 | 144 | 3 | 21 | 5 | 65 | 37 | 860 | (40%) | 122% |
| Law | 2 | 19 | 3 | 74 | - | - | 3 | 80 | 15 | 3,360 | 0% | (8%) |
| Literatures, Languages and Cultures | 4 | 109 | 7 | 153 | 3 | 33 | 9 | 284 | 24 | 527 | (22%) | (46%) |
| Moray House School of Education | 1 | 143 | 2 | 161 | 6 | 259 | 8 | 303 | 38 | 3,121 | (75%) | (47%) |
| Philosophy, Psychology and Language Sciences | 1 | 151 | 2 | 152 | 1 | 25 | 6 | 703 | 37 | 5,509 | (67%) | (78%) |
| Social and Political Science | 4 | 163 | 10 | 694 | 1 | 19 | 4 | 340 | 46 | 4,870 | 150% | 104% |
| TOTAL CHSS | 15 | 886 | 32 | 1,782 | 16 | 371 | 42 | 1,980 | 235 | 21,373 | (24%) | (10%) |
| Biomedical Sciences | 1 | 138 | 8 | 1,980 | 2 | 81 | 6 | 1,989 | 41 | 9,680 | 33% | (0%) |
| Clinical Sciences and Community Health | 11 | 1,262 | 33 | 5,799 | 19 | 3,627 | 38 | 8,183 | 144 | 32,562 | (13%) | (29%) |
| Molecular and Clinical Medicine | 5 | 991 | 30 | 3,838 | 13 | 2,708 | 32 | 4,377 | 95 | 18,754 | (6%) | (12%) |
| Royal (Dick) School of Veterinary Studies | 3 | 1,970 | 19 | 5,500 | 20 | 2,229 | 33 | 4,691 | 131 | 59,762 | (42%) | 17% |
| TOTAL CMVM | 20 | 4,361 | 90 | 17,117 | 54 | 8,645 | 109 | 19,240 | 411 | 120,758 | (17%) | (11%) |
| Biological Sciences | 7 | 1,296 | 22 | 6,579 | 7 | 5,666 | 36 | 15,942 | 98 | 35,997 | (39%) | (59%) |
| Chemistry | - | - | 7 | 2,975 | 5 | 2,232 | 8 | 2,750 | 49 | 11,265 | (13%) | 8% |
| Engineering | 2 | 441 | 9 | 1,158 | 1 | 156 | 6 | 417 | 54 | 9,910 | 50% | 178% |
| Geosciences | 14 | 553 | 29 | 2,556 | 8 | 700 | 9 | 733 | 86 | 9,731 | 222% | 249% |
| Informatics | 4 | 684 | 12 | 1,305 | 3 | 1,616 | 11 | 3,549 | 53 | 12,627 | 9% | (63%) |
| Mathematics | 1 | 76 | 3 | 79 | 2 | 227 | 3 | 1,198 | 18 | 6,102 | 0% | (93%) |
| College General | - | - | - | - | - | - | - | - | 1 | 107 | - | - |
| Physics | 3 | 120 | 10 | 4,544 | 9 | 3,145 | 14 | 3,713 | 51 | 20,068 | (29%) | 22% |
| TOTAL CSE | 31 | 3,170 | 92 | 19,196 | 35 | 13,742 | 87 | 28,302 | 410 | 105,807 | 6% | (32%) |
| Support Services | 1 | 60 | 1 | 60 | 1 | 49 | 1 | 49 | 8 | 1,000 | 0% | 22% |
| Grand Total | 67 | 8,477 | 215 | 38,155 | 106 | 22,807 | 239 | 49,571 | 1,064 | 248,938 | (10%) | (23%) |

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TABLE 4
COMMERCIALISATION ACTIVITY

| | Current Year | | Previous Year | | | Variance | |
|--|--------------|-----------|---------------|-----------|------------|--------------|--------------|
| | Month | YTD | Month | YTD | Full Year | Month | YTD |
| Disclosure Interviews | | | | | | | |
| CHSS | - | - | 1 | 1 | 3 | (100%) | (100%) |
| CMVM | 6 | 16 | 15 | 19 | 114 | (60%) | (16%) |
| CS&E | 12 | 28 | 4 | 10 | 98 | 200% | 180% |
| Total - number | 18 | 44 | 20 | 30 | 215 | (10%) | 47% |
| Patents filed on Technologies - by College | | | | | | | |
| CHSS | - | - | - | - | - | - | - |
| CMVM | 2 | 8 | - | 7 | 31 | - | 14% |
| CS&E | 5 | 8 | 6 | 12 | 58 | (17%) | (33%) |
| Total - number | 7 | 16 | 6 | 19 | 89 | 17% | (16%) |
| Patents filed on Technologies - by Type of filing | | | | | | | |
| Priority Filings | 3 | 4 | 2 | 8 | 40 | 50% | (50%) |
| PCT Filings | 1 | 4 | 2 | 4 | 21 | (50%) | 0% |
| Other/National Filings | 3 | 8 | 2 | 7 | 28 | 50% | 14% |
| Total - number | 7 | 16 | 6 | 19 | 89 | 17% | (16%) |
| Licences signed | | | | | | | |
| CHSS | - | 1 | - | - | 1 | - | - |
| CMVM | 1 | 3 | - | 2 | 11 | - | 50% |
| CS&E | 5 | 11 | 3 | 7 | 26 | 67% | 57% |
| Total - number | 6 | 15 | 3 | 9 | 38 | 100% | 67% |
| Spin-out companies created | | | | | | | |
| - Number | - | 1 | - | - | 1 | - | - |
| Start-up companies created (inc EPIS companies) | | | | | | | |
| - Number | 1 | 9 | 5 | 5 | 25 | (80%) | 80% |

TABLE 5
CONSULTANCY

| | Current Year | | Previous Year | | | Variance | |
|--|--------------|--------------|---------------|------------|--------------|-----------|------------|
| | Month | YTD | Month | YTD | Full Year | Month | YTD |
| By Business Type - Invoiced value £'000 | | | | | | | |
| Scotland - Commerce | 65 | 155 | 71 | 132 | 999 | (8%) | 17% |
| Scotland - Government | 152 | 323 | 29 | 57 | 666 | 424% | 467% |
| Rest of UK - Commerce | 37 | 117 | 62 | 119 | 823 | (40%) | (2%) |
| Rest of UK - Government | 15 | 97 | 22 | 34 | 652 | (32%) | 185% |
| International - Commerce | 229 | 390 | 314 | 523 | 1,500 | (27%) | (25%) |
| International - Government | 17 | 25 | - | - | 85 | - | - |
| Total - value £'000 | 515 | 1,107 | 498 | 865 | 4,725 | 3% | 28% |
| By College - Invoiced value £'000 | | | | | | | |
| CHSS | 148 | 244 | 89 | 212 | 1,049 | 66% | 15% |
| CMVM | 234 | 411 | 266 | 384 | 1,505 | (12%) | 7% |
| CS&E | 132 | 448 | 143 | 269 | 2,121 | (8%) | 67% |
| Support Services | 1 | 4 | - | - | 50 | - | - |
| Total - value £'000 | 515 | 1,107 | 498 | 865 | 4,725 | 3% | 28% |

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TABLE 6
CONSULTANCY INCOME BY SCHOOL

| | CURRENT YEAR | | PREVIOUS YEAR | | | YTD Variance % |
|--|----------------|------------------|----------------|----------------|------------------|----------------------|
| | Month | YTD | Month | YTD | Full Year | |
| | Value £ | Value £ | Value £ | Value £ | Value £ | |
| Arts, Culture and Environment | - | - | 255 | 255 | 15,328 | (100%) |
| Business School | 21,075 | 29,144 | 57,350 | 122,750 | 514,009 | (76%) |
| Divinity | - | - | - | - | - | - |
| Economics | - | - | - | - | - | - |
| Health in Social Science | 3,200 | 3,200 | - | - | 37,088 | - |
| History, Classics And Archaeology | - | - | - | - | 19,029 | - |
| Law | 8,973 | 14,054 | 7,000 | 7,000 | 54,604 | 101% |
| Literatures, Languages and Cultures | - | - | - | - | - | - |
| Moray House School of Education | 7,184 | 20,559 | 11,495 | 15,572 | 72,702 | 32% |
| Philosophy, Psychology and Language Sciences | - | - | - | - | 2,487 | - |
| Social and Political Science | 14,024 | 77,185 | 13,362 | 66,311 | 334,133 | 16% |
| College Central | 93,583 | 99,480 | - | - | - | - |
| TOTAL CHSS | 148,039 | 243,623 | 89,461 | 211,888 | 1,049,380 | 15% |
| Biomedical Sciences | 160,000 | 160,750 | 143,679 | 160,042 | 338,783 | 0% |
| Clinical Sciences and Community Health | 19,818 | 121,993 | 7,704 | 23,225 | 290,808 | 425% |
| Molecular and Clinical Medicine | 26,621 | 44,542 | 23,668 | 101,147 | 432,028 | (56%) |
| Royal (Dick) School of Veterinary Studies | 2,061 | 34,747 | 89,934 | 99,693 | 300,221 | (65%) |
| College Central | 25,327 | 48,478 | - | - | 143,497 | - |
| TOTAL CMVM | 233,827 | 410,509 | 264,985 | 384,106 | 1,505,338 | 7% |
| Biological Sciences | 35,184 | 48,608 | 11,350 | 19,076 | 121,715 | 155% |
| Chemistry | 1,550 | 11,613 | 1,085 | 12,439 | 40,484 | (7%) |
| Engineering | 52,003 | 99,561 | 45,157 | 76,473 | 944,988 | 30% |
| Geosciences | 27,166 | 98,036 | 36,204 | 60,376 | 312,882 | 62% |
| Informatics | 15,143 | 184,361 | 49,366 | 100,865 | 679,142 | 83% |
| Mathematics | - | - | - | - | 4,445 | - |
| Physics | 802 | 5,482 | - | - | 16,834 | - |
| College Central | - | - | - | - | - | - |
| TOTAL CSE | 131,848 | 447,660 | 143,162 | 269,229 | 2,120,489 | 66% |
| Support Services | 1,120 | 4,370 | - | - | 49,618 | - |
| Grand Total | 514,834 | 1,106,163 | 497,608 | 865,223 | 4,724,825 | 28% |

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**TABLE 7
DISCLOSURE INTERVIEWS BY SCHOOL**

| | CURRENT YEAR | | PREVIOUS YEAR | | | YTD Variance % |
|--|--------------|-----------|---------------|-----------|------------|----------------------|
| | Month | YTD | Month | YTD | Full Year | |
| | No | No | No | No | No | |
| Arts, Culture and Environment | - | - | - | - | 1 | - |
| Business School | - | - | 1 | 1 | 1 | (100%) |
| Divinity | - | - | - | - | - | - |
| Economics | - | - | - | - | - | - |
| Health in Social Science | - | - | - | - | - | - |
| History, Classics And Archaeology | - | - | - | - | - | - |
| Law | - | - | - | - | - | - |
| Literatures, Languages and Cultures | - | - | - | - | 1 | - |
| Moray House School of Education | - | - | - | - | - | - |
| Philosophy, Psychology and Language Sciences | - | - | - | - | - | - |
| Social and Political Science | - | - | - | - | - | - |
| College Central | - | - | - | - | - | - |
| TOTAL CHSS | - | - | 1 | 1 | 3 | (100%) |
| Biomedical Sciences | 2 | 3 | - | - | 7 | - |
| Clinical Sciences and Community Health | 1 | 2 | 9 | 10 | 62 | (80%) |
| Molecular and Clinical Medicine | - | 3 | - | - | 10 | - |
| Royal (Dick) School of Veterinary Studies | - | - | 1 | 3 | 7 | (100%) |
| R(D)VS - Roslin Institute | 3 | 8 | 5 | 6 | 28 | 33% |
| College Central | - | - | - | - | - | - |
| TOTAL CMVM | 6 | 16 | 15 | 19 | 114 | (16%) |
| Biological Sciences | 2 | 8 | 3 | 5 | 20 | 60% |
| Chemistry | 3 | 5 | - | - | 15 | - |
| Engineering | 4 | 8 | - | 2 | 26 | 300% |
| Geosciences | - | 3 | 1 | 2 | 9 | 50% |
| Informatics | 1 | 2 | - | 1 | 20 | 100% |
| Mathematics | - | - | - | - | 1 | - |
| Physics | 2 | 2 | - | - | 7 | - |
| College Central | - | - | - | - | - | - |
| TOTAL CSE | 12 | 28 | 4 | 10 | 98 | 180% |
| Support Services | - | - | - | - | - | - |
| Grand Total | 18 | 44 | 20 | 30 | 215 | 47% |
| | - | - | - | - | - | |

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TABLE 8
PATENT FILINGS BY SCHOOL

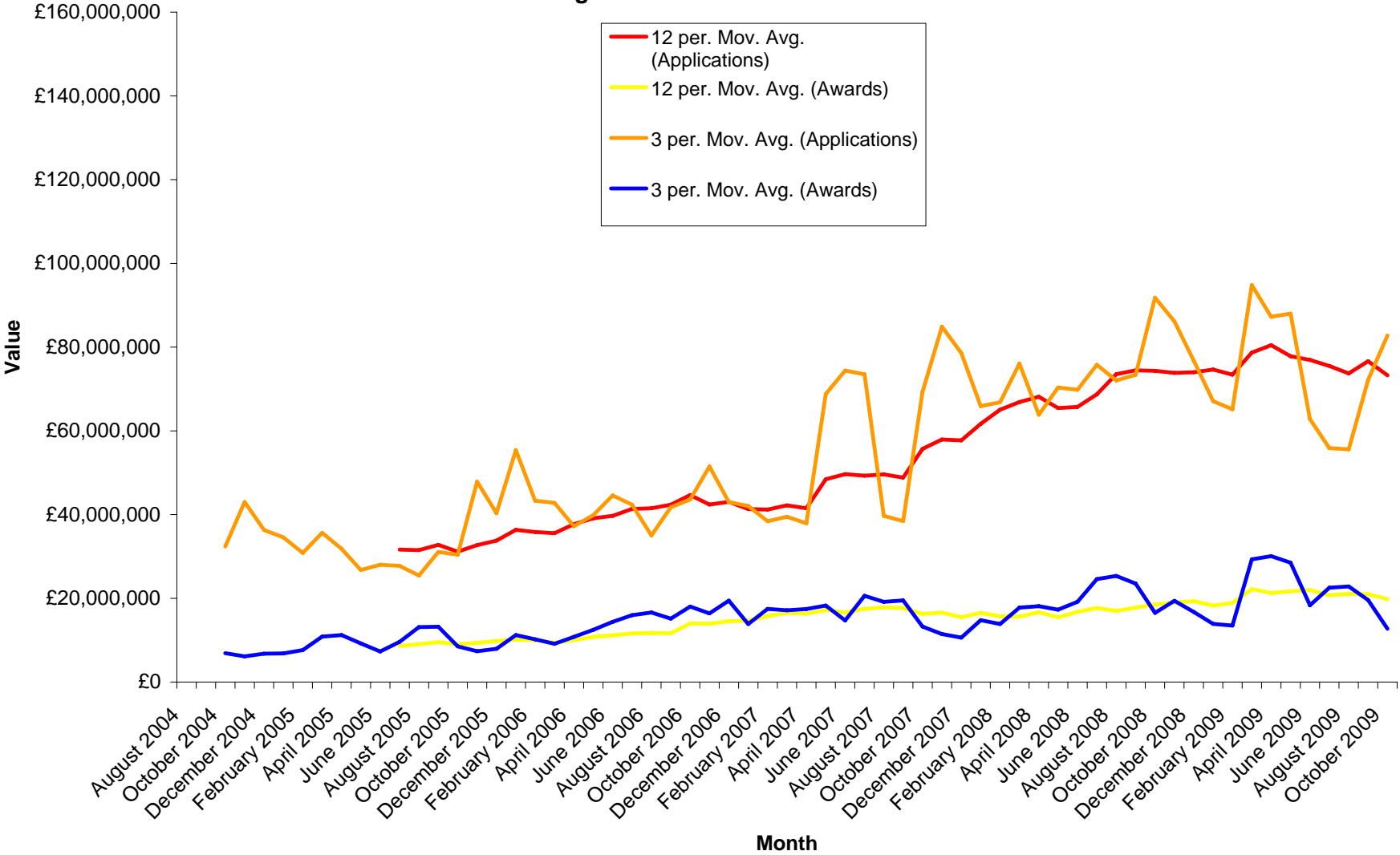
| | CURRENT YEAR | | | | | | | | PREVIOUS YEAR | | | | | | | | | | | | YTD Variance % | | | | |
|--|--------------|----------|----------|----------|----------|----------|----------|-----------|---------------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|----------------------|----------|----------|--------------|------------|
| | Month | | | | YTD | | | | Month | | | | YTD | | | | FULL YEAR | | | | | | | | |
| | Priority | PCT | Other | Total | Priority | PCT | Other | Total | Priority | PCT | Other | Total | Priority | PCT | Other | Total | Priority | PCT | Other | Total | | | | | |
| Arts, Culture and Environment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business School | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Divinity | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Economics | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Health in Social Science | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| History, Classics And Archaeology | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Law | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Literatures, Languages and Cultures | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Moray House School of Education | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Philosophy, Psychology and Language Sciences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Social and Political Science | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| College Central | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL CHSS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Biomedical Sciences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Clinical Sciences and Community Health | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Molecular and Clinical Medicine | 1 | - | - | 1 | 1 | - | 1 | 2 | 1 | 2 | 1 | - | 3 | 5 | 4 | 2 | 11 | - | - | - | - | - | - | - | (50%) |
| Royal (Dick) School of Veterinary Studies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 33% |
| R(D)VS - Roslin Institute | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 100% |
| College Central | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0% |
| TOTAL CMVM | 1 | - | 1 | 2 | 2 | 3 | 3 | 8 | - | - | - | - | 5 | 2 | - | 7 | 13 | 10 | 8 | 31 | - | - | - | - | 14% |
| Biological Sciences | 1 | - | - | 1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (86%) |
| Chemistry | - | 1 | - | 1 | - | 1 | - | 1 | - | - | - | - | 1 | 2 | 3 | 8 | - | - | - | - | - | - | - | - | (50%) |
| Engineering | 1 | - | 1 | 2 | 1 | - | - | 2 | 3 | 1 | 1 | 1 | 3 | 10 | 3 | 4 | 17 | - | - | - | - | - | - | - | 0% |
| Geosciences | - | - | - | - | - | - | - | - | - | - | - | - | - | 6 | 1 | 5 | 12 | - | - | - | - | - | - | - | #DIV/0! |
| Informatics | - | - | 1 | 1 | - | - | - | 1 | - | - | - | - | - | 5 | 1 | 6 | - | - | - | - | - | - | - | - | #DIV/0! |
| Mathematics | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Physics | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| College Central | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL CSE | 2 | 1 | 2 | 5 | 2 | 1 | 5 | 8 | 2 | 2 | 2 | 6 | 3 | 2 | 7 | 12 | 27 | 11 | 20 | 58 | - | - | - | (33%) | |
| Support Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand Total | 3 | 1 | 3 | 7 | 4 | 4 | 8 | 16 | 2 | 2 | 2 | 6 | 8 | 4 | 7 | 19 | 40 | 21 | 28 | 89 | - | - | - | (16%) | |

**EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2009**

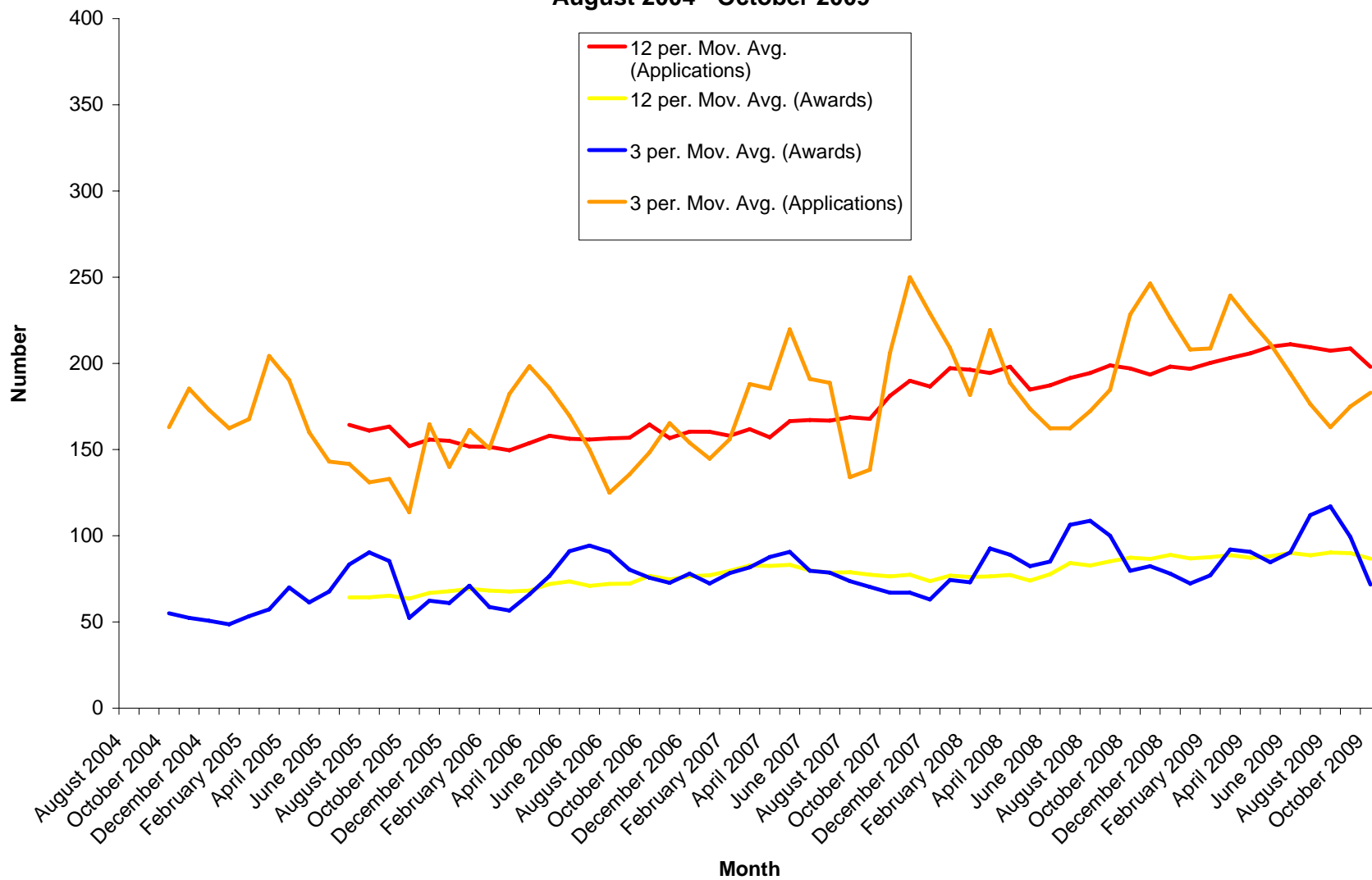
**TABLE 9
LICENCES SIGNED BY SCHOOL**

| | CURRENT YEAR | | PREVIOUS YEAR | | | YTD Variance % |
|--|--------------|-----------|---------------|----------|-----------|----------------------|
| | Month | YTD | Month | YTD | Full Year | |
| | No | No | No | No | No | |
| Arts, Culture and Environment | - | - | - | - | - | - |
| Business School | - | - | - | - | 1 | - |
| Divinity | - | - | - | - | - | - |
| Economics | - | - | - | - | - | - |
| Health in Social Science | - | - | - | - | - | - |
| History, Classics And Archaeology | - | - | - | - | - | - |
| Law | - | - | - | - | - | - |
| Literatures, Languages and Cultures | - | 1 | - | - | - | - |
| Moray House School of Education | - | - | - | - | - | - |
| Philosophy, Psychology and Language Sciences | - | - | - | - | - | - |
| Social and Political Science | - | - | - | - | - | - |
| College Central | - | - | - | - | - | - |
| TOTAL CHSS | - | 1 | - | - | 1 | - |
| Biomedical Sciences | - | - | - | - | - | - |
| Clinical Sciences and Community Health | - | - | - | 2 | 4 | (100%) |
| Molecular and Clinical Medicine | 1 | 2 | - | - | 3 | - |
| Royal (Dick) School of Veterinary Studies | - | 1 | - | - | 3 | - |
| R(D)VS - Roslin Institute | - | - | - | - | 1 | - |
| College Central | - | - | - | - | - | - |
| TOTAL CMVM | 1 | 3 | - | 2 | 11 | 50% |
| Biological Sciences | - | - | - | - | - | - |
| Chemistry | 2 | 4 | 2 | 5 | 10 | (20%) |
| Engineering | 1 | 2 | 1 | 1 | 6 | 100% |
| Engineering | 1 | 1 | - | - | 4 | - |
| Geosciences | - | 1 | - | 1 | 2 | 0% |
| Informatics | - | 2 | - | - | 4 | - |
| Mathematics | 1 | 1 | - | - | - | - |
| Physics | - | - | - | - | - | - |
| College Central | - | - | - | - | - | - |
| TOTAL CSE | 5 | 11 | 3 | 7 | 26 | 57% |
| Support Services | - | - | - | - | - | - |
| Grand Total | 6 | 15 | 3 | 9 | 38 | 67% |
| | - | - | - | - | - | - |

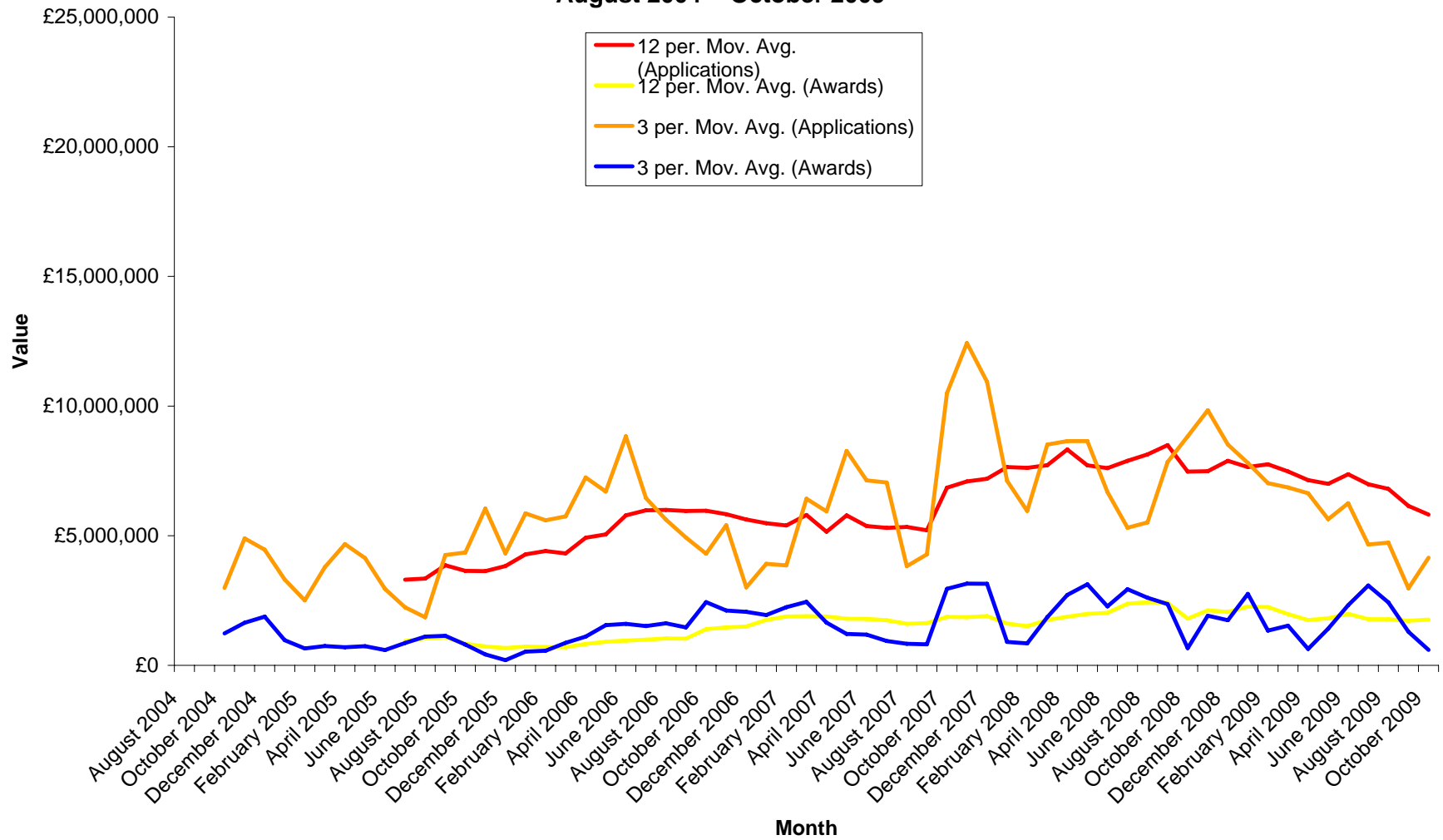
**UOE - Total value of all Applications and Awards
August 2004 - October 2009**



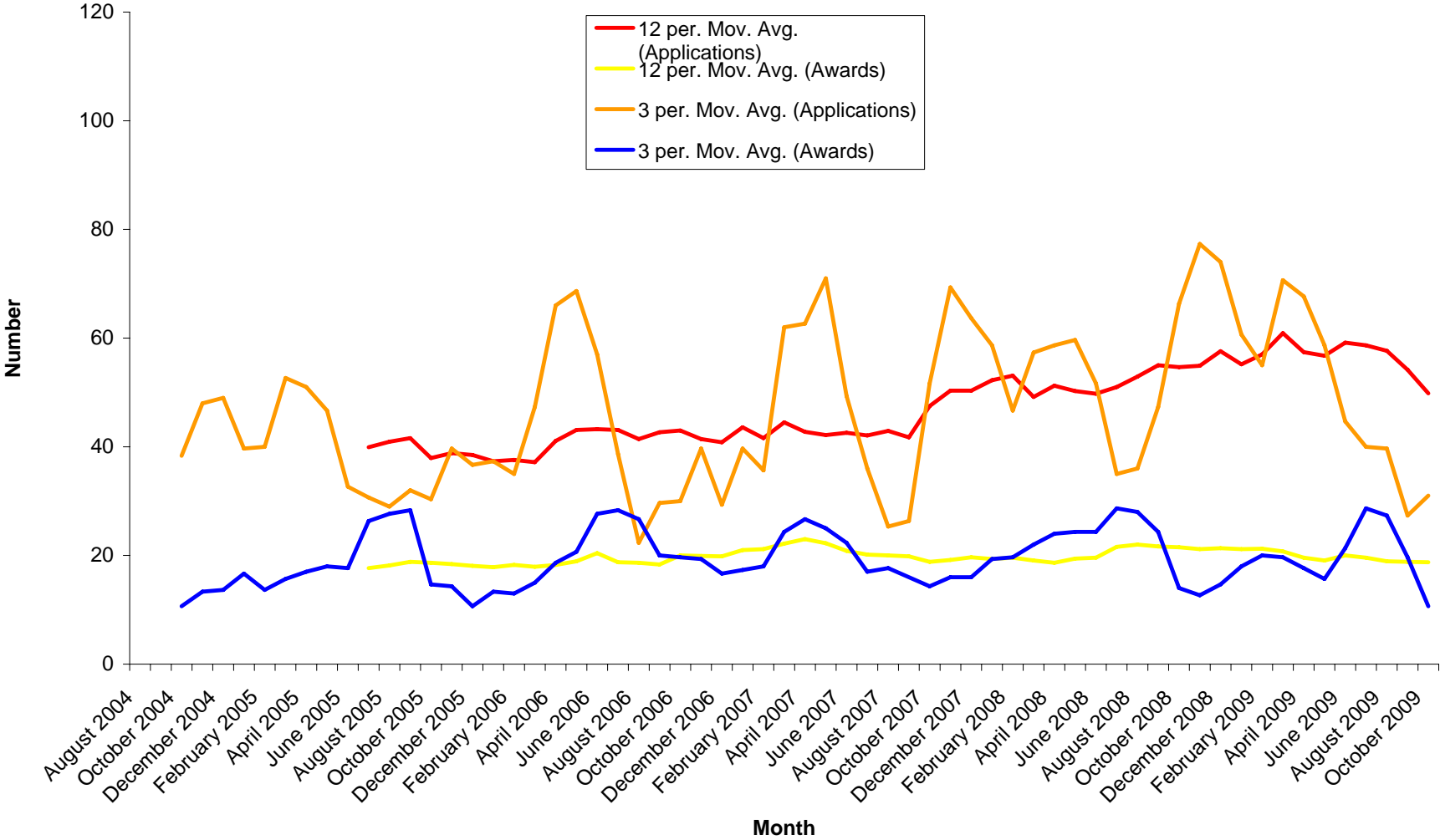
**UOE - Total number of Applications and Awards
August 2004 - October 2009**



