THE UNIVERSITY OF EDINBURGH

BUSINESS FOR MEETING OF THE UNIVERSITY COURT
to be held in the Mary Kinross Room, Queen's Medical Research Institute (QMRI)
on Monday, 12 December 2011 at 2.00 p.m.

A buffet lunch will be available in the Fyffe Room, QMRI, from 1.00 p.m.

This meeting of Court will be preceded by a presentation by Vice-Principal Professor Sir John Savill and Professor Jonathan Seckl entitled 'An overview of activities in the College of Medicine and Veterinary Medicine'.

A FORMAL BUSINESS

1.	Minute of the meeting held on 7 November 2011	**A1**

B PRINCIPAL'S BUSINESS

1.	Principal's Communications	**B1**
2.	Designation of Vice-Principals and Assistant Principals	**B2**

C SUBSTANTIVE ITEMS

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.	University of Edinburgh	
	.1 Reports and Financial Statements for the year ended 31 July 2011	**C5.1**
	.2 Letter of Representation	**C5.2**
	.3 Review of 2010/2011 Outturn versus Forecast	**C5.3**
	.4 Draft US GAAP Accounts	**C5.4**
6.	Edinburgh College of Art	
	.1 Edinburgh College of Art - Report and Financial Statements for the year ended 31 July 2011	**C6.1**
	.2 Letter of Representation - Edinburgh College of Art	**C6.2**
	.3 Trustee's Report and Financial Statements – Edinburgh College of Art, Andrew Grant Scholarship Fund	**C6.3**
	.4 Letter of Representation - Edinburgh College of Art, Andrew Grant Scholarship Fund	**C6.4**
7.	Performance Monitoring	
	.1 Strategic Plan 2008-2012 Targets – Annual Progress Report	**C7.1**
8.	Strengthening the Academic Relationship with Heriot-Watt University	**C8**
9.	Report from Nominations Committee	**C9**
10.	University's draft response to the Scottish Government's 'Learners at the Centre' consultation paper	**C10**

D ITEMS FOR FORMAL APPROVAL OR NOTE

1.	Donations and Legacies	**D1**
2.	Use of the Seal	

BUSINESS FOR A MEETING OF THE TRUSTEE OF THE ANDREW GRANT BEQUEST

E SUBSTANTIVE ITEM

1.	Trustee's Report and Financial Statements – Edinburgh College of Art, Andrew Grant Scholarship Fund	**E1**
2.	Letter of Representation - Edinburgh College of Art, Andrew Grant Scholarship Fund	**E2**

UNIVERSITY OF EDINBURGH

A1

MINUTE OF A MEETING *of the University Court of the University of Edinburgh held in the Board Room, Evolution House, Edinburgh College of Art on Monday, 7 November 2011.*

Present:
Rector (in chair)
The Principal
Mr A Johnston
Mrs M Tait
Dr M Aliotta
Professor J Ansell
Professor D Finnegan
Professor A Harmar
Professor S Monro, Vice-Convener
Professor J Barbour
Dr C Masters
Mr M Murray
Mrs E Noad
Ms A Richards
Mr D Workman
Mr M McPherson, President Students' Representative Council
Mr M Williamson, Vice-President Students' Representative Council

In attendance:
Ms S Beattie-Smith, Rector's Assessor
Senior Vice-Principal Professor N Brown
Vice-Principal Professor D Miell
Vice-Principal Professor L Yellowlees
Vice-Principal Professor C Breward
Dr K Waldron, University Secretary
Mr N Paul, Director of Corporate Services
Dr I Conn, Director Communications and Marketing
Dr A Cornish, Deputy University Secretary and Director of Planning
Mr A Currie, Director of Estates and Buildings
Mr J Gorringe, Director of Finance
Ms S Gupta, Director of Human Resources
Ms F Boyd, Principal's Policy and Executive Officer
Dr K J Novosel, Head of Court Services

Apologies:
Sheriff Principal E Bowen
Professor A M Smyth
The Rt Hon G Grubb, Lord Provost of the City of Edinburgh
Mr P Budd
Mr D Brook

Court received a presentation from Vice-Principal Professor Chris Breward entitled 'Future directions for the new Edinburgh College of Art'.

A FORMAL BUSINESS

1 MINUTE OF THE MEETING HELD ON 19 SEPTEMBER 2011 — Paper A1

The Minute of the meeting held on 19 September 2011 was approved as a correct record.

2 APPOINTMENT OF CHANCELLOR'S ASSESSOR **Paper A2**

Court welcomed the appointment of Sheriff Principal Edward Bowen to the position of Chancellor's Assessor with effect from 17 October 2011 for an initial period of four years until the 31 July 2015.

B PRINCIPAL'S BUSINESS

1 PRINCIPAL'S COMMUNICATIONS **Paper B1**

Court noted the items within the Principal's report and the additional information on: international collaborations and partnerships; the outcome of the spending review; the installation of the Chancellor and other high profile events including that to mark the commencement of work on the Anne Rowling Regenerative Neurology Clinic; the merger with the Medical Research Council's Human Genetics Unit on 1 October 2011; and current data on applications received for the next academic year.

2 DESIGNATION OF ASSISTANT PRINCIPALS **Paper B2**

On the recommendation of the Principal, Court approved the designation of three new Assistant Principals:

Professor James Smith, Global Development
Professor Sue Welburn, Global Health
Professor Mark Rounsevell, Global Environment and Society.

Each appointment to be with effect from 1 November 2011 for an initial period of three years until 31 October 2014.

C SUBSTANTIVE ITEMS

1 REPORT OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

Professor Monro presented the papers previously circulated.

Report of the Central Management Group meeting of 11 October 2011 **Paper C1.1**

Court welcomed and approved the Equality and Diversity Strategy and Action Plan noting that these documents had been prepared in response to the Equality Act 2010 which brought together previous separate legislation. Court further welcomed the Annual Review Policy Statement and that guidance to take the policy forward was being developed. It was further confirmed that a survey of staff at King's Buildings had established the level of childcare provision required and that a possible site for the new facility had now been identified. The other items in the report were noted, particularly the Security Advisory Group's Annual Report which outlined the significant contribution of security and servitor staff in ensuring the success of the increasing number of high profile events.

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

The Anti-Bribery and Corruption Policy was approved by Court noting that this Policy applied to all staff across the University and to activities undertaken within the UK and overseas. Court welcomed the training and awareness raising actions and the process being taken forward by the Ethical Fundraising Advisory Group in respect of this new Policy. Court further fully endorsed the proposals on the collection of student debts and that the University Secretary would review each case prior to any legal action being initiated.

2 EDINBURGH COLLEGE OF ART – UPDATE **Paper C2**

Court noted the significant and satisfactory work undertaken over the last few months following the merger with the Edinburgh College of Art to take forward detailed operational arrangements and to familiarise ECA staff with the University's practices and procedures. The Post-Merger Working Group continued to monitor progress and ensure integration; some areas were proving more complex than anticipated and actions were being progressed to resolve outstanding issues. It was noted that the Scottish Funding Council would be undertaking a visit to monitor progress at the beginning of December 2011 and Court approved the remit and membership of a University Working Group to undertake a formal review one year after the merger as set out in the paper subject to the inclusion in the membership of two student representatives: an ECA student representative as well as the EUSA President.

3 REPORT FROM NOMINATIONS COMMITTEE **Paper C3**

On the recommendations of the Nominations Committee the following were approved:

Term of Office
A standard approach to future periods of appointment to Court and Court Committees with appointments commencing on 1 August and finishing on 31 July unless otherwise determined. This approach to be phased in by initially confirming that all current and future appointments will now cease at 31 July subject to the caveat above.

Membership of Court
Mr Peter Budd to be appointed for a further three year term of office until 31 July 2015.

Membership of Committees

Audit Committee
Mr Martin Sinclair and Mr Peter Budd both to be appointed for a further three year term of office until 31 July 2015.

Estates Committee
Mr Peter Budd to be appointed for a further three year term of office until 31 July 2015 and Dr Chris Masters to be appointed from the start of the 2012/2013 academic year until 31 July 2014.

Finance and General Purposes Committee
Senior Vice-Principal Professor Nigel Brown appointed CMG representative with effect from the start of the 2011/2012 academic year for as long as the Senior Vice-Principal has responsibility for planning, resources and research policy.
Mr David Bentley to be appointed from the start of the 2012/2013 academic year for three years until 31 July 2015.

Nominations Committee
Professor Jake Ansell to be appointed with immediate effect until 31 July 2012.
Dr Robert Black to be appointed from the start of the 2012/2013 academic year until 31 July 2015.

Remuneration Committee
Ms Anne Richards' appointment to be extended until 31 July 2013.
Mr Alan Johnston to be appointed from the start of the 2012/2013 academic year until 31 July 2015.

Staff Committee
Professor Anthony Harmar to be appointed with immediate effect until 31 July 2014.

Employment Related Appeals
Mrs Elaine Noad to be appointed with immediate effect for as long as she remains a member of Court.
Dr Robert Black to be appointed from the start of the 2012/2013 academic year for as long as he remains a member of Court.

Scrutinising Committee
Professor Jake Ansell, Mr Brian Martin, Convenor of the Joint Unions Liaison Committee and Mr Matt McPherson to be appointed members of the 2012 Rectorial Election Scrutinising Committee.