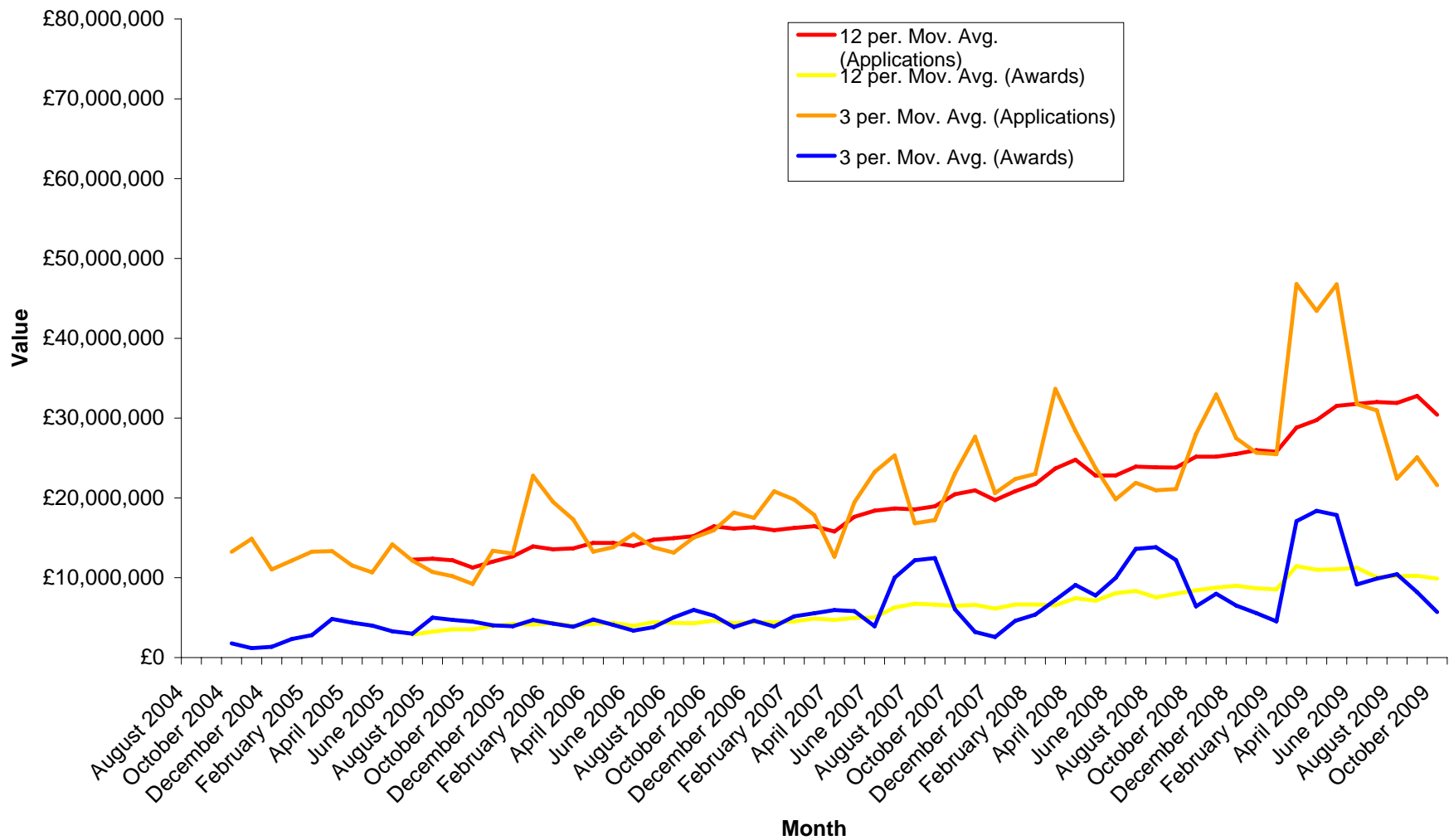
**College Of Humanities and Social Science - Value of Applications and Awards
August 2004 - October 2009**



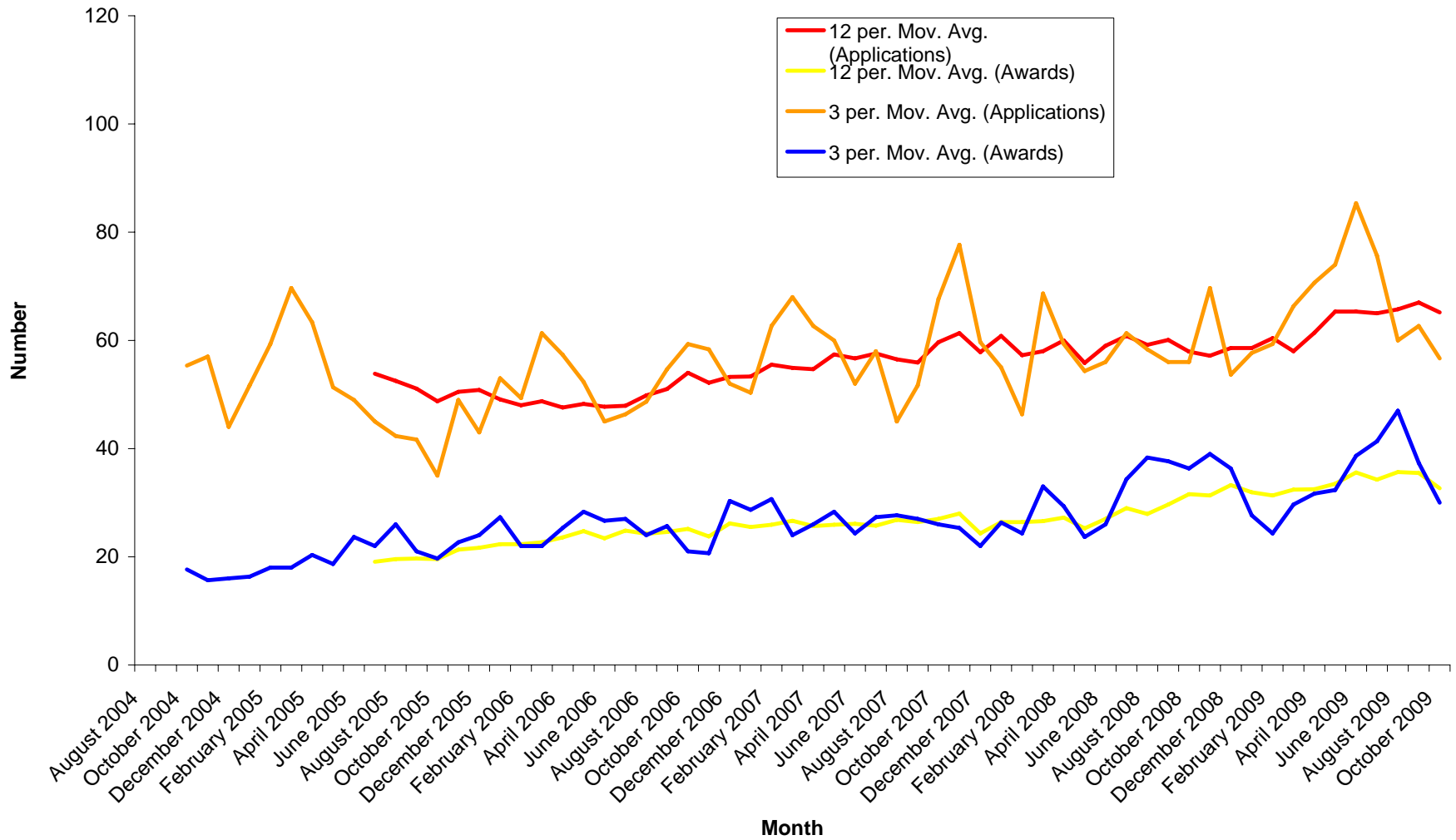
College Of Humanities and Social Science - Number of Applications and Awards
August 2004 - October 2009



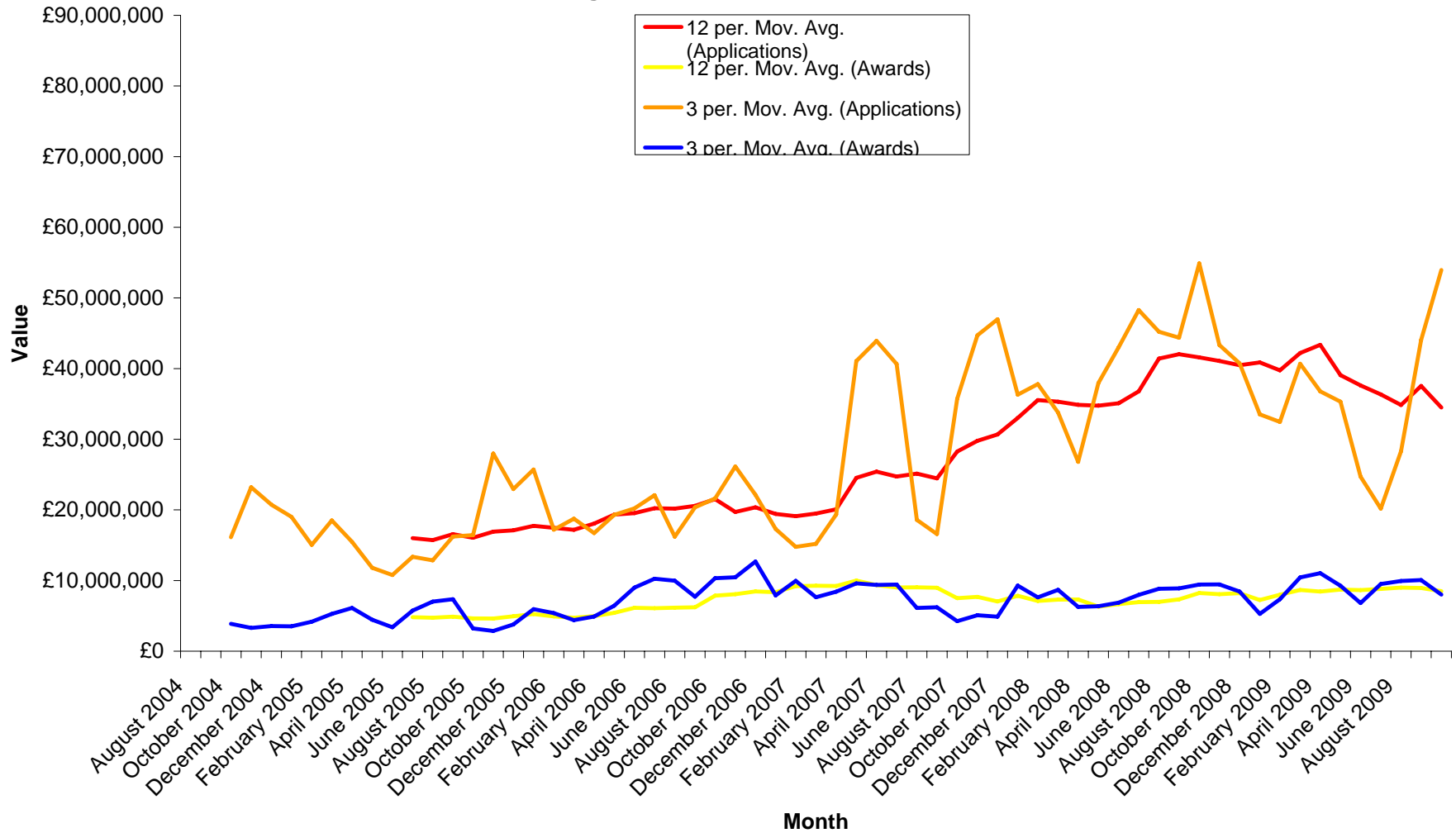
College Of Medicine and Veterinary Medicine Value of Applications and Awards August 2004 to October 2009



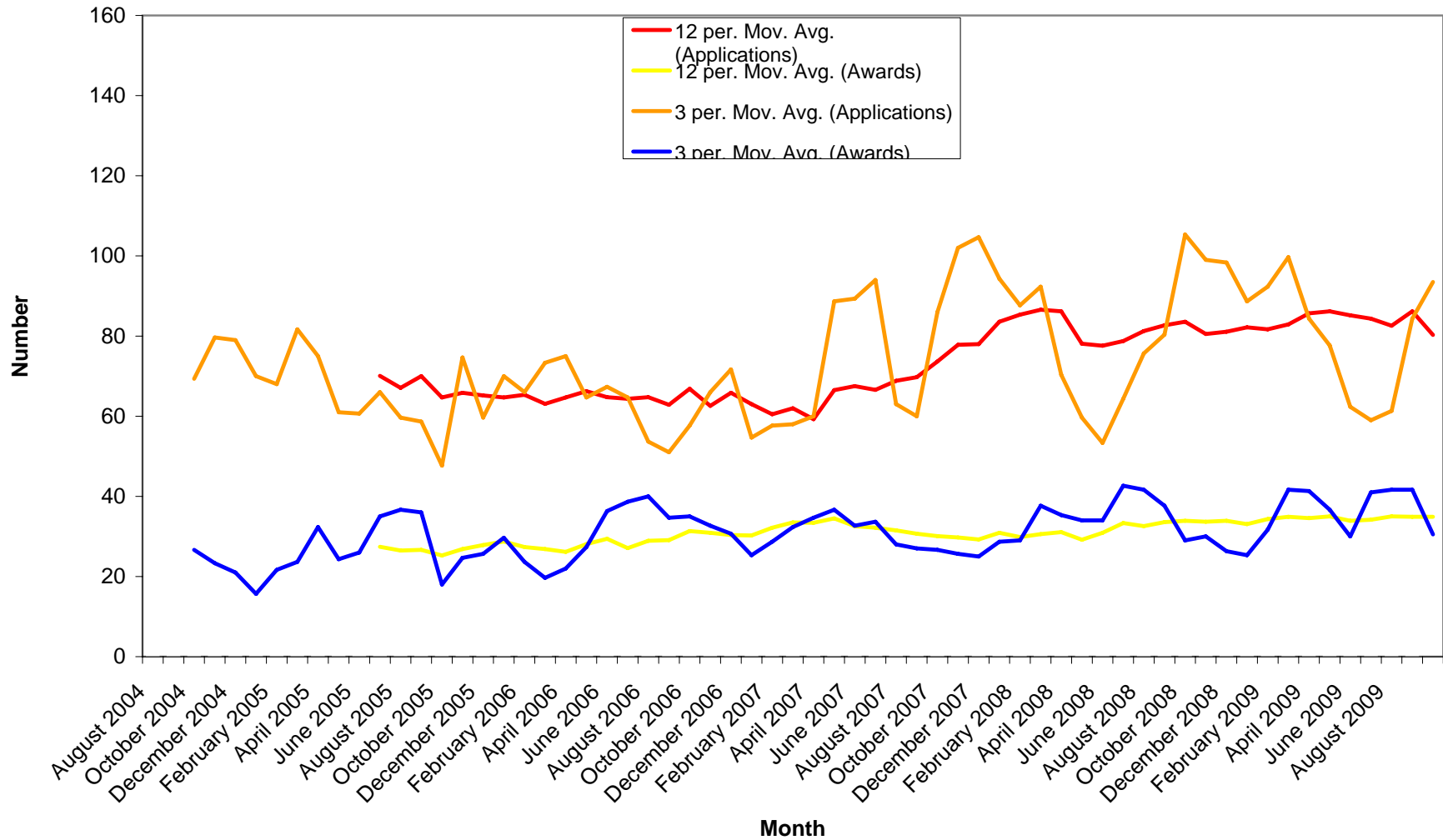
**College Of Medicine and Veterinary Medicine - Number of Applications and Awards
August 2004 to October 2009**



**College Of Science and Engineering - Value of Applications and Awards
August 2004 to October 2009**



College Of Science and Engineering - Number of Applications and Awards August 2004 to October 2009



Fraud Policy

Introduction

1. No precise legal definition of fraud exists; many offences referred to as fraud are covered by the Theft Acts of 1968 and 1978. The term is used to describe acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes, and for this policy statement, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

2. This policy is concerned with occupational fraud i.e. fraud committed by employees or contractors of the University of Edinburgh (the “University”) in the course of their work. The policy makes occasional reference to students, to cover eventualities where students may be involved.

3. Occupational fraud and abuses fall into four main categories:

- theft, the misappropriation or misuse of assets for personal benefit;
- bribery and corruption;
- false accounting and/or making fraudulent statements with a view to personal gain or gain for another: for example, falsely claiming overtime, travel and subsistence, sick leave or special leave (with or without pay);
- externally perpetrated fraud against an organisation.

Policies & Principles

4. The University is committed to preventing fraud and corruption from occurring and to developing an anti-fraud culture. To achieve this, it will:

- develop and maintain effective controls to prevent fraud, including an ongoing monitoring of financial transactions
- ensure that, if fraud occurs, a vigorous and prompt investigation takes place;
- take appropriate disciplinary and legal action in all cases, where justified;
- review systems and procedures to prevent similar frauds;
- investigate whether there has been a failure in supervision and take appropriate disciplinary action where supervisory failures occurred; and
- record and report all discovered cases of fraud.

5. The following policies and principles apply:

- University staff must have, and be seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties.
- The University will not tolerate fraud, impropriety or dishonesty and will investigate all instances of suspected fraud, impropriety, or dishonest conduct by its staff or external organisations (contractor or client).
- Staff must not defraud the University, other staff members, students, clients or contractors, in any way. The University will take action – including dismissal and/or criminal prosecution - against any member of staff defrauding (or attempting to defraud) other staff members, students, clients or contractors.

- The University will take action - including criminal prosecution - against external organisations defrauding (or attempting to defraud) the University, its staff in the course of their work, students, clients or contractors.
- The University will co-operate fully with an external investigating body.
- The University will always seek to recover funds lost through fraud.
- All frauds will be reported to Internal Audit.

Action to be Taken in the Event of Discovery or Suspicion of Fraud

6. The University has established arrangements for staff to report any concerns they may have without fear of prejudice or harassment. This applies to concerns relating to fraud and to any other concerns within the context of the Public Interest Disclosure Act 1998.

7. Concerns which should be reported include, but are not limited to, staff committing or attempting to commit:

- any dishonest or fraudulent act;
- forgery or alteration of documents or accounts;
- misappropriation of funds, supplies or other assets;
- impropriety in the handling or reporting of money or financial transactions;
- profiting from an official position;
- disclosure of official activities or information for advantage;
- accepting or seeking value from third parties by virtue of official position or duties; and
- theft or misuse of property, facilities or services.

8. External organisations' actions which should be reported include:

- being offered a bribe or inducement by a supplier;
- receiving fraudulent (rather than erroneous) invoices from a supplier;
- reported allegations of corruption or deception by a supplier.

9. The University has established and maintains a Fraud Response Procedure, set out in Appendix 1 of this document, which sets out guidance to senior staff in the event of fraud being discovered or suspected. Under the Procedure:

- incidents will be logged in a Fraud Register, maintained by the Director of Finance, which contains details of allegations, investigations and conclusions;
- frauds and allegations of fraud will be investigated by an appointed suitably qualified senior member of staff independent of the area under suspicion;
- progress on investigations will be reported to the Audit Committee as a standing item on the agenda.

Responsibilities

10. The creation of an anti-fraud culture underpins all work to counter fraud. All staff should understand the risk of fraud faced by the University, that fraud is serious and diverts resources away from the University's primary objectives.

University Court and the Director of Finance

11. The University Court, advised and assisted by the Director of Finance, is responsible for establishing the internal control system designed to counter the risks faced by the University, and for the adequacy and effectiveness of these arrangements. Managing fraud risk should be seen in the context of the management of this wider range of risks.

12. The Director of Finance is responsible for making arrangements for investigating allegations of fraud. These arrangements include the appointment of a suitably qualified senior member of staff to lead the investigation.

13. The Director of Finance will be responsible for receiving the report of the investigating officer and considering an appropriate response.

The Director of Human Resources

14. The Director of Human Resources will be responsible for initiating the following measures relating to the University's anti-fraud policies:

- initiating disciplinary and legal action (both civil and criminal) against the perpetrators of fraud;
- initiating disciplinary action against staff in a supervisory capacity where supervisory failures have contributed to the commission of fraud;
- providing confidential advice to staff who suspect a member of staff of fraud.

Appointed Investigator

15. The appointed senior member of staff will be responsible for investigating allegations of fraud including:

- carrying out a thorough investigation if fraud is suspected, with the support of Internal Audit, where necessary;
- gathering evidence, taking statements and writing reports on suspected frauds;
- liaising with the Director of Finance where investigations conclude that a fraud has taken place;
- identifying any weaknesses which contributed to the fraud; and
- if necessary, making recommendations for remedial action.

16. To carry out these duties the appointed member of staff will have unrestricted access to the Director of Finance, the Director of Human Resources, the Audit Committee, the University's Internal and External Auditors, and its legal advisers.

Academic and Non-Academic Managers

17. Managers, whether with academic or non-academic responsibilities, are the first line of defence against fraud. They should be alert to the possibility that unusual events may be symptoms of fraud or attempted fraud and that fraud may be highlighted as a result of management checks or be brought to attention by a third party. They are responsible for:

- being aware of the potential for fraud;
- ensuring that an adequate system of internal control exists within their area of responsibility, appropriate to the risk involved and those controls are properly operated and complied with;
- reviewing and testing control systems to satisfy themselves the systems continue to operate effectively.

18. Managers should inform their Head of School or Support Service Director if there are indications that an external organisation (such as a contractor or client) may be trying to defraud (or has defrauded) the University or its staff carrying out their duties.

19. They should also inform their Head of School or Support Service Director if they suspect their staff may be involved in fraudulent activity, impropriety or dishonest conduct.

20. Heads of School and Support Service Directors should contact the Director of Finance immediately on being alerted to such suspicions. Time is of the essence in such matters. Managers should therefore inform the Director of Finance directly if their Head of School or Support Service Director is absent. In the absence of the Director of Finance, the Deputy Director of Finance should be informed. In turn, they will ensure that the University Secretary and Director of Corporate Services are kept informed of developments.

21. Managers and Directors should take care to avoid doing anything which might prejudice the case against the suspected fraudster. Separate advice on dealing with fraud is contained in a fraud response plan circulated to designated staff involved in reporting or investigating individual allegations of fraud.

University Staff

22. University staff must have, and be seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties. Staff are responsible for:

- acting with propriety in the use of official resources and in the handling and use of public funds whether they are involved with cash or payment systems, receipts or dealing with contractors or suppliers;
- reporting details of any suspected fraud, impropriety or other dishonest activity immediately to their line manager or the responsible manager, and to the Director of Finance. More guidance on how to report concerns can be found in the Code of Practice on Reporting Malpractice (“Whistleblowing”) on reporting concerns about the proper conduct of University business;
- assisting in the investigation of any suspected fraud.

23. Staff reporting or investigating suspected fraud should take care to avoid doing anything which might prejudice the case against the suspected fraudster. Separate advice on dealing with fraud is contained in the fraud response procedure, attached as an appendix to this policy, which can be circulated to designated staff involved in reporting or investigating individual allegations of fraud.

Further Advice & Guidance

24. The Director of Finance will provide advice where line managers are unavailable or unable to give advice.

Appendix 1: Fraud Response Procedure

Purpose

1. The purpose of this fraud response procedure is to define authority levels, responsibilities for action and reporting lines in the event of suspected fraud or irregularity. Those investigating a suspected fraud should:

- aim to prevent further loss
- liaise with the University's Insurance Officer
- establish and secure evidence necessary for criminal and disciplinary action
- inform the police
- notify SFC, if necessary
- seek to recover losses
- take appropriate action against those responsible
- keep those internal staff and outside organisations with a need to know suitably informed, on a confidential basis, about the incident and the institution's response
- deal with requests for references for employees disciplined or prosecuted for fraud
- review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud

Initiating action

2. Members of staff, students or members of Court may suspect fraud or irregularity in the University. If so, they should report it as soon as possible to their line manager or responsible manager, and to the Director of Finance, or in his/her absence the Deputy Director of Finance. The Director of Finance should then ensure that it is made known without delay to the Principal, the Convener of the Audit Committee, the University Secretary, the Director of Corporate Services, and the Chief Internal Auditor.

3. The Finance Director should, as soon as possible (and with the aim of acting within 24 hours), chair a meeting of the following project group to decide on the initial response, using properly appointed nominees where necessary:

- Director of Finance
- University Secretary and/or Director of Corporate Services
- The Head of College or Support Service of the College/Support Service involved
- Director of Human Resources

4. If the actual or suspected incident concerns or implicates the Director of Finance, it should be reported without delay to the Principal, the University Secretary, the Director of Corporate Services, and the Convener of the Audit Committee. In such a circumstance, the University Secretary will lead the project group. Should the incident concern or implicate any other member of the project team, the Director of Finance will appoint a substitute.

Responsibility for investigation

5. The project group, chaired by the Director of Finance, will decide on the action to be taken. This will normally be an investigation led by the Chief Internal Auditor. A decision by the project group to initiate an investigation will constitute authority to the Chief Internal Auditor to use time provided in the internal audit plan for investigations, or contingency time, or to switch internal audit resources from planned audits.

Prevention of further loss

6. Where initial investigation provides reasonable grounds for suspecting a member or members of staff or others of fraud, the project group will decide how to prevent further loss. This may require the suspension of the suspect or suspects, under the appropriate disciplinary procedure. It may be necessary to plan the timing of suspension to prevent suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

7. In these circumstances, the suspect or suspects should be approached unannounced. They should be supervised at all times before leaving the University's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the University. Any security passes and keys to premises, offices and furniture should be returned. The Head of Security should be required to advise on the best means of denying access to the University while suspects remain suspended, for example by changing locks and informing security staff not to admit the individuals to any part of the premises. Similarly, the Head of Information Services should be instructed to withdraw without delay access permissions to the University's computer systems.

8. The project group will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the University's assets.

Establishing and securing evidence

9. The University will follow disciplinary procedures against any member of staff or student who is found to have committed fraud, and will normally pursue the prosecution of any such individual through the criminal courts. The University Secretary and/or Director of Corporate Services will:

- ensure that evidence requirements are met during any fraud investigation
- establish and maintain contact with the police
- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings

Reporting lines

10. The project group will provide regular, confidential reports to the Principal, the Convener of Court and Convener of the Audit Committee, which will include:

- quantification of losses
- progress with recovery action
- progress with disciplinary action
- progress with criminal action
- estimate of resources required to conclude the investigation
- actions taken to prevent and detect similar incidents

Notifying SFC

11. The Director of Finance will, on behalf of the University, notify the SFC Chief Executive of any attempted, suspected or actual fraud or irregularity where:

- the sums involved are, or potentially are, in excess of £10,000
- the particulars of the fraud are novel, unusual or complex

- there is likely to be public interest because of the nature of the fraud or the people involved

Recovery of losses

12. The Chief Internal Auditor will endeavour to ensure that the amount of any loss is quantified. Repayment of losses will be sought in all cases. Where the loss is substantial, legal advice should be obtained about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice may be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The University will normally expect to recover costs in addition to losses.

Final report

13. On completion of a special investigation, a written report, normally prepared by the Chief Internal Auditor, shall be submitted to the Audit Committee containing:

- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
- the measures taken to prevent a recurrence
- any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

14. The final outcome will be reported to the complainant.

References for employees or students disciplined or prosecuted for fraud

15. Any request for a reference for a member of staff or student who has been disciplined or prosecuted for fraud must be referred to the University Secretary for advice.

Review of fraud response plan

16. This plan will be annually reviewed for fitness of purpose. Any recommended change will be reported to the Audit Committee for consideration and to Court for approval.

Appendix 2: Minimising the opportunities for Fraud

Introduction

1. Fraud is a serious matter and the Court is committed to investigating all cases of suspected fraud. Any member of staff, regardless of their position or seniority, against whom prima facie evidence of fraud is found, will be subject to disciplinary procedures that may result in dismissal. The University will normally involve the police and may seek redress via civil proceedings.

2. As the aftermath of fraud is costly, time-consuming, disruptive and unpleasant, and may lead to unwelcome adverse publicity, a major thrust of this fraud policy is prevention.

Leadership

3. The Court and senior managers should ensure that their behaviour is demonstrably selfless and open, and should champion the University's policies on conflicts of interest, hospitality and gifts.

Management procedures

4. Fraud can be minimised through carefully designed and consistently operated management procedures, which deny opportunities for fraud. Staff must comply with and should receive training in the University's policies on segregation of duties, data security and conflict of interest, and the University's financial regulations. A continuous review of systems by internal audit may deter attempted fraud and should result in continuous improvements. The risk of fraud should be a factor in internal audit plans.

Staff appointments

5. Potential new members of staff must be screened before appointment, particularly for posts with financial responsibility. For example:

- references should cover a reasonable, continuous period of at least three working years, and any gaps should be explained
- references should cover character, in addition to academic or other achievement
- an official employer's reference should be obtained
- doubts about the contents of the reference should be resolved before confirming the appointment; if this is done by telephone, a written record of the discussion should be kept
- essential qualifications should be checked before making an offer of employment, for example by requiring original certificates at the interview
- where a post carries significant financial responsibility, Criminal Records Bureau (CRB) checks should be considered; the University Secretary's Office should be consulted

Cash

6. Management of cash should include the following:

- Segregation of duties - systems should prevent one person from receiving, recording and banking cash. Where there are many outlets, the system should incorporate additional supervisory management, and unannounced spot checks. Segregation of duties should continue during periods of leave or sickness absence.
- Reconciliation procedures - an independent record of cash received and banked may deter and detect fraud. Documents used in reconciliation processes, such as paying-in slips, should not be available to the officer responsible for banking.
- Receipts should be issued in return for cash received, to provide an audit trail.
- Physical security, such as key pad controlled cashiers' offices and safes; keys and access codes should be kept secure.
- Frequent banking.

Cheques

7. Cheques are often completed in ways which facilitate opportunist fraud. Cheques are sometimes intercepted by organised criminals who falsify payee and value details using sophisticated techniques. Debtors may also be told to make cheques payable to a private account, possibly using an account name which is similar to that of the University.

8. The following preventative measures should be taken:

- Physical security - unused, completed and cancelled cheques should never be left unsecured. If cheques are destroyed, more than one officer should be present, and a record of the serial numbers should be maintained.
- Frequent bank reconciliations - some frauds have gone undetected for long periods because accounts have not been reconciled promptly, or because discrepancies have not been fully investigated.
- Segregation of duties.
- Use of bank account names which it is difficult to represent as personal names, to prevent the simple theft of cheques in the post and their conversion into cash.
- Clear instructions to debtors about correct payee details and the address to which cheques should be sent. The address should normally be the accounts department, not the department which has provided the goods or services.
- Central opening of all post by more than one person, and recording of all cash and cheques received.
- Rotation of staff responsibilities, including the regular rotation of counter-signatories in accounts departments, to reduce the risk of collusion.
- Training in secure completion of cheques.
- Use of electronic funds transfer (EFT) as an alternative to cheques.
- Occasional checks with local banks of accounts including the University's name.

Purchasing

9. Many of the largest frauds suffered by higher education institutions have targeted the purchase ledger. Preventative measures should be taken as follows:

- Minimising little used or unusual account codes.
- Ensuring that all account codes are effectively monitored and approved by line management.
- Segregation of duties.
- Secure management of the creditors' standing data file, including segregating the origination and approval of new or amended data.
- Requiring purchase orders for the procurement of all services, as well as goods.

- Matching the invoice amounts to the purchase order commitment in all cases. Where service order variations occur, these should be supported by an authorised variation order
- A certified delivery note should be matched to the invoice for payment.

10. All suppliers should be vetted to establish that they are genuine and reputable companies before being added to lists of authorised suppliers.

Checks and balances

11. Detective checks and balances will be designed into all relevant systems and applied consistently, including segregation of duties, reconciliation procedures, random checking of transactions, and review of management accounting information, including exception reports. Systems should identify transactions which have not followed normal procedures.

Behaviour patterns

12. Suspect patterns of behaviour among staff dealing with financial transactions should be investigated, for example living beyond apparent means, taking few holidays, regularly working alone out of normal hours and resistance to delegation. Any indication of addiction to drugs, alcohol or gambling should be addressed promptly, for the welfare of the individual and to minimise the risks to the University.

Code of Practice on Reporting Malpractice

13. Anyone suspecting fraud may use the University's Code of Practice on Reporting Malpractice ("Whistleblowing").

The University of Edinburgh

14 December 2009

**Risk Management Committee
Report for year ended 31 July 2009**

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

This report summarises the activities of the Risk Management Committee during the year ended 31 July 2009, and its views on the exposure and management of risk in the University. Its purpose is to support the deliberations of the Audit Committee and Court in respect of the reporting on Risk Management and Internal Control in the Annual Accounts. This paper has been considered by the CMG meeting of 18 November, the Audit Committee meeting of 23 November and the F&GPC meeting of 30 November 2009.

A detailed cross-referencing of the University Strategic Plan to the risk register is provided in the risk assurance map which is included in appendix 2, part 2.

Action requested

For discussion and approval.

Resource implications

Does the paper have resource implications? No

Risk Assessment

Does the paper include a risk analysis? No

Equality and Diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Nigel A.L. Paul, Convener of the Risk Management Committee
Helen Stocks, Secretary to the Risk Management Committee
1 December 2009



RISK MANAGEMENT COMMITTEE

REPORT FOR YEAR ENDED 31 JULY 2009

Prepared by N.A.L. Paul Convenor
H Stocks Secretary

Date: 18 September 2009

Introduction

This report summarises the activities of the Risk Management Committee during the year ended 31 July 2009, and its views on the exposure and management of risk in the University. Its purpose is to support the deliberations of Finance & General Purposes Committee, Audit Committee and Court in respect of the reporting on Risk Management and Internal Control in the Annual Financial Statements.

Background

Over many years, the University has operated an internal control environment that has successfully managed operational risk, and has had in place insurance arrangements to mitigate the financial impact of key exposures. The Risk Management Committee was formally instituted as a Committee of Court in 2002 and a more structured framework for risk management was put in place.

Governance, Risk Management and Internal Control Framework in the University

The main elements of the governance, risk management and internal control framework can be described as follows:

- Structure of Court and its committees;
- Regular reporting of the University's financial and operational performance to Finance and General Purposes Committee (F&GPC) and Court;
- Reports of key management meetings i.e. CMG and the Principal's Strategy Group, reviewed by F&GPC;
- Planning and Budgetary control framework in place. Insurance cover in place;
- Delegated authority and financial control framework in place;
- Management Structure and reporting in Colleges and Support Groups;

- Academic quality monitored by Senate sub-committees and validated externally through periodic Research Assessment Exercises, Quality Assurance Agency reviews and professional bodies' accreditations;
- Specific departments lead the management of specific risks e.g. Health and Safety Department, Communication and Marketing, etc, whilst departments such as Finance, HR, Estates, Procurement etc maintain and enforce policies and procedures relating to their own professional areas and ensure that legislative and professional compliance is maintained;
- Policies and procedures established to manage specific risks e.g. animal facilities, control of chemicals, medical risk, etc;
- Risk Management Committee and processes in place, including:
 - o risk management policy agreed by Court;
 - o registers of key University, College and Support Group risks;
 - o reviews of key University risks;
 - o risk assessments incorporated into Committee papers as appropriate;
 - o risk assessments incorporated into College and Support Group annual planning documents;
 - o project risk registers;
 - o annual risk assurance questionnaire and reports;
 - o risk assurance map.
- Assurances on adequacy of operational controls etc provided through activities of Internal Audit Department and overviewed by Audit Committee;
- External assurance provided by the University's auditors, KPMG.

The activities and controls in place to manage the University's key risks are summarised in the University Overview Risk Register, and backed up by more detailed review papers.

Risk Management Committee Activities 2008/9

The key activities of the Risk Management Committee during 2008/09 can be summarised as:

- Update of University Risk Register – the outcome of the 2008/09 review was approved by the University Court at its meeting on 22 June 2009. The main risks to the University in the immediate future relate to meeting the challenges of the changing financial environment and were identified as:
 - o Insufficient funding to maintain and develop the University;
 - o Pressure for changes in staff terms and conditions (including pension funds);
 - o Challenge of managing activities to ensure income streams exceed costs.
- Updates of College, Support Group and Subsidiary Company Risk Registers;
- A review of each risk identified in the University Risk Register was undertaken by the relevant risk owner and the outcomes of the reviews were discussed and ratified by the Risk Management Committee. Copies of the reviews are available on the University Risk Management Committee website;
- An 'in year' log of risks/incidents was maintained, and the risks identified in the College and Support Group planning submissions were reviewed. The main new risks recognised during the year related to:

- The deteriorating world and UK financial and economic environment during the year - it was noted that the management of the University had recognised this increasing risk and had initiated actions e.g. management of deposits, controls over staff recruitment, redundancy funding, scenario planning etc to manage the impact of the deteriorating environment on the University;
- Pandemic flu – it was noted that the University had developed contingency plans, and that structures and processes had been established to manage the impact of the H1N1 pandemic on the University as the World Health Organisation raised its alert levels from April 2009;
- It became clear during the year that the full scope of the EUCLID project could not be delivered in the original timescale or budget, therefore the scope of project was significantly curtailed and a new governance structure put in place, with a view to closing the project by July 2010. Some new “satellite” projects are being established to implement required business developments which are not part of the reduced Euclid project ;
- The risk to University activities resulting from the proposed UCU industrial action and the processes established in the University to manage the situation were noted. UCU have currently suspended their ballot;
- The RMC noted that the Information Commissioner had been given powers to levy significant fines on organisations that breach data security regulations, and asked the University Records Manager keep the RMC informed of actions to promote maintenance of data security within the University.

Since the year end, the valuation of the SBS pension fund has been received which shows that there is a very large shortfall between the pension liabilities and the valuation of the fund. This is in addition to the issues that had previously arisen for the USS pension fund where discussions are already taking place between institutional representatives and USS to find a way forward. The Finance Director and a subgroup of Court are acting for the University in addressing the USS issues. This group will also take the lead in addressing the SBS issues.

- Internal audit reports on project risk assessment and charitable organisations associated with the University were reported to the Risk Management Committee. In addition the Risk Management Committee commented on the draft document relating to major project definition and guidance which was one of the recommendations from the former report;
- The risks related to delivery of the College and Support Group annual plans were reviewed;
- A review of took place of the sources of assurance that are available at a corporate level to enable a view to be taken on the University’s management of its key risks. These are recorded in the assurance map;

It should also be noted that Internal Audit plans have been developed in cognisance of the University and College/Support Group risk registers.

Adequacy of Management of Risk in the University 2008/09

The adequacy of the University’s management of risk can be assessed by reference to the following:

1. University Risk Register, Risk Reviews, Assurance Map and Annual Risk Questionnaires and Reports, College and Support Group Risk Registers.

During the past year, the Risk Management Committee has reviewed all of the risks in the University Risk Register and has satisfied itself that adequate control mechanisms are in place to manage the key risks. Areas of improvement have been identified and actions are taking place appropriately to implement improvements. The major risks for the University are shown above as are the major new risks that were considered during the year.

Reviews of College, Support Group and subsidiary company risk registers coupled with reviews of the risks highlighted in planning submissions, indicates that these areas are recognising and managing their key operational risks.

A year-end questionnaire was completed by each College and Support Group (summary attached as Appendix 1). No major issues were identified which indicated any inadequacy of the University's management of risk. The issues highlighted were subject to management processes and appropriate actions are taking place to implement improvements identified.

Annual reports were received from the relevant Directors, related to Health and Safety, IT and Procurement risks. These provide assurance that the risks in those areas are being adequately managed.

Appendix 2 shows, for each risk, the sources of assurance that the Risk Management Committee has noted. This provides further assurance related to the adequacy of the management of the risks by the University. The sources of assurances include the risk reviews undertaken, periodic update reports, relevant Balanced Scorecard information, internal audit reports etc. The table also shows that many of the key risk issues have been discussed in the senior management and academic committees of the University.

2. Internal Control Questionnaire

Finance Department, in conjunction with KPMG, have issued a self-assessment Internal Control Questionnaire for completion by budget managers. Finance has reviewed the responses and has provided a summary to the Risk Management Committee. Whilst there are a few issues to be followed up, no major issues have been highlighted as a result of the Internal Control Questionnaire.

3. Law and Regulation Return

Finance Department have sought a Law and Regulation return from each of Head of School and Head of Support Group relating to breaches in law and regulation and in particular those which might have a financial impact of over £50,000. Responses have been received from each area, and all respondents have confirmed that they are not aware of any such breaches.

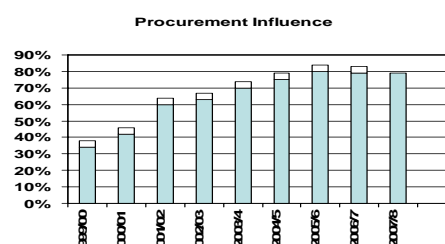
4. Procurement assurances

The CUC Guidance for Members of Higher Education Governing Bodies in the UK (issued November 2004) indicates that Governing Bodies should assure themselves, via the Risk Management processes, that "*Value for Money is achieved through obtaining assurances that: adequate procurement policies and procedures are in place, and that policies and procedures are consistently applied and there is compliance with the relevant legislation*".

The Risk Management Committee has received a report from the Director of Procurement and is satisfied that a procurement strategy is in place, as are procurement policies and authorisation

policy. The policies were updated and approved by CMG in Jun 2009 to reflect the publication of the Scottish Government Public Procurement Policy Handbook. All procurement over EU limits requires the notification to, and the involvement of the Director of Procurement or her staff.

As part of its KPI's, the Procurement Department has recorded both the "influence" they have over procurement spend and the benefits achieved through professional procurement. For the year ended 2007/08 procurement influence was 79%, (on a new basis of recording influence on expenditure of £1000, cf the previous influence being based on expenditure of £3000 – the previous year's influence have been adjusted downward for comparability) and benefits of £9.7m were achieved. 2008/09 information will be available later in 2009 with benefits expected to exceed £9.8m. This includes benefits delivered through APUC Ltd, the sector's collaborative procurement body established as a result of the McClelland Review, and Procurement Scotland who undertake certain procurements across the whole of the public sector. The Director of Procurement is a Fellow of the Chartered Institute of Purchasing and Supply and 14 staff across the University are CIPD members.



Response to questions on Procurement in the Annual Risk Questionnaire and the Internal Control Questionnaire indicates that there were no incidents of failure to comply with procurement legislation and University/funding body requirements.

The Risk Management Committee can therefore assure Court that adequate procurement policies and procedures are in place, and that policies and procedures are consistently applied for all major procurement and most minor procurement, and that there is compliance with the relevant legislation.

5. Fraud

The University will provide written representations to the external auditors as part of its year end processes as follows (2008 year end wording)

The Court:

- (a) understands that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization;
- (b) acknowledges responsibility for the design and implementation of internal control to prevent and detect fraud and error;
- (c) confirms that there have been no instances of fraud or suspected fraud affecting the University involving
 - management and those charged with governance;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.

(d) confirms that have been no allegations of fraud, or suspected fraud, affecting the University's financial statements communicated by employees, former employees, analysts, regulators or others; and
(e) has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

With regard to points (c) and (d), the Annual Risk questionnaire formally sought information regarding fraud from each College and Support Group, and the internal Control questionnaire also sought assurances on fraud. There were no reported incidents of fraud in either questionnaire. There were also no allegations of fraud or suspected fraud affecting the University's financial statements.

6. Internal Audit

The reporting of Internal Audit activities and its review by the Audit Committee provides a further view of the status of the control environment in the University. As part of their activities, Internal Audit reports on the adequacy and effectiveness of risk management processes. The conclusions from the Audit Committee are reported separately.

Conclusion

The overall view of the Risk Management Committee on the adequacy of the management of risk in the University is that, on the basis of the activities described above, the University has been satisfactorily managing its key risks during the year ended 31 July 2009. Further assurances on the adequacy of the internal control environment and its effectiveness in controlling operational risks, will be provided by Internal Audit, and by KPMG's audit work.

A further assurance relating to post year end risk management and controls will be provided to the University Court prior to sign off of the financial statements in December.

NALP/HS

APPENDIX 1

University of Edinburgh

Risk Management Annual Return

For the period 1 August 2008 to 31 July 2009

Summary of responses from Colleges/Support Groups

| | | Yes | No | If YES, provide details ¹ |
|---|--|-----|----|---|
| 1 | Has student recruitment significantly ² fallen short of College targets/plans with respect to overseas student growth, postgraduate student growth, widening participation or home undergraduate numbers? | | √ | |
| 2 | Has there been a major breach of academic or ethical standards? | | √ | |
| 3 | Has there been any loss of accreditation for courses, or major issues raised by accrediting authorities, which are regarded as potentially significantly damaging to the College's reputation? | | √ | |
| 4 | Has there been any failure to meet appropriate Quality Assurance standards? | | √ | |
| 5 | Have there been any major issues related to academic or other collaborations that have given, or could potentially give rise to, a damaging breakdown or failure to deliver the expected benefits to the University? | | √ | |
| 6 | Has there been any significant breakdown in the relationships with students or student representatives? | | √ | Students in LLC raised some concerns about possible withdrawal of provision of some European languages, but have been reassured that their concerns were unfounded. |
| 7 | Have there been any instances of serious breach in regulations with regard to students, which have been or are being dealt with under the Code of Student Discipline? | | √ | |
| 8 | Have there been any issues with regard to the adequacy of student support services and facilities which have had a significant detrimental impact on the quality of the student experience, or the recruitment and | √ | | Quality of catering at KB is a cause for concern. Being taken up with EUSA and Accommodation Services |

¹ Please attach further details on supplementary pages if necessary. If the question has no relevance to a particular area, then please indicate "Not Applicable" (for instance: support groups are unlikely to be able to respond to the question related to course structures)

² "Significant" where used throughout the document, implies a level of disruption, which goes beyond that normally regarded as acceptable either in terms of magnitude or time. Many disruptions are resolved or recovered over a short period or time and hence, whilst inconvenient, do not cause damage to relationships, reputations, or operations. However some disruptions either because of the time at which they occur, their magnitude, or their extended period, do cause damage to relationships, reputation or operations. These are regarded as significant and should be noted

| | retention of students? | | | |
|----|---|-----|----|--|
| | | Yes | No | If YES, provide details |
| 9 | Taking both recruitment and departures into account, has there been a net loss or failure to recruit academic or support staff, which has or will potentially lead to ongoing impairment of research, teaching or operational capability? | √ | | MVM has experienced difficulty in recruiting academic psychiatrists, faced with a series of retirements in 2008/09-2009/10. Further steps are being taken to explore the markets and to negotiate extensions of service with existing staff, to ensure that research and teaching commitments are covered. |
| 10 | Have there been any instances of dismissal, retirement, resignation, formal disciplinary proceedings or formal verbal warnings of a member of staff as a result of fraud, theft, misappropriation of assets, inaccurate false or misleading records, or non-compliance with policies? | √ | | One academic colleague in HSS formally disciplined for non-compliance with University policies |
| 11 | Have there been any instances of whistle-blowing under the University's whistle-blowing policy? ³ | | √ | |
| 12 | Have there been any instances of fraud or suspected fraud affecting the University including involving <ul style="list-style-type: none"> - management and those charged with governance - employees who have significant roles in internal control - other where the fraud could have a material effect on the financial statements | | √ | |
| 13 | Have there been any allegations of fraud or suspected fraud communicated by employees, former employees, regulators, or others? | | √ | |
| 14 | Has there been any safety, health or environmental incidents or releases, which have resulted in serious injury, death, reputational damage, or imposition of restrictions? | √ | | Midlothian Council has served Notice under Sect 57 of Roads (Scotland) Act 1984 requiring UoE to take appropriate measures to improve pedestrian safety at Easter Bush. Consensus reached regarding optimum approach and measures implemented. (EB) |
| 15 | Have there been any instances of procurement activity that have failed to comply with University/funding body requirements (e.g. by failing to tender for procurement packages valued over £25k) or failing to use OJEU procedures for procurement of goods/services (above | | √ | |

³ The University Audit Committee wishes to be aware of instances of whistle-blowing

| | £150k over 4 years) or works (estimate over £3.8m)? | Yes | No | If YES, provide details |
|----|--|-----|----|--|
| 16 | Have there been any instances of failure, loss or inadequate operation of IT systems, infrastructure or controls that resulted in significant disruption to College / Support Group activities? | √ | | Short/medium term outages, and poor response times on systems/files caused frustration and significant localised impact. |
| 17 | Have there been any occurrences of inadequate security over, or loss of personal data from the University e.g. loss of electronic equipment, memory devices etc containing personal data, unauthorised downloading from or access to electronic systems/files or and manual records containing personal data etc, | √ | | Clinical academic trainee left hard copies of discharge letters in lap-top case, when lap-top sent for disposal. Material returned by disposal firm; appropriate reminders issued to junior staff in training posts. Research nurse mislaid patient information in transit between two work locations. Papers were subsequently found by another employee at one of the work locations. The incident has been dealt with under the Disciplinary Procedure |
| 18 | Have deficiencies in the state of the University's properties led to any of the following? <ul style="list-style-type: none"> - inability or serious disruption in conducting research, teaching, administrative or other University activities, - loss of research project funding, - damage to reputation, - failure to recruit or retain students or staff - prosecution for legal non-compliance | | √ | |
| 19 | Has there been significant damage to property or equipment as a result of fire, explosion, malicious damage or any other reason which has resulted in financial loss for the University or significant disruption of the conduct of 'normal business' in Colleges / Schools / Support Groups/Subsidiaries? | | √ | |

| | Yes | No | If YES, provide details |
|----|--|----|---|
| 20 | <p>Have there been any instances of change activities (projects, new developments, new systems and processes etc) failing or likely to fail to achieve their goals, or overrunning by more than 10% on time or cost against plans?</p> | √ | <p>Outcome of claim against contractors relating to the costs of dealing with QMRI basement water ingress issues may result in costs for the whole project overrunning by more than 10% when it is finally settled</p> <p>Failure to achieve Review and re-presentation of Assessment Regulations. Revised planning will take place in the context of new Senate committee structure</p> <p>EUCLID over-run by more than 10% on cost/time - IS performance related issues being a significant contributor. It became clear during the year that full scope could not be delivered in the original timescale or budget, therefore scope of project significantly curtailed and new governance structure put in place, such that project closes by July 2010. Some new "satellite" projects being established to implement required business developments which had been de-scoped from EUCLID. Issues of both staff retention and redeployment are arising as a result of de-scoping and the project entering its final year.</p> <p>EXSEED project, to implement Microsoft Exchange e-mail/e-diary (which was instituted as a result of the previous project to roll out staff mail and diary being unable to fully meet users requirements), whilst on target to be of a similar cost to such implementations in other institutions, will exceed the original projected budget by over 10%</p> |

| | | Yes | No | If YES, provide details |
|----|--|-----|----|--|
| | | | | Additional funding provided during planning round to Web Project due to inability to deliver within previous funding. Colleges and Support Groups also funding significant work themselves |
| 21 | Have there been instances of inadequate financial control (managerially or operationally) which resulted in, or potentially could have resulted in significant financial loss or loss of reputation? | | √ | |
| 22 | Have there been any instances of significant contractual breach by the University or a subcontractor of the University, which has exposed the university to the potential of serious litigation or financial liabilities? | | √ | |
| 23 | Have any legal actions been brought against the University (whether settled or pending)? | √ | | 1 employee case being heard by an Employment Tribunal - not yet settled; 1 further cases could be heading for an Employment Tribunal if not resolved; and 1 HR case for Breach of Contract has been taken to the Civil Court. |
| 24 | Have there been any incidents, occurrences or activities which breach legislation or professional standards which have resulted in or potentially could result in <ul style="list-style-type: none"> a) prosecution or likelihood of prosecution against the University b) prosecution or formal disciplinary proceedings against staff or students, or which gave rise to a likelihood of prosecution or serious reputational damage for the institution? | √ | | Two cases reported in the College of Science and Engineering: one of a potential student scientific misconduct (investigation in progress); the second a breach of local animal house procedures which was dealt with internally |
| 25 | Have there been any incidents or adverse publicity that have caused serious damage to the reputation and image of the University in the eyes of other academic institutions/colleagues; the media; national, regional or city politicians; key influencers; national and local businesses; or the local community? | √ | | Public statements (unsubstantiated) made by a student in dispute with the College of Medicine and Veterinary Medicine regarding members of staff, could potentially impact on the reputation of the University. |

| | | Yes | No | If YES, provide details |
|----|--|-----|----|---|
| 26 | Are actual or potential changes in public policy and legislation having or likely to have a significant detrimental impact on college/support group activities? | √ | | <p>Impact of credit crisis and future policy decisions by UK and Scottish Governments regarding public funding.</p> <p>The forthcoming 2010 review of tuition fees may lead to policy changes affecting the University</p> <p>UKBA regulations are having a detrimental impact on international staff and student recruitment</p> <p>Biological safety/biosecurity legislation changes could involve increased workload.</p> |
| 27 | Are there any areas of existing, new, or changed legislation where implementation has not been or will not be completed in the required timescale | √ | | <p>Asbestos Type 2 surveys not completed to required standard. Contractor terminated; seeking to appoint appropriate contractor to complete; actions in place to deal with incomplete register.</p> <p>There are some concerns over our capacity to conduct equality impact assessments whenever necessary.</p> |
| 28 | Are there any significant new or emerging risks that have not been captured in the University Overview Risk Register, which could put the survival or goals of the University, College or Support Group in jeopardy? | √ | | <p>Carbon reduction commitment – UoE required to lodge approx £500k for each of 09/10 and 10/11 under the new government scheme for large non-intensive energy users. Payments due April 2011 to be held for 6 months then adjusted to reflect institutions carbon energy performance. Risk is +/- 10% in first year growing to +/- 50% in year 5.</p> <p>Pensions – It has become clear that the USS valuation and the recent SBS valuation will have very large financial and potentially HR implications on the University. The University is engaged in assessing the way forward in conjunction with the Pension Funds, but the impact will be much greater than currently envisaged by many managers and staff.</p> |

| | Yes | No | If YES, provide details | |
|----|---|----|-------------------------|--|
| 29 | Are there any risks in the University or College/Support Group risks registers that you consider are not being adequately managed, and are exposing the University to undesirable risk? | | √ | |

Appendix 2: Assurance map 2008/09 version: relating to University Risk Register version 6

Management process and mitigating activities, assurance of effectiveness of risk control mechanisms, evidence, and with reference to the Strategic Plan 2008/12