Code of Practice in Reporting Malpractice and Raising Concerns under the Public Interest Disclosure Legislation
Dr Chris Masters to be the designated member of Court in terms of the above Code from the start of the 2012/2013 academic year until 31 July 2014.

4 REPORT FROM AUDIT COMMITTEE **Paper C4**

Court noted the draft minute of the last meeting of the Audit Committee, in particular the two accounting issues relating to heritage assets and the requirement to prepare a set of Accounts in accordance with US GAAP (General Accepted Accounting Principles). It was further noted that the Audit Committee had undertaken a review of Internal Audit Services and that the Committee remained very satisfied with the services provided to the University.

Court further noted the matters relating to the Edinburgh College of Art and the process being undertaken to provide Court with the necessary assurances to enable it to sign off the Edinburgh College of Art Accounts and those of the Andrew Grant Scholarship Fund. The Andrew Grant Scholarship Fund Accounts would also have to be considered and approved by the Court in its capacity as the corporate Trustee of the Andrew Grant Bequest. It was noted that the Audit Committee had benefited from discussion with the internal and external auditors of Edinburgh College of Art and the Andrew Grant Scholarship Fund.

5 REPORT FROM ESTATES COMMITTEE **Paper C5**

The various recommendations as set out in the paper were approved by Court. In particular it was noted that further information would be presented regarding the arrangements to take forward the developments at the Roslin Institute. The proposal to refurbish the Old College reception area was also welcomed by Court. Court further noted the updated position on the long running legal dispute on the disposal of the Cramond campus and the satisfactory conclusion to this matter; Court thanked all those involved in the negotiations particularly the Finance and General Purposes Committee sub-group and the Director of Estates and Buildings.

6 GOVERNANCE STATEMENTS

Draft Corporate Governance Statement UoE **Paper C6.1**

Court noted the draft Statement and asked for amendments to the information on membership of the General Council. There was also discussion on the list of Court Committees for which information on members' attendance during 2010/2011 was disclosed. Concern was expressed that the number of Committees was too limited and should be increased, specifically to include the Risk Management Committee and the Estates Committee. Court noted that an amended Statement would be included in the Reports and Financial Statements presented to the next meeting of Court.

Edinburgh College of Art Governance Statement **Paper C6.2**

As previously intimated, Court would be invited to consider and approve the Report and Financial Statements of the Edinburgh College of Art at its meeting on 12 December 2011. Court noted the current draft Statement.

ECA-Andrew Grant Scholarship Fund Trustees' Report **Paper C6.3**

As previously intimated, Court would also be invited to consider and approve the Trustees' Report and Financial Statements of the ECA – Andrew Grant Scholarship Fund at its meeting on the 12 December 2011 in the capacity of holder of ECA endowments. Court noted the current draft Report.

7 BURSARIES/SUPPORT – SCOTTISH DOMICILED STUDENTS **Paper C7**

It was noted that there had been previous discussion on improving the support currently provided to Scottish domiciled students in light of the provision agreed for RUK-domiciled students; there had also been discussion on utilising part of the surplus that the University was anticipated to record for 2010/2011 to support undergraduate and postgraduate students. On the recommendation of the Finance and General Purposes Committee, Court welcomed and approved the proposals set out in the paper to utilise the balance of the general investment fund established in 2007 which was in the order of £10m and anticipated to deliver £340k income per annum to provide support to Scottish domiciled students. The additional access and accommodation bursaries which this level of income could sustain were noted by Court.

8 EUROPEAN INVESTMENT BANK (EIB) – LONG TERM LOAN **Paper C8**

Court at its meeting on 16 May 2011 had been supportive of the University exploring the opportunity of securing long-term loan arrangements with EIB. Court approved the application for loan finance from the European Investment Bank to the value of £50m noting the very favourable rates and the conditions attached to the loan. The loan required to be utilised to fund 50% of a capital programme to be completed in full over a five year period from contract signing. The Court further approved the projects to be included on the capital programme which had a total anticipated cost of above £100m; there was some flexibility in the exact projects to be included. It was noted that EIB had undertaken a robust due diligence exercise and that there had been discussion with EIB on which projects to be included in the capital programme.

9 ANNUAL REVIEW 2010-11 **Paper C9**

Court approved the articles to be included in the 2010/2011 Annual Review.

10 EUSA REPRESENTATIVES ON COURT **Paper C10**

There had been previous discussion on how to assist EUSA representatives to become familiar with Court and Committee business given that they only served for a period of one year. Court welcomed and approved the proposal to invite the EUSA President and Vice-President Academic Affairs designate to be in attendance at Court and Committee meetings as soon as they were elected prior to them taking up post. There was also debate on whether it was appropriate for a member of EUSA staff to be in attendance at Court meetings. It was considered that there were more appropriate mechanisms which could be utilised such as the University Secretary and the Head of Court Services providing increased levels of support to the EUSA President and Vice-President Academic Affairs as soon as elected.

D ITEMS FOR FORMAL APPROVAL OR NOTE

1 ACADEMIC REPORT **Paper D1**

Court noted the report from the Senate meeting and on the business conducted by the electronic Senate. In particular Court welcomed the debate on academic and pastoral support systems for students and that this important matter was being taken forward by Senior Vice-Principal Professor Brown and Vice-Principal Professor Hounsell, working closely with EUSA colleagues.

2 RESOLUTIONS **Paper D2**

Court approved the following Resolutions:

Resolution No. 52/2011:	Foundation of a Personal Senior Research Chair of History
Resolution No. 53/2011:	Foundation of a Chair of Computer Security
Resolution No. 54/2011:	Alteration of the title of the Chair of Psychiatry
Resolution No. 55/2011:	Alteration of the title of the Chair of Visual Theory and Scottish Art

3 ORDINANCE 210 **Paper D3**

Court noted that Ordinance 210: Election of Chancellor and General Council Assessors and Chairing of General Council Meetings had been approved by the Privy Council on 12 October 2011 without any further amendments to that approved by Court on 20 June 2011.

4 EUSA CONSTITUTION **Paper D4**

At its last meeting, Court had approved, in principle, changes to the constitution of the Students' Representative Council and Court noted that the proposed changes had now been ratified by the student body and that the new structure would be implemented in full after the March 2012 EUSA elections.

5 DONATIONS AND LEGACIES **Paper D5**

Court was pleased to note the donations and legacies to be notified received by the University of Edinburgh, Development Trust between 15 September and 31 October 2011.

6 USE OF THE SEAL

A record was made available of all the documents executed on behalf of the Court since its last meeting and sealed with its common seal.

MINUTE OF A MEETING OF THE TRUSTEE OF THE ANDREW GRANT BEQUEST *held in the Board Room, Evolution House, Edinburgh College of Art on Monday 7 November 2011.*

Present:	Rector (in chair) The Principal Mr A Johnston Mrs M Tait Dr M Aliotta Professor J Ansell Professor D Finnegan Professor A Harmar Professor S Monro, Vice-Convener Professor J Barbour Dr C Masters Mr M Murray Mr D Workman Mr M Williamson, Vice-President Students' Representative Council
In attendance:	Ms S Beattie-Smith, Rector's Assessor Senior Vice-Principal Professor N Brown Vice-Principal Professor D Miell Vice-Principal Professor L Yellowlees Dr K Waldron, University Secretary Dr I Conn, Director Communications and Marketing Dr A Cornish, Deputy University Secretary and Director of Planning Mr A Currie, Director of Estates and Buildings Mr J Gorringe, Director of Finance Ms S Gupta, Director of Human Resources Ms F Boyd, Principal's Policy and Executive Officer Dr K J Novosel, Head of Court Services
Apologies:	Sheriff Principal E Bowen Professor A M Smyth The Rt Hon G Grubb, Lord Provost of the City of Edinburgh Mr P Budd Mrs E Noad Ms A Richards Mr D Brook Mr M McPherson, President Students' Representative Council

1 ANDREW GRANT SCHOLARSHIP FUND DRAFT TRUSTEES' REPORT Paper E1

Court in its role as corporate Trustee of the Andrew Grant Bequest considered and noted the current draft version of the Trustees' Report.

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12 December 2011

Principal's Report

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

International

Latin America

Following the visit by the Vice Principal International and Director of the International Office to Chile, Brazil and Mexico in July 2011, internal discussions have been ongoing regarding the most appropriate location for a liaison office in Latin America. The position of Head of Latin America Office has been advertised which will support the University's engagement with Latin America.

India

An Honorary Degree was conferred on Mr Suresh Goel, Director General of the Indian Council for Cultural Relations (ICCR). ICCR has agreed to create a Chair of Contemporary Indian Studies at the University which will mark the first step in establishing a Centre for Contemporary Indian Studies. The ICCR seeks to foster mutual understanding between India and other countries and to promote cultural exchange. It currently funds two chairs at British universities, and also supports the Nehru Centre in London.

The UK-India Education and Research Initiative (UKIERI) awards were announced by UK Minister for Universities and Science, David Willetts, who visited New Delhi and Bangalore in November. The University of Edinburgh gained the largest number of awards of any one institution in the UK – six in thematic partnerships and all with high quality Indian institutions. All but one involved the College of Science & Engineering.