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|--|--|--|--|---|--|---|
| <p>1. Insufficient funding to maintain and develop the University due to:</p> <ul style="list-style-type: none"> - Divergence in funding attached to RAE outcomes and REF framework between Scotland and the rest of the UK - Scottish Governmental and SFC funding policies compared to the rest of the UK - divergence of teaching funding and student support regimes between Scotland and the rest of the UK; - SFC review of teaching funding | <p>Lobbying, directly and via US/UUK</p> <p>Input to key external groups on their strategic plans and funding issues/reviews</p> <p>University planning process including monitoring of student demand and intakes</p> <p>Internal pressure within Colleges and ERI to maintain focus on grant applications</p> <p>Comprehensive review of capital programme</p> | <p>Excellence in research</p> <p>Excellence in commercialisation and knowledge exchange</p> <p>Quality services</p> <p>Quality infrastructure</p> <p>Stimulating alumni relations and philanthropic giving</p> | <ul style="list-style-type: none"> • Ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources • Continuing to win competitive bids to host new research centres and major national facilities • Working together with major research funders and other external bodies internationally and in the UK • Ensuring that commercialisation agreements provide for a reasonable financial return both to the University and to the inventors • Investing in improvements which show a clear return on investment, for example by reduction in direct costs or reduced opportunity cost of staff time • Securing investment from external sponsors • Continue to fundraise on a sustainable, professional and efficient platform • Increasing funds raised from private individuals and private and charitable trusts | <p>Review of effectiveness of controls by lead risk manager</p> <p>University planning process including monitoring of student demand and intakes</p> <p>Monitoring of relevant Balanced Scorecard indicators</p> <p>Monitoring of comparative financial data against Russell Group Peers</p> <p>Responses from Risk Management Annual Return</p> | <p>Director of Planning</p> <p>Director of Planning</p> <p>Director of Planning</p> <p>Director of Finance</p> | <p><i>[Review URL]</i></p> <p>Court: 15.12.08</p> <p>PSG: 3.11.08, 19.12.08</p> <p>FGPC: 5.5.09</p> <p>CMG: 21.1.09</p> <p>AC: 12.3.09, 11.6.09</p> <p>RMC: 11.5.09</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|---|---|---|---|---|---|--|
| <p>2. Performance or rate of growth in the University's activities falls behind international competitors leading to league table slippage</p> <p>e.g. in areas such as:</p> <ul style="list-style-type: none"> a) size (turnover/assets); b) research funding c) international students; d) PGR/PGT student numbers; e) widening participation; f) home/EU numbers, particularly the attraction of science undergraduates g) asset enhancement and investment (see Risk 4); | <p>Strategic plan priorities and targets, and its implementation</p> <p>International Office and Marketing activities</p> <p>Development of international linkages and MoUs</p> <p>Focus on maintaining and growing research funding</p> <p>Opportunities to merging / embedding "Institutes" from research funders into the University</p> <p>Student number monitoring</p> <p>Maintenance and enhancement of the University's estate (see risk 4)</p> | <p>Excellence in learning and teaching</p> <p>Excellence in research</p> <p>Quality services</p> <p>Quality infrastructure</p> <p>Advancing internationalisation</p> <p>Promoting equality, diversity, sustainability and social responsibility</p> | <ul style="list-style-type: none"> • responding to recommendations identified through quality enhancement activities • expanding access to taught postgraduate and continuing professional development provision through e-learning • increasing numbers of postgraduate research students • embedding the use of performance indicators • generating surpluses for reinvestment • continuing to attract more, and a diverse range of, international students and staff • finding new ways of identifying prospective students with the best potential to succeed • ensuring that our student admissions policy and procedure is fair, clear and transparent • providing and promoting awareness of scholarships and bursaries | <p>Review of effectiveness of controls by lead risk manager</p> <p>Monitoring of annual accounts and comparative sector data from HESA</p> <p>Monitoring of share of SFC grants</p> <p>Balanced Scorecard indicators</p> <p>Student intake number setting, analysis and reporting</p> <p>Responses from Risk Management Annual Return</p> | <p>Director of Planning</p> <p>Director of Finance and Director of Planning</p> <p>Director of Planning</p> <p>Director of Planning</p> <p>Director of Planning</p> | <p>[Review URL]</p> <p>Court: 20.10.80, 15.12.08, 23.2.09, 25.5.09</p> <p>PSG: 24.9.08, 21.10.08, 3.11.08, 19.12.08, 17.2.09, 29.5.09</p> <p>FGPC: 6.10.08, 1.12.08, 26.1.09, 5.5.09, 8.6.09</p> <p>CMG: 15.10.08, 18.11.08, 21.1.09, 18.3.09, 26.5.09, 17.6.09</p> <p>AC: 2.10.08, 20.11.08</p> <p>RMC: 2.4.09</p> <p>BSC measures 2, 19 & 21</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|---|---|--|--|--|---|---|
| 3. Issues emerging from national pay bargaining result in some disruption to staff and students | <p>HR input to national pay bargaining structures</p> <p>Sustaining effective relations with local trade unions</p> <p>Contingency planning</p> <p>Maintenance of good, close relations with EUSA</p> <p>Scenario planning to identify ways to reduce the risk and minimise future disruption</p> | <p>Quality people</p> <p>Enhancing our student experience</p> | <ul style="list-style-type: none"> improving ways of informing and involving staff in decisions and changes which affect them ensuring that information provided to students is comprehensive, accessible, consistent and user friendly | <p>Review of effectiveness of controls by lead risk manager</p> <p>Communications from and with UCEA</p> <p>Responses from Risk Management Annual Return</p> | <p>Director of HR</p> <p>Director of HR</p> | <p><i>Note that the URL reference to this risk review is excluded as it is closed</i></p> <p>Court: 15.12.08, 25.5.09</p> <p>PSG: 5.5.09</p> <p>CMG: 18.11.08</p> <p>AC: 12.3.09</p> <p>RMC: 2.4.09</p> |
| 4. Rate of maintenance, enhancement and investment in the estate limits the University's ability to support University growth aspirations (research, education and accommodation), provide a satisfactory student experience and provide staff with a satisfactory working environment - e.g. due to: <ul style="list-style-type: none"> funding constraints complexity of projects which are funded by | <p>Capital building programme projects</p> <p>Estates Advisory Group (EPAG) / Space Management Group (SMG) monitoring and advising</p> <p>Prioritised maintenance programme and maintenance backlog programme</p> | <p>Excellence in learning and teaching</p> <p>Excellence in commercialisation and knowledge exchange</p> <p>Quality infrastructure</p> | <ul style="list-style-type: none"> stimulating new and more flexible ways of learning, teaching and assessing through the use of new technologies and the innovative design of teaching space creating and extending pre-incubation, incubation and science park facilities through the Edinburgh Pre-Incubation Scheme, the Edinburgh Technology Transfer Centre, the Edinburgh Technopole Science Park, The Informatics Forum, and the Edinburgh BioQuarter developing and regenerating our estate through the implementation of our Estate | <p>Review of effectiveness of controls by lead risk manager</p> <p>Annual benchmarking against sector</p> <p>Annual condition and legislation compliance backlog survey</p> <p>Building performance assessments (condition and functional suitability)</p> | <p>Director of Estates & Buildings</p> <p>Director of Estates & Buildings</p> <p>Director of Estates & Buildings</p> <p>Director of Estates & Buildings</p> | <p><i>[Review URL]</i></p> <p>Court: 20.10.08, 23.2.09, 25.5.09</p> <p>FGPC: 1.12.08, 5.5.09, 8.6.09</p> <p>CMG: 17.09.08, 21.1.09, 22.4.09, 17.6.09</p> <p>AC: 2.10.08, 12.3.09, 11.6.09</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|--|---|-------------------------------------|--|---|---|--|
| <ul style="list-style-type: none"> ○ multiple partners ○ city planning constraints ○ operational complexity ○ lack of capacity in construction industry ○ space improvement targets fail to be achieved ○ tight market for professional staff hence recruitment and retention difficulties ○ city and regional infrastructure constraints | Business continuity and contingency planning arrangements | Enhancing our student experience | <p>Development Masterplans</p> <ul style="list-style-type: none"> • promoting a culture of space awareness and flexible approaches to the use of space across the University • providing excellent project management and appropriate cost control for capital development projects • continuing our maintenance and compliance work programme • finding new ways to share space, facilities, services and expertise within the sector and with other organisations • securing investment from external sponsors <ul style="list-style-type: none"> • providing good-quality and well-placed learning and social spaces that support group and individual learning and form stimulating foci for the life of the academic community • preparing a sustainable estate strategy for EUSA to underpin delivery, over time, of the facilities required to support EUSA services | <p>Annual condition and legislation compliance backlog survey</p> <p>Responses from Risk Management Annual Return</p> | Director of Estates & Buildings | RMC: 12.1.09 BSC measures 29 & 31 |
| 5. Failure to provide a high quality student experience or respond to the issues highlighted in the National Student Survey | College and Support Group Annual and Strategic Plans “Student Experience” a specific goal in the 2008/12 University Strategic Plan | Enhancing our student experience | <ul style="list-style-type: none"> • facilitating the transition to university by being responsive to the range of students’ circumstances, experience, expectations and aptitudes • improving the quality of student induction and departure events • ensuring that information provided to students is comprehensive, accessible, consistent and user friendly • providing coordinated student services that recognise the needs and expectations of | <p>Review of effectiveness of controls by lead risk manager</p> <p>NSS results</p> <p>Other student experience survey results of e.g. library, IT, teaching quality, course design.</p> | VP Academic Enhancement VP Academic Enhancement VP Academic Enhancement | <p>[Review URL]</p> <p>PSG: 7.10.08, 17.3.09, 12.08.09</p> <p>CMG: 18.11.08</p> <p>AC: 20.11.08, 12.3.09, 11.6.09</p> <p>RMC: 12.1.09,</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|---|--|--|---|--|---|---|
| | | | <p>students, prospective students and graduates</p> <ul style="list-style-type: none"> • providing good-quality and well-placed learning and social spaces that support group and individual learning and form stimulating foci for the life of the academic community • strengthening collaboration between academic and student services and EUSA • preparing a sustainable estate strategy for EUSA to underpin delivery, over time, of the facilities required to support EUSA services • supporting our student societies and sports clubs • standardising analysis of, and action taken in response to, internal and external student feedback • ensuring that our graduates are self-confident and possess economically valuable capabilities, expertise and skills • brokering partnerships between specialists and academics to enhance the delivery of transferable skills to all students | <p>International Student Barometer and Postgraduate Research Experience Survey</p> <p>Responses from Risk Management Annual Return</p> | <p>VP Academic Enhancement</p> | <p>11.5.09</p> <p>BSC measure 25</p> |
| <p>6. Inability to retain or attract sufficient key academic staff to meet University / College goals for research and teaching</p> | <p>Ensuring the university remains an attractive working environment</p> <p>Annual review of academic staff (incl salary)</p> <p>Active leadership by Principal and of HoCs</p> <p>Recruitment processes</p> | <p>Excellence in learning and teaching</p> <p>Excellence in research</p> <p>Quality people</p> | <ul style="list-style-type: none"> • Ensuring that staff involved in the delivery of learning and teaching continue to develop their professional capability • Recruiting and retaining excellent researchers • Supporting the professional and career development of staff engaged with research • Continue to review and improve recruitment and retention strategies, systems and processes | <p>Review of effectiveness of controls by lead risk manager</p> <p>Recruitment and retention monitoring</p> <p>Annual equal pay review</p> <p>Responses from Risk Management Annual Return</p> | <p>Director of HR</p> <p>Director of HR</p> <p>Director of HR</p> | <p><i>[Review URL]</i></p> <p>PSG: 17.3.09</p> <p>AC: 20.11.08, 11.6.09</p> <p>RMC: 2.4.09, 11.5.09</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|---|---|--|--|--|--|--|
| | <p>group convened by Human Resources (HR) Director monitoring & dealing with issues</p> <p>Flexible HR strategies to meet needs of different business areas</p> | <p>Advancing internationalisation</p> <p>Promoting equality, diversity, sustainability and social responsibility</p> | <ul style="list-style-type: none"> • Developing and implementing succession planning arrangements • Recognising and rewarding excellence through the effective use of our Contribution Reward policy and promotion process, and the development of a Total Reward Strategy • Establishing a culture of personal and professional development through appraisal and other development processes • Supporting the development of all staff in preparing for, holding, or stepping down from leadership and management roles • Promoting health, wellbeing and a positive working environment supported by good management practices and clearly defined roles and responsibilities • Continuing to attract more, and a diverse range of, international students and staff • Ensuring that students and staff with particular needs have access to appropriate facilities and support services | | | |
| <p>7. Failure to maintain financial sustainability e.g. as a result of the following issues:</p> <p>- failure to deliver plans for additional income and cost control</p> | <p>Finance Strategy Group & financial planning and budgetary/forecasting processes, including F&GPC/Court oversight</p> <p>EPAG</p> | <p>Excellence in research</p> <p>Quality services</p> | <ul style="list-style-type: none"> • ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources • Generating surpluses for reinvestment • investing in improvements which show a clear return on investment, for example, by reduction in direct costs or reduced opportunity cost of staff time | <p>Review of effectiveness of controls by lead risk manager</p> <p>Level of university annual surplus/deficit and cash flow position</p> <p>Measure of growth in key</p> | <p>Director of Finance</p> <p>Director of Finance</p> <p>Director of Finance</p> | <p><i>Note that the URL reference to this risk review is excluded as it is closed</i></p> <p>Court: 20.10.08, 15.12.08, 23.2.09, 25.5.09</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|--|---|---|--|--|--|---|
| <p>- management of the impact of combined impact of pay settlement, reward modernization, and increased pension fund contributions on the cost base of the University;</p> <p>- lack of competitiveness in University's cost base which results in higher FEC overhead and estate rates than other institutions.</p> | <p>Review of filling of University posts</p> <p>Funding for voluntary severance/early retirement</p> <p>Development of new financial strategy</p> | <p>Quality infrastructure</p> | <ul style="list-style-type: none"> developing and regenerating our estate through the implementation of our Estate Development Masterplans promoting a culture of space awareness and flexible approaches to the use of space across the University providing excellent project management and appropriate cost control for capital development projects continuing our maintenance and compliance work programme finding new ways to share space, facilities, services and expertise within the sector and with other organisations generating surpluses for reinvestment securing investment from external sponsors | <p>income streams</p> <p>Measuring cost increases in staff and non-staff costs</p> <p>Comparison with competition on key performance measures</p> <p>Financial control of capital building programme</p> <p>Responses from Risk Management Annual Return</p> | <p>& VP Dev & Alumni</p> <p>Director of Finance</p> <p>Director of Finance</p> <p>Director of Finance</p> | <p>PSG: 9.9.08, 17.11.08, 20.1.09, 5.5.09</p> <p>FGPC: 6.10.08, 1.12.08, 2.3.09, 5.5.09, 8.6.09</p> <p>CMG: 17.9.08, 15.10.08, 18.11.08, 21.1.09, 18.3.09, 22.4.09, 26.5.09, 17.6.09, 21.8.09</p> <p>AC: 12.3.09, 11.6.09</p> <p>RMC: 11.5.09</p> <p>BSC measures 3, 10-18 & 28</p> |
| <p>8. Inadequate management of work priorities and major change projects both individually and as a combined programme of activity. Major projects in progress are:</p> <p>8.1 new student administration processes project (EUCLID);</p> <p>8.2 full economic costing and administration;</p> | <p>Project management steering groups, boards, advisory groups and implementation groups</p> <p>Project management processes (including "Gateway" reviews for EUCLID)</p> <p>"Projects" website</p> | <p>Quality services</p> <p>Quality infrastructure</p> <p>Building strategic partnerships and collaborations</p> | <ul style="list-style-type: none"> planning major initiatives on a holistic basis developing and regenerating our estate through the implementation of our Estate Development Masterplans providing excellent project management and appropriate cost control for capital development projects continuing to develop a systematic approach to the acquisition, creation, capture, storage, presentation and management of information resources | <p>Review of effectiveness of controls by lead risk manager</p> <p>8.1 Reports to the EUCLID Strategy & QA Group; External Reviews</p> <p>8.2 Monthly reports to monitor progress on grants</p> <p>8.3 Project monitoring by Project Board</p> | <p>8.1 Director of Registry</p> <p>8.2 Director of Finance</p> <p>8.3 Director Communications & External Affairs</p> <p>8.4 Director of Estates & Bldgs</p> <p>8.5 Director of Planning</p> <p>8.6 Academic Registrar (students)</p> | <p>[Review URL]</p> <p>PSG: 9.9.08, 24.9.08, 7.10.08, 21.10.08, 19.12.08, 20.1.09, 17.2.09, 17.3.09</p> <p>FGPC: 2.3.09, 5.5.09, 8.6.09</p> <p>CMG: 15.10.08, 18.11.08, 21.1.09,</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|---|--|---|--|--|----------------------------|---|
| 8.3 web project; 8.4 major estates projects e.g. Vet School, SCRM, library central area refurbishment; 8.5 adaption of data collection processes/systems to reflect the new metrics related basis for future research assessment 8.6 Establishing process to operate the new managed immigration system (affecting staff and students) | Reporting to University committees Communication activities Planning and provision of resource to enable projects For fEC and new metrics on research assessment, UoE involvement at UK level | Advancing internationalisation | <ul style="list-style-type: none"> stimulating the development and growth of interdisciplinary research centres across Schools and Colleges and with other organisations continuing to attract more, and a diverse range of international students and staff | 8.4 Monitoring by Strategic Project Boards of progress, costs, quality, sustainability 8.5 Not yet appropriate 8.6 Monitoring of attendance, fees arrears and identity information Responses from Risk Management Annual Return | and Director of HR (staff) | 18.3.09, 22.4.09, 17.6.09 AC: 12.3.09, 11.6.09 RMC: 12.1.09, 2.4.09, 11.5.09 |
| 9. Inadequate engagement with changes in public policy, legislation, and practice affecting Higher Education, e.g. <ul style="list-style-type: none"> UK Government; Scottish Executive/Scottish Enterprise/SFC; City of Edinburgh; European Union; Research Councils | Membership of sector-wide representational bodies Informal liaison, networking and lobbying Monitoring public policy developments Responses to consultations Senior management membership of various | Excellence in research Excellence in commercialisation and knowledge exchange Quality services Quality infrastructure Engaging with our wider community | <ul style="list-style-type: none"> Working together with major research funders and other external bodies internationally and in the UK Enhancing our contribution to public policy formulation Striving to meet recognised industry and commercial standards Continuing our maintenance and compliance work programme Providing expert contributions to public debate, and briefing MSPs, ministers, | Review of effectiveness of controls by lead risk manager Responses from Risk Management Annual Return | Head of Public Policy | <i>[Review URL]</i> PSG: 17.11.08, 19.12.08, 20.1.09, 3.4.09 FGPC: 1.12.09, 5.5.09 CMG: 21.1.09 AC: 2.10.08 RMC: 12.1.09 |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|---|---|--|--|---|---|---|
| | external bodies | Promoting equality, diversity, sustainability and social responsibility | <ul style="list-style-type: none"> officials and the media on policy issues • Interacting with key city partners over issues including planning, procurement, transport and relations between the student and resident communities • Developing new, and strengthening existing, relationships with key strategic partners in both the public and private sectors, including Scottish Enterprise, NHSScotland and small and medium-sized enterprises • Exploiting our strengths in environmental and sustainability research to influence policy formulation and implementation | | | |
| <p>10. Failure to appropriately position and support the University's image and reputation:</p> <ul style="list-style-type: none"> o inadequate management of standing, image, and brand; o inadequate marketing; o ineffective relationships with wider local and business community, press etc | <p>Activities of Communications & Marketing</p> <p>Review of University's PG publications</p> <p>Opening of University Visitor Centre</p> <p>Media monitoring and management</p> <p>Brand and visual identity management processes</p> <p>Market research</p> | <p>Advancing internationalisation</p> <p>Engaging with our wider community</p> | <ul style="list-style-type: none"> • promoting internationally the strengths of the University and the achievements of our staff and students • increasing and embedding the public engagement work undertaken by staff through the activities of the Edinburgh Beltane Beacon programme • providing expert contributions to public debate, and briefing MSPs, ministers, officials and the media on policy issues • developing and expanding innovative initiatives to encourage pupils in our local schools to consider the University of Edinburgh as their institution of choice • supporting the involvement of University teams and individuals in major sporting events and competitions | <p>Review of effectiveness of controls by lead risk manager</p> <p>Monitoring of adverse media coverage</p> <p>Monitoring of fundraising levels</p> <p>Monitoring of number of student applications</p> <p>Responses from Risk Management Annual Return</p> | <p>Director of Communications & External Affairs</p> <p>Director of Communications & External Affairs</p> <p>Director of Development</p> <p>Director of SRA</p> | <p><i>[Review URL]</i></p> <p>Court: 15.12.08, 23.2.09</p> <p>PSG: 9.9.08, 19.12.08, 17.2.09</p> <p>FGPC: 1.12.08, 26.1.09</p> <p>CMG: 17.9.08, 15.10.08, 18.11.08, 21.1.09</p> <p>AC: 2.10.08</p> <p>RMC: 23.9.08,</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|--|---|---|---|---|---------------------------|--|
| | <p>Development of signage strategy</p> <p>Introduction of community strategy</p> <p>Website development project</p> | <p>Stimulating alumni relations and philanthropic giving</p> | <ul style="list-style-type: none"> • interacting with key city partners over issues including planning, procurement, transport and relations between the student and resident communities • developing new, and strengthening existing relationships with key strategic partners in both the public and private sectors, including Scottish Enterprise, NHS Scotland and small- and medium-sized enterprises • implementing our Community Relations Strategy • promoting the University's achievements, emphasising national and international media in our communications activity • fostering recognition through improved physical branding and signage, publications, our website and recruitment and advertising strategies • sustaining and strengthening our relationships with the General Council and with individual alumni | | | <p>2.4.09</p> <p>BSC measure 23</p> |
| <p>11. Significant academic collaborations fail to be effectively managed and do not deliver benefit to the University</p> | <p>Strategic decisions made through PSG/Central Management Group/Finance & General Purposes Committee</p> <p>Memoranda of Agreement</p> | <p>Advancing internationalisation</p> <p>Building strategic partnerships and collaborations</p> | <ul style="list-style-type: none"> • encouraging international collaboration in education, research and knowledge exchange • engaging more deeply in strategic alliances and networks with other world-leading institutions • developing productive partnerships with other higher education institutions, organisations and businesses | <p>Review of effectiveness of controls by lead risk manager</p> <p>Responses from Risk Management Annual Return</p> | <p>College Registrars</p> | <p><i>[Review URL]</i></p> <p>PSG: 24.9.08, 7.10.08, 17.2.09</p> <p>CMG: 15.10.08, 18.11.08</p> <p>AC: 12.3.09</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|--|---|-------------------------------------|--|--|--|--|
| | <p>Guidelines for staff</p> <p>Separate financial monitoring</p> <p>Quality Assurance Agency Codes of Practice</p> <p>Governance arrangements put in place and clear designation of responsibilities</p> | | <ul style="list-style-type: none"> • leading the development of collaborative research activities internationally and in the UK • stimulating the development and growth of interdisciplinary research centres across Schools and Colleges and with other organisations • encouraging participation in international networks | | | RMC: 2.4.09 |
| <p>12. Widespread damage to property and buildings (fire, explosion, malicious damage etc), including properties adjacent to the University estate</p> | <p>Fire/security policies</p> <p>Fire detection systems</p> <p>Security staff & procedures</p> <p>Training & awareness</p> <p>Programme of fire risk assessments</p> <p>Business continuity plans</p> <p>Planned preventative maintenance</p> | Quality infrastructure | <ul style="list-style-type: none"> • identifying and planning for major risks and business continuity across all areas of infrastructure • continue our maintenance and compliance work programme | <p>Review of effectiveness of controls by lead risk manager</p> <p>Reports to EPAG</p> <p>H&S audits carried out by University's insurance brokers</p> <p>Responses from Risk Management Annual Return</p> | <p>Director of Estates & Buildings</p> <p>Director of Estates & Buildings</p> <p>Director of Estates & Buildings</p> | <p><i>[Review URL]</i></p> <p>AC: 12.3.09, 11.6.09</p> <p>RMC: 12.1.09</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|--|---|---|---|--|---|--|
| <p>13. Major/exceptional health and safety incident occurs including:</p> <ul style="list-style-type: none"> - high profile incident on campus; - pandemic event | <p>Business continuity management, and contingency plans (including pandemic flu plan)</p> <p>H&S policies and guidance</p> <p>Web / MyEd / e-mail / School/Departmental communication processes with students</p> | <p>Quality people</p> <p>Quality infrastructure</p> | <ul style="list-style-type: none"> • promoting health, wellbeing and a positive working environment supported by good management practices and clearly defined roles and responsibilities • identifying and planning for major risks and business continuity across all areas of infrastructure | <p>Review of effectiveness of controls by lead risk manager</p> <p>Responses from Risk Management Annual Return</p> <p>Year end H&S report to RMC</p> | <p>Director of Corporate Services</p> | <p><i>[Review URL]</i></p> <p>CMG: 22.4.09, 20.11.08</p> <p>RMC: 2.4.09, 11.5.09</p> |
| <p>14. Major failure of IT infrastructure, systems operation, or serious breach of IT security leading to extended loss of service (over 3 days) or loss of data</p> | <p>Ongoing resilience improvement programmes and infrastructure upgrades</p> <p>Internal and external audit processes, including external penetration testing</p> <p>Addressing machine room capacity and backup power generation</p> <p>Systems implementation trialling and load testing</p> <p>Annual IT assurance</p> | <p>Quality infrastructure</p> | <ul style="list-style-type: none"> • identifying and planning for major risks and business continuity across all areas of infrastructure • Ensuring that we have an agreed rolling programme of equipment and IT hardware replacement • Continuing to develop a systematic approach to the acquisition, creation, capture, storage, presentation and management of information resources | <p>Review of effectiveness of controls by lead risk manager</p> <p>Constant review by IS</p> <p>Responses from Risk Management Annual Return</p> <p>Annual IT assurance process from VP Knowledge Management and CIO</p> | <p>VP Knowledge Management and CIO</p> <p>VP Knowledge Management and CIO</p> | <p><i>[Review URL]</i></p> <p>RMC: 23.9.08, 2.4.09</p> <p>BSC measure 26</p> |

| Risk | Current Management Processes and Mitigating Activities | Goals / Enablers / Strategic Themes | 2008-12 Strategies (per Strategic Plan) | Assessment of assurance of effectiveness of risk control mechanisms | Assurance providers | Evidence provided |
|-------------|--|--|--|--|----------------------------|--------------------------|
| | process from VP Knowledge Management and CIO Disaster recovery plan | | | | | |

The University of Edinburgh

The University Court

14 December 2009

**Report and Financial Statement for the Year Ended 31 July 2009
Risk Management – Post Year End Assurance**

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

Report by the Director of Corporate Services regarding The Financial Statement for the Year ended 31 July 2009 with reference to Risk Management Post Year End Assurances.

Action requested

For noting by Court

Resource implications

Does the paper have resource implications? No

Risk Assessment

Does the paper include a risk analysis? Yes

Equality and Diversity

Does the paper have equality and diversity implications? No

Originator of the Paper

Nigel A L Paul
Director of Corporate Services
04 December 2009

Freedom of Information

Can this paper be included in open business? Yes

The University of Edinburgh

The University Court

14 December 2009

Report and Financial Statement for the Year Ended 31 July 2009

Risk Management - Post Year End Assurance

The Corporate Governance Statement in the Report and Financial Statements for the year ended 31 July 2009 states that “By its 14 December 2009 meeting, the Court had received the Audit Committee and Risk Management Committee reports for the year ended 31 July 2009; it had also taken account of relevant events since 31 July 2009.”

To enable Court to receive assurance that the post 31 July 2009 events have been ‘taken into account’ the Convenor of the Risk Management Committee has asked each College and Support Group to review their responses to the year end risk questionnaire and provide details of any further major events or issues that have arisen since 31 July, or provide assurance that the responses reflect the position to date.

I am able to report to Court that each College and Support Group has responded and that there are no significant new events or issues to be drawn to the attention of Court which impact on the ability of the Court to approve the Annual Accounts for the year ended 31 July 2009. The assurances provided in the Risk Management Committee report for the year ended 31 July 2009 therefore remain valid for the post year end period.

The University continues to manage the major risks in the University Risk Register as reported to Court in June 2009 as well as the issue of over-recruitment of home/EU undergraduates which has been more acute in the current year.

N.A.L. Paul
Director of Corporate Services
04 December 2009

The University of Edinburgh

The University Court

14 December 2009

Annual Report of the Audit Committee to Court, for year ended 31 July 2009

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

The paper includes the Annual Report from the Audit Committee to the University Court for the financial year 2008/2009 to which is attached the Internal Audit Report 2008/2009 and Value for Money Report. The draft Minute of the Audit Committee meeting held on 23 November 2009 is also attached for information.

Action requested

The University Court is invited to note the content of the Annual Report of the Audit Committee 2008/2009 and note the content of the draft Minute of the Audit Committee meeting held on 23 November 2009.

Resource implications

Does the paper have resource implications? The activities described in the paper can be met from within existing resource allocations.

Risk Assessment

Does the paper include a risk analysis? The Annual Report 2008/2009 describes the activities of the Audit Committee which included receipt of papers on the University's risk management controls during 2008/2009 and internal audit reports prepared using a risk-based approach.

Equality and Diversity

Does the paper have equality and diversity implications? No.

Freedom of Information

Can this paper be included in open business? Yes.

Any other relevant information

The paper will be presented by Ms Gill Stewart, Convener of the Audit Committee.

Originator of the paper

Dr Katherine Novosel
2 December 2009

Draft Annual Report of the Audit Committee to Court for the year ended 31 July 2009

1 Membership and Frequency of Meetings 2008/2009

Membership of the Committee for 2008/2009 was as follows:

Ms G Stewart (Convener) (Co-opted member of Court)
Mr D Bentley (External member)
Mr F H Hitchman (External member) until 31 December 2008
Mr M Sinclair (External member) from 23 February 2009
Professor S Monro (Co-opted member of Court)
Ms A Richards (Co-opted member of Court)
Professor A M Smyth (General Council Assessor on Court)

The University Secretary is Secretary to the Committee and its Executive Secretary is the Head of Court Services. Routinely in attendance at meetings of the Committee during the year were: the Director of Corporate Services, the Director of Finance, the Chief Internal Auditor, the Assistant Director of Finance responsible for Financial Accounting, the University Secretary and the Executive Secretary of the Committee, and representatives of the University's External Auditor's KPMG.

During 2008/2009, the Committee welcomed one new member Mr Martin Sinclair who was appointed by Court on the recommendation of the Nominations Committee with effect from the 23 February 2009 to replace Mr F Hitchman; Mr Hitchman's term of office on the Audit Committee having been extended until the end of December 2008 so that he could be involved in considering the Draft Reports and Financial Statements for year ended 31 July 2008. Mr Sinclair is a graduate of the University of Edinburgh (Modern Languages) who subsequently trained and worked as an Accountant, initially in Canada but for the large majority of his career in Edinburgh retiring as senior partner at the firm of Chiene and Tait in 2005. The Principal attended the meeting of the Audit Committee held on the 20 November 2008 at which the Committee considered the Draft Reports and Financial Statements for year ended 31 July 2008 and associated reports.

The Committee met on four occasions during the course of 2008/2009 in order to fulfil its remit. As agreed during 2006/2007 all members of the Audit Committee were invited to attend private meetings with External Audit and with Internal Audit without the presence of officers of the University. These meetings allowed Internal and External Audit the opportunity to raise any issues of concern with members of the Audit Committee: no matters were reported back to the Audit Committee as requiring further consideration.

During 2008/2009, the Audit Committee operated in accordance with its revised terms of reference which were approved by Court on 20 October 2008 following discussion by the Audit Committee at its meeting on 2 October 2008. The revisions to the previously approved terms of reference were in response to the CUC Handbook for Members of Audit Committees in Higher Education Institutions which had been published in February 2008.

2 Internal Audit

Annual Report of the Internal Auditors 2008/2009

The Annual Report of the in-house Internal Audit Service is attached as Annex 1. The report provides a summary of the activities of Internal Audit during 2008/2009 and findings reported as well as an assessment of the adequacy and effectiveness of the University's risk management process. This was

used to help substantiate the conclusion in the Chief Internal Auditor's annual statement on the overall internal control environment in the University, which is endorsed by the Audit Committee:

On the basis of the work carried out during 2008-09, I am able to confirm that there are ongoing procedures and processes for identifying, evaluating and managing the University's significant risks and for maintaining effective controls. Where control weaknesses were identified, these are being addressed and that there is sufficient evidence of controls and procedures that are functioning to provide reasonable assurance that the overall control and governance arrangements are adequate in the University. Risk management processes are becoming even more established. Management has established satisfactory arrangements to achieve VFM and these arrangements are in harmony with the directives of the Scottish Funding Council.

Internal Audit Plans

At its meeting on 22 June 2009, Court, on the recommendation of the Audit Committee, approved the Strategic Internal Audit Plan for 2009/2012 and the Annual Internal Audit Plan for 2009/2010. The Chief Internal Auditor prepared the plans in consultation with senior management, including the Principal as Chief Accountable Officer.

Internal Audit Performance and Resourcing (2008/2009)

The Audit Committee has instituted a formal process for appraising the performance of the Internal Audit Service and to monitor expenditure against output. The appraisal methodology will be reviewed each year to ensure that it remains fit for purpose.

The Committee agreed the methodology to take forward the 2008/2009 formal appraisal process taking cognisance of the guidelines contained within the Committee of University Chairmen (CUC) Handbook for Members of Audit Committees in Higher Education Institutions. At its meeting on 12 March 2009 it agreed that as part of the appraisal process it would consider the outcome of the annual voluntary quality assurance benchmarking exercise (a reciprocal peer review arrangement using an evidence-based self assessment tool-kit supported by the Funding Council in England) and the annual evaluation questionnaires (a process to obtain feedback from managers of activities within the University which had been the subject of internal audit). In addition, it asked that a draft report be prepared by senior officers within the University based on the guidance contained within the CUC Handbook.

At its meeting on the 1 October 2009, the Committee reviewed these three documents and sought the verbal opinion of External Audit. The Committee welcomed the report on the outcome of the third quality assurance benchmarking exercise, noting that five heads of internal audit services were now involved in the peer review group and that the University's Internal Audit Service had achieved best professional practice in five of the six themes evaluated and good professional practice in the sixth. The report on the performance evaluation questionnaires confirmed the overall satisfaction of those involved in internal audit assignments undertaken during 2008/2009 with 55.9% declaring they were fully satisfied and 37.4 % satisfied. The Audit Committee concurred with the favourable opinions set out in the report prepared by senior officers; it further asked that Internal Audit consider the format for reporting future audit assignments so that there was more focus on the main findings and that the reports included summary information to allow ease of comparison between reports. External Audit also confirmed that it considered the report prepared by senior officers of the University to be a balanced assessment of the performance of the Internal Audit Service.

Based on these three documents, the Audit Committee confirms its satisfaction with the Internal Audit Service's overall performance. The Principal, as the designated Accountable Officer has expressed his

satisfaction with the performance of the Internal Audit Service within the Reports and Financial Statements.

At its meeting on the 11 June 2009, the Committee considered information on the resourcing of the Internal Audit Service based on data available from the BUFDG (British Universities Finance Directors' Group) 2009 Audit Survey (based on 2007/2008 accounts) and was satisfied that the University continued to benefit from value for money in respect of its Internal Audit Service. Neither the Chief Internal Auditor nor External Audit had alerted the Committee or its Convener to concerns regarding provision of resources to the Internal Audit Service; the Audit Committee would continue to monitor the position.

3 External Audit

Appointment and Remuneration of External Auditor

KPMG was appointed in July 2001 and the initial contract extended thereafter with the decision taken at the start of the financial year 2005/2006 (fifth audit) that KPMG be asked to identify a new partner to take forward the 2006/2007 and 2007/2008 audits with a view to the University undertaking a full tendering exercise during 2007/2008 for external audit services for the 2008/2009 audit onwards. During 2007/2008 the Audit Committee reviewed and approved tender specifications and the procurement and appointment processes for the provision of external audit services and Court at its meeting on 12 May 2008, on the recommendations of the Audit Committee re-appointed KPMG to undertake the 2008/2009 to 2010/2011 audits with the option for this appointment to be extended for a further two years.

At its meeting on 11 June 2009, the Audit Committee reviewed and was satisfied with External Auditor's Planning Memorandum for the year ending 31 July 2009. The Audit Committee reported to the Court meeting on 22 June 2009 that the proposed external fee for the University and Subsidiary companies for the 2008/2009 external audit was £82,350 exclusive of VAT and that this was consistent with fees structure agreed as part of KPMG's accepted tender submission; the Court approved this fee.

External Audit Performance (2008/2009)

The Audit Committee has instituted a formal process for appraising the performance of External Audit adopting a similar approach to that agreed to assess the Internal Audit Service. The appraisal methodology will be reviewed each year to ensure that it remains fit for purpose.

The Committee agreed the methodology to take forward the 2008/2009 formal appraisal process taking cognisance of the guidelines contained within the Committee of University Chairmen (CUC) Handbook for Members of Audit Committees in Higher Education Institutions. At its meeting on 12 March 2009, it asked that a draft report be prepared by senior officers of the University based on the broad headings of the check list for the evaluation of External Auditors as contained in the CUC Handbook.

At its meeting on 11 June 2009, the Audit Committee considered the draft report and agreed that the commentary provided under each of the headings was accurate, appropriate, and fair and concurred with the Committee's views. The Committee however asked for clarification on the formal process within KPMG for it to seek views from its clients on its performance. At its meeting on the 1 October 2009 there was discussion on the response received from KPMG and the Committee concluded that the current process: debriefing process at end of each audit year and formal client service review meetings between client and independent KPMG Auditor, was satisfactory with the proviso that given the contract arrangements with KPMG that the formal client service review meetings be carried out within the next 2 to 3 years and that a wide range of members of the University community and Audit Committee be asked to participate.

Based on the report and additional information provided at its meeting on 1 October 2009, the Audit Committee confirms its satisfaction with the overall performance of External Audit during 2008/2009. The Committee takes assurance from the rigorous tendering exercise which resulted in the re-appointment of KPMG, in respect of the value for money aspect of the external audit provision.

Management Letter and Highlights Memorandum for the year ended 31 July 2009

KPMG presented its Management Letter and Highlights Memorandum for the year ended 31 July 2009 to the Audit Committee meeting on 23 November 2009. KPMG confirmed that, while various matters required the attention of management, it contained nothing to impact on their ability to give a clean audit report on the accounts for the year. The Management Letter and Highlights Memorandum for the year ended 31 July 2009 will be forwarded to the Funding Council.

4 Value for Money

A Value for Money Strategy was approved by Court in February 2006. Under this Strategy the Central Management Group requires to present to the Audit Committee on an annual basis a Report of the value for money activities undertaken by the University. The Audit Committee has considered the 2008/2009 Value for Money Report attached at Annex 2 and based on the contents of this Report is satisfied that arrangements were in place to improve and promote economy, efficiency and effectiveness within the University during 2008/2009.

5 Risk Management

The Audit Committee received and considered the Annual Report from the Risk Management Committee for the year ended 31 July 2009 including the summary of responses from Colleges and Support Groups to the annual risk management questionnaire and assurances map providing evidence on the actions being taken to mitigate identified risks. The overall view of the Risk Management Committee as stated in its Annual Report was that the University had satisfactorily managed its key risks during the year ended 31 July 2009. The Audit Committee also considered and endorsed the revised University Risk Register (version 7).

6 Fraud and Irregularity

The Audit Committee has not been made aware of any serious weaknesses in internal control systems, significant fraud or major accounting or other control breakdowns. The Risk Management Annual Report 2008/2009 contains a statement confirming that there were no reported incidents of fraud or suspected fraud, or allegations of fraud or suspected fraud affecting the University's financial statements.

7 Reports and Financial Statements for the year ended 31 July 2009

The Committee received the Reports and Financial Statements for the year ended 31 July 2009, including the Principal's Statement and Corporate Governance Statement, at its meeting on 23 November 2009. The Committee noted the basis of the opinion of KPMG on the accounts and the satisfactory nature of that opinion. The Committee concluded that the audit had been satisfactorily performed and that there were no major issues to give significant cause for concern. The Committee agreed for its part to commend the Reports and Financial Statements to the Court for adoption.

8 Internal Control Environment

Based on the results of the work of the Internal Audit Service as reported in the Internal Audit Annual Report; the External Audit's opinion on the financial statements and its Management Letter and Highlights Memorandum for the year ended 31 July 2009; the Risk Management Committee's Report

for year ended 31 July 2009; the Central Management Group's Value for Money Report 2008/2009 and direct comments from relevant members of staff of the University, the Audit Committee considered that:

The University's internal control systems during 2008/2009 were functioning to provide reasonable assurance that the overall control environment was adequate in the University and could be relied on by the University Court.

9 Other Committee Business

Other issues considered by the Audit Committee during 2008/2009 included: the University's Corporate Governance Statement; voluntary severance payments, Finance follow up of External Audit reports, the Quality Assurance and Validation (QAV) Visit Feedback and Audit Report on the University's TRAC and fEC processes and an approach to allow income from dormant funds to be released by seeking Privy Council approval to a new Ordinance.

At its meeting on the 20 November 2008, the Audit Committee was notified of the outcome of the Scottish Funding Council's review on how best to take forward the revision of its Audit Code of Practice which had been in existence since 1999. The Committee noted that the Council had taken the view that a comprehensive Code of Audit Practice was no longer required and that in its place, with effect from 14 October 2008, a statement was to be inserted into the mandatory requirements associated with the Financial Memorandum; Audit Committee reported to Court on 15 December 2008 that it was content that the University was able to comply with these new mandatory requirements.

Dr Katherine Novosel
Head of Court Services
November 2009

Internal Audit Annual Report 2008-2009

Introduction

The 1999 SHEFC Code of Audit Practice (subsequently referred to as the “SHEFC Code”) required that the Audit Committee should be provided with an annual report on Internal Audit's activities at the first meeting following the financial year-end and it set out the minimum contents of such a report. The Scottish Funding Council Code withdrew the SHEFC Code in October 2008.

New text has been added to the SFC Financial Memorandum¹ which states that institutions will find it useful to take account of the CUC Handbook². This reaffirms that, to help the University accomplish its objectives, the annual report of internal audit should include the internal auditor's opinion of the adequacy and effectiveness of the institution's arrangements for:

- risk management, control and governance; and
- economy, efficiency and effectiveness (i.e. value for money).

Internal Audit is required, as part of its approved Terms of Reference³, to evaluate the adequacy and effectiveness of the University's:

- A. Operations
- B. Risk management,
- C. Control, and
- D. Governance,

Additionally a section has been added on:

- E. Value for Money.

Whilst it is no longer mandatory, we intend to continue to provide an annual report on Internal Audit activities to the Audit Committee.

Internal Audit Function

Appendix A lists the 32 assignments carried out during the year (31 in 2007-08) in the order that they were reported to the Audit Committee. Appendix B summarises the main findings. The original audit plan was designed to accommodate additional assignments arising during the year and any unforeseen staff absences without disrupting the scheduled assignments, by setting aside time to cover such eventualities. This has once again worked well. Three additional assignments to the original plan were accommodated during the year (see Appendix A). Based on the resources required to complete the audit plan, it is 98% completed (95% in 2007-08). Work is continuing on 7 assignments. IT and other audit specialists were engaged to provide support on specific assignments, funded by revenue arising from services provided to our commercial clients.

The CUC Handbook states that the head of audit should “monitor internal audit's performance annually against agreed performance measures.” Appendix C1 includes a selection of key performance indicators (KPI's), and Appendix C2 provides a summary of responses to the performance questionnaires received from management, following an audit in their area.

The IIA International Standards⁴ state that “The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity” and that

¹ Scottish Funding Council, Financial Memorandum, effective from 1 January 2006.

² *Handbook for Members of Audit Committees in Higher Education Institutions* produced by the Committee of University Chairmen in 2008.

³ As approved by Court on 27th February 2006.

⁴ Institute of Internal Auditors, International Standards for the Professional Practice Of Internal Auditing, revised in January 2009.

“external assessments must be conducted at least once every 5 years by a qualified, independent reviewer or review team from outside the organisation.” Accordingly, during 2008-09 the University underwent an independent assessment by qualified audit staff from four other universities which concluded that the University of Edinburgh Internal Audit Service operates substantially in accordance with professional standards and has been reported on separately. The Service was assessed as achieving best or good practice for each of the six themes evaluated.

During 2008-09, the Senior Internal Auditor added to his professional accountancy qualification and became a full member of the Institute of Internal Auditors; and the Auditors also added to existing qualifications and both passed MIIA and PIIA examinations as part of progressing toward completion of the full IIA qualification. The Internal Audit team attended the annual conferences of the Council of Higher Education Internal Auditors and the Scottish Institute of Internal Auditors, and a variety of other continuing professional development events. Relevant work experience and years with relevant professional qualifications for the team members and the main specialist contractors utilised this year were as follows.

| <u>Position as at July 2009</u> | <u>CIA</u> | <u>Sen</u> | <u>Audr'1</u> | <u>Audr'2</u> | <u>Cont'r 1</u> | <u>Contr' 2</u> | <u>Contr' 3</u> |
|---|------------|------------|---------------|---------------|-----------------|-----------------|-----------------|
| Years in Internal Audit | 24 | 15 | 7 | 1 | 12 | 5 | 8 |
| Years in HE/FE | 10 | 11 | 4 | 10 | 5 | 5 | 1 |
| Years in Public Services | 36 | 17 | 4 | 13 | 12 | 21 | 6 |
| Years with relevant auditing / accounting / IT qualification | 23 | 11 | 1 | 0 | 21 | 27 | 7 |

A Operations

We performed various assignments on sections of the University's operations. These included procedures for management of research collections, utilities, intellectual property, charging procedures in animal hospitals, and space management. Completed and continuing audit assignments are listed in Appendix A1 and summaries of audit assignments carried out during 2008-09 are provided in Appendix B.

Appendix A2 provides a list of Follow-Up Reviews carried out during the year (see Section C, below).

B. Risk Management

The Committee of Sponsoring Organisations (COSO) defines enterprise risk management as “a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.”

In accordance with the 2009 IIA Practice Advisory 2010-2 on *Using the Risk Management Process in Internal Audit Planning* guidance, internal audit planning makes use of the University's risk management process and uses risk assessment to identify auditable units and select areas for review in the internal audit plan.

We assessed the University's Risk Maturity, and again concluded that it could be classified as risk defined (see Appendix D). For organisations classified as being risk defined, internal audit is not able to provide its assurance solely based on risk management processes, management of key risks and reporting of risks. However it may be able to identify risk management policies or pockets of risk management excellence and plan to provide assurance on these elements. The University Risk Register is utilised during the Internal Audit planning processes. We completed a review of the effectiveness of University procedures to address risks associated with projects at the outset and definitions of projects have been developed to facilitate different approaches to risk to be followed as appropriate. We also reported to RMC the outcome of our review of risks associated with charitable organisations associated with the University.

The Risk Management Committee (RMC) has an ongoing risk review process that covers all risks in the University Risk Register. The Risk Management Committee met throughout 2008-09 and their work has focussed on consolidating and further developing the risk management framework and processes in the University. Significant developments during the year have included the revision of the terms of reference for

RMC to reflect the CUC Guide for Members of Higher Education Governing Bodies in the UK and the further embedding of risk management processes in subsidiary companies. The Chief Internal Auditor attends the Risk Management Committee. The Annual Report of the RMC will be considered by the University's Audit Committee on 23rd November and will be presented to the Finance and General Purposes Committee and then to Court. The report will support the Audit Committee and Court in their assessment of the effectiveness of the overall framework of internal control, and will inform the production of the Corporate Governance Statement for inclusion in the Annual Report and Accounts.

We are able to confirm that there are ongoing procedures and processes for identifying, evaluating and managing the University's significant risks and for monitoring internal controls. It is part of a structured review process and is ultimately reviewed by Court. Guidance is available on how to identify and analyse risk and what the options are to mitigate risks. Risk management processes are becoming even more established and various initiatives have been taken during the year that should enhance the process further.

C Control

The IIA International Standards define control as:

“any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.”

The University has undertaken to comply with the Combined Code 2008. The Turnbull Committee Report on Internal Control emphasised that it was an essential part of the Main Board's/Governing Body's (Court's) responsibility to review the effectiveness of internal control. In coming to a view, members are expected to seek input from the Audit Committee, other constitutional committees, senior management, and external and internal audit.

The IIA International Standards state that “internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations, and information systems regarding the reliability and integrity of financial and operational information; effectiveness and efficiency of operations; safeguarding of assets; and compliance with laws, regulations, and contracts.” During the year, Internal Audit has reviewed, evaluated and tested the adequacy and effectiveness of many of the University's internal controls based upon an Annual Audit Plan approved by the Audit Committee in June 2008. We performed various reviews, covering local delegated authority, financial control arrangements, and procurement as required by the Scottish Procurement Policy Handbook issued in December 2008. Use has been made where appropriate to the professional standards of the Institute of Internal Auditors.

A summary of each audit report is set out in Appendix B. The more significant **control weaknesses** and **control assurances** identified are set out in the table in Appendix E. Based on our findings during the year, Table 1 highlights examples of assignments where the controls required enhancement.

Table 1: Significant examples of how and where the controls could be enhanced

| Control Enhancement Required | Assignments identifying the need for significant control enhancement |
|---|--|
| Better Segregation of Duties | - none - |
| Improved Organisational Controls | Estates and Buildings - interface with Accommodation Services; Intellectual Property; School of Informatics. |
| Improved Authorisation and Approval Controls | Animal Hospitals – Charging procedures. |
| Improved Physical Controls | Centre for Research Collections. |
| More Effective Supervision | Severance Payments Process, |

| | |
|--|---|
| Improved Personnel Controls | Utilities (Gas and Electricity). |
| Improved Arithmetic and Accounting Controls | Intellectual Property; NHS Use of University Space; Animal Hospitals – Charging procedures. |
| Improved Management | Utilities (Gas and Electricity); Risk Management - Project Risk Assessments. |

Examples of Positive Assurances being given

- School of Physics and Astronomy;
- School of Engineering and Electronics;
- 2007-08 TRAC Return Process;
- 2007-08 TRAC Teaching Return Process;
- Business Plans to Support Capital Projects;
- Selected Interdisciplinary Research Centres within the College of Science and Engineering;
- Overall Arrangements for Research Collaborations in the College of Science and Engineering;
- School of Biomedical Sciences;
- Procurement 2008-09;
- Management and Collection of Student Fees;
- Value for Money Arrangements.

93% (80% in 2007-08) of recommendations from a programme of follow up reviews were found to have been implemented in full as agreed. The difference is significantly influenced by the Casual Staff and Temporary Appointments audit which required 2 subsequent follow up reviews in 2007-08 until all agreed recommendations arising from our review were reported as being fully implemented. During 2008-09 we reported that recommendations had not been not implemented from our reviews of New Vet School; Resource Allocation, Budget Preparation, Control and Forecasting; and Space Management.

D Governance

Our work covered the arrangements to ensure effective maintenance and enforcement of University policies. We have periodically conducted reviews of the University's corporate governance arrangements, delegated authority and financial control framework. In 2008-09 such reviews included a research pooling initiative; interdisciplinary research centres and other collaborative arrangements; assessment whether the university is complying with the "minimum standards of governance and accountability" as specified in the McClelland report.

The SFC *Accounts Direction for Scotland's Colleges and Universities* requires Court to include a statement in the annual financial statements on corporate governance, indicating how the University has complied with good practice in this area. A separate paper is presented on the Draft Corporate Governance Statement giving advice to members on the Statement of Internal Control. Internal Audit is invited to contribute to the compilation of that statement and we carried out various reviews involving governance issues which can support this statement. Court also periodically assesses the effectiveness of the committee structure.

E Value for Money (VFM)

New text added to the SFC Financial Memorandum requires Internal Audit to comprehensively appraise the University's "strategy for systematically reviewing management's arrangements for securing value for money." The CUC Handbook states that the "the annual report of the audit committee must include its opinion on the institution's arrangements for economy, efficiency and effectiveness, i.e. value for money." Court approved the University *Value for Money Policy and Strategy* in 2006, which defines Internal Audit's responsibilities concerning VFM as being "required to examine and evaluate the controls established by management to secure economy, efficiency and effectiveness and provide an opinion on this in their annual report to the Audit Committee."

The Director of Finance has prepared a report to the September CMG, highlighting the overall management arrangements in the University regarding value for money. Our assessment is detailed in our report to the October 2009 Audit Committee and our opinion is that management has established satisfactory arrangements to achieve VFM and that these arrangements are in harmony with the directives of the Scottish Funding Council. These papers should also help form a basis for the Audit Committee to form an opinion on the institutions arrangements for value for money.

Internal Audit has sought throughout the year to provide assurance that value for money is being promoted and achieved, and to identify any value for money opportunities in its reviews of specific activities, wherever relevant. In addition to our appraisal of the strategy to review management arrangements for securing value for money, 12 out of 32 audit assignments carried out in 2008-09, (8 of 31 in 2007-08) highlighted potential value for money opportunities for the University as listed in Appendix E.

Internal Audit Opinion

The CUC Handbook states that “the annual report of internal audit should include the internal auditor’s opinion of the adequacy and effectiveness of the institution’s arrangements for risk management, control and governance.”

It is important to note that:

- The annual statement is based upon the work performed during the year as summarised in Appendix B;
- Internal control can provide only reasonable and not absolute assurance to management and Court regarding achievement of the University's objectives. Internal Audit assignments have a reasonable chance of detecting significant control weaknesses but cannot guarantee that fraud, error or non-compliance will be detected;
- It is management's responsibility to maintain effective systems of risk management, governance, internal control and for the detection of fraud, error or non-compliance;
- Internal Audit forms part of the overall system of internal control.

On the basis of the work carried out during 2008-09, I am able to confirm that there are ongoing procedures and processes for identifying, evaluating and managing the University’s significant risks and for maintaining effective controls. Where control weaknesses were identified, these are being addressed and that there is sufficient evidence of controls and procedures that are functioning to provide reasonable assurance that the overall control and governance arrangements are adequate in the University. Risk management processes are becoming even more established. Management has established satisfactory arrangements to achieve VFM and these arrangements are in harmony with the directives of the Scottish Funding Council.

Hamish McKay
Chief Internal Auditor

Internal Audit Annual Report - List of Assignments**Appendix A1**

| | <u>Completed audit assignments</u> | <u>Date Final Report Issued</u> | <u>Date to Audit Committee</u> | <u>Comment</u> |
|----|--|--|--|------------------------|
| 1 | School of Physics and Astronomy (including the CSEC Centre) | 27/10/2008 | 20/11/2008 | 2007/08 Assignment |
| 2 | Estates and Buildings - Interface with Accommodation Services | 06/11/2008 | 20/11/2008 | 2006/07 Assignment |
| 3 | Utilities (Gas and Electricity) | 08/11/2008 | 20/11/2008 | 2007/08 Assignment |
| 4 | Severance Payments Process | 10/11/2008 | 20/11/2008 | |
| 5 | Severance Settlements 2007-08 | 10/11/2008 | 20/11/2008 | |
| 6 | Risk Management - Project Risk Assessments | 05/01/2009 | 12/03/2009 | 2007/08 Assignment |
| 7 | School of Engineering & Electronics | 06/01/2009 | 12/03/2009 | |
| 8 | 2007-08 TRAC Return Process | 10/02/2009 | 12/03/2009 | |
| 9 | Animal Hospitals - charging procedures | 23/02/2009 | 12/03/2009 | |
| 10 | NHS use of University space | 25/02/2009 | 12/03/2009 | |
| 11 | Large Capital Projects - Running and Maintenance Costs | 04/03/2009 | 12/03/2009 | 2007/08 Assignment |
| 12 | School of Social and Political Science | 04/03/2009 | 12/03/2009 | |
| 13 | School of Informatics | 05/03/2009 | 12/03/2009 | |
| 14 | Scottish Informatics and Computer Science Alliance - SICSA | 05/03/2009 | 12/03/2009 | 2007/08 Assignment |
| 15 | 2007-08 TRAC Teaching Return Process | 22/05/2009 | 11/06/2009 | |
| 16 | Intra and Extra College Collaborations - CHSS and CMVM | 28/05/2009 | 11/06/2009 | |
| 17 | Centre for Research Collections | 01/06/2009 | 11/06/2009 | |
| 18 | Capital Projects - intra project communications | 01/06/2009 | 11/06/2009 | |
| 19 | Business Plans to Support Capital Projects | 03/06/2009 | 11/06/2009 | |
| 20 | Selected Interdisciplinary Research Centres within the College of Science and Engineering | 03/06/2009 | 11/06/2009 | |
| 21 | Overall Arrangements for Research Collaborations in the College of Science and Engineering | 03/06/2009 | 11/06/2009 | |
| 22 | School of Biomedical Sciences (Centre for Infectious Diseases) | 14/08/2009 | 01/10/2009 | |
| 23 | Intellectual Property | 24/08/2009 | 01/10/2009 | |
| 24 | Expenditure Authorisations | 02/09/2009 | 01/10/2009 | Added to original plan |
| 25 | Procurement 2008-09 | 03/09/2009 | 01/10/2009 | |
| 26 | Severance Settlements 2008-09 | 17/09/2009 | 01/10/2009 | |
| 27 | Integration of the Roslin Institute with the University of Edinburgh | 18/09/2009 | 01/10/2009 | |
| 28 | Management and Collection of Student Fees | 21/09/2009 | 01/10/2009 | 2009-10 Assignment |
| 29 | Value for Money Arrangements | 21/09/2009 | 01/10/2009 | 2009-10 Assignment |
| 30 | Staff on-call arrangements | 23/09/2009 | 01/10/2009 | |
| 31 | EUCLID Project Management Support | No report | | |
| 32 | eProcurement Scotland - Working Party and other advice | No report | | Added to original plan |
| | <u>Continuing audit assignments</u> | | | |
| | <ul style="list-style-type: none"> • Funding sources for Capital Projects • Main Library Redevelopment Project • Business Continuity - operational readiness in key operational risk areas • Business Continuity - operational readiness in key IT risk areas (added to original plan) | | <ul style="list-style-type: none"> • IT Security • Downloading personal data to any device • Remote Working | |

Appendix A2

| <u>Follow Up Reviews (17)</u> | <u>Date to Audit Committee</u> | <u>Recommendations agreed</u> | <u>Recommendations implemented</u> |
|--|--------------------------------|-------------------------------|------------------------------------|
| Examinations | 20/11/2008 | 6 | 6 |
| New Vet School | 20/11/2008 | 6 | 3 |
| Strategic Planning | 20/11/2008 | 1 | 1 |
| School of Health in Social Science | 20/11/2008 | 3 | 3 |
| School of Geosciences | 20/11/2008 | 4 | 4 |
| Resource allocation, budget preparation, control and forecasting | 12/03/2009 | 3 | 2 |
| University of Edinburgh Development Trust | 12/03/2009 | 10 | 10 |
| Development and Alumni - Fundraising | 12/03/2009 | 6 | 6 |
| Procurement | 11/06/2009 | 2 | 2 |
| Severance Settlements Process | 11/06/2009 | 4 | 4 |
| Space Management | 11/06/2009 | 2 | 1 |
| Equality and Diversity | 11/06/2009 | 1 | 1 |
| School of Literature, Languages and Cultures | 11/06/2009 | 5 | 5 |
| Severance Payments Process | 11/06/2009 | 4 | 4 |
| Full Economic Costing | 01/10/2009 | 2 | 2 |
| Legislative Compliance | 01/10/2009 | 5 | 5 |
| School of Law | 01/10/2009 | 3 | 3 |
| | | 67 | 62 |
| | | | 93% |

Appendix B

**SUMMARY FROM AUDIT ASSIGNMENTS DURING
2008-2009**

(Listed in the order that they were presented to Audit Committee and reflecting the position when the assignment was carried out.)

1. School of Physics and Astronomy

The overall arrangements in the Centre for Science at Extreme Conditions should facilitate an effective level of governance. From the work undertaken we concluded that there appeared to be an effective level of internal control in the School. There were some areas in which improvements could be considered, including the formalisation of agreements between the participating Schools in the Centre for Science at Extreme Conditions and consideration of the risks and mitigations that may be put in place to ensure staff levels are matched to funding received.

5 recommendations, all agreed.

2. Estates and Buildings Interface with Accommodation Services

We evaluated the interface between Estates and Building and Accommodation Services supporting the delivery of high standard student accommodation. A number of improvements could be made to this interface; particularly in the services provided by the Premises Team; and implementing a more transparent and consistent joint process for considering and communicating decisions on changes to planned work on the Accommodation Services estate. By implementing the recommended improvements detailed in this report, the effectiveness of cross-service working and the achievement of value for money in maintaining the accommodation estate are likely to be enhanced.

6 recommendations, 1 of which we regard as high priority, all agreed.

3. Utilities (Gas and Electricity)

Systems existed to help ensure that regular bills are paid correctly. These systems were less effective for less routine bills. There was no process for verifying the accuracy of the large utilities invoices presented by NHS to the University. The University charges Category B units and third parties for utilities they consume on University premises, but processes are not robust enough to ensure that costs are fully reclaimed. Management information was of poor quality and would not necessarily facilitate a smooth transition to devolved utilities budgets. Improvements were anticipated when the existing software system was replaced. Alterations have been made subsequently to the staffing and management arrangements.

3 recommendations, all agreed.

4. Severance Payments Process

In August 2008, a miscalculation of around £100,000 in the value of a required element of the cost to the University of providing an individual's severance pension enhancement was discovered by Finance prompting a review of the severance payments process. A revised Policy Statement on Severance Payments was developed and approved by University Court in October 2008 and recommendations for further improvements to procedures and documentation were made in the report. In addition, comments and suggestions for improvements to draft procedures and forms were discussed with Finance at the end of September 2008. Aside from the human error leading to the miscalculation noted above, we concluded that the process for making severance settlements in the University was in accordance with the spirit of the Scottish Funding Council guidelines.

4 recommendations, all agreed.

5. Severance Settlements 2007-08

We found three severance payments in 2007-08 which were reportable under the current SFC guidance. During 2008-09 Court approved a new policy on severance arrangements which has brought internal reporting thresholds for salary and severance package value into line with those stated by SFC.

No recommendations.

6. Risk Management - Project Risk Assessments

Although, the University Corporate Governance Statement states that “all major projects have risk registers, and risk assessment is incorporated into planning and decision making processes,” in practice, we were unable to find evidence that all projects have documented and formal risk assessments performed prior to being given the go ahead. Although there are a variety of formal and informal project risk management mechanisms in place across the University, there was a need to embed risk management disciplines further in project management across the University without imposing an overly bureaucratic process. We identified several potential short term actions that could be taken to facilitate improved risk management of projects. Our full report was tabled to the January Risk Management Committee who highlighted the need for appropriate response to assessing risk, according to the nature of the project. Risk Management Committee tasked the Director of Corporate Services with developing definitions of projects to allow different approaches to risks to be followed as appropriate.

4 recommendations, agreed.

7. School of Engineering and Electronics

The School’s revised management structure was in the process of bedding in. We found that the School had well defined administrative and authorisation processes and had tight central control of income and expenditure. Procedures were documented and were closely followed by most areas. The School had identified the need to enhance existing Health and Safety procedures and this was underway.

3 recommendations, all agreed.

8. 2007-08 TRAC Return Process

We reviewed progress on meeting the transparency review requirements, and identified no issues to suggest that the University has not applied the TRAC methods on a robust basis.

No recommendations.

9. Animal Hospitals - Charging Procedures

We provided support with the implementation of a new practice management system that replaced a range of systems. It covered client and patient records, records of treatments and consumables, management of appointments, client charging and accounts management. Its introduction presented an ideal opportunity to review charging procedures and to optimise the school’s revenue earning capabilities. Our work coincided with a re-alignment of the business units in the Animal Hospital. We observed inconsistencies between price lists being used in different sections of the Animal Hospital and highlighted a need for clear and consistent data management procedures, checks and authorisations. We also identified a need for an agreed policy for authorising discounts and credit notes.

19 recommendations for, 6 of which we regard as high priority, all agreed.

10. NHS use of University Space

The University pays NHS for commodities the New Medical School uses within the New Royal Infirmary. Some of these commodities are based on the amount of floor space occupied. It was apparent that the floor space occupied currently has reduced since the time of the original agreement, but the charges are still calculated on the original basis. There is a need to establish a process for maintaining up-to-date space information, and enters negotiations with NHS regarding payment for commodities based on space. We recognised that the outcome of these negotiations could be either reduced bills or increased space.

2 recommendations, both agreed.

11. Large Capital Projects - Costing of Running and Maintenance

Although we found that in practice estimates of running and maintenance costs, once a building is operative, are often prepared for large capital projects, this was not performed on a standard basis for all large capital projects (as part of the prioritisation process before projects are approved). The University was in the process of revising its estates development project procedures to align with the new guidance in the SFC Gateway approvals process for Project Management. This should provide an opportunity for the Department of Estates and Buildings to further formalise procedures to include all running and maintenance costs once buildings are operative into the

project prioritisation process for major capital projects. We made various suggestions to facilitate the implementation of this.

1 recommendation, agreed.

12. School of Social and Political Science

Overall, administration and internal controls within the School were generally found to be effective. We identified potential enhancements to controls over the ordering and receipting of goods and services, and to the reconciliation process regarding the reimbursement of Social Work student expenses.

6 recommendations, all agreed.

13. School of Informatics

The School operates processes which support effective management of active budgets. Historically the School had operated a large number of cost centres and job numbers and there was scope for overlooking some of these. This, in combination with the habit of placing orders directly with suppliers, reduced the likelihood of effective control throughout. There was a requirement to ensure that contracts were finalised for Hours to be Notified (HTBN) staff, and this information should be used to validate claims for payment. Until SICSA (see 14 below) reaches agreement regarding sharing costs and benefits amongst the ten participating universities, there is a risk that the University of Edinburgh will subsidise the venture disproportionately and may dilute its own services in the process.

5 recommendations, one of which we regard as high priority, all agreed.

14. Scottish Informatics and Computer Science Alliance - SICSA

SICSA is a new function and at the time of the audit its processes were not fully established. There were potential exposures in not sharing costs and benefits equitably between all participants, and in not formalising an exit strategy. The audit was conducted against the background of SICSA being formed, and the recommendations were accepted in this light. SICSA needed to formulate agreement with partner universities to ensure equitable sharing of costs and benefits. There was a clear understanding of the rationale and objectives and awareness (based on experience in other research poolings) that success is a realistic expectation.

7 recommendations, all agreed.

15. 2007-08 TRAC Teaching Return Process

We reviewed progress on meeting the transparency review requirements for the 2007-08 TRAC Teaching return, and identified no issues to suggest that the University has not complied with the TRAC teaching guidance.

No recommendations.

16. Intra and Extra College Collaborations - CHSS and CMVM

Overall governance, risk management and internal control arrangements around intra and extra College collaborations with regard to CHSS and CMVM were reviewed and found to be effective. The main guidance around collaborative arrangements was found to be extensive. We identified potential to enhance arrangements further through their validation by the appropriate University committee and documentation of the processes for the review of teaching collaborations. We recommended the guidance should be reviewed, validated and reissued, to cover the steps to be taken for review of existing teaching collaborations.

1 recommendation agreed.

17. Centre for Research Collections

CRC had recently moved to new premises and our review proved to be a timely opportunity to evaluate the new environment. Significant opportunities were identified to enhance the physical, asset management and environmental controls. Recommendations focused on security and management of alarm codes and keys and the transport of material to and from the Library Research Annex as well as the implementation of stocktaking and environmental monitoring.

14 recommendations, 5 of which we regard as high priority, all agreed.

18. Capital Projects - intra project communications

Estates and Buildings were developing new and revised Project Management Procedures, template documents and design guidelines which should greatly help the project management process. We identified opportunities to enhance the template documents. For the majority of the interactions involved in project communications, these were found to be adequate. The exception was where communications involve parts of the University providing project services. For example University Specialist Services and the Furniture Office regarding the way they interact with the project team via the project manager.

11 recommendations, 1 of which we regard as high priority, all agreed.

19. Business Plans to Support Capital Projects

The arrangements being put in place for business cases to support capital projects should allow the University to demonstrate compliance with the Gateway guidance if required, and enhance the robustness of the procedures to quantify the financial and non-financial costs and benefits of proposed projects prior to the approval stage. We had no recommendations, but during the review we made various suggestions for consideration by the Deputy Director of Estates and Buildings to be considered as part of the ongoing process of developing and refining the business case and associated financial model to support capital projects.

No recommendations.

20. Selected Interdisciplinary Research Centres within the College of Science and Engineering

Overall, although some relatively minor errors and omissions were noted, we were able to provide assurance that the selected interdisciplinary research centres covered in the review were supported by effective protocols and guidance from the College of Science and Engineering. There were effective administrative arrangements in place to ensure effective governance, appropriate authorisation and adequate internal controls in the selected interdisciplinary research centres reviewed.

3 recommendations, all agreed.

21. Overall Arrangements for Research Collaborations in the College of Science and Engineering

Overall, we were able to provide assurance that there are administrative arrangements in place to ensure that internal controls around research collaborations within the College of Science and Engineering are effective. Comprehensive and effective protocols have been developed outlining the internal procedures for authorising collaborations where resources are anticipated to be required at a College or University level rather than just School level, with authorisation escalated depending on the resource implications. The procedures for monitoring of ongoing operations were found to be performed appropriately.

No recommendations.

22. School of Biomedical Sciences (Centre for Infectious Diseases)

In agreement with the Head of the School of Biomedical Sciences, we focused on the arrangements in the Centre for Infectious Diseases within the College of Medicine and Veterinary Medicine. While we found no major issues regarding internal control, we identified issues relating to the administrative structure of the Centre for Infectious Diseases, which have pan-University implications for management of internal collaborative initiatives. We performed an overview of the financial control arrangements in the School of Biomedical Sciences and found that the overall arrangements in place should ensure an effective level of financial control.

1 recommendation, agreed.

23. Intellectual Property

Many benefits arise from the commercialisation of intellectual property but there is no formal policy statement to direct activities and support decision making and prioritisation. ERI holds data relating to the commercialisation of intellectual property in the 'Inteum' database system. This includes details of income anticipated from commercialising the intellectual property. The associated financial transactions are managed in the Sun accounting system. ERI had accepted the risk of not populating Inteum with historical financial data and thus the two systems were known not to match at the detailed level. Consequently, we identified a need for a beginning-to-end reconciliation process to demonstrate that all income expected as per the original licence

agreement had been received in Sun or was otherwise accounted for, and distributed as appropriate. In addition, there was an agreed need to strengthen the process for maintaining the record of equity holdings.

4 recommendations, two of which we regard as high priority, all agreed.

24. Expenditure Authorisations

An analysis was requested to inform decisions in relation to updating the authorisation levels in the Delegated Authorisations Schedule. The analysis highlighted large transactions (over £100K) which were judged to be non-routine and it is the circumstances surrounding the authorisation of these types of transactions which may merit most analysis when considering a revision of the Schedule. The analysis was presented to the Director of Finance.

No recommendations.

25. Procurement 2008-09

The new Scottish Procurement Policy Handbook was being implemented within the University. The procurement activity carried out in the University continues to comply with “minimum standards of governance and accountability” as specified in the McClelland report. There was evidence of commitment to, and active involvement in, sector wide procurement initiatives. We are satisfied that the two matters raised in this review were being addressed, and therefore we had made no formal recommendations.

No recommendations.

26. Severance Settlements 2008-09

During 2008-09 Court approved a policy on Severance Payments. Among other things, this has brought internal reporting thresholds for salary and severance package value into line with those stated by SFC. The Audit Committee requested that from 2008-09 onwards, for those cases that exceed the thresholds Internal Audit review the management cases and check that proper procedures were followed and proper authorisations given. We found six severance payments in 2008-09 which were reportable under the current SFC guidance. We examined the management cases and relevant associated documentation for those cases, and were satisfied that the individual cases were properly authorised and that the severance agreements reached met the criteria and were within the limits set by Court.

No recommendations.

27. Integration of the Roslin Institute with the University of Edinburgh

As this was the first review to be carried out at Roslin since the integration in May 2008, the focus was on how well the core administrative systems (procurement, stock control, research contract management, payroll and human resources functions, pensions and expenses systems) had coped. The internal controls and procedures adopted to deal with the integration were found to be effective and areas where there had been difficulties were being addressed by management. The exception was problems experienced around matching purchase orders to invoices and clearing them, a significant back log of purchase orders has developed resulting in delayed supplier payments, inaccurate accruals and inefficient operation of the purchasing function. Management have agreed to address this back log as a matter of urgency. Inevitable teething problems arose with the integration but nothing fundamentally affecting the core administrative systems.

8 recommendations, 1 of which we regard as high priority, all agreed.

28. Management and Collection of Student Fees

We found that controls around the management and collection of student fees were effective. We were able to provide an assurance that all records of students due to pay no fees were valid, and that there effective processes for reconciliation of Students Award Agency for Scotland and Student Loans Company data to anticipated income, and the comparison of predicted fees against actual fees. Our testing confirmed strong supervisory controls and effective separation of functions. There was a need for complete information to be supplied to management around the impact of authorised (and unauthorised) decisions on fee waivers.

5 recommendations, all agreed.

29. Value for Money Arrangements

We evaluated the arrangements established by management to secure economy, efficiency and effectiveness. Our opinion was that management has established satisfactory arrangements to achieve value for money, and that these arrangements were in harmony with the directives of the Scottish Funding Council. We identified some further opportunities to exploit the pursuit of Value for Money, which were communicated to the Director of Finance.

No recommendations.

30. Staff On-Call Arrangements

There was evidence of inconsistent application of reward for on-call support. This is contrary to the objectives of the policy and risks allegations of inequality of treatment. Separately, a more transparent process is required to demonstrate the integrity of the agreed policy document. There had been a clear effort to review on-call arrangements and to reduce costs and overall, in terms of cost, this had been successful.

4 recommendations, all agreed.