Edinburgh signed a MoU with Maulana Azad Medical College, India in the presence of the Delhi Minister of Health and Family Welfare, Dr A.K. Walia, and other senior government officials. Following a College of Medicine & Veterinary Medicine visit to MAMC in August 2011, Dean of MAMC, Dr Arun Agarwal, accompanied by the Minister, visited Edinburgh in November, to hear about Edinburgh's expertise in developing e-learning to support innovation in medical education. MAMC is interested in incorporating learning technology into their undergraduate (medical) curriculum, and in developing distance-learning to support postgraduate speciality training.

China

Vice Principal International visited China in November. New institutional-level agreements were signed with Renmin University, Chinese Academy of Sciences, Zheijiang University, East China Normal University and the University of Science and Technology of China.

A copy of a new book on alumnus Eric Liddell's life in China was gifted to the University Library in November during a visit by a delegation from the Chinese municipality of Tianjin, where Liddell was born in 1902.

I have also had the great honour of being the awarded the Confucius Institute Headquarter Outstanding Contribution Award. The award will be presented at the Annual Conference in December and will be accepted on my behalf by Professor Gentz.

North America

The special relationship with North American institutions was further consolidated by the establishment of a virtual North America Liaison Office within the International Office. This office will coordinate activities in and concerning the United States and Canada. Professors Frank Cogliano and Brendan Corcoran have been designated Deans International (North America).

South Africa

Professor Jaganyi, University of Kwazulu Natal, South Africa, visited the School of Chemistry to sign an agreement that will allow chemistry students to complete an initial 2.5 years at UKZN, before transferring to Edinburgh to complete their BSc Chemistry degree. This new agreement builds on the growing and strong ties between Edinburgh and UKZN

Global Academies

The Global Academies have been asked to co-host a Global Policy Dialogue on Sustainability and the City with the British Council. This will take place in March 2012.

LERU

In November, the League of European Research Universities (www.leru.org.uk) Rectors' Assembly agreed to a proposal led by Edinburgh to establish a new jointly awarded doctoral programme.

Visits to the University in included:

- National Academy for Educational Administration (NAEA), China
- Provost, Vice-Provost and Treasurer, Trinity College Dublin
- Jess Matthews Assistant Dean, Stanford University, USA
- Tianjin Municipality, China
- Maulana Azad Medical College & Delhi Minister for Health, India
- Professor Jaganyi, University of Kwazulu Natal, South Africa
- Minister-Counsellor for Political Affairs and Public Diplomacy Mr. Douglas Scott Proudfoot, Canadian High Commission.
- President Akhmet Mazgarov, Academy of Science of Tatarstan

Related meetings

I chaired two assessments for the Excellence Initiative which is the German equivalent of the REF at Heidelberg University and the Technical University of Munich.

UK

Chancellor's Autumn Statement

The impact of the statement this year on Higher Education was relatively low key but the following points are of interest. An announcement on Global HE (an online information and advice portal for HE institutions wishing to expand abroad), an additional £200 million expenditure on science over three years, related measures in support of innovation, forthcoming announcement of plans to

introduce a VAT exemption for services shared between VAT exempt bodies and plans to "kite-mark" STEM courses.

This announcement builds helpfully on the £145 million that Universities and Science Minister David Willetts announced in October to improve Britain's e-infrastructure.

USS Pension Changes

A preliminary meeting has taken place of the USS Joint Negotiating Committee (JNC) working group which was established to consider the financial sustainability of the USS scheme and possible future changes to benefits. The meeting was chaired by Sir Andrew Cubie and the key issues for discussion were identified and agreed by all parties. The group will formally meet again on the 16th December.

Scotland

Student Support and the Personal Tutor System

Court is aware that the University's response to the disappointing NSS results on Assessment and Feedback is being lead by Senior Vice Principal Brown and Vice Principal Hounsell. Plans have been drawn up for a significant strengthening to the way that the University provides academic and pastoral support to students, and the new approach has recently been unanimously endorsed by the Principal's Strategy Group.

At the core of the new approach is a Personal Tutor system which is part of a wider framework of support structures including a strengthening of central student services together with an expanded peer support "buddy" system in partnership with EUSA. A 0.5% uplift to core budgets has been agreed for the Colleges and the relevant Support Groups to help implement the new approach which will see increased individual and group Personal Tutor time for all undergraduates.

While this does represent an exciting new approach for the University, it has been designed to build on existing best practice across the University, and the *Standards and Guiding Principles for Academic and Pastoral Support* introduced last year will be amended accordingly.

Court will hear more about this as a detailed paper will go to the next meeting of the Central Management Group in January and will then be presented to Court in February.

RUK Fees

The Scottish Parliament's Education and Culture Committee met at the end of November to hear evidence on the subordinate legislation supporting the Rest of UK fees regime. Cabinet Secretary Russell confirmed that the consultation would close on the 23 December and draft legislation would be laid in Spring 2012 with regulations coming into force in August 2012. The Committee approved the motion to recommend that the Student Fees Order be approved by eight votes with one abstention.

Scottish Funding Council ECA Monitoring Visit

Last week the Scottish Funding Council (SFC) visited the University as part of an agreed monitoring process following the merger with the Edinburgh College of Art earlier this year. It was a very successful meeting and the SFC are pleased with the progress being made by the University and the new Edinburgh College of Art.

Enhancement-Led Institutional Review (ELIR)

Court will be aware from previous information of the University's 2011 ELIR review which is led by Assistant Principal Tina Harrison. The review is a rigorous process that investigates how well the

University maintains quality and standards. I am pleased to report that the second and final visit by the review team recently took place and that the informal feedback from the Quality Assurance Association is excellent.

UKBA

The University continues to lobby on immigration issues relating to both staff and students. To this end I met with the Permanent Secretary to the Home Office in early November and another representative from the Home Office visited the University later that week. Following these meetings, and at the request of the Home Office, we are providing feedback on our experience of working with UKBA which includes a "case study" of the experiences of one of our senior academics.

Related meetings

I took part in an excellent Scotland International Forum in early December and had a very productive meeting with Professor John Womersley the new Chief Executive Officer of the Science and Technology Facilities Council in November.

I was delighted to host the Carlyle Circle Tea Party at Heriot Row earlier this month to thank those who have pledged a legacy to the University.

University News

Rugby team wins varsity clash The University rugby team has triumphed in a unique match in London. Taking on the University of St Andrews, Edinburgh produced a scintillating performance to win 39-0. The match, hosted south of the border for the first time, rekindles one of the oldest rivalries in sport. The universities - both founding members of the Scottish Rugby Union - first played each other more than 150 years ago. Around 2,000 spectators attended the match, which was hosted by London Scottish Rugby Club at its ground in Richmond.

The **Winter Graduations** went very well for both staff and students and we were pleased to also honour a University Benefactor and an Honorary Fellow in addition to a number of Honorary Degrees including Nicola Benedetti.

Research in the News:

Protein sheds insight into vCJD A protein linked to the immune system could play a key role in helping scientists understand how vCJD spreads throughout the body. The disease occurs after corrupted proteins - known as prions - accumulate in the spleen, lymph nodes and tonsils. The prions then spread to the brain where the disease destroys nerve cells. Researchers at The Roslin Institute found that they could thwart the spread of prions by preventing production of a protein in just one type of immune cell.

Flu Research About one in four of all infants who die from flu-related pneumonia live in India, according to a new University study. The research, led by the University and involving 47 researchers from 14 countries, found that every year, more than 370,000 Indian children under five die as a result of pneumonia. As many as seven per cent of that number die after contracting flu. The study estimates that 90 million cases of seasonal flu occur in under-five children each year across the world. Of that number, 20 million cases are of flu-related pneumonia, resulting in 1 million hospital admissions. Researchers say the estimates should inform public health policy and vaccine strategy, especially in resource-limited countries like India.

Ancient rocks embedded in the West Antarctic ice sheet could help University scientists improve **sea level predictions**. Researchers will determine how long Antarctic rocks at the ice surface have been

exposed to cosmic radiation - energy from exploding stars in space - during their lifetime. They will use sensor technology and chemical analysis to analyse the rocks. Their findings will indicate whether the ice sheet melted at the warmest point between the two most recent global ice ages, some 120,000 years ago, when sea levels rose by up to six metres.

External Recognition:

Award for student innovation The University's excellence at encouraging student entrepreneurs has been nationally recognised. At the Education Investor Awards 2011, LAUNCH.ed, the University's free support service for student entrepreneurs, won the award for Higher Education Innovation. It beat off strong competition from other UK institutions, including the Universities of Cambridge, Warwick and Glasgow.

College tutor wins BAFTA Edinburgh College of Art drama tutor Morag McKinnon has won Best Feature at the Scottish BAFTAs for her film Donkeys. McKinnon teaches drama directing at the College and Donkeys is her debut feature length film.

HR Award Linsay McKeown, HR Coordinator with Accommodation Services, has been honoured for providing a first-class HR administration service. Ms McKeown received the award of HR Assistant/HR Officer of the Year at the 2011 HR NETWORK National Awards.

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Vice Principals and Assistant Principals

A. Senior Vice Principal Planning, Resources and Research Policy

Court will be aware that Professor Nigel Brown currently holds the designation Senior Vice Principal Planning, Resources and Research Policy until his retirement in late summer 2012.

Looking ahead I wish to outline my plans for designating successors to both the Senior Vice Principal and Vice Principal Planning, Resources and Research Policy roles in good time.

I propose to advertise internally a 0.5 FTE as Vice Principal Planning, Resources and Research Policy. As is currently the case the Vice Principal with this designation will lead CMG and is anticipated to be the CMG nomination on the Finance & General Purposes Committee.