31. EUCLID Project Management Support

We provided the Project Director and her staff with consultancy in a number of areas. The EUCLID Lessons Learnt report was reviewed and provided input to other work with respect to "large" projects within the University. Discussions took place with regard to benefit realisation and the need to capture baseline information, to demonstrate the magnitude of benefits. The transition from a Project to an Operational Service was also covered in discussions. Advice was also provided on the relative merits of using the application or the database to provide audit trails.

No report as such. No recommendations.

32. eProcurement Scotland - Working Party and other advice

We continued to provide internal audit input on behalf of the higher education sector to a Pan Scotland Working Group establishing processes and procedures and the inner controls that are needed. The Chief Internal Auditor was a consultant for the Scottish Procurement Policy Handbook which was released in December 2008.

No report as such. No recommendations.

Key Performance Indicators for Internal Audit

The SFC Financial Memorandum Code states that institutions will find it useful to take account of the *Handbook for Members of Audit Committees in Higher Education Institutions* produced by the Committee of University Chairmen in 2008 which states that audit committees should “monitor internal audit’s performance annually against agreed performance measures.”

| Performance Measures | Year 2004-05 | Year 2005-06 | Year 2006-07 | Year 2007-08 | Year 2008-09 |
|--|-----------------|-----------------|--------------------|--------------------|--------------------|
| General Performance Indicators | | | | | |
| Annual Cost of Service | £182k | £188k | £201k ¹ | £215k ¹ | £233k ² |
| Direct audit days Available ³ | 690 | 672 | 721 | 645 ⁴ | 692 ⁵ |
| Cost per direct audit day | £264 | £280 | £279 | £333 ⁶ | £325 ⁵ |
| Number of Audits | 35 | 34 | 34 | 31 | 32 |
| (+ those to finalise) | 5 | 7 | 6 | 7 | 7 |
| Number of recommendations made | 89 | 108 | 128 | 67 | 116 |
| Number of follow up reviews | 13 | 18 | 25 | 18 | 17 |
| Performance measures indicating efficiency | | | | | |
| University of Edinburgh income received / Internal Auditor (£M) | £92.25 | £100.25 | £109.00 | £119.26 | £138.83 |
| University employees / Internal Auditor | 1,780 | 1,923 | 1,983 | 2,224 | 1,984 |
| % Available time applied to audit work | 83% | 82% | 87% | 82% | 81% |
| % Allocated audit time actually spent conducting audit work | 98% | 97% | 102% | 97% | 95% |
| % Completion of the annual plan by annual report date | 98% | 96% | 95% | 95% | 98% |
| Performance measures indicating effectiveness | | | | | |
| % Audit work undertaken by staff with relevant & full audit / acc’y / IT quals | 100% | 80% | 78% | 76% | 71% |
| % Recommendations agreed by management | 97% | 100% | 99% | 93% | 100% |
| % Agreed recommendations found to be implemented when followed up | 82% | 90% | 86% | 80% | 93% |
| % Audits perceived to add value | 82% | 89% | 92% | 90% | 96% |

¹ Pay Harmonisation Costs.

² Includes a deduction of £15,640 to allow for a one-off payment for IT System Penetration Testing carried out by specialist contractors.

³ Is affected by staff recruitment, staff induction, phasing of annual leave and timing of work done for commercial client.

⁴ Staff turnover and resources used on recruitment reduced the days available.

⁵ The resources associated with the tender submission for internal audit services at Jewel & Esk College have been removed from days available and costs.

⁶ Staff recruitment costs resulted in reduced funds available to employ temporary staff cover.

Internal Audit Performance Questionnaire

For many years Internal Audit has sought feedback from managers of activities which had been the subject of internal audit. Responses are sent direct to the University Secretary who compiled the consolidated report for the Audit Committee. Attached, for the information of members, is an analysis of responses received during 2008-09.

Internal Audit Performance Evaluation Questionnaires

Based upon feedback from 23 returns received for 19 Audit Assignments, (see list below).

| | YY | Y | N | NN | NA / Nil response |
|---|------------|------------|-----------|----|-------------------|
| 1. Were you given adequate notification of the audit? | 13 | 7 | 1 | | 1 ¹ 2 |
| 2. Were you informed adequately of the audit objectives and scope? | 9 | 10 | | | 3 ² |
| 3. Were the appropriate staff consulted for the audit area covered? | 12 | 10 | | | 2 |
| 4. Did staff conduct themselves in a professional manner during the audit? | 18 | 4 | | | 2 |
| 5. Were you given the opportunity to discuss the report with the auditor prior to finalisation? | 14 | 7 | | | 1 ² |
| 6. Were the recommendations in the report practical and realistic? | 7 | 12 | 1 | | 3 ³ |
| 7. Was the report produced to a professional standard? | 17 | 5 | | | 1 |
| 8. Do you feel that the audit was worthwhile and has added value to your work? | 10 | 12 | 1 | | |
| Percentage % | 56% | 37% | 2% | | 5% |

Key: YY = Fully Satisfied, Y = Satisfied, N = Not Satisfied, NN = Fully Dissatisfied

24 Audit Assignments Subjected to Evaluation

(Note due to timings, they do not reflect all Audits undertaken during this year, and include some audits from previous years)

| <u>Audits for which Returns received (19 Audits)</u> | <u>Audits for which Returns not received (5 Audits)</u> |
|--|--|
| Estates and Buildings - Interface with Accommodation Services Procurement Utilities Incubators School of Physics and Astronomy (including the CSEC Centre) School of Biological Sciences Charitable Trusts associated with the University School of Engineering and Electronics Severance Payments Process Large Capital Projects - Costing of Running and Maintenance Scottish Information and Computer Systems Alliance - SICSA EUCLID Project Management Capital projects - intra project communications Centre for Research Collections Animal Hospitals - Charging Procedures School of Informatics Intra and Extra College Collaborations - CHSS and CMVM 2007-08 TRAC Return Process 2007-08 TRAC Teaching Return Process | IS/IT User Access Management NHS Use of University Space Overall Arrangements for Research Collaborations in the College of Science And Engineering School of Social and Political Science Selected Interdisciplinary Research Centres within the College of Science and Engineering |

¹ In practice the final report is only presented to the final recipients, not necessarily all key staff consulted in the fieldwork.

² One questionnaire did not contain a response to questions 1-5 as he was not in place as Head of School at time of review.

³ Not all internal audit reports contain recommendations.

Appendix D

Assessing the University's risk maturity

This assessment was made by considering the University's practices, processes and relevant supporting documentation such as the risk management strategy, policy and risk registers. The Chief Internal Auditor attends the Risk Management Committee. Cognisance was also made of earlier Internal Audit work (such as the risk management checklist and risk assessment and management assignments).

Note: For the avoidance of doubt, the table on the left is entirely reproduced from the Institute of Internal Auditors UK and Ireland guidance. Internal audit has illustrated its assessment of the University's risk maturity by the inclusion of tick boxes and a column on the far right providing further commentary.

| The Institute of Internal Auditors UK and Ireland - An approach to implementing Risk Based Internal Audit - Assessing the Organisations risk maturity | | | | | | |
|---|---|---|---|--|---|-------------------|
| Risk Maturity | Risk naive | Risk aware | Risk defined | Risk managed | Risk enabled | Sample audit test |
| Key characteristics. | No formal approach developed for risk management. | Scattered silo based approach to risk management. | Strategy and policies in place and communicated. Risk appetite defined. <input checked="" type="checkbox"/> | Enterprise approach to risk management developed and communicated. | Risk management and internal controls fully embedded into the operations. | |

Process

| | | | | | | |
|--|-----------|--|---|---|---|--|
| The organisation's objectives are defined. | Possibly. | Yes but may be no consistent approach. | Yes <input checked="" type="checkbox"/> | Yes <input checked="" type="checkbox"/> | Yes <input checked="" type="checkbox"/> | Check the organisation's objectives are determined by the board and have been communicated to all staff. Check other objectives and targets are consistent with the organisation's objectives. |
| Management have been trained to understand what risks are, and their responsibility for them. | No | Some limited training. <input checked="" type="checkbox"/> | Yes | Yes | Yes | Interview managers to confirm their understanding of risk and the extent to which they manage it. |
| A scoring system for assessing risks has been defined. | No | Unlikely, with no consistent approach defined. | Yes <input checked="" type="checkbox"/> | Yes <input checked="" type="checkbox"/> | Yes <input checked="" type="checkbox"/> | Check the scoring system has been approved communicated and is used. |
| The risk appetite of the organisation has been defined in terms of the scoring system. | No | No | Yes <input checked="" type="checkbox"/> | Yes <input checked="" type="checkbox"/> | Yes <input checked="" type="checkbox"/> | Check the document on which the controlling body has approved the risk appetite. Ensure it is consistent with the scoring system and has been communicated. |

| Internal Audit Comment |
|------------------------|
| |

| |
|--|
| The University's new Strategic Plan was refreshed in 2008. The process was reviewed by Internal Audit in 2006-07. |
| Not <u>all</u> managers have received training. |
| In place |
| Risk Appetite stated in the Risk Management Strategy. Risk review process challenges whether the level of residual risk is acceptable. |

| The Institute of Internal Auditors UK and Ireland - An approach to implementing Risk Based Internal Audit - Assessing the Organisations risk maturity | | | | | | |
|---|------------|--|---|--------------------------------------|--------------------------------------|--|
| Risk Maturity | Risk naive | Risk aware | Risk defined | Risk managed | Risk enabled | Sample audit test |
| Processes have been defined to determine risks, and these have been followed. | No | Unlikely | Yes, but may not apply to the whole organisation. <input checked="" type="checkbox"/> | Yes | Yes | Examine the processes to ensure they are sufficient to ensure identification of all risks. Check they are in use, by examining the output from any workshops. |
| All risks have been collected into one list. Risks have been allocated to specific job titles. | No | Some incomplete lists may exist. | Yes, but may not apply to the whole organisation. <input checked="" type="checkbox"/> | Yes | Yes | Examine the Risk Register. Ensure it is complete, regularly reviewed, assessed and used to manage risks. Risks are allocated to managers. |
| All risks have been assessed in accordance with the defined scoring system. | No | Some incomplete lists may exist. | Yes, but may not apply to the whole organisation. <input checked="" type="checkbox"/> | Yes | Yes | Check the scoring applied to a selection of risks is consistent with the policy. Look for consistency (that is similar risks have similar scores). |
| Responses to the risks have been selected and implemented. | No | Some responses identified. | Yes, but may not apply to the whole organisation. <input checked="" type="checkbox"/> | Yes | Yes | Examine the Risk Register to ensure appropriate responses have been identified. |
| Management have set up methods to monitor the proper operation of key processes, responses and action plans (monitoring controls). | No | Some monitoring controls. | Yes, but may not apply to the whole organisation. <input checked="" type="checkbox"/> | Yes | Yes | For a selection of responses, processes and actions, examine the monitoring control(s) and ensure management would know if the responses or processes were not working or if the actions were not implemented. |
| Risks are regularly reviewed by the organisation. | No | Some risks are reviewed, but infrequently. | Regular reviews, probably annually. <input checked="" type="checkbox"/> | Regular reviews, probably quarterly. | Regular reviews, probably quarterly. | Check for evidence that a thorough review process is regularly carried out. |
| Management report risks to directors where responses have not managed the risks to a level acceptable to the board. | No | No | Yes, but may be no formal process. <input checked="" type="checkbox"/> | Yes | Yes | For risks above the risk appetite, check that the board has been formally informed of their existence. |

| Internal Audit Comment |
|---|
| Risk Management Guidance Manual. |
| All risks have not been collated into one list. A series of risk registers exist. |
| In place for University, College, Support Groups and some Schools and operational areas |
| Yes, but may not apply to the whole organisation. |
| RMC ongoing review process. |
| RMC review process. |
| A formal risk review process is in place. Updated risk registers are presented to CMG and Audit Committee annually. |

| The Institute of Internal Auditors UK and Ireland - An approach to implementing Risk Based Internal Audit - Assessing the Organisations risk maturity | | | | | | |
|---|---|--|--|---|---|--|
| Risk Maturity | Risk naive | Risk aware | Risk defined | Risk managed | Risk enabled | Sample audit test |
| All significant new projects are routinely assessed for risk. | No | No | Most projects. <input checked="" type="checkbox"/> | All projects | All projects | Examine project proposals for an analysis of the risks which might threaten them. |
| Responsibility for the determination, assessment, and management of risks is included in job descriptions. | No | No | Limited <input checked="" type="checkbox"/> | Most job descriptions. | Yes | Examine job descriptions. Check the instructions for setting up job descriptions. |
| Managers provide assurance on the effectiveness of their risk management. | No | No | No | Some managers <input checked="" type="checkbox"/> | Yes | Examine the assurance provided. For key risks, check that controls and the management system of monitoring, are operating. |
| Managers are assessed on their risk management performance. | No | No | No | Some managers <input checked="" type="checkbox"/> | Yes | Examine a sample of appraisals for evidence that risks management was properly assessed for performance. |
| Internal Audit approach | Promote risk management and rely on alternative Audit Planning method | Promote enterprise- wide approach to risk management and rely on alternative Audit Planning method. <input checked="" type="checkbox"/> | Facilitate risk management/liaise with risk management and use management assessment of risk where appropriate. <input checked="" type="checkbox"/> | Audit risk management processes and use management assessment of risk as appropriate <input checked="" type="checkbox"/> | Audit risk management processes and use management assessment of risk as appropriate. | |

| Internal Audit Comment |
|---|
| The development of the Gateway process encompasses risk assessment for capital projects. Definitions of projects have been developed during 2008-09 to facilitate different approaches to risk to be followed as appropriate. |
| Will be for some defined roles such as project directors / managers. |
| Some managers. |
| Some may be assessed informally. |
| As risk management processes become more embedded, we are able to use management's assessment of risk where appropriate. E.g. EUCLID project. |

Appendix E

Internal Controls 2008-09: Analysis of the strengths and weaknesses identified during the year

| Ref | Audit assignment | Internal Controls | | | | | | | | VFM Opportunity ? |
|-----|--|-----------------------|--------------|--------------------------|----------|-------------|-----------|-------------------------|------------|-------------------|
| | | Segregation of Duties | Organisation | Authorisation & Approval | Physical | Supervision | Personnel | Arithmetic & Accounting | Management | |
| 1 | School of Physics and Astronomy (including the CSEC Centre) | | ✓ | | | | | | | |
| 2 | Estates and Buildings - Interface with Accommodation Services | | X | | | | | | | Yes |
| 3 | Utilities (Gas & Electricity) | | X | | | | X | | XX | Yes |
| 4 | Severance Payments Process | | | | | X | | X | | |
| 5 | Severance Settlements 2007-08 | | | | | | | | | |
| 6 | Risk Management - Project Risk Assessments | | | X | | | | | X | Yes |
| 7 | School of Engineering & Electronics | | | | | | | ✓✓ | | |
| 8 | 2007-08 TRAC Return Process | | | | | | | ✓ | | |
| 9 | Animal Hospitals - charging procedures | | X | X | | | | X | X | Yes |
| 10 | NHS use of University space | | X | | | | | X | X | Yes |
| 11 | Large Capital Projects - Costing of Running and Maintenance Costs | | | | | | | | | Yes |
| 12 | School of Social and Political Science | | | | | | | | | |
| 13 | School of Informatics | | X | X | | | | | ✓ | |
| 14 | Scottish Informatics and Computer Science Alliance - SICSA | | X | | | | | | | Yes |
| 15 | 2007-08 TRAC Teaching Return Process | | | | | | | ✓ | | |
| 16 | Intra and Extra College Collaborations - CHSS and CMVM | | | | | | | | | |
| 17 | Centre for Research Collections | | | | X | | | X | ✓ | |
| 18 | Capital Projects - intra project communications | | X | | | | | | ✓ | |
| 19 | Business Plans to Support Capital Projects | | ✓ | | | | | ✓ | ✓ | |
| 20 | Selected Interdisciplinary Research Centres within the College of Science and Engineering | | ✓ | ✓ | | | | | | |
| 21 | Overall Arrangements for Research Collaborations in the College of Science and Engineering | | ✓ | ✓ | | | | | ✓ | |
| 22 | School of Biomedical Sciences (Ctre. for Infect. Diseases) | | X | ✓ | | | | ✓ | | Yes |
| 23 | Intellectual Property | | X | | | | ✓ | XX | | Yes |
| 24 | Expenditure Authorisations | | | | | | | | | Yes |
| 25 | Procurement 2008-09 | | ✓ | | | | | | ✓ | |
| 26 | Severance Settlements 2008-09 | | | ✓ | | | | | | |
| 27 | Integration of the Roslin Institute with the University of Edinburgh | | | | | | | X | | |
| 28 | Management and Collection of Student Fees | ✓ | | X | | ✓ | | ✓ | | |
| 29 | Value for Money Arrangements | | ✓ | | | | | | ✓ | Yes |
| 30 | Staff On-Call arrangements | | | | | | | | X | Yes |
| 31 | EUCLID Project Management Support | | | | | | | | | |
| 32 | eProcurement Scotland - Working party and other advice | | | | | | | | | |

Key: (A blank entry indicates either not assessed, or no particular strengths or weaknesses identified.)

✓ = Control Assurance identified, X = Control weakness identified,
 ✓✓ = Strong Assurance identified, XX = Inadequate control identified.

Note: These assessments were made on the basis of the findings at the time of the audit.

2008/09 Value for Money Report

1. Introduction

In January 2006 a Value for Money Policy was agreed by the Audit Committee. On 14 October 2008, the SFC introduced its new mandatory requirements, which universities are obliged to comply with, as set out in paragraph 16 of the Financial Memorandum. These mandatory requirements oblige institutions (a) to have a strategy for systematically reviewing management's arrangements for securing value for money, and (b) to obtain, through their internal audit arrangements, a comprehensive appraisal of management's arrangements for achieving value for money. Audit Committee had included in the policy the giving of prime executive responsibility for this to the Central Management Group. This paper reports on VFM activity for 2008/09, covering both initiatives pursued through CMG, and more locally-focussed work over the last year, so that consideration can be given as to whether sound arrangements are in place to promote economy, efficiency and effectiveness and appropriately activity.

The Scottish Government is now concentrating even more attention on its efficient government initiative. The reporting required by the Scottish Funding Council will draw on the contents of this report.

As in previous year the report on initiatives have been divided into the following categories :

- Specific University wide initiatives
- Major investments to deliver long-term business enhancement and cost savings
- Estate rationalisation and other initiatives aimed at reducing utility costs and other estate-related expenditure.
- Reviews and reorganisation to deliver improved teaching, research and other support service delivery, including cost reductions.

2. Specific University-wide Initiatives

A number of initiatives that were underway last year have now moved to the implementation stage.

- The Review of the academic year is now completed and changes will be implemented in 2011/12. The new timetable delivers an extra revision week in semester one and an additional teaching week in the second semester.
- The review of academic governance has been concluded. From September 2009, four new committees are being set up replacing the previous committee structure. The new committees will improve focus and university wide activity on learning and teaching, researcher experience, curriculum, and student progression and quality assurance.
- The review of the University timetabling and teaching space allocation is ongoing. The outcome of the academic timetabling review has been accepted and now needs to be vigorously implemented to improve the less than optimum use of teaching space.

3. Major Investments to deliver long-term business enhancement and cost savings

- Roll out of eProcurement Scotland across the University. This allows staff to purchase contracted goods and services from, to date, 50 suppliers. As well as delivering VFM in procurement, it has also streamlined the purchase to pay process.
- Activity continued through 2008/9 with further programme of voluntary severance and early retirement. A total of £2.3million was spent which are forecast to deliver savings of £3.7million in 2009/10.
- The EUCLID project aims to deliver major improvements in the administration of students. The project ran into major difficulties during the year and changes were made to the management and scope of the project to ensure that an acceptable system was delivered and costs were controlled. Despite these difficulties, fundamental changes have been delivered in the way postgraduate students applications are handled and large increases in applications have been administered. Work continues to further improve the performance of the services so far delivered.
- The Roslin Institute merged with the University in May 2008, and has delivered a substantial increase in research activity in the RDVS, and has also achieved its overall business plan targets.
- The Research Pooling initiative has delivered enhanced performance in the 2008 RAE in a number of the schools who have taken advantage of this Scottish Funding Council initiative to create world class research.
- The roll-out of the International Strategy, though not at this stage delivering clear efficiency savings, is moving towards a more professional and co-ordinated activity at the college and school level, as well as increasing student numbers and international research collaboration.
- Schools across the University are regularly analysing methods of course delivery to improve both the quality of their courses and the efficiency of delivery. This includes the introduction of e-learning, which is less resource intensive.
- In addition to the Pensions+ salary sacrifice scheme that continues to deliver savings of £1.5million per annum, a Bicycles+ scheme has been introduced to take advantage of the Government's cycle to work tax relief. This has delivered £10k in national insurance savings to the University.
- Information services are carrying out a major project to introduce Microsoft Exchange 2007 as an integrated diary, mail and mobile service for the University. This will replace two current systems, improving service and reducing support costs.

4. Estates Rationalisation and activity are to reduce utilities cost

- In response to the large increases in the rates of pay for manual groups as a result of pay modernisation, a major restructuring has taken place. Staff reductions of over 40 FTE, reducing costs by 7%, have been achieved by restructuring service delivery methods whilst maintaining the standard of service.
- A mail services review has been carried out by SUMS. The review identified options for savings which have been implemented. The savings are included under the previous item.
- The effort to increase recycling continues. A rate of recycling of 52% has been achieved for general waste which equates to a saving of £235K. This is an increase of 14% or £68k in the year.
- During the year there was a dramatic improvement in the competition and prices that the University saw in tendering its major capital projects. This has resulted in savings of about £4.5million being achieved against pre tender estimates.
- The capital building programme which encompasses three very major projects - SCRM, the new Vets School and the library refurbishment - have run close to their

planned timetable. This will in future years deliver new momentum to more modest projects which are improving the condition and functional suitability of the estate leading to the eventual disposal of less efficient space.

- The Furniture Office has been working more effectively in reusing items of furniture. This avoided an estimated spend of £150k on new items.
- The switch and save campaign continues and there is evidence that this is having some effect on the electricity consumption figures for the University. The annual increase in consumption has historically been between 2% and 5% however over the 08/09 financial year it has remained relatively flat. This equates to a saving of around £150k in financial terms but has been partly offset by an increase in heating costs due to the colder winter.
- The energy market has dramatically changed since last year and there has been a substantial drop in tariff levels for gas and electricity. Procurement Scotland is in the process of buying electricity for the national contract due to start in October. They are also progressing tenders for the supply of gas and it is anticipated that the University will benefit from this contract starting in financial year 2010/2011. Procurement Scotland estimates that by procuring through the national Contract the University will save 2.5%.
- The investment of Government funding through SALIX, amounting to around £1M, continues through their initial investment and from savings being returned into a revolving fund to support energy efficiency projects in the future. The financial benefit will be seen in the years to come as each project is fully funded from its savings. George Square Theatre, and David Hume Tower Lecture Theatres and Refectory, are examples of energy efficient projects. Electric heating has been replaced with Combined Heat and Power as part of the SALIX programme. Saving will materialise in 4 to 5 years and, in addition, 15% of expenditure comes back to the University as a management fee.

5. Reviews and reorganisations to deliver improved teaching, research and other support service delivery including cost reductions.

- Maths have introduced a programme called Maple TA that allows students to retake tests on line. Each time it randomises the numbers, so the answer will be different at each attempt. This has allowed the school to cope with increased student numbers on very large courses where there are insufficient tutorial rooms for groups (15) to have weekly tutorials.
- Chemistry have replaced three NMR Spectrometers which were between 15-25 years old and at the end of their life. The work of all three is now being carried out by a new instrument funded by sustainability funds. Considerable savings are being delivered in repair, utilities, spare parts and downtime.
- With Informatics relocation into the Forum building, savings have been made in the way support services within the school are delivered. Rationalisation has allowed the administrative burdens of academic staff to be removed to allow them more time on teaching and research and therefore income generation.
- Chemistry are not replacing their own dedicated computer cluster, but are using the central Edinburgh Compute and Data Facility (EDCF). This has saved on hardware costs, and reduces support costs in the school.
- With the merger of Roslin Institute into the University, rationalisation is taking place of the facilities that they use. Activity at Compton in Berkshire is being moved to Edinburgh and research at a farm at Skeds Bush in East Lothian is ending. This will reduce the cost of the Institute's experimental work.
- The College of Humanities & Social Science has redesigned the interaction between the office of Lifelong Learning, the teaching of English as a Foreign Language and Community-based Modern Languages. The combining of the three organisations into

one unit will yield potential growth and has already achieved large cost savings on staff.

- In Literatures, Languages and Cultures, a review is underway to establish appropriate class sizes and levels of teaching input in order to reduce staff costs while maintaining teaching quality.
- Continuing professional development activity at the Royal (Dick) School of Veterinary Studies has been reviewed and rationalised. The Office of Lifelong Learning has taken on marketing and admin activity from the School.
- Registry's review of business processes, has driven major change and led to the development of online processes. Syllabus Plus has changed examination scheduling: timetabling is completed in two weeks when it used to take up to 10; there is better use of the estate and more effective use of invigilators allowing us to absorb some of the increasing costs of examination adjustments.
- Counselling, where taking a more structured approach to triaging initial contact has helped reduce waiting lists and ensure that most needy students get quicker access to counselling.
- Communications and Marketing where integration of the audio-visual team from ISG and the provision of internal media training gives the University access to professional services at a much cheaper rate than if they were purchased externally.
- Development and Alumni's work with an external database provider to develop a new computer system module for major gifts which was free to the University, and reduced contract costs.
- ERI's research and development office is now paper free. All records are scanned and kept on the IT systems and there are no longer any new paper files opened.

Conclusion

The work on VFM has continued to be very substantial over the last year. Managers have been even more focussed on this activity as they recognise that the period of strong growth in public and private income is very unlikely to continue. Reducing costs whilst at the same time improving service delivery underlies many of the actions being carried out. The University has to match the best in the world as regards the quality of its academic output and its service to students and other customers.

In addition, it strives to deliver support services that are fit for purpose and efficiently delivered. While a great deal of work is still going on, the next year will see the conclusion of a major review of support services, both central and college-based, across the University. The outcome of this work, and its implementation, are going to be crucial in delivering a step change in the VFM the University delivers in this area, in a context of ever more challenging financial circumstances.

Jon Gorringe, *Director of Finance*

24 September 2009

**Minute of the Meeting of the Audit Committee
held at 5.30 p.m. on 23 November 2009
in the Lord Provost Elder Room, Old College**

Present: Ms G Stewart (Convener)
Mr D Bentley
Professor S Monro
Ms A Richards
Mr M Sinclair
Professor A Smyth

In attendance: The Principal
Mr M D Cornish, The University Secretary
Mr N Paul, Director of Corporate Services
Mr J Gorringer, Director of Finance
Mr A Digance, Assistant Director of Finance
Mr H McKay, Chief Internal Auditor
Mr M Rowley, KPMG, External Auditor Director
Mr S Reid, KPMG, Director
Dr K Novosel, Head of Court Services

1 MINUTE OF THE MEETING HELD ON 1 OCTOBER 2009

Paper A

The Minute of the meeting held on 1 October 2009 having previously been circulated was approved as a correct record.

2 MATTERS ARISING

2.1 Internal Audit terms of reference

Court at its meeting on the 19 October 2009 had approved the revised terms of reference for the Internal Audit Service as agreed by the Committee on the 1 October 2009.

2.2 Private meetings with External and Internal Auditors

There had been frank and open discussion with External and Internal Auditors including discussion on the recent audit process and there were no issues which required to be considered further.

2.3 Membership of Committee

Court at its meeting on the 19 October 2009, on the recommendation of the Nominations Committee had extended the terms of office of Mr Bentley until 31 December 2010; there would be further consideration of the membership of the Committee early in 2010.

2.4 Regulation of dormant endowment funds

It had previously been reported that the University was seeking to address issues regarding the capital and interest of dormant endowments by formulating a new Ordinance. This process was still on-going with detailed discussions being taken forward with the Scottish Government and the Privy Council to reach a satisfactory conclusion.

3 PRINCIPAL'S COMMENTS

The Principal provided an overview of the activities of the University for the financial year ended 31 July 2009, commending the Reports and Financial Statements and the surplus achieved, the very high levels of satisfaction with the Internal Audit Service, the Finance department and risk management processes, the successes in the areas of commercialisation and research, undergraduate and postgraduate recruitment and the University's contributions to climate change research and its reduction in carbon emissions. The current challenges were noted in particular issues around accountability of government funds allocated for specific purposes, pension provision and the delivery of the EUCLID project. In respect of the EUCLID project, the University had acted expediently when the extent of the difficulties had been identified and it had taken action to re-scope the project to ensure delivery of the critical systems and functions; the lessons learned were being taken forward including the development of revised guidance and templates for major projects within a risk management framework.

FOR DISCUSSION

4 DRAFT REPORTS AND FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2009 (CLOSED)

Paper B

The Audit Committee noted that no accounting practices had changed since last year and that these Reports and Financial Statements had been prepared in accordance with SORP 2007.

An increased turnover of £592m was recorded demonstrating the continuing underlying growth of the University with increases in most categories of income; there had been a reduction in endowment and investment income and a new investment strategy was now being applied. The income from research grants and contracts was particularly strong and as grants were awarded over two to three years this would offer some protection should the University experience reductions from this source of income in future years. Tight control of expenditure had been exercised during the year with prompt action taken in the light of the economic position including the introduction of the post review group and central funding to support voluntary and early retirement; there had been an overall reduction in staff numbers, particularly in the category of academic and related staff and salary expenditure reflected the implementation of the previously agreed salary uplift. The Committee noted that an amendment of an additional £15k was required to the figure recorded against the pension contributions under the emoluments received by the Principal. The other significant expenditure categories were noted, particularly the reduction in library, computer and other academic support services and the increases in utilities' costs. The Committee welcomed the modest surplus achieved of £4m which was a comfortable position for the University.

In respect of the balance sheets, the Committee noted the reduction from the previous year in endowment asset investments and that there had been some recovery since year end. The Committee further noted the growth in creditors as a result of the University receiving advanced payments from funding bodies. There had been previous discussion on pension liabilities and this was reflected in the balance sheets; the Committee noted the extensive information in the notes on this matter and the current position in respect of the response to the initial SBS triennial evaluation. The Group cash flow statement confirmed the continuing strong financial position of the Group.

The Committee considered the draft Reports and Financial Statements in detail, welcomed the External Auditor's Report and unqualified opinion and commended the continuing financial strength of the University. It agreed to recommend to Court the adoption of the

Reports and Financial Statements for year ended 31 July 2009 subject to consideration of suggestions made at the meeting, insertion of a statement on disability, amendment to the Principal's emolument and correction of any remaining typographical errors.

5 EXTERNAL AUDIT HIGHLIGHTS MEMORANDUM 2008-2009 (CLOSED)

Paper C

The External Auditor indicated that there were no significant matters requiring to be brought to the attention of the Audit Committee; the external auditing process had been particularly straightforward and the finance staff involved were to be congratulated. The sector faced a number of challenges in 2009/2010 and the key risk areas for this University included future government funding allocations, pension issues, maintaining research funding sources, the significant capital programme, issues remaining around the Roslin Institute and the previous discussed position with the EUCLID project. All the recommendations as set out in the action plan were being addressed and satisfactorily progressed.

The Committee considered KPMG's Highlights Memorandum for the year ended 31 July 2009 and was content that it represented a balanced view; in respect of the comments on the EUCLID project, the actions being taken by the University to minimise risk were noted and clarification was sought on the funding figures quoted which would be appropriately adjusted.

6 DRAFT LETTER OF REPRESENTATION AND COMMENTARY (CLOSED)

Paper D

The Committee reviewed the draft Letter of Representation to the External Auditors from the Principal setting out the responsibilities of the University and Court in connection with the External Audit of the Reports and Financial Statements. It noted that there had been previous comment on the phraseology on the Letter of Representation in respect of the 2007/2008 Accounts and KPMG agreed to a slight amendment to the wording in section 4. It was further noted that the Letter was little changed from that signed in respect of last year's Accounts.

The commentary and attached appendices provided assurances to the Committee on the mechanisms operating within the University which allowed the Letter to be signed off by the Principal on behalf of the Court.

The Audit Committee was satisfied with the assurances provided in respect of the content of the draft Letter of Representation and recommended approval of the Letter to Court subject to the agreed amendment.