Once this appointment has been made I propose to nominate an existing Vice Principal as Senior Vice Principal. The Senior Vice Principal will act as my deputy and lead on University wide initiatives as required.

B. Assistant Principal Taught Postgraduate Courses - Amendment

Dr Sue Rigby currently holds the designation Assistant Principal Taught Post Graduate Courses. As part of the University's current focus on enhancing student support I wish to broaden Assistant Principal Rigby's remit to include the following.

Assistant Principal Rigby will take a significant role in facilitating the coordination and development of student support, through what might broadly be termed the learner journey at the University of Edinburgh. This will involve two strands of work; first, working with stakeholders, senior administrative and support staff to identify key points where student support requires further development, and ensuring rapid improvement in these areas in close liaison with service users and managers; second, the chairing of a review into existing student support within the University, benchmarked against comparable institutions, and looking into finance, reporting structures, responsiveness to the student demographic and links to strategic planning.

This explicit development of her role will also recognise work that Assistant Principal Rigby is already undertaking, in Chairing the Senate Committee on Curriculum and Student Progression, chairing the Convenor's Forum of Senate, convening the Employability Strategy Group, and leading on the implementation of Innovative Learning Week, the introduction of the HEAR and increasing the flexibility of entry and exit points to degree programmes. It will allow her to develop these activities further as necessary in the future, to support the highest level of student experience at the University of Edinburgh.

I recommend that the revised job title should be Assistant Principal for Student Progression and Taught Postgraduate Programmes with immediate effect.

C. Assistant Principal International Post-Doctoral Training

I wish to extend the Terms of Office for Assistant Principal Professor Asif Ahmed for a further two years until 28 February 2014.

I seek Court's approval for these changes.

TMMO'S
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Report of the Finance and General Purposes Committee
(Comments on the Report of the Central Management Group's meeting of 14 November 2011)

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 21 November 2011 from the Central Management Group of its meeting of 14 November 2011. Comments made by the F&GP Committee are incorporated in boxes within the report at relevant points.

Action requested

The Court is invited to note the 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
December 2011

Central Management Group

14 November 2011

1 MAJOR PLANNING ROUND ISSUES 2012/2013 (CLOSED)

2 REPORT FROM STAFF COMMITTEE (Appendix 1)

CMG noted the report and welcomed the intention to convene a meeting of the Staff Committee early in the new year to focus on discussion on the people aspects of the new Strategic Plan. The Group further noted the information on taking forward a University wide mentoring scheme and progress on the development of a REF Code of Practice particularly welcoming the consultation with Colleges and Schools on the draft Code and recognising the importance of ensuring that the proposed process was robust. In terms of the new Appeals process the Group noted the number and outcome of appeals lodged from 1 April to 30 June 2011.

The progress towards developing an REF Code of Practice was welcomed by the Committee.

3 ENHANCED GUIDANCE ON ACADEMIC PROMOTIONS (CLOSED)

4 DEVELOPMENT AND ALUMNI UPDATE (CLOSED) (Appendix 2)

5 SENATUS RESEARCHER EXPERIENCE COMMITTEE TASK GROUP REPORT: A STUDY OF PG CONVERSION RATES (CLOSED)

6 UNITED NATIONS REGIONAL CENTRE OF EXPERTISE (UN RCE) IN EDUCATION FOR SUSTAINABLE DEVELOPMENT

The proposal to progress to the next stage of the United Nations RCE application process was approved, noting the intention to bid for the status of Scottish Regional Centre and the support of external stakeholders.

7 NPRAS SPACE RATES FOR 2012-2013

CMG approved the revised NPRAS space rates to be applied for 2012/2013 planning and budgeting purposes which reflected the uplift required to meet building maintenance costs and increases in utility prices.

8 HIRING AGENCY WORKERS

It was noted that the Agency Workers Regulations 2010 had come into force on 1 October 2011 and that this Policy had been developed in light of the requirements of this new legislation. CMG approved the Hiring Agency Workers Policy to be applied across the University which would be challenging in those areas such as Accommodation Services with currently high levels of agency workers.

University of Edinburgh

Central Management Group
14 November 2011

Report from Staff Committee

Introduction

This paper summarises the key issues discussed and decisions reached at the meeting of Staff Committee held on 25th October 2011.

Matters Arising

1. Personal Development and Review Sub Group Update from last Meeting: The Committee noted that the new Policy Statement had been developed and agreed with Colleges, Support Groups and the University's recognised trade unions. The new title of 'Annual Review' was also noted to reflect the feedback and outcome of University-wide consultation. Work was now underway on developing guidance and a report of on-going progress was to be made to the November meeting of Court**.**

2. Agency Workers Regulations: The Committee received an oral update on the development of a new policy and accompanying guidance to support the implementation of this new piece of employment legislation which extends significant new rights to agency workers.

3. Equality & Diversity Strategy Action Plan 2010-12: The Committee welcomed the new Equality and Diversity Strategy and Action Plan and were very supportive of the different strands of work that were covered by the document, which were seen as representing the University's commitment to ensure that equality and diversity strategies at Edinburgh extended well beyond minimum legal compliance and reflected good practice consistent with a major employer serving a wide and diverse community.

4. Progression of Female Academic Staff: The Committee noted that a new Steering Group was in the process of being established to progress issues in support of advancing gender equality. This work was integral to the University's own mission and a recently launched national project co-ordinated by the Equality Challenge Unit on identifying and promoting good practice on gender equality.

Main Agenda Items

Strategic Plan

5. Ms Gupta reported that Professor Nigel Brown and Dr Alexis Cornish had met with the HR Executive recently and provided a very helpful update on the progress of developing the University's new Strategic Plan. The Committee learned that in order to gain maximum "buy-in", specific meetings were being arranged with major committees and other events were being organised to engage staff across the University fully in the process of informing and shaping the new Strategic Plan.

Staff Committee welcomed the opportunity to hold a special meeting in the new year to consider and advise upon the people aspects of the new Strategic Plan as well as have the opportunity to input into the thinking and direction of the Plan as a whole.

The Committee also agreed that there would be considerable merit in positioning the future discussions in the context of workforce planning to ensure that the University was able to attract, secure, develop and reward the best talent to meet its future challenges and continue to enhance its record of success. Members concurred that it would be important to focus on a range of high level themes that would shape the agenda for the future and enable an integrated approach.

University Mentoring Programme

6. Ms Robertson introduced this paper. A wide-ranging discussion followed and considered different models for the introduction of a Mentoring Scheme. Members advised on the need to ensure that the successful introduction of any scheme would have to be supported with an appropriate level of resource and training. The concept of group mentoring was also proposed as a valuable means of harnessing the skills and expertise of colleagues across the University with the added benefit of reducing the reliance on a few senior staff.

7. The Committee expressed the need to ensure that mentoring was set within a clear strategic context and that any model should be accessed via Annual Review, this would ensure that it was linked clearly to the career development needs of staff, whilst linked to business objectives.

8. External members of the Committee proposed other opportunities that could be incorporated within such a model, including work-shadowing and secondments as a means to experience different career options prior to making any final choices with respect to alternative career directions. It was felt that this was particularly appropriate for academic staff choosing between a distinct academic career path to one which pursued a senior management route. Equally important were opportunities for professional services staff to explore, where group mentoring and networking with other professional colleagues could be immensely valuable in enhancing one's experience of senior management opportunities.

It was suggested that evaluating the schemes which have taken place across the University over time could inform how any future model might be designed to operate.

REF Code of Practice on the Selection of Staff

9. Ms Gupta introduced the Draft Code of Practice on the selection of staff, and explained that this was very much a work in progress document. The University was awaiting further formal guidance from the Higher Education Funding Council for England (Hefce), before the Code could be finalised. On present indications, this could possibly be in Spring 2012.

10. The key points for consideration were that the Code embedded the rigor expected by Hefce in the process for selecting staff for inclusion in REF 2014. The Code would be supported by a detailed programme of briefing sessions, online training and communications on the use and application of the Code in the REF process.

11. The Committee agreed that the Code be circulated for consultation across Colleges and Schools ahead of the formal submission date to Hefce, recently brought forward to April 2012, for institutions who have already prepared their Code.

12. Of particular note was the need to assure staff who may not be returnable in the REF, but who were making a significant contribution to the University's mission, that their career opportunities would not be harmed, rather their contribution to the success of the institution would be recognised through the University's reward mechanisms where appropriate. However, it was also noted that a minority of staff may not be returnable on the grounds of performance and these cases would need to be addressed through the University's formal performance mechanisms.

Anti-Bribery and Corruption Policy

13. Ms Gupta introduced this new Policy which emanates from a piece of landmark legislation, The Bribery Act 2010, which transforms the principles on which businesses will be expected to operate in the future. In effect, the UK government are taking a lead on the international stage to set the highest standards of conduct in business. Ms Gupta explained that the main legal principles of the act require organisations to embed an anti-bribery culture and be able to evidence this across all its business activities. The University has taken significant steps to implement the Act, including the development of a new policy and associated good practice guidance; the design of questionnaires for high risk areas and detailed advice on conducting risk analyses; University-wide briefing sessions for managers and staff in key roles; a review of related employment policies and a commitment to continue on-going work to protect the University and its staff, particularly those operating in countries known to be high risk areas. Ms Gupta reported that the advice from the legal firm who were engaged to support this project, is that the steps taken to date already evidence how seriously the University has taken its responsibilities in implementing the Act.

14. Members identified other work that could be valuable in informing staff of their responsibilities and obligations under the Act. Suggestions covered the need to have a single source to access advice; rolling our further training sessions for staff; incorporating the topic into University Welcome Days; and the need to have robust and up to date record of a Register of Interest for staff similar to the rules that apply to Court members.

Enhanced Guidance on Academic Promotions

15. Ms Miller presented this paper setting out the case for enhancing the University's guidance on promotions. Ms Miller said that discussions had taken place with other Russell Group Institutions, and internally with the Institute for Academic Development.

Ms Miller outlined the key reasons for this proposal as :

a) Aligning practices more directly to the strategic aims of the University, in particular teaching excellence;

b) Providing clarity within the promotions guidance for both academic staff and academic managers on how to recognise excellence in learning and teaching.

16. A wide-ranging debate followed and some critical points were agreed:

- That this project required academic leadership and should not be depicted as an HR project.

- The size and scope of the project was large, with tight timescales for delivery.

- That the University should draw on models of good practice both from within the UK and internationally, where there was already evidence of success and positive culture change.

- That the research reputation of the University must be maintained, whilst enhancing further the importance of teaching excellence, so that academic staff engaged positively in both activities. Equally, the importance of knowledge exchange and public engagement also had to be reflected in any new guidance and criteria published in support of the academic promotions process.

- That the criteria could be linked to workforce planning, so that it was clear as to both how and where activity under this heading fitted in to the overall goals of Schools;

- The Committee were keen for the project to be progressed in order to meet the timelines for the forthcoming promotions process.

HR Policy Guidance on Maternity & Redundancy

17. Ms Fraser presented this paper and informed Staff Committee about the University's approach for ensuring the fair and proper management of maternity cases where a post may be subject to redundancy. Whilst such cases were rare, the University still had a responsibility to ensure the clear and consistent application of policy across the institution. The matter was being presented to Staff Committee for information and to provide assurance about how these sometimes sensitive cases were being handled in terms of risk. The Committee endorsed the approach adopted by the University.

Standing Item:

New Appeals process

18. The Committee noted that under the University's new Appeals Process all staff who have been dismissed have the right to appeal against their dismissal. As a means of monitoring the process, Staff Committee and Court would in future receive a regular report of the number of appeals lodged and their outcome. For this reason, this report would now form a standing item of business on the Committee agenda.

For the period 1 April 2011 to 30 June 2011, 5 appeals have been lodged, 3 have been heard of which none were upheld.

Sheila Gupta
November 2011

The University of Edinburgh

C1.2

The University Court

12 December 2011

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 21 November 2011 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 Subsidiary Companies Financial Statements 2010/2011 and to 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 - 8

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

Originator of the paper

Dr Katherine Novosel
December 2011

University Court, Meeting on 12 December 2011

Report of the Finance and General Purposes Committee
21 November 2011
(Report on Other Items)

1 SUMMARY RESEARCH AND COMMERCIALISATION REPORT FOR 3 MONTHS TO 31 OCTOBER 2010 — Appendix 1

The anticipated favourable impact of the two recent mergers was noted and the varying picture in the number and value of grant applications in the first quarter of this financial year across the three Colleges. The Committee further noted the emerging position in respect of funders with improvements being recorded in the number of applications to EU and charity sources but fewer to UK Research Councils. The increased level of awards secured was welcomed and the various activities and events being taken forward by ERI to improve and raise awareness of research and commercialisation opportunities.

2 CHANCELLOR'S FELLOWSHIPS — Appendix 2

It was noted that given the University's strong financial outturn for 2010/2011 there was an opportunity to invest at the early-career level in academic staff as part of the preparation for REF 2014. The Chancellor had graciously agreed to the proposal to create a number of Fellowships in her name and the Committee approved the proposals as set out in the paper including the financial, recruitment and appointment processes. The sustainability of these proposals at School level was confirmed.

3 PRINCIPAL'S CAREER DEVELOPMENT PhD SCHOLARSHIPS — Appendix 3

The Committee endorsed the proposals to continue the Principal's Career Development PhD Scholarships into 2012/2013 including the financial arrangements.

EDINBURGH RESEARCH AND INNOVATION
RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2011

1. RESEARCH APPLICATIONS AND AWARDS

1.1 Introduction

After the turbulence of last year, the first quarter results show a positive uplift in number and value of awards, with strong accompanying application growth in the Colleges of Medicine and Veterinary Medicine (CMVM) and Humanities and Social Science (CHSS).

This autumn saw mergers with the Edinburgh College of Art (1st August) and the MRC Human Genetics Unit. Both have active research communities and it is anticipated that this additional headcount ought to result in increased award activity for CHSS and CMVM this year. Any year- on- year comparisons should therefore take this into account.

Further, as with the Roslin Institute merger, we anticipate that the projects transferring during the course of the year to the University from the former institutions may result in an abnormal awards' 'spike', as we may be reporting projects that have been active for a number of years as well as those secured post-merger. No transfers feature in this first quarter report, so the 'spikes are yet to show.

Note, however, that even significant percentage variances at this point in the year can relate to comparatively small actuals.

1.2 Applications

1.2.1 Overall picture

In the first three months of this session, 581 applications worth £217m had been submitted across the University, representing a slight reduction of 4% in number and 10% in value.

However these percentages conceal significant application growth in CHSS (up 26% in number, 123% in value) and CMVM (up 15% in number, 40% in value).

1.2.2 College picture

In the first quarter, CHSS submitted 165 applications (c.f. 131 for Q1 2010/11) worth £48.9m (c.f. Q1 £21.9m). More than half of this application value can be attributed to just two Schools, both of which have been submitting a number of bids worth several £m– Social and Political Science (recording applications totalling £16.9m) and Law (£10.4m). That said Philosophy, Psychology and Language Sciences (PPLS), Literatures, Languages and Cultures (LLC), Divinity and Moray House all record significant Q1 uplifts on the same period last year. Pleasingly the newly-acquired Edinburgh College of Art (eca) records 23 applications worth £2.2m.

CMVM reports 201 applications worth £83.1m for the first quarter, an increase of 26 applications in number and £23.7m in value over last year. Clinical Sciences and Community Health (CSCH) has filed applications with a value of £43.8m, up 48% on the same period last year. For Molecular and Clinical Medicine (MCM), the applications total stands at £23.4m, up 80% on Q1 last year.

Interestingly, the College of Science and Engineering (CSE) bucks the trend, reporting 214 applications worth £83.4m, a fairly significant decrease on the first quarter of last year (290

applications worth £158.3m). All Schools follow this downward trend with Informatics, Physics, Engineering and Chemistry most affected. A downward trend in applications is, of course, not a negative in itself if that means a higher percentage of those submitted are successful; this we won't know until Q4 at the earliest.

1.2.3 Funder picture

Last session, ERI secured additional funding to invest in the promotion and support of EU-funded research and it is pleasing to see that investment reflected in a steady increase in EU application activity, with 51 applications worth £28.6m submitted to the Commission in the first quarter, up 16% and 29% in number and value. Applications to charities, traditionally Edinburgh's second largest funder type, are up 26% in value at £37.1m. Out of all sources of UK public sector funding, only health authorities show applications in excess of last year, although whether these will materialise as awards remains to be seen. Fewer applications have been submitted to the Research Councils, down 18% in number (total: 214), 16% in value (£113.9m).

1.3 Awards

1.3.1 Overall Picture

By the end of the first quarter, the University had secured 225 awards pledging £41.8m, up 16% in number and 8% in value. Pleasingly our predictions for CHSS appear to be holding as this College continues to recover its ground after a challenging couple of years. While all three Colleges report award numbers in excess of Q1 2010/11, the award values for CMVM and CSE are slightly shy of last year, but not statistically significant at this stage.

1.3.2 College Picture

As reported above, CHSS continues its upward recovery, reporting 47 awards for the year to date with a value of £7.6m, up some 280% on last year's award value for Q1 (c.f. £2m), and representing nearly 44% of last year's whole year awards total. The School seeing the largest year on year growth for the quarter was Moray House as a result of a significant award worth in excess of £1M from the NSPCC. Social and Political Science recorded 9 awards worth £4.6M, resulting in this School already exceeding its entire awards total for last year. A similar story can be seen with Edinburgh College of Art, reporting awards worth £1.3m for the quarter, although this is of course now a far larger entity than its part-predecessor Arts, Culture and Environment. During the next quarter, we are likely to see a number of projects originally awarded to the old Edinburgh College of Art transferring to the University. This may create the kind of awards 'spike' we saw when the University merged with the Roslin Institute. Award totals in excess of last year were also reported for History, Classics and Archaeology, LLC and Law.

During the first quarter, CMVM secured 96 awards (up 17% on the same period last year) pledging £15.4m. While the award value is 6% down, this is fairly insignificant in value terms. Two of the four Schools have seen year on year growth – MCM and the Royal (Dick) School of Veterinary Studies, both showing award values 22% up.

CSE closed the quarter 8% up in number of awards (80, compared with 74 for Q1 2010/11), 7% down in award value (£18.6m, c.f. £20.1m). Unlike the situation with application activity

in the College, however, Physics and Geosciences report award values significantly up on Q1 last year, some 413% and 226% ahead respectively.