7 RISK MANAGEMENT COMMITTEE ANNUAL REPORT

Paper E

The comprehensive report on the activities of the Risk Management Committee was welcomed and based on these activities the Audit Committee noted the overall view of the Risk Management Committee that the University had been satisfactorily managing its key risks during the year ended 31 July 2009. A further post year end risk management and controls statement would be provided to the next meeting of Court as part of the process to sign off of the Reports and Financial Statements following consultation with Colleges and Support Groups on any emerging risks or developments to previously identified risks.

The Audit Committee commended the transparency of the process to identify risks and the information contained in the risk management annual return. It was further confirmed that information contained within the assurances map referred to the risks within the 2008/2009 University's risk Register (version 6) and that a revised Register which

addressed some of the issues raised by the Committee had been approved by Court on the 22 June 2009.

The Audit Committee was content to endorse the Risk Management Annual Report for onward consideration by the Finance and General Purposes Committee and Court.

8 AUDIT COMMITTEE ANNUAL REPORT

Paper F

The Committee considered and approved its draft Annual Report which would be presented to Court at its meeting on 14 December 2009 subject to an amendment to one of the tables within the Internal Audit Annual Report which was attached as an appendix to the main Report.

9 FRAUD POLICY

Paper G

It was noted that at the last meeting of the Audit Committee the External Audit interim report had made reference to the need to review the University's current Fraud Policy. While noting there was no implication that there were any instances of impropriety in this University, difficulties in other institutes within the sector had been widely reported and this highlighted the need to have robust procedures in place. The revised Policy was based on good practice guidance, particularly templates developed by the Fraud Advisory Panel.

The Committee welcomed this revised Policy and recommended adoption to Court subject to consideration and clarification of the roles of the University Secretary and Director of Human Resources in the implementation of this Policy. It was suggested that consideration be given to a specific reference to fraud associated with inappropriately accessing IT systems. It was further noted that the University also had in place a 'Whistleblowing' Policy which provided further assurances on the mechanisms available to individuals to report suspected fraud and malpractice and that areas of suspected academic fraud (except where financial impropriety was also suspected) were taken forward through separate procedures.

INTERNAL AUDIT

10 INTERNAL AUDIT REPORTS

Paper H

The Audit Committee considered the reports on 5 Internal Audit assignments completed since its last meeting. It welcomed the new format which now included a commentary sheet with succinct information on the outcome of each assignment in response to the Committee's suggestions at its meeting on the 1 October 2009.

Mobile Working

The importance of mobile/home working to contingency planning procedures and business continuity was noted and the Committee further noted the number of matters requiring to be considered, including health and safety issues as well as security. All the recommendations had been agreed and were being actioned. The different timeframe for taking forward the HR policy review was noted; a number of HR policies were currently being reviewed and in consultation with unions and other stakeholders, the priority for each had been identified.

IT Security

It was noted that a revised IT Security Policy would be brought to the next meeting of Court for approval. All the recommendations in the report were being taken forward.

Full Business Continuity: Operational Readiness in Key IT Risk Areas

The Committee noted that this assignment dealt only with IT specific risk areas and that all the recommendations had either been satisfactorily addressed or were being actively taken forward.

Downloading Personal Data to any Device

The exposure to reputation risk should personal data be inappropriately disclosed was noted as were the legal sanctions and penalties. All the recommendations in the report had been agreed and were being taken forward.

Main Library Redevelopment Project: Continuity of Service

The incremental approach to taking forward this project was commended and had resulted in the library being able to continue to deliver satisfactory services to students.

11 INTERNAL AUDIT FOLLOW UP REVIEWS

Paper I

The Committee noted satisfactory progress in respect of the 4 internal audit assignments reviewed since its last meeting.

12 INTERNAL AUDIT PROGRESS REPORT

Paper J

It was noted that the 2008/2009 Audit Plan was nearing completion and the 2009/2010 plan was 28% advanced after 14 weeks. Both were satisfactory positions.

FOR INFORMATION/FORMAL APPROVAL

13 DATE OF NEXT MEETING

The next meeting will be held on Thursday, 4 March 2010 at 5.30 pm in the Lord Provost Elder Room, Old College.

The University of Edinburgh

The University Court

14 December 2009

Reports and Financial Statements for the Year to 31 July 2009

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

Reports and Financial Statements for the Year to 31 July 2009.

Action requested

The draft Reports and Financial Statements were reviewed by the Audit Committee at their meeting of 23 November and were recommended to Court at the meeting of the Finance and General Purposes Committee on 30 November. Court is requested to review the Reports and Financial Statements with a view to adoption following which the Reports & Financial Statements will be signed on behalf of Court. The adopted Financial Statements together with the management Letter of Representation will be passed to the external auditor in order that their report may also be signed.

A copy of the Reports and Financial Statements will be lodged with the Scottish Funding Council by 31 December 2009. A further copy will be filed in due course along with the annual return for 2008-2009 with the Office of the Scottish Charity Regulator.

Resource implications

Does the paper have resource implications? No

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the effective conduct of public affairs

For how long must the paper be withheld? The release of the Reports and Financial Statements is covered by the University publication schedule. The Reports and Financial Statements will be published 30 days after adoption and signature by the Court on 14 December 2009.

Originator of the paper

Jon Gorringe
Director of Finance
8 December 2009

C5.2

The University of Edinburgh

The University Court

14 December 2009

Letter of Representation for the year ended 31 July 2009

Brief description of the paper

Attached is the Draft Letter of Representation in respect of the Reports and Financial Statements for the year ended 31 July 2009. The Principal on behalf of Court will sign the final Letter to the External Auditors in support of the Financial Statements being audited. Additional representations this year include representations in respect the completeness and accuracy of the figures for capital work in progress and material debtor and creditor balances relating to research projects included in the financial statements.

In making the statements in the Letter the Principal acknowledges the responsibilities placed on him and on the Court by various statutes, standards and memoranda for the effective stewardship of the University's resources and the proper conduct of its affairs. Reliance must be placed on a number of checks and balances incorporated into the processes and procedures (internal control system) necessary to effectively manage the University, and on the advice of professional advisors and on the professional ethics of the University's academic, research and support staff.

The draft Letter was considered at the Audit Committee on 23 November 2009 and after discussion with KPMG the attached draft now includes an amendment in section 4 which takes cognisance of comments raised in respect of the 2007-2008 Letter of Representation by a Member of Court. This draft was considered by a meeting of the Finance and General Purposes Committee of 30 November 2009.

Action requested

It is requested that the letter of representation is reviewed and the contents noted and that the draft is ratified by Court in order that the letter may be signed on their behalf by the Principal following the meeting of 14 December.

Resource implications

None

Risk assessment

None

Equality and diversity

The paper has no equality and diversity implications.

Freedom of information

Can this paper be included in open business? No
Its disclosure would substantially prejudice the commercial interests of any person or organisation.

Originator of the paper

Jon Gorringe
Director of Finance
8 December 2009

The University of Edinburgh

University Court

14 December 2009

Outturn 2008-09 versus Quarter 3 Forecast

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

The paper seeks to compare the University's financial outturn for 2008-09 with the Quarter 3 forecast prepared in Spring 2009. (As per footnote one, the paper deals with the outturn of the University alone, whereas the Annual Financial Statements deal with the University Group, including subsidiary companies.)

Action requested

The paper is for information and discussion.

Resource implications

As indicated in the paper.

Risk Assessment

The continuing financial health of the University.

Equality and Diversity

None.

Any other relevant information

None.

Originator of the paper

David C I Montgomery, Deputy Director of Finance
Jon Gorringe, Director of Finance

5 November 2009

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the commercial interests of any person or organisation

The paper should be withheld for a period of twelve months from date of presentation to Finance and General Purposes Committee.

The University of Edinburgh

University Court

14 December 2009

Commissioners' Ordinance

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

The paper updates Court on progress with consultations on the ordinances intended to enable repeal and replacement of the Commissioners' Ordinance.

Action requested

Court is asked to note the report and to agree that the five specific points a. – e. set out in it can be conveyed to the trades unions as having Court's support.

Resource implications

Does the paper have resource implications? No

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? No

If No, please indicate which of the reasons below justifies the paper being withheld.

Its disclosure would substantially prejudice the effective conduct of public affairs

For how long must the paper be withheld? Until the new ordinances have been approved.

Originator of the paper

Melvyn Cornish, University Secretary
Sheila Gupta, Director of HR

The University of Edinburgh

The University Court

14 December 2009

Strategic Plan 2008-2012 Targets – Annual Progress Report

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

This paper presents the first report on progress, based on data/information available to date, against the 33 targets set out in the University's Strategic Plan 2008-2012. The paper has been endorsed by both CMG and FGPC. Once Court's comments have been incorporated, the progress report will be submitted to the Scottish Further and Higher Education Funding Council (SFC).

Appendix A contains a final report on performance against eight targets from the previous Strategic Plan 2004-2008. These targets had an achievement status of 'not yet determined' at this time last year, usually because external data for 2007/08 were not yet available at that time; the data are now available.

Action requested

For comment and approval.

Resource implications

None.

Risk assessment

Inadequate monitoring of progress against the University's Strategic Plan targets could result in the non-delivery of the plan's objectives and strategies and, ultimately, failure to meet targets.

Equality and diversity

Targets 10.1 – 10.3 in the 'Promoting equality, diversity, sustainability and social diversity' Strategic Theme of the Strategic Plan have equality and diversity implications.

Freedom of information

Can this paper be included in open business? Yes

Any other relevant information

To be presented by Alexis Cornish, Director of Planning and Deputy Secretary

Originator of the paper

Rona Smith/Alexis Cornish, Governance and Strategic Planning, 7 December 2009

Summary

The following 33 targets are those which appear in the University's Strategic Plan 2008-2012. Colleges and Support Groups also set and monitor their own targets in addition to those listed here.

Forecast achievement statuses indicate that:

- the University is 'on track' to meet 17 out of 33 targets;
- 8 targets are currently 'not yet determined', usually because data are not yet available; and
- the remaining 8 targets are assessed as 'further work required' (targets 1.1, 1.2, 5.3, 7.1, 8.2, 10.2, 10.3 and 12.3).

| Target | Progress to date | Achievement Status (forecast) |
|--|---|--|
| Excellence in learning and teaching | | |
| 1.1 | increase the level of satisfaction expressed in the <i>Assessment and feedback</i> section of the National Student Survey and enter the upper quartile of institutions surveyed | <ul style="list-style-type: none"> • This target is measuring the percentage of Edinburgh's National Student Survey (NSS) respondents answering 4 (mostly agree) or 5 (definitely agree) to the five questions in the NSS which relate to assessment and feedback. The aim is for the University's percentage figure by 2012 to be at least equal to the upper quartile figure for all non-specialist Universities UK (UUK) members, being the largest relevant group of participating institutions. • In 2009, Edinburgh's figure was 46%, up from 45% in 2008. This was the equal lowest figure of all comparator group institutions, 21% lower than the comparator group upper quartile figure and 16% lower than the Russell Group upper quartile figure. • A series of actions has been taken to enhance feedback (and thereby contribute to raising overall satisfaction scores) including the following: <ul style="list-style-type: none"> • launching a 'traffic lights' categorisation of Schools into three performance groups based on their NSS scores; • requiring all Schools to prepare and submit action plans; and • setting up a Task Group to draw up feedback standards and guiding principles; share good feedback practices as widely as possible; and develop a world-class website resource on improving feedback that links innovative strategies to case-examples from across the subject range. |

¹ Where a status of 'not yet determined' has been used, this is usually because data are not yet available. Where possible, the 'progress to date' column of the table provides an indication of when it is likely that the achievement status can be determined.

| Target | | Progress to date | Achievement Status (forecast) |
|-------------------------------|---|---|---|
| 1.2 | by September 2009, simplify and standardise assessment procedures and regulations, using common processes except where departures from these are necessary for academic reasons | <ul style="list-style-type: none"> In the changed context of new Vice-Principal appointments and revised Senate structures, and the linked refocusing on the achievement of academic strategic goals, revised work planning is required to maximise emerging opportunities in this area. Substantial groundwork has been undertaken to consider mappings of current regulations, academic policies, strategic priorities and the assessment cycle. Given the complexities of this area, and the need to achieve the final outcome through well-considered incremental change, a revised timescale of 'by the end of the Plan period' is now recommended. | <ul style="list-style-type: none"> further work required |
| 1.3 | be one of the first Russell Group universities to implement the use of transcripts for measuring and recording student achievement | <ul style="list-style-type: none"> A Curriculum and Student Progression Committee Task Group has been established to scope the current situation. The Task Group has prepared an interim report and is recommending that Edinburgh considers joining the Higher Education Achievement Record scheme, which will be delivered to all English full time undergraduates graduating from 2011. The Task Group will provide an interim report mid-November and a final report in January 2010. Appropriate timescales and responsible person(s) for further action will be determined in light of this scoping work. | <ul style="list-style-type: none"> on track |
| 1.4 | increase our headcount of taught postgraduate students by 50% | <ul style="list-style-type: none"> In 2008/09, our headcount of taught postgraduate students was 4,356, which was 13.8% greater than in 2007/08. | <ul style="list-style-type: none"> on track |
| Excellence in research | | | |
| 2.1 | achieve year-on-year improvement in the quality and quantity of our research as measured by the Research Excellence Framework | <ul style="list-style-type: none"> Progress against this target cannot be measured until the Research Excellence Framework has been implemented. | <ul style="list-style-type: none"> not yet determined |
| 2.2 | increase our headcount of research postgraduate students at a greater rate than the Russell Group average | <ul style="list-style-type: none"> 2008/09 data will not be available until March 2010. Our headcount of research postgraduate students in 2007/08, the baseline year for this target, was 2,600. | <ul style="list-style-type: none"> not yet determined |
| 2.3 | double the recorded number of skills training and development opportunities taken up by postgraduate research students | <ul style="list-style-type: none"> In 2008/09, the recorded number of skills training and development opportunities taken up by postgraduate research students was 3,271. This is an increase of 17% on 2007/08. Work is continuing to collect data covering additional training and development opportunities offered by a broader range of providers. This is expected to result in an increase in the above figures. | <ul style="list-style-type: none"> on track |

| Target | Progress to date | Achievement Status (forecast) |
|---|---|---|
| Excellence in commercialisation and knowledge exchange | | |
| 3.1 | increase our economic impact by a higher percentage than our growth in income | <ul style="list-style-type: none"> • This target will be reported on biennially, with the first report on progress included in the October 2010 progress report. |
| Quality people | | |
| 4.1 | achieve an 85% appraisal completion rate across all staff | <ul style="list-style-type: none"> • This target is measuring the proportion of the University's total staff population who are recorded as having had an appraisal, which is defined as being 'the discussion that takes place between an individual member of staff and his/her line manager, usually on an annual basis, and supplemented by regular feedback in between, focusing on the work undertaken in the preceding year, and work to be undertaken in the year ahead'. In terms of the existing appraisal documentation, the outcomes of this discussion are then signed off using a specific form. • Setting the target at 85% is a reflection of the fact that around 15% of the University's total staff population are on very short term or very low hours ('hours to be notified') contracts, on secondments to the University ('visitors'), or are principally employed by a partner organisation. The target is aiming for 100% of all other staff. It is recommended that the current target is reviewed for the new academic year, in the light of progress made and any change in circumstance since the original target was set, to ensure the continued alignment between business goals and individual goals for all relevant staff. • Prior to the appraisal target being set in the Strategic Plan, there was no requirement for monitoring appraisal across the piece. An implementation group has now been established, with representation from Human Resources teams across the University to develop an easy to use mechanism for reporting appraisal activities this year, based on good practice. In tandem with this work, the Oracle Human Resources database is being developed to offer institution-wide recording from the new academic year. • The Investors in People framework, which is already in use in Accommodation Services, and is also being progressed across the whole of the Corporate Services Group, is being seen as a particularly useful focus for establishing good practice in relation to tracking/reporting on appraisal activities linked to the business. |

| Target | Progress to date | Achievement Status (forecast) |
|--------|--|---|
| 4.2 | increase the proportion of Schools achieving the Athena Swan Silver Award for the recruitment and promotion of women in science, to include at least one School in the College of Medicine and Veterinary Medicine and another three Schools in the College of Science and Engineering | <ul style="list-style-type: none"> • on track • further work required • not yet determined¹ |
| 4.3 | ensure 90% of staff in leadership roles have participated in a leadership development programme or other related activities | <ul style="list-style-type: none"> • In the College of Science and Engineering: <ul style="list-style-type: none"> • The School of Chemistry was awarded the Athena Swan Silver award in 2006, prior to this target being set, and is aiming to achieve the Gold Award by 2012. • The Schools of Biological Sciences and Physics have recently started work toward achieving the Silver Award. • Other Schools have indicated an interest but, for various reasons, do not yet feel the time is right for them to pursue this award. • In the College of Medicine and Veterinary Medicine: <ul style="list-style-type: none"> • The School of Biomedical Sciences has started work toward achieving the Silver Award. |
| | | <ul style="list-style-type: none"> • This target is to be achieved cumulatively over the 4 year period covered by the Strategic Plan. • In 2008/09, 26% of academic, clinical and professional services staff in identified leadership roles (grades 9, 10 & equivalent in Head/Director roles with responsibility for others, even if just one other person) participated in a leadership development programme or other related activities. This percentage is comprised of 40% of professional services staff who were in leadership roles and 19% of academic staff who were in leadership roles. • It should be noted that 35% of academics in leadership roles in 2008/09 had participated in leadership development initiatives between 2006-09 and the leadership development initiatives included are only those known to HR. |
| | | <ul style="list-style-type: none"> • on track |
| | | <ul style="list-style-type: none"> • not yet determined |

| Target | | Progress to date | Achievement Status (forecast) |
|-------------------------|---|--|---|
| 4.4 | increase the number of international applications for academic posts | <ul style="list-style-type: none"> This target is measured using applicants' home address data and covers all 'academic' vacancies advertised, including those for research assistant posts. Against a year-on-year increase between 2007/08 and 2008/09 of 36% in academic posts advertised, the number of international applications has gone up by 76%. The proportion of applications which are from international applicants has remained broadly the same. In 2008/09 465 academic vacancies were advertised. We received a total of 11,494 applications for these vacancies: 3,817 (33.2%) applications had an international (non-UK) home address and the remaining 7,677 (66.8%) had a UK home address. Of the 3,817 international applications, 1,302 had a home address outwith the UK but within the EU and 2,515 had a non-EU home address. In 2007/08 342 academic vacancies were advertised. We received a total of 6,239 applications for these vacancies: 2,165 (34.7%) applications had an international (non-UK) home address and the remaining 4,074 (65.3%) had a UK home address. Of the 2,165 international applications, 652 had a home address outwith the UK but within the EU and 1,513 had a non-EU home address. | <ul style="list-style-type: none"> on track |
| Quality services | | | |
| 5.1 | complete the review of the balance and interaction between locally and centrally provided services, and consider and act upon its recommendations | <ul style="list-style-type: none"> The project is in progress and is now expected to report toward the end of 2009. Vice-Principal Professor McMahon has taken over convenorship of the project steering committee from Professor Chapman. | <ul style="list-style-type: none"> on track |
| 5.2 | increase the overall level of satisfaction expressed in the <i>Support services</i> section of the International Student Barometer survey and enter the upper quartile of institutions surveyed | <ul style="list-style-type: none"> The overall level of satisfaction expressed in the Support services section of the Summer 2009 International Student Barometer survey was 90.8%. For this measure, we were ranked 22nd out of 95 institutions, which put us in the upper quartile of institutions surveyed internationally. Our figure was 3.1% higher than the 87.7% achieved in the Summer 2008 survey, which was outwith the upper quartile. | <ul style="list-style-type: none"> on track |
| 5.3 | deliver the EUCLID project in accordance with the agreed plan | <ul style="list-style-type: none"> The EUCLID project scope and plan was revised for 2009/10 to fit within financial constraints whilst still delivering key functions. Some of the essential academic applications and functions will be carried out through independent, but co-ordinated, Satellite Projects. These EUCLID and Satellite Project deliverables are broadly on schedule, but some slippage has been identified and the EUCLID Strategy & Quality Assurance Group is currently implementing corrective options to ensure that only the highest priority systems and features are being developed. | <ul style="list-style-type: none"> further work required |

| Target | | Progress to date | Achievement Status (forecast) |
|-------------------------------|--|--|--|
| 5.4 | offer a University website, encompassing all academic and support units, that is rated by key user groups as highly effective | <ul style="list-style-type: none"> The majority of Support Units have delivered their first phase of website development in the University content management system, Polopoly. The remainder are on course to do so before the end of 2009/10. The Edinburgh Global website first iteration is fully operational. School websites are now being redesigned and implemented - most Schools will have a presence in Polopoly by the end of 2009/10, with some of the other Schools adopting the corporate style but implementing separately. Assessment of user experience across the whole site will begin in this year. Initial reactions to the redeveloped site have been positive. | <ul style="list-style-type: none"> on track |
| Quality infrastructure | | | |
| 6.1 | increase income per square metre on a year-on-year basis | <ul style="list-style-type: none"> 2008/09 data will not be available until the University's Reports and Financial Statements have been published. In 2007/08, the baseline year for this target, our income per square metre of gross internal area was £980, which was £103 (11.7%) higher than in 2006/07. | <ul style="list-style-type: none"> not yet determined |
| 6.2 | undertake a review of the University's academic timetable and teaching space utilisation with a view to implementing change as appropriate from 2010/11 | <ul style="list-style-type: none"> CMG has approved setting up Phase 1 of the University's Academic Timetabling Project, with Dr Nick Hulton (Dean of Learning and Teaching for the College of Science and Engineering) taking up the role of academic lead. Phase 1 will focus on consultation and cultural change and will deliver a fully-costed project scope, together with an agreed model for timetabling business processes and an agreed implementation plan. Phase 2 will develop the output from Phase 1 to formal project stage, as appropriate, with the appointment of project manager and formal project board. Running in parallel, Estates & Buildings staff will begin to consolidate School-controlled teaching rooms managed by Schools/Colleges into the Estates & Buildings Information System (EBIS) room booking system. This process will be carried out in stages, starting with the Colleges of Science and Engineering and Humanities and Social Sciences, and will involve liaison with, and training of, local staff so they can manage the bookings. Teaching rooms in the College of Medicine and Veterinary Medicine will then follow and the scope for extending the project to include laboratories and other meeting space will be explored. | <ul style="list-style-type: none"> on track |
| 6.3 | increase overall building performance (condition and functional suitability), achieving 90% acceptable standard in two of our three academic zones and 60% for the Central Area (within the constraints of historic buildings) | <ul style="list-style-type: none"> This target is reviewed in line with the timetable for Estate Strategy updates. Updated building condition and functional suitability surveys are underway. Data from these surveys, which will allow us to report on progress against this target, will not be available until early 2010. | <ul style="list-style-type: none"> not yet determined |

| Target | Progress to date | Achievement Status (forecast) <ul style="list-style-type: none"> • on track • further work required • not yet determined¹ | |
|---|---|---|---|
| Enhancing our student experience | | | |
| 7.1 | increase the level of satisfaction expressed in the <i>Overall satisfaction</i> question from the National Student Survey and enter the upper quartile of institutions surveyed | <ul style="list-style-type: none"> • This target is measuring the percentage of Edinburgh's National Student Survey (NSS) respondents answering 4 (mostly agree) or 5 (definitely agree) to the overarching 'overall satisfaction' question in the NSS. The aim is for the University's percentage figure by 2012 to be at least equal to the upper quartile figure for all non-specialist Universities UK (UUK) members, being the largest relevant group of participating institutions. • In 2009, Edinburgh's figure was 83%, up from 82% in 2008. This was equal to the median of all comparator group institutions, 3% lower than the comparator group upper quartile figure (which was 1% lower than in 2008), and 4% lower than the Russell Group upper quartile figure. • See target 1.1 for information on actions being taken. | <ul style="list-style-type: none"> • further work required |
| 7.2 | ensure that all our teaching programmes, undergraduate and postgraduate, incorporate comprehensive development of the skills and attributes that graduates need | <ul style="list-style-type: none"> • A Steering Group on 21st-century Edinburgh Graduate was recently set up to build on work to date on graduate employability, link to Scottish HE sector Enhancement Themes, and encourage and support curriculum developments across the Colleges. • With SFC funding for 2007-11, two consultants based in the Careers Service have been working with colleges to enhance student employability. • An extended Senatus on graduate employability is planned for June 2010. • A review is underway of how best to embed graduate attributes in course and programme records, course handbooks and websites, degree transcripts, and quality assurance mechanisms. | <ul style="list-style-type: none"> • on track |
| Advancing internationalisation | | | |
| 8.1 | increase our headcount of non-EU international students by a minimum of 1,000 | <ul style="list-style-type: none"> • In 2008/09, our headcount of non-EU international students was 4,258, an increase of 335 on the 2007/08 baseline of 3,923. | <ul style="list-style-type: none"> • on track |
| 8.2 | increase the proportion of our students attending another international institution by 50% | <ul style="list-style-type: none"> • The target of a 50% increase between 2007/08 and 2011/12 requires us to achieve a figure of 699 by the final year. • In 2008/09 a total of 433 Edinburgh students participated in formally approved student exchange programmes. This represents a small (-7%) decrease on our baseline figure of 466 in 2007/08, due in part to an unprecedented number of students withdrawing at a late stage. | <ul style="list-style-type: none"> • further work required |
| 8.3 | increase the value of our research grant income from EU and other overseas sources so that we remain above the median of the Russell Group | <ul style="list-style-type: none"> • 2008/09 data will not be available until April 2010. • In 2007/08, the baseline year for this target, the value of our research grant income from EU and other overseas sources was £17.4 million. This was 41% greater than the Russell Group median of £12.4 million. | <ul style="list-style-type: none"> • not yet determined |

| Target | Progress to date | Achievement Status (forecast) • on track • further work required • not yet determined ¹ | |
|--|--|---|---|
| Engaging with our wider community | | | |
| 9.1 | bid successfully for at least one major international and one major domestic sporting event per year, and one training camp for the 2012 Olympic Games | <ul style="list-style-type: none"> • In 2008/09, the Centre for Sports and Exercise staged 3 major international and 2 major domestic sporting events. Bids to stage at least 1 international and 3 domestic sporting events during 2009/10 have been successful and plans are in place to host further events in future years. • A partnership bid with the City of Edinburgh Council to establish Edinburgh as a world class training centre for high performance sport (pre Games training camps ahead of London 2012/Glasgow 2014) is being progressed. | <ul style="list-style-type: none"> • on track |
| 9.2 | meet the Edinburgh Beltane Beacon programme target of seconding nine Public Engagement Fellows over three years | <ul style="list-style-type: none"> • As at October 2009, six Public Engagement Fellows had been seconded, with a seventh in place to begin her secondment at the start of November 2009. | <ul style="list-style-type: none"> • on track |
| Promoting equality, diversity, sustainability and social responsibility | | | |
| 10.1 | converge on our participation benchmarks for under-represented groups | <ul style="list-style-type: none"> • 2008/09 data will not be available until June 2010. • For the proportion of young entrants from state schools, our performance in 2007/08 was 70.3% compared with a benchmark of 80.6%, representing a difference of 10.3%. This represents a convergence of 1.7% on the previous year's figures. • For the proportion of young entrants from low social classes, our performance in 2007/08 was 17.2% compared with a benchmark of 20.8%, representing a difference of 3.6%. This also represented a convergence on the previous year's figures, of 2.1%. | <ul style="list-style-type: none"> • on track |
| 10.2 | increase the proportion of female academic staff appointed and promoted to the lecturer, senior lecturer, reader and professor levels | <ul style="list-style-type: none"> • In 2008/09, the proportion of female academic staff appointed and promoted to grades UE08 or equivalent and higher, was 34.7% (39.7% to UE08 or equivalent, 30.2% to UE09 or equivalent, and 26.8% to UE10 or equivalent). These figures are all lower than in 2007/08, when the proportion of female academic staff appointed and promoted to grades UE08 or equivalent and higher was 38.4% (43.7% to UE08 or equivalent, 40.2% to UE09 or equivalent, and 27.5% to UE10 or equivalent). • Although, in order to measure progress against the target, new appointments and promotions figures have been combined, it is worth noting that there has been a significant increase in the proportion of female academic promotions to both UE08 or equivalent and UE10 or equivalent grades in 2008/09 compared to 2007/08. | <ul style="list-style-type: none"> • further work required |

| Target | | Progress to date | Achievement Status (forecast) |
|--|---|--|---|
| 10.3 | reduce absolute CO ₂ emissions by 40%, against a 1990 baseline | <ul style="list-style-type: none"> To the end of 2008/09 the reduction in absolute CO₂ emissions against the 1990 baseline year was 29% - down from 30% at the end of 2007/08. This small difference is due to the increasing building area of Informatics and the Waddington Building - albeit very energy efficient - and return to use of the Chrystal Macmillan Building. | <ul style="list-style-type: none"> on track further work required not yet determined¹ |
| Building strategic partnerships and collaborations | | | |
| 11.1 | establish at least five new international partnerships for the award of joint PhDs | <ul style="list-style-type: none"> Agreements have been signed with Paris-Sorbonne University, and Macquarie University, Sydney. In addition, a Memorandum of Understanding has been signed which allows for jointly awarded PhD degrees between the University of Edinburgh and 13 other Universities 21 (U21) partners, and The School of Informatics had a successful bid in the 2009 round of the Erasmus Mundus Joint Doctorate Scheme. | <ul style="list-style-type: none"> on track |
| Stimulating alumni relations and philanthropic giving | | | |
| 12.1 | meet or exceed the £350 million fundraising target of the Edinburgh Campaign | <ul style="list-style-type: none"> The Campaign total at the end of 2008/09 was £267 million. Based on an analysis of time elapsed vs money raised, we continue on a trajectory that exceeds the pace required to complete the Campaign in full and on time. | <ul style="list-style-type: none"> on track |
| 12.2 | raise £35 million through fundraising for scholarships as part of the Edinburgh Campaign | <ul style="list-style-type: none"> Since 1999, the starting point for this target, a total of £27 million has been raised for scholarships - £18 million for undergraduate scholarships and bursaries and £9M for postgraduate scholarships. | <ul style="list-style-type: none"> on track |
| 12.3 | deliver a threefold increase in the participation rate of alumni who give to the University | <ul style="list-style-type: none"> Our participation rate in 2007/08 was 3.29%, based on 104,000 contactable alumni and 3,436 donors (within the year). Therefore the target, to deliver a threefold increase, means that we are aiming for a participation rate of 9.88% by 2011/12. In 2008/09 we achieved a participation rate of 2.41%, based on 108,000 contactable alumni and 2,606 alumni donors. Participation remains a challenge, and last year was a transition year as we restructured our annual giving programme (the main driver of the participation figures) and made a staffing change. Early results for 2009/10 show promise and we continue towards the goal of achieving a threefold increase in percent participation. | <ul style="list-style-type: none"> further work required |

Summary

This report relates to the **2004-08** Strategic Plan targets.

The following are 8 of the 49 targets which featured in the University's Strategic Plan 2004-2008. These are the targets with an achievement status of 'not yet determined' at the time of the 2008 report, usually because external data for 2007/08 were not yet available at that time; the data are now available.