1.3.3 Funder Picture

While year on year growth for applications was very much focussed around EU and charities, there is rather more optimism in the awards picture. Pleasingly awards from our largest funder type, Research Councils, are up 32% in number, 42% in value. At £21.9m, this is a significant increase from the £15.4m figure encountered this time last year and a really important statistic for the University, perhaps evidencing a return to normality after last year's disappointing performance from this sector. Interestingly UK Government (non-Health Authority) contracts are also up on Q1 last year, with a contracts value for the year to date nearly half of last year's 12-month total.

In addition to its focus on EU opportunities, ERI has been exploring other international sources of funding, and it is pleasing to note a steady increase in awards secured from non-UK funding streams.

2. RESEARCH DEVELOPMENT

2.1 Events

The following courses and talks were held across the three Colleges:

- *31st August 2011*: EU Framework 7 FAFB National Contact Point and Scottish Enterprise Project Development Day
- *5th – 13th September 2011*: Several British Academy lunchtime briefings
- *14th September 2011:* Introduction to Research Funding for College of Science & Engineering
- *16th September 2011*: European Research Council Starting Grants seminar
- *28th September 2011*: In partnership with International Office - International Partnership event, to launch the 'Global Directory'
- *30th September 2011*: Leverhulme Programme Competition 2011-2012 - networking lunch
- *5th October 2011*: In partnership with Institute of Academic Development, presenting at the 'Research Staff Induction Seminar'
- *6th October 2011*: In partnership with Institute of Academic Development - Supervisors' training courses focusing on PGR recruitment and funding for CHSS
- *13th October 2011*: In partnership with Institute of Academic Development - Supervisors' training courses focusing on PGR recruitment and funding for College of Science & Engineering
- *14th October 2011*: In partnership with International Office India Research Show-and-Tell – 3rd session
- *27th October 2011*: In partnership with the International Office - Latin America Research Show-and-Tell session
- *2nd November 2011*: Introduction to Research Funding for CHSS
- *4th November 2011*: In partnership with UK Research Office (UKRO) round table meeting and open session on European Research Council Starting and Advanced Grants
- *7th November 2011:* Visit from Japanese Society for the Promotion of Science (JSPS) to promote funding opportunities

2.2 Programme of Funder Visits

A number of funder visits are listed in section 2.1 above.

The focus on inviting UK Framework (FP7) UK National Contact Points (NCPs) and the Research Councils' United Kingdom Research Office (UKRO) continued in order to promote the latest round of FP7 calls. The UK NCP for the Food, Agriculture, Fisheries and Biotechnology theme ran an event in partnership with Scottish Enterprise, billed as a 'Project Development Day', encouraging networking between academia and industry.

An UKRO visit focused on providing information on the European Research Council Starting and Advanced Grants to senior academics. A closed 'strategy' session was held for members of the Research Policy Group and Heads of School, and an open session was held for Directors of Research.

2.3 International Activities

Continuing our support for the University's internationalisation agenda, and in partnership with the International Office, we facilitated the third India Show-and-Tell session, and repeated the formula for one on Latin America. The aim of these sessions is to bring academics and PhD students from across the three Colleges to share their experience of collaborating with partners in these priority countries. Research Development continue, where possible, to identify funding to help support international collaborative research.

2.4 Activities for Quarter 2, 2011/12

Scheduled funder visits:

- *22nd November 2011*: Wellcome Trust
- *1st December 2011:* Hosting UK Research Office (UKRO) visit to promote ERC Synergy Grants (new ERC scheme) and Advanced Grants (open to all UK HEIs)
- *14th December 2011:* Hosting AHRC event on international opportunities for postgraduate and postdoctoral researchers (AHRC regional event)
- *19th December 2011:* Visit from the Science and Technology Facilities Council (STFC) to provide information on translational funding opportunities

Funders who have been approached or are due to be approached with a view to visits for later in Q2, or early in Q3:

- EPSRC
- BBSRC
- NERC
- CSO

Other scheduled events:

- for Moray House: Funding opportunities and hints and tips on applying for grants
- for the College of Science and Engineering: Introduction to Research Funding

In planning:

- In partnership with the Edinburgh Centre on Climate Change, a series of 'Water' workshops aimed at bringing researchers together to share expertise, contacts and interests.

3. CONCLUDING COMMENTS

In our final report of last academic year, we highlighted the fact that Research Council awards were around 25% down on 2009/10. At that time, consultation with colleagues at other Russell Group universities suggested that there was less cash in the system, and that all universities were experiencing a downward trend. Indeed, the big picture view (i.e. across all funder types) from the Brunswick Group of research-intensive universities for 2010/11 is that many universities did indeed experience a fall in their awards tally.

But this is not the full story. Recent analysis of the latest Research Council success rate data shows that Edinburgh's overall performance is poorer than many of our comparators, and in some cases poorer than the average success rate for the sector as a whole:

Research Coun.	Edin. Success Rate	Ave. Success Rate	Edinburgh Rank
AHRC	36%	37%	15th
EPSRC	32%	36%	16th
ESRC	14%	16%	13th
MRC	20%	18%	6th
NERC	25%	24%	12th

Further examination of the data suggests that institutions which have already deployed mandatory and robust internal peer review procedures have stolen market share from institutions like Edinburgh which do not have this. With likely further adoption of demand management by the Research Councils requiring universities to improve the quality of their applications, this is a key issue for Edinburgh, and ERI will work with Colleges and Schools to facilitate and promote their internal peer review procedures.

It is encouraging to note an increase in the University's engagement with EU funding, and ERI will continue to invest time its lobbying, promotion, proposal facilitation and project negotiation services. A major initiative this year is to increase awareness of, take-up and success in the various programmes offered by the European Research Council, specifically the Starting and Advanced Grants schemes, and ERI is currently in the process of developing a plan to enable us to secure greater market share of this very attractive source of funding.

4. INVENTION DISCLOSURES

In the 3 months to 31 October 2011, 36 disclosures were made compared to 30 for the same period last year.

5. PATENT FILINGS

In the 3 months to 31 October 2011, 18 patents were filed on technologies compared to 29 for the same period last year.

6. LICENCES

In the 3 months to 31 October 2011, 24 licence deals were signed compared to 13 for the same period last year.

7. COMPANY FORMATION

In the 3 months to 31 October 2011, 3 start-up companies have been created.

8. CONSULTANCY

In the 3 months to 31 October 2011, consultancy income processed through ERI was £1m down from £1.3m for the same period last year.

Hamish MacAndrew, Carolyn Brock, Ian Lamb – ERI 16 November 2011.

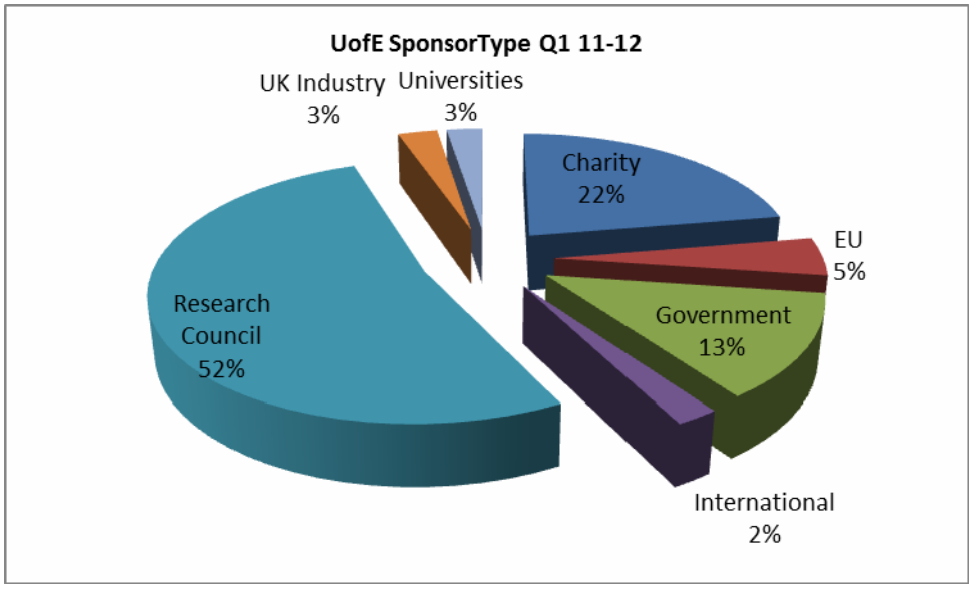
Appendix 1

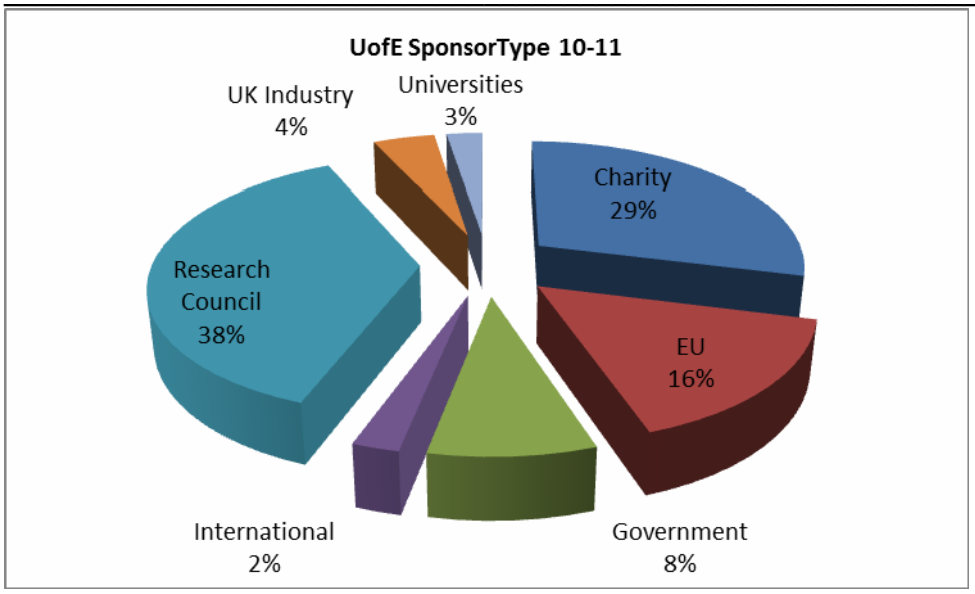
Analysis of Awards by Sponsor Type, comparing Q1 2011/12 with full year 2010/11

Where 'target' is defined as last year's total year awards value for each sector, this table shows the percentage of target achieved for the year to date.

	YTD	10-11	% of Target
Charity	£9,356,791	£53,034,481	18%
EU	£2,017,136	£29,150,126	7%
Government	£5,437,153	£15,354,056	35%
International	£920,691	£4,375,240	21%
Research Council	£21,901,408	£68,671,053	32%
UK Industry	£1,174,978	£8,069,887	15%
Universities	£1,070,128	£4,697,844	23%

These pie charts show the percentage share for each sponsor type proportional to the whole, comparing the YTD (first chart) to the full year 2010/11.




UofE SponsorType 10-11
UK Industry 4%
Universities 3%
Charity 29%
Research Council 38%
EU 16%
International 2%
Government 8%

EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2011

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	81	165	69	131	580	17%	26%
CMVM	87	201	70	175	713	24%	15%
CS&E	79	214	113	290	848	(30%)	(26%)
Support Services (ISG etc)	1	1	2	8	19	(50%)	(88%)
Total - number	**248**	**581**	**254**	**604**	**2,160**	**(2%)**	**(4%)**
All Research Applications - value - 100% PROJECT VALUE							
CHSS	33,030	48,945	13,437	21,985	89,413	146%	123%
CMVM	33,512	83,147	19,514	59,353	266,224	72%	40%
CS&E	28,097	83,422	42,347	158,321	379,625	(34%)	(47%)
Support Services (ISG etc)	1,515	1,515	26	638	1,284	5727%	137%
Total - value £'000	**96,154**	**217,029**	**75,324**	**240,297**	**736,546**	**28%**	**(10%)**
All Research Awards - number							
CHSS	5	47	9	36	184	(44%)	31%
CMVM	43	96	24	82	328	79%	17%
CS&E	21	80	30	74	389	(30%)	8%
Support Services (ISG etc)	-	2	-	2	6	-	0%
Total - number	**69**	**225**	**63**	**194**	**907**	**10%**	**16%**
All Research Awards - value - 100% PROJECT VALUE							
CHSS	1,142	7,604	237	2,001	17,397	382%	280%
CMVM	4,402	15,451	4,346	16,472	62,409	1%	(6%)
CS&E	3,558	18,699	10,037	20,165	103,181	(65%)	(7%)
Support Services (ISG etc)	-	124	-	143	367	-	(13%)
Total - value £'000	**9,102**	**41,878**	**14,620**	**38,781**	**183,354**	**(38%)**	**8%**
All Research Awards - value - SPONSOR CONTRIBUTION							
CHSS	1,142	7,419	217	1,733	15,883	426%	328%
CMVM	4,184	14,146	3,943	15,461	57,535	6%	(9%)
CS&E	3,104	16,867	9,174	17,747	93,105	(66%)	(5%)
Support Services (ISG etc)	-	124	-	100	301	-	24%
Total - value £'000	**8,430**	**38,556**	**13,334**	**35,041**	**166,824**	**(37%)**	**10%**
Industrial Research Applications - number	**10**	**24**	**15**	**26**	**101**	**(33%)**	**(8%)**
Industrial Research Applications - value £'000 (100%)	**321**	**984**	**572**	**2,574**	**9,823**	**(44%)**	**(62%)**
Industrial Research Awards - number	**11**	**28**	**15**	**28**	**101**	**(27%)**	**0%**
Industrial Research Awards - value £'000 (100%)	**325**	**1,504**	**877**	**2,884**	**8,940**	**(63%)**	**(48%)**
Research Income £'000							
CHSS	1,227	3,218	1,450	3,990	16,630	(15%)	(19%)
CMVM	7,264	17,449	6,335	17,777	78,752	15%	(2%)
CS&E	6,274	17,664	6,467	18,472	90,355	(3%)	(4%)
Support Services (ISG etc)	(1)	304	183	410	1,323	(101%)	(26%)
Total - value £'000	**14,764**	**38,635**	**14,435**	**40,649**	**187,059**	**2%**	**(5%)**

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

APPLICATIONS	Current Year				Previous Year							
	Month		YTD		Month		YTD		Full Year		YTD Variance	
	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value
EU - Government	20	22,849	51	28,629	23	18,561	44	22,159	225	123,182	16%	29%
EU - Industry	-	-	1	195	1	44	2	53	8	843	(50%)	268%
EU - Other	2	190	5	691	-	-	3	404	13	1,527	67%	71%
Overseas - Charities	1	150	6	739	5	684	8	930	28	3,485	(25%)	(21%)
Overseas - Government	1	78	4	390	1	105	8	859	20	1,748	(50%)	(55%)
Overseas - Industry	2	104	4	158	3	275	3	275	5	462	33%	(43%)
Overseas - Other	1	35	3	205	2	123	5	2,414	17	4,690	(40%)	(92%)
Overseas - Universities etc.	1	271	1	271	1	39	4	411	13	781	(75%)	(34%)
UK - Charity	50	8,002	137	37,137	53	12,639	125	29,456	605	147,155	10%	26%
UK - Government	32	1,582	105	24,216	20	3,603	91	35,891	257	54,480	15%	(33%)
UK - Health Authorities	5	5,271	7	5,514	3	2,069	6	4,202	26	24,690	17%	31%
UK - Industry	8	218	19	631	11	253	21	2,246	88	8,518	(10%)	(72%)
UK - Research Council	114	55,744	214	113,939	122	36,034	260	135,348	725	343,889	(18%)	(16%)
UK - Universities etc.	11	1,660	24	4,314	9	895	24	5,649	130	21,096	0%	(24%)
	248	**96,154**	**581**	**217,029**	**254**	**75,324**	**604**	**240,297**	**2,160**	**736,546**	**(4%)**	**(10%)**
	-	-	-	-	-	-	-	-	-	-	-	-

AWARDS	Current Year				Previous Year							
	Month		YTD		Month		YTD		Full Year		YTD Variance	
	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value
EU - Government	-	-	8	1,804	-	-	5	649	81	25,934	60%	178%
EU - Industry	-	-	2	213	-	-	1	46	5	695	100%	363%
EU - Other	-	-	-	-	2	166	4	272	17	2,483	(100%)	(100%)
Overseas - Charities	1	61	4	299	1	1	3	59	18	1,265	33%	407%
Overseas - Government	2	78	5	213	-	-	1	6	6	248	400%	3450%
Overseas - Industry	1	62	3	116	1	39	1	39	3	83	200%	197%
Overseas - Other	1	18	3	211	1	77	2	101	11	1,865	50%	109%
Overseas - Universities etc.	1	26	3	83	-	-	4	272	14	683	(25%)	(69%)
UK - Charity	17	2,412	69	9,357	14	6,178	69	15,646	268	52,890	0%	(40%)
UK - Government	9	259	22	5,416	5	695	15	2,439	92	11,487	47%	122%
UK - Health Authorities	1	21	1	21	-	-	6	457	16	1,362	(83%)	(95%)
UK - Industry	10	263	23	1,175	14	838	26	2,799	93	8,162	(12%)	(58%)
UK - Research Council	21	5,594	62	21,900	19	6,301	47	15,458	208	71,499	32%	42%
UK - Universities etc.	5	308	20	1,070	6	325	10	538	75	4,698	100%	99%
	69	**9,102**	**225**	**41,878**	**63**	**14,620**	**194**	**38,781**	**907**	**183,354**	**16%**	**8%**
	-	-	-	-	-	-	-	-	-	-	-	-