Achievement statuses indicate that:

- of the 8 targets which were 'not yet determined' at the time of the October 2008 report, 7 have been met and 1 (target number 7) has not been met.
- overall the University met 38 of the 49 targets (31 at the time of the 2008 report);
- overall 10 targets were partially met, usually because they were comprised of more than one part (as per the 2008 report);
- overall 1 target was not met (0 at the time of the 2008 report).

| Target | Progress | Achievement Status | |
|--|---|---|-----|
| Excellence in education | | | |
| By 2009/10, against a 2004/05 starting point, we aim to achieve the following: | | | |
| 3 | carry out a full University-wide cycle of Teaching Programme Reviews and implement the actions arising from these | <ul style="list-style-type: none"> • Over the period of this target, a full cycle will have consisted of 42 TPRs; only Linguistics, rescheduled to reflect changing circumstances, has yet to take place. • Linguistics having been amalgamated with English Language, is being reviewed later than originally scheduled in 2010/11 with the agreement of the Director of Quality Assurance, on the basis of proposals made by the School. • The responses to TPRs conducted are reviewed by the relevant Senate quality committee. The actions arising from the TPRs are taken forward by the appropriate Schools/Colleges/support departments. | met |

| Target | | Progress | Achievement Status |
|--|--|--|--------------------|
| <p>Excellence in research</p> <p>By 2007/08, against a 2003/04 baseline, we aim to achieve the following:</p> | | | |
| 7 | increase the value of our research grants and contracts income such that we remain within the upper quartile of the Russell Group | <ul style="list-style-type: none"> For 2007/08 Edinburgh's research grants and contracts income was £143.3M, below the Russell Group upper quartile figure of £151.4M by £8.1M. Over the period 2003/04 to 2007/08 there has been an overall increase in research grants and contracts income of £40.5M, representing an increase of 39.4%. The increase for the upper quartile of the Russell Group over the same period was £50.4M or 49.9%. | not met |
| 8 | increase our headcount of research postgraduate students at a greater rate than the Russell Group average | <ul style="list-style-type: none"> Previously reported figures were based on HESA headcount data, however in 2007/08, HESA amended the student record to exclude writing up and continuing students. As a result, almost all institutions saw a drop in their headcount of research postgraduate students. To allow a valid comparison to be made over the period 2003/04 to 2007/08 for the purposes of reporting against this target, figures have been recalculated for all years excluding writing up students. This distinction was only possible with HESA data for research higher degree students and thus excludes the small number not studying at that level. On this basis, our 'headcount' of research postgraduate students in 2007/08 was 2,565, up 19.3% compared with the 2003/04 baseline figure of 2,150. The Russell Group average figure for 2007/08 was 2,351, up 13.6% compared with the 2003/04 baseline figure of 2,070. | met |
| <p>By the RAE2008 publication date we aim to achieve the following:</p> | | | |
| 9 | be in the top ten non-specialist UK institutions in terms of research quality | <ul style="list-style-type: none"> Edinburgh's RAE2008 submission ranked 5th in both the UK and the Russell Group based on full time equivalent staff at 4*+3*. 63% of the University's research activity was judged to be in the highest categories (4* and 3*), of which a third was recognised as 'world-leading'. | met |
| <p>Excellence in knowledge transfer and commercialisation</p> <p>By 2007/08, against a 2003/04 baseline, we aim to achieve the following:</p> | | | |
| 13 | increase income from Continuing Professional Development (CPD) and Consultancy by at least twice the percentage increase in the general income of the University | <ul style="list-style-type: none"> Between 2007/08 and the baseline year of 2003/04, total Continuing Professional Development (CPD) and Consultancy income increased by 194.7%, from £8.1M to £23.8M. Between 2007/08 and 2003/04, the University's General Income figure increased by 50.5%, from £369.1M to £555.3M. Therefore the increase in CPD and Consultancy income over the same period was almost four times greater. | met |

| Target | | Progress | Achievement Status |
|---|--|--|--------------------|
| Promoting opportunity and diversity By 2007/08, against a 2003/04 baseline, we aim to achieve the following: | | | |
| 30 | converge on our benchmarks for the proportion of young entrants from state schools/colleges and the proportion of young entrants from low social classes | <ul style="list-style-type: none"> For the proportion of young entrants from state schools, our performance in 2007/08 was 70.3% compared with a benchmark of 80.6%, representing a difference of 10.3%. The baseline performance in 2003/04 was 65.3% compared with a benchmark of 79.8% representing a difference of 14.5%. Therefore there has been a convergence on the benchmark of 4.2%. For the proportion of young entrants from a low social class, our performance in 2007/08 was 17.2% against a benchmark of 20.8%, representing a difference of 3.6%. The baseline performance for 2003/04 was a 15.3% against a benchmark of 21.9% representing a difference of 6.6%. Therefore there has been a convergence on the benchmark of 3.0%. | met |
| Advancing internationalisation By 2007/08, against a 2003/04 baseline, we aim to achieve the following: | | | |
| 37 | increase the value of our research grant income from EU and other overseas sources such that we remain above the median of the Russell Group | <ul style="list-style-type: none"> In 2007/08 the value of our research grant income from EU and other overseas sources was £17.4M. Compared with the baseline value of £10.5M in 2003/04, this represents an increase of £6.9M or 65.7%. For the Russell Group, the median value over the period from 2003/04 to 2007/08 has increased from £8.2M to £12.4M, an increase of £4.2M or 51.2%. | met |
| Effective governance and ensuring sustainability By 2007/08, against a 2003/04 baseline, we aim to achieve the following: | | | |
| 47 | increase the proportion of total income from non-formulaic sources of funding | <ul style="list-style-type: none"> The figure for 2007/08 was 68.1%; the 2003/04 baseline was 66.0%. Formulaic (Funding Council) income has increased by 41.0% since the baseline year whereas non-formulaic income has increased by 55.3%. | met |

The University of Edinburgh

The University Court

14 December 2009

Report from the Remuneration Committee

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

This is the annual report from the Remuneration Committee to Court and provides a summary of the activities of the Remuneration Committee from 1 October 2008 to 31 September 2009.

Action requested

The Court is asked to note the report and make comments.

Resource implications

Does the paper have resource implications? No

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Does the paper have equality and diversity implications? Yes

The report makes reference to the Equal Pay Award at Appendix A and the Report of the External Examiner at Appendix B.

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the effective conduct of public affairs

Originator of the paper

Ms Sheila Gupta, Secretary to the Remuneration Committee
Dr John Markland, Convener of the Remuneration Committee

2 December 2009

C9.1

The University of Edinburgh

University Court

14 December 2009

Support for Court Members and the Operation of Court: Outcomes of Discussions with Members over the Summer Vacation

An updated paper

Brief description of the paper

The paper sets out a summary of the main issues to have arisen during discussions between the Vice Convener, the University Secretary and individual members of the Court over the summer, arising from Court's earlier decisions in regard to 'appraisal' of its members. It is very closely based on the paper received at the October meeting but takes into account written representations received from three other members in response to the invitation issued at the October meeting: *the consequent changes are shown in italics.*

Action requested

We have identified two broad categories of outcomes from this process:

1. Items that can be actioned now, and will be unless Court advises otherwise. **These are highlighted in yellow/light grey.**
2. Items that should be referred for consideration as part of the process of Court reviewing its own effectiveness, which is the subject of the following paper on the agenda. **These are highlighted in blue/dark grey.**

Court is asked to endorse this approach and make any further comments it may wish on the matters discussed.

Resource implications

Does the paper have resource implications? No.

Risk Assessment

Does the paper include a risk analysis? No

Equality and Diversity

Does the paper have equality and diversity implications? No.

Freedom of Information

Can the paper be included in open business? Yes.

Originator of the paper

Dr J Markland, Vice Convener
M D Cornish, University Secretary
December 2009

University Court

14 December 2009

Support for Court Members and the Operation of Court: Outcomes of Discussions with Members over the Summer Vacation

An updated paper

Background

In December 2008 the Court agreed a framework for supporting members in fulfilling their responsibilities as follows:

“Towards the end of the first year of membership, there would be a private and frank discussion with the Vice Convener and the University Secretary on the way in which the member feels they are contributing, whether best use is being made of their expertise and experience and on any barriers to effective contribution, noting in particular the nature of any specific support or assistance the member may feel to be necessary to enable them to be fully effective, and any particular views the member may have on improving the effectiveness of the Court collectively. Where a member convenes a Court committee, the discussion would cover that also. The member or the Vice Convener could ask for part or all of this meeting to be confined only to the two of them if they so wish.

The member or the Vice Convener could request such a meeting toward the end of the second year of membership if they so wish. This might be particularly relevant where consideration needs to be given to the extension of membership of a co-opted member.

Towards the end of the third year of membership there would be a further similar meeting, but the nature and content would depend on whether membership was continuing into the next year.

General issues arising from these meetings would be collected and proposed actions reported to Court as appropriate. Individual issues would be confidential to participants in the meetings.”

Process

We have conducted the first round of such meetings over the summer vacation. Given that this was the first occasion, an invitation was extended to all Court members with at least one year's service to take part in the process. In the event we met with eight members, and spent approximately one hour with each. Whilst the meetings did identify some matters specific to individual members, the large majority of our conversations related to more general matters such as the support provided to members of the Court, the operation of the Court and how it might be made more effective. All the meetings were conducted in a very positive and collegial manner, and we found them to be both valuable and enjoyable: we are very grateful to the members who gave up their time to meet with us.

A summary of significant general points to emerge from our meetings is set out below. It is important to emphasise that very few, if any, of these views were unanimously shared, and indeed at times some contradictory views were expressed, but it seemed to us important to set out the main points raised with us for wider consideration by the Court itself. The fact that we have included them does not

imply that we personally agree with every one, but we do think they are each worthy of consideration and discussion.

We would emphasise that the points below were offered constructively in a context of very positive views about the effectiveness of the Court, the success of the University and the strength of the senior management team.

In view of the fact that the Vice Convener was not able to attend the October meeting of the Court, members who did not meet with us were invited to let us have their views on these matters which could then be taken into account in a revised version of our report, for consideration at the December meeting. This is that revised paper, and we suggest that it contribute to the process of Court reviewing its own effectiveness, which features separately on this agenda.

We have identified two broad categories of outcomes from this process:

1. Items that can be actioned now, and will be unless Court advises otherwise. **These are highlighted in yellow/light grey.**
2. Items that should be referred for consideration as part of the process of Court reviewing its own effectiveness, which is the subject of the following paper on the agenda. **These are highlighted in blue/dark grey.**

Court is asked to endorse this approach and make any further comments it may wish on the matters discussed.

Main Themes

If there was a single theme which permeated all of our discussions it was a common desire to make the best possible contribution to the University. Some members of Court felt that this was easier than others. Looking ahead many Court members felt that more difficult times, at least in financial terms, meant that getting the best out of them was imperative and that we must ensure that our structures and processes allow that to happen.

In contrast to this unanimity of view the ways in which we might achieve it varied considerably, and were sometimes contradictory – this was particularly true in some aspects of the operation of the University Court itself.

There was common recognition that all members of Court, regardless of provenance, carry equal responsibility and have equal rights as members of the corporate body. At the same time, provenance was not irrelevant: for example, whilst not delegates or representatives of particular constituencies, members could reasonably be expected to have a view on the likely attitudes, concerns and priorities of the body or group which had appointed/elected them to membership.

Operation of the University Court

To give a flavour of the difference of views expressed it is worth starting with two non attributable quotes from Court members. One felt that Court was ‘one of the best meetings he attended’, whilst the other stated that Court ‘simply existed to ratify decisions taken elsewhere’. There was praise for the Rector and the way he had presided over the meetings since his election. The main issues arising are set out in the following short paragraphs.

There was some argument for a smaller Court, with senior officers attending the meetings only when they had a direct contribution to make. It was felt that this would result in a more cohesive body, with a more clearly defined purpose. The majority view was that the academic tradition of larger and widely representative governing bodies remained valid and should be retained, but with the explicit

recognition that many key decisions were delegated to Committees: there was some sympathy for the view that this required a stronger and perhaps slightly larger equivalent of FGPC. There was some support for the concept of Court meeting once a year with no officers present, with the agenda comprising informal discussion of some 'big issues' – see below – *but also some strong opposition to the concept.*

The number and spacing of Court meetings was raised with *quite extensive support* for a return to six meetings a year, and a more strongly supported view that the 'summer gap' should be shortened as far as was feasible. These latter two points are not, of course, mutually exclusive. There was also support for an annual meetings schedule in which the various key matters arising could be seen in a timetable form with the feed into such matters from Committees etc.

The operation of the meetings themselves presented a more consistent response with a desire to achieve the following:

- Concentrate on a small number of key items: *it has been suggested that ideally the agenda should be limited to a few key items and ways found of delegating other business or dealing with it summarily.*
- Ensure, as far as possible, that the presentations prior to meetings were directly relevant to Court and preferably to one or more items being considered at the meeting in question.
- Allow the Principal plenty of time to deliver and be questioned on his report and suggest that he concentrates on 'the things that cannot be written down' (his descriptions of key policy issues and meetings were particularly valued), and suggest that his narrative on the various achievements/awards etc. might be circulated in advance as a written report with the Principal just referring to one or two particularly significant items.
- Encourage a culture which is perceived to be more welcoming of questions from members of the Court.
- Minimise the paper generated by Court meetings (and its Committees) and a widely expressed desire to reinforce the drive by the University Secretary and his staff to present fewer and shorter papers wherever possible – *although there is a contrary view that the papers cannot be much shorter if they are to be sufficiently informative.*
- *More papers should be open-ended, i.e. with no recommendation as to action and with Court being given a wider choice of options.*
- Be more consistent in providing progress reports and follow up on some matters discussed at Court. These were often in the area of one off, high profile, issues rather than major policy matters.

Opinions were divided on the ease with which members could get their views across at Court meetings: the majority thought this was easy, though some found it somewhat intimidating, particularly if arguing against the views being advanced in a tabled report. It was generally felt that it was easier to 'constructively challenge' views being put forward in Committees than it was at Court meetings, and that it was more likely that such a challenge would make a difference to the outcome in Committees.

Committees of Court

In contrast to opinions on Court itself there were more consistent views expressed on Committee work. In particular the Committees of Court were generally felt to be rewarding to be part of, clearly focussed, very well supported by University staff, and productive.

There was particular discussion on the role of the Finance and General Purposes Committee which was felt to be 'the Committee to be on' and some disquiet from members not on the Committee that membership conveyed a fuller insight to University business along with a greater capacity to

contribute to Court meetings, especially in view of its very wide ranging role. It was felt that the Committee might focus more on human resource issues and monitoring of HR data, given the vital importance of our staff, and given the depth and sophistication of analysis of financial and property resources.

The importance of the work of Internal Audit and the Audit Committee was recognised, with some doubt being expressed that sufficient time and attention is paid to it by the Court: a pre-Court presentation may be helpful. The possibility was raised of inviting the External Auditors to be present when the annual accounts are presented, *and of members of Court having access to the 'management letter' submitted by the External Auditors.*

There was some questioning of the role of Court members on Strategic Project Committees for major property projects and that a precise role and function should be identified, or consideration given to ceasing this practice.

A particular suggestion is that Court members should have access to the minutes of all of Court's committees. With one exception, there is no objection to so doing provided this can be done efficiently, very probably electronically: the exception is Remuneration Committee whose minutes would need to remain confidential, but which does report annually to the Court.

Away Days

The use of away days was highly valued. It was felt that some had been more successful than others with the recent event on 'the student experience' being well regarded, not least because of the direct involvement of the student Court representatives. The 'Internationalisation Strategy' event came in for less praise as it was felt that the approach taken did not make it possible for lay members of Court to add significant value to development of the strategy.

It was felt that future away days should focus on the major issues confronting the University and that more attempts should be made to engage lay members of Court perhaps by making the events less stage managed and by inviting lay members to lead on some issues – for example from a parallel experience in their own working environment.

The Big Issues

There was a consistent view that financial strategy and policy and its many ramifications would dominate, or at least underscore, much of the work of Court and its Committees over the foreseeable future. For this reason it was felt that the respective roles of Court and the Finance and General Purposes Committee should be absolutely clear.

Equally it was felt imperative that timely information, indeed anticipation, of the impact of policy changes should be fully provided to Court members, and discussed by them. Reference is made above to the role of away days and the Principal's items at Court meetings (see above), for example. Specific issues raised by Court members in this regard included the impact of widely expected public expenditure reductions, options for and possible implications of repatterning of HE provision in Scotland and the impact of any possible increase in the fees cap in England following the next general election.

Support to Court Members and Induction

The support given to members of Court by staff was mentioned in a number of our discussions. There was praise for the approachability of the senior staff team and, in particular, for the University Secretary's small staff team who serviced Court and its Committees.

The learning curve for new members is long, and the importance of good and effective induction for new members of Court was brought up in a number of our meetings. Partly as a result of this an induction event was arranged for early October. Further action could include, for example, a mentoring arrangement for new members of Court who could be 'paired' with one or more longer standing members of Court and greater use of external events aimed at governing body members.

The value of opportunities for members to meet informally was emphasised: the pre-Court lunches are of some help here, although there was support for lighter lunches and for greater efforts to avoid over-catering.

Proposals which will be implemented include the provision of a small card for each Court member setting out some key facts about the University, including photographs of members on the Court web site and the use of coloured name cards at meetings to differentiate between members and attendees.

Court and Senate

The relationship between Court and Senate is key to effective governance of an institution of higher education, and was mentioned in a number of our discussions. The importance of a relationship of trust between these bodies was recognised, with University officers playing a key role in fostering this relationship. There was clear recognition of the importance of Court being satisfied with Senate's exercise of its responsibilities for quality assurance and academic standards. The increasing emphasis on Court's role in this area by the Scottish Funding Council was noted. It was felt useful to consider further whether some lay Court Members might wish to take a more proactive role in this regard by, for example, arranging to attend Senate meetings, or whether some more formal structure needed to be put in place.

JM
MDC
December 2009

The University of Edinburgh

University Court

14 December 2009

C9.2

Reviewing the Court's Effectiveness

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

This paper invites Court to consider how to undertake a review of its own effectiveness, in keeping with the requirements of the CUC Code.

Action requested

Court is asked to consider the paper and the suggestion that a small group be set up to take forward an effectiveness review, and decide how it wishes to proceed.

Resource implications

Does the paper have resource implications? Yes: the costs associated with a Review will need to be absorbed within existing budgets.

Risk Assessment

Does the paper include a risk analysis? No

Equality and Diversity

Does the paper have equality and diversity implications? Not directly

Originator of the paper

Melvyn Cornish
University Secretary

Freedom of information

Can this paper be included in open business? Yes

University Court

14 December 2009

Reviewing the Court's Effectiveness

1. Background

The CUC Guide for Members of Governing Bodies states:

“The governing body shall keep its effectiveness under regular review. Not less than every five years it shall undertake a formal and rigorous evaluation of its own effectiveness, and that of its committees, and ensure that a parallel review is undertaken of the senate/academic board and its committees. Effectiveness shall be measured both against the Statement of Primary Responsibilities and compliance with this Code. The governing body shall revise its structure or process accordingly.

In reviewing its performance, the governing body shall reflect on the performance of the institution as a whole in meeting long-term strategic objectives and short-term KPIs. Where possible, the governing body shall benchmark institutional performance against the KPIs of other comparable institutions.

The results of effectiveness reviews, as well as of the institution's annual performance against KPIs, shall be published widely, including on the internet and in its annual report.”

2. What is effectiveness?

There are four main areas by reference to which effectiveness needs to be assessed. These are:

- (i) The extent to which and how well Court fulfils its remit, as set out in the Universities (Scotland) Act, and in the Statement of Primary Responsibilities adopted in May 2005 – Appendix 1
- (ii) The University's performance, in regard to its success in meeting strategic objectives and key performance indicators (KPIs)
- (iii) Court's compliance with the CUC Guide
- (iv) Court's operations and the conduct of its business

Court previously found it helpful to conduct its review by reference to these four areas.

3. Possible approaches

3.1 The 2005/6 Review

Court last reviewed its effectiveness in 2005/6, and its committees and Senate did likewise at the same time or (mainly) shortly thereafter.

In outline the process adopted was:

- A review of the CUC Guide was conducted to ascertain the extent of the Court's compliance with it.
- The use and annual review of the balanced scorecard together with regular monitoring of progress towards the targets in the Strategic Plan was regarded as forming a sound basis for monitoring the University's performance.

- A questionnaire was devised to enable members and senior officers to submit views on the extent to which Court fulfils its primary responsibilities, and on operational aspects of the Court's work.
- Subsequent discussion by the whole Court of its effectiveness in the light of a summary of the questionnaire responses.

The outcome was considered and agreed at the Court meeting in October 2006, and posted on the University web site: it is attached as Appendix 2.

It was agreed that the Court should review how it assesses its effectiveness at not less than four yearly intervals.

3.2 The 2009/10 Review

On this occasion it is suggested that the Court should review its effectiveness prior to asking its committees to do so, in order that Court can first form a view on the continued suitability of its committee structure.

It should be noted that a recent review¹ of the updated CUC Guide indicated that it had changed very little in any material respect, such that Court continued closely to follow its precepts, and that the use of the balanced scorecard and review of progress towards strategic plan targets remain as the Court's principal means of monitoring the University's performance. In this respect it might reasonably be concluded that items (ii) and (iii) listed in section 2. above have been appropriately addressed.

Against this background, Court is asked to consider how it wishes to proceed, especially with regard to assessing other aspects of its effectiveness, i.e. items (i) and (iv) above.

A range of approaches to the conduct of effectiveness reviews was previously identified: these are not mutually exclusive. They can be summarised as follows:

Review and report by a specially appointed sub group of the Court
 Review and report by an existing committee of the Court
 Review by the whole Court

A purely internal process
 Use of an external facilitator
 Review and report by an external consultant

Use of a structured questionnaire

'Focus Group' meetings of Court members with senior officers
 Individual meetings of members with senior-officers and / or the Vice Convenor

Clearly the last of these has recently been undertaken, and as Court will be aware it is intended that aspects of the outcome of those discussions should be considered further as part of the effectiveness review.

The last review was conducted internally to the University, albeit with reference to external comparators and the documents referred to above. This may suggest that there is a strong case for including a direct external input on this occasion.

¹ The Secretary's letter to members of 14 May 2009 refers.

There are clearly a number of ways in which Court may wish to proceed, but there is a strong case for **suggesting that a working group of Court be set up with membership drawn up along the following lines:**

Five members of the University Court (it may be appropriate that this comprise a Senate Assessor, a General Council Assessor, the Vice Convenor and two other members of Court), the Principal, the University Secretary and an external facilitator versed in higher education governance

It would be useful if this group could meet initially in January/early February to agree a remit and perhaps an outline approach to be submitted, for agreement, to the February meeting of the University Court with a view to the group's final report being submitted to the June meeting of Court.

Court is asked to consider this suggestion and decide how it wishes to proceed.

MDC
December 2009

Statement of Primary Responsibilities

On 15 May 2005 the Court adopted The following statement:

1. To approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators, and to ensure that these take proper account of the interests of stakeholders.
2. To delegate authority to the Principal, as chief executive, for the academic, corporate, financial, estate and personnel management of the University, subject to reserving such matters to itself as the Court thinks appropriate. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Principal.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, arrangements for internal and external audit, regularly reviewed schedules of delegated authority and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should, where possible and appropriate, be benchmarked against other comparable Universities.
5. To establish processes to monitor and evaluate the performance and effectiveness of the Court itself.
6. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To put in place appropriate arrangements for the appointment of co-opted members of the Court so as to maintain a broad balance of expertise, taking account of the principles of equal opportunity.
8. To safeguard the good name and values of the University.
9. To appoint the Principal as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
10. To appoint a secretary to the Court and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
11. To be the employing authority for all staff in the University and to be responsible for agreeing the human resources strategy.
12. To put in place appropriate arrangements for determining, and for regular review of, the performance, remuneration and conditions of service of senior staff.

13. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the university's assets, property and estate.
14. To be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
15. To make such provision as it thinks fit for the general welfare of students, in consultation with the Senate.
16. To act as trustee for, or to make appropriate alternative arrangements for the trusteeship of, any property, legacy, endowment, bequest or gift in support of the work and welfare of the University,
17. To make appropriate arrangements, compliant with relevant legislation, for the trusteeship of any pensions scheme established by the Court for University employees, and to appoint the employer-nominated trustees.
18. To ensure that at all times it operates within the terms of the Universities (Scotland) Acts 1858 – 1966, Ordinances and Resolutions made under those Acts, and any other relevant legislation; and that appropriate advice is available to enable this to happen.

Outcome of the 2005/6 Effectiveness Review

The Court is satisfied that, to a very large extent, it and its committees are effectively fulfilling their responsibilities. Its committee structure is fit for purpose and operates efficiently. Equally, the Court believes that there is no room for complacency, and that it needs continuously to strive to improve its effectiveness and ensure that it delivers the highest standard of corporate governance, fit for purpose in a major international research-intensive University.

The Court believes that it strikes an appropriate distinction between its responsibilities for governance and those of senior managers for management of the University.

Court is satisfied that it has a clear statement of its responsibilities, a clear scheme of delegation of authority to the Principal and other senior staff, and an appropriate balance in its membership. It believes that its size and composition are well suited to its role and adequately reflect the various groups which have a legitimate interest in the University's governance.

In these and in other respects, the Court believes that its structure, procedures and means of operating follow the precepts set out in the Committee of University Chairmen 'Governance Code of Practice' published in November 2004.

The Court would wish to see particular attention paid to the following aspects of its activities with a view to further enhancing its effectiveness as the University's governing body.

- (i) Means of improving Court's engagement with, and knowledge of, strategic issues, especially emerging issues, at as early a stage as is practicable.
- (ii) Means of improving the Court's knowledge and understanding of staffing issues and staff attitudes.
- (iii) Means of improving the Court's knowledge and understanding of issues relating to teaching within the University (whilst recognising Senate's responsibilities in this area).
- (iv) Means of enhancing the induction process for new members, and the frequency and the quality of contact between members of the Court and the wider University community, with a view to further enhancing members' understanding of the University and how it operates. Court should seek to meet in a wider range of locations in the University.
- (v) Means of further enhancing the accessibility to members of Court papers, striking the right balance between detail and brevity, avoiding undue complexity and jargon.
- (vi) The Court needs to be alert at all times to the need to conduct its business in such a way as to encourage and facilitate effective contributions from all members.
- (vii) On the operational side, the distribution of meetings across the academic year needs to be revised, along with ways of keeping members informed of developments between meetings.

The University management and the Court secretariat have been charged with progressing these matters. They will do so in liaison with the Vice Convener, Principal and other members as appropriate with a view to reporting on progress to the first meeting in 2007.

The Court concurs with and accepts the various comments made to it by its main committees in regard to their own effectiveness. It agrees that there would be benefit in the committees having terms of reference which follow a standard format and has asked for these to be prepared in liaison with each committee, based upon a template it has agreed. In regard to a specific comment from the Audit Committee, it endorses the suggestion that it would be helpful for the Committee to meet at least once a year with the Principal. It also endorses the Finance and General Purposes Committee's suggestion that there would be benefit in increased lay representation on the Estates Advisory Group and in greater cross representation between these two bodies. It endorses the view that there could be advantage in greater and more formal feedback from F&GPC to CMG on occasions. These points and a number of others made by the Committees are being acted upon.

In the course of its operations the Court will seek other opportunities to increase its effectiveness, and will conduct a further formal review in four years time.

The University of Edinburgh

The University Court

14 December 2009

Resolutions

No observations having been received from the General Council, the Senatus Academicus or any other body or person having an interest, the Court is invited to approve the following Resolutions:

- | | |
|---------------------|--|
| Resolution 48/2009: | Alteration of the title of the Personal Chair of Sedimentary Geology |
| Resolution 49/2009: | Foundation of a Chair of Paediatric Clinical Neuroscience |
| Resolution 50/2009: | Amendments to Resolutions 16/2009 and 41/2009 |
| Resolution 51/2009: | Alteration of the title of the Personal Chair of Mathematical Geoscience |
| Resolution 52/2009: | Alteration of the title of the Chair of Medical Imaging |

Dr Katherine Novosel
19 October 2009

UNIVERSITY OF EDINBURGH

Resolution of the University Court No. 48/2009

Alteration of the title of the Personal Chair of Sedimentary Geology

At Edinburgh, the Fourteenth day of December, Two thousand and nine.

WHEREAS the University Court deems it expedient to alter the title of the Personal Chair of Sedimentary Geology founded by Resolution 19/2003:

AND WHEREAS paragraph 5 of Part II of Schedule 2 to the Universities (Scotland) Act 1966, provides that the University Court may, after consultation with the Senatus Academicus and with the consent of the incumbent and patrons, if any, alter the title of existing professorships:

AND WHEREAS the Chair dealt with in this Resolution is in the patronage of the University Court itself:

THEREFORE the University Court, after consultation with the Senatus Academicus and in exercise of the powers conferred upon it by Section 3 of the Universities (Scotland) Act 1966, with special reference to paragraph 5 of Part II of Schedule 2 to that Act, hereby resolves:

1. The Personal Chair of Sedimentary Geology shall hereafter be designated the Scottish Power Carbon Capture and Storage Personal Chair of Sedimentary Geology.
2. This Resolution shall come into force with effect from 1 September, Two thousand and nine.

For and on behalf of the University Court

M D CORNISH

University Secretary

UNIVERSITY OF EDINBURGH

Resolution of the University Court No. 49/2009

Foundation of a Chair of Paediatric Clinical Neuroscience

At Edinburgh, the Fourteenth day of December, Two thousand and nine.

WHEREAS the University Court deems it expedient to found a Chair of Paediatric Clinical Neuroscience:

THEREFORE the University Court, after consultation with the Senatus Academicus and in exercise of the powers conferred upon it by Section 3 of the Universities (Scotland) Act, 1966, with special reference to paragraph 5 of Part II of Schedule 2 to that Act, hereby resolves:

1. There shall be a Chair of Paediatric Clinical Neuroscience in the University of Edinburgh.
2. The patronage of the Chair shall be vested in and exercised by the University Court of the University of Edinburgh.
3. This Resolution shall come into force with immediate effect.

For and on behalf of the University Court

M D CORNISH

University Secretary

UNIVERSITY OF EDINBURGH

Resolution of the University Court No. 50/2009

Amendments to Resolutions 16/2009 and 41/2009

At Edinburgh, the Fourteenth day of December, Two thousand and nine.

WHEREAS the University Court deems it expedient to amend the date at which Resolutions 16/2009 and 41/2009 will come into force:

AND WHEREAS the Chairs dealt with in these Resolutions are in the patronage of the University Court itself:

THEREFORE the University Court, after consultation with the Senatus Academicus and in exercise of the powers conferred upon it by Section 3 of the Universities (Scotland) Act, 1966, with special reference to paragraph 8 of Part II of Schedule 2 to that Act, hereby resolves:

1. That Resolutions 16/2009 and 41/2009 will come into force with effect from the 1 August 2008.
2. This Resolution shall come into force with immediate effect.

For and on behalf of the University Court

M D CORNISH

University Secretary

UNIVERSITY OF EDINBURGH

Resolution of the University Court No. 51/2009

Alteration of the title of the Personal Chair of Mathematical Geoscience

At Edinburgh, the Fourteenth day of December, Two thousand and nine.

WHEREAS the University Court deems it expedient to alter the title of the Personal Chair of Mathematical Geoscience founded by Resolution 22/2009:

AND WHEREAS paragraph 5 of Part II of Schedule 2 to the Universities (Scotland) Act 1966, provides that the University Court may, after consultation with the Senatus Academicus and with the consent of the incumbent and patrons, if any, alter the title of existing professorships:

AND WHEREAS the Chair dealt with in this Resolution is in the patronage of the University Court itself:

THEREFORE the University Court, after consultation with the Senatus Academicus and in exercise of the powers conferred upon it by Section 3 of the Universities (Scotland) Act 1966, with special reference to paragraph 5 of Part II of Schedule 2 to that Act, hereby resolves:

1. The Personal Chair of Mathematical Geoscience shall hereafter be designated the Total Personal Chair of Mathematical Geoscience.
2. This Resolution shall come into force with immediate effect.

For and on behalf of the University Court

M D CORNISH

University Secretary

UNIVERSITY OF EDINBURGH

Resolution of the University Court No. 52/2009

Alteration of the title of the Chair of Medical Imaging

At Edinburgh, the Fourteenth day of December, Two thousand and nine.

WHEREAS the University Court deems it expedient to alter the title of the Chair of Medical Imaging confirmed by Ordinance 426 Edinburgh No. 129 as amended by Resolution 7/2008.

AND WHEREAS paragraph 5 of Part II of Schedule 2 to the Universities (Scotland) Act 1966, provides that the University Court may, after consultation with the Senatus Academicus and with the consent of the incumbent and patrons, if any, alter the title of existing professorships:

AND WHEREAS the Chair dealt with in this Resolution is in the patronage of the University Court itself:

THEREFORE the University Court, after consultation with the Senatus Academicus and in exercise of the powers conferred upon it by Section 3 of the Universities (Scotland) Act 1966, with special reference to paragraph 5 of Part II of Schedule 2 to that Act, hereby resolves:

1. The Chair of Medical Imaging shall hereafter be designated the SINAPSE Chair of Clinical Radiology
2. This Resolution shall come into force with immediate effect.

For and on behalf of the University Court

M D CORNISH

University Secretary

The University of Edinburgh

University Court

14 December 2009

D2

Donations and Legacies to be notified

Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

A Report on legacies and donations received by the University of Edinburgh Development Trust from 1 October 2009 to 30 November 2009.

Action requested

For Information

Resource implications

None

Risk Assessment

n/a

Originator of the paper

Ms Liesl Elder
Director of Development

Freedom of information

Can this paper be included in open business?

No, its disclosure would substantially prejudice the effective conduct of public affairs.