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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	Number	Value
Arts, Culture and Environment	-	-	-	-	7	1,404	14	2,299	55	10,164	(100%)	(100%)
Business School	-	-	4	714	2	102	5	433	16	2,321	(20%)	65%
Divinity	11	3,265	12	3,363	2	547	4	551	24	1,607	200%	510%
Economics	-	-	-	-	1	100	1	100	5	266	(100%)	(100%)
Edinburgh College of Art	13	1,613	23	2,203	-	-	-	-			-	-
Health in Social Science	4	773	13	1,007	5	1,302	7	1,448	28	4,262	86%	(30%)
History, Classics and Archaeology	7	1,209	12	1,258	11	1,932	14	2,037	73	8,130	(14%)	(38%)
Law	5	10,250	7	10,469	2	334	6	1,098	32	3,659	17%	853%
Literatures, Languages and Cultures	13	3,223	17	3,411	7	634	11	1,517	67	6,086	55%	125%
Moray House School of Education	4	1,499	13	2,832	2	226	12	1,271	54	6,401	8%	123%
Philosophy, Psychology and Language Sciences	12	3,991	24	6,775	8	1,922	23	4,743	86	16,936	4%	43%
Social and Political Science	12	7,207	40	16,913	22	4,934	34	6,488	140	29,581	18%	161%
TOTAL CHSS	**81**	**33,030**	**165**	**48,945**	**69**	**13,437**	**131**	**21,985**	**580**	**89,413**	**26%**	**123%**
Biomedical Sciences	10	3,391	22	8,519	8	3,674	27	9,157	99	47,252	(19%)	(7%)
Clinical Sciences and Community Health	36	18,289	85	43,832	30	7,493	79	29,621	320	99,482	8%	48%
Molecular and Clinical Medicine	21	8,275	50	23,477	13	2,951	38	13,051	159	84,372	32%	80%
Royal (Dick) School of Veterinary Studies	20	3,557	44	7,319	19	5,396	31	7,524	135	35,118	42%	(3%)
TOTAL CMVM	**87**	**33,512**	**201**	**83,147**	**70**	**19,514**	**175**	**59,353**	**713**	**266,224**	**15%**	**40%**
Biological Sciences	13	4,207	53	32,342	30	11,944	68	39,242	194	109,533	(22%)	(18%)
Chemistry	6	125	16	3,791	6	2,103	24	11,215	80	30,671	(33%)	(66%)
Engineering	13	4,362	31	7,772	17	5,236	38	25,411	126	60,843	(18%)	(69%)
Geosciences	8	2,078	31	6,329	10	4,191	34	7,946	162	33,480	(9%)	(20%)
Informatics	16	6,568	34	12,757	16	6,841	45	38,003	123	68,061	(24%)	(66%)
Mathematics	9	5,370	13	6,945	8	3,577	21	7,721	43	16,212	(38%)	(10%)
College General	1	692	1	692	-	-	-	-	-	-	-	-
Physics	13	4,695	35	12,794	26	8,455	60	28,783	120	60,825	(42%)	(56%)
TOTAL CSE	**79**	**28,097**	**214**	**83,422**	**113**	**42,347**	**290**	**158,321**	**848**	**379,625**	**(26%)**	**(47%)**
Support Services	**1**	**1,515**	**1**	**1,515**	**2**	**26**	**8**	**638**	**19**	**1,284**	**(88%)**	**137%**
Grand Total	**248**	**96,154**	**581**	**217,029**	**254**	**75,324**	**604**	**240,297**	**2,160**	**736,546**	**(4%)**	**(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	Number	Value
Arts, Culture and Environment	-	-	-	-	1	5	3	13	16	465	(100%)	(100%)
Business School	-	-	1	5	-	-	3	150	11	235	(67%)	(97%)
Divinity	-	-	1	50	-	-	3	69	13	1,302	(67%)	(28%)
Economics	-	-	-	-	-	-	-	-	1	2	-	-
Edinburgh College of Art	1	8	10	1,331	-	-	-	-			-	-
Health in Social Science	-	-	-	-	-	-	-	-	5	249	-	-
History, Classics and Archaeology	-	-	8	252	5	112	6	129	23	519	33%	95%
Law	3	35	4	37	-	-	1	15	9	392	300%	147%
Literatures, Languages and Cultures	-	-	6	115	-	-	3	98	29	1,871	100%	17%
Moray House School of Education	1	1,099	2	1,121	1	5	6	81	22	1,340	(67%)	1284%
Philosophy, Psychology and Language Sciences	-	-	6	70	-	1	7	353	31	6,581	(14%)	(80%)
Social and Political Science	-	-	9	4,623	2	114	4	1,093	24	4,441	125%	323%
TOTAL CHSS	**5**	**1,142**	**47**	**7,604**	**9**	**237**	**36**	**2,001**	**184**	**17,397**	**31%**	**280%**
Biomedical Sciences	3	84	5	311	1	77	8	1,225	43	9,547	(38%)	(75%)
Clinical Sciences and Community Health	16	2,052	39	6,002	8	1,800	43	7,774	150	23,425	(9%)	(23%)
Molecular and Clinical Medicine	5	824	19	4,665	9	1,295	18	3,813	70	17,444	6%	22%
Royal (Dick) School of Veterinary Studies	19	1,442	33	4,473	6	1,174	13	3,660	65	11,993	154%	22%
TOTAL CMVM	**43**	**4,402**	**96**	**15,451**	**24**	**4,346**	**82**	**16,472**	**328**	**62,409**	**17%**	**(6%)**
Biological Sciences	5	796	23	6,452	7	5,495	19	10,875	79	38,036	21%	(41%)
Chemistry	3	155	5	717	5	651	13	1,648	49	8,256	(62%)	(56%)
Engineering	4	1,126	11	1,604	8	1,445	12	1,579	58	14,413	(8%)	2%
Geosciences	6	759	26	5,591	3	79	11	1,713	94	12,280	136%	226%
Informatics	1	5	6	1,172	4	1,699	10	3,152	46	20,155	(40%)	(63%)
Mathematics	-	-	-	-	2	651	5	716	13	2,200	(100%)	(100%)
College General	1	692	1	692	-	-	-	-	-	-	-	-
Physics	1	25	8	2,471	1	17	4	482	50	7,841	100%	413%
TOTAL CSE	**21**	**3,558**	**80**	**18,699**	**30**	**10,037**	**74**	**20,165**	**389**	**103,181**	**8%**	**(7%)**
Support Services	**-**	**-**	**2**	**124**	-	-	**2**	**143**	**6**	**367**	**0%**	**(13%)**
Grand Total	**69**	**9,102**	**225**	**41,878**	**63**	**14,620**	**194**	**38,781**	**907**	**183,354**	**16%**	**8%**

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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	-	-	3	-	-
CMVM	7	24	4	17	60	75%	41%
CS&E	2	11	4	13	92	(50%)	(15%)
Total - number	**9**	**36**	**8**	**30**	**155**	13%	**20%**
Patents filed on Technologies - by College							
CHSS	-	-	-	-	-	-	-
CMVM	1	5	5	9	29	(80%)	(44%)
CS&E	7	13	8	20	50	(13%)	(35%)
Total - number	**8**	**18**	**13**	**29**	**79**	(38%)	**(38%)**
Patents filed on Technologies - by Type of filing							
Priority Filings	2	5	4	10	26	(50%)	(50%)
PCT Filings	-	4	2	6	22	(100%)	(33%)
Other/National Filings	6	9	7	13	31	(14%)	(31%)
Total - number	**8**	**18**	**13**	**29**	**79**	(38%)	**(38%)**
Licences signed							
CHSS	-	1	-	-	1	-	-
CMVM	4	8	-	8	22	-	0%
CS&E	1	15	3	5	42	(67%)	200%
Total - number	**5**	**24**	**3**	**13**	**65**	**67%**	**85%**
Spin-out companies created							
- Number	**-**	**-**	**2**	**2**	**5**	**(100%)**	**(100%)**
Start-up companies created							
- Number	**3**	**3**	**8**	**9**	**30**	**(63%)**	**(67%)**

TABLE 5
CONSULTANCY

	Current Year		Previous Year			Variance	
	Month	YTD	Month	YTD	Full Year	Month	YTD
By Business Type - Invoiced value £'000							
Scotland - Commerce	70	157	17	81	606	312%	94%
Scotland - Government	45	111	94	249	768	(52%)	(55%)
Rest of UK - Commerce	169	369	42	111	796	302%	232%
Rest of UK - Government	6	19	253	304	728	(98%)	(94%)
International - Commerce	57	386	115	481	1,764	(50%)	(20%)
International - Government	29	42	79	91	281	(63%)	(54%)
Total - value £'000	**376**	**1,084**	**600**	**1,317**	**4,943**	**(37%)**	**(18%)**
By College - Invoiced value £'000							
CHSS	14	55	120	223	654	(88%)	(75%)
CMVM	161	556	275	556	2,116	(41%)	0%
CS&E	200	466	205	535	2,070	(2%)	(13%)
Support Services (CSG, ISG etc)	1	7	-	3	103	-	133%
Total - value £'000	**376**	**1,084**	**600**	**1,317**	**4,943**	**(37%)**	**(18%)**

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TABLE 6
CONSULTANCY INCOME BY SCHOOL

	CURRENT YEAR		PREVIOUS YEAR			YTD
	Month	YTD	Month	YTD	Full Year	Variance
	Value £	Value £	Value £	Value £	Value £	%
Arts, Culture and Environment	-	3,350	-	-	7,875	-
Business School	5,000	8,750	800	18,225	114,366	(52%)
Divinity	-	-	1,650	3,950	14,125	(100%)
Economics	-	7,250	-	-	-	-
Health in Social Science	-	(4,817)	-	8,402	39,680	(157%)
History, Classics And Archaeology	300	300	330	330	11,460	(9%)
Law	23	6,956	14,901	18,210	51,189	(62%)
Literatures, Languages and Cultures	890	3,830	-	-	-	-
Moray House School of Education	6,500	15,060	3,432	9,647	114,698	56%
Philosophy, Psychology and Language Sciences	838	838	-	360	12,905	133%
Social and Political Science	-	13,900	98,951	126,608	251,124	(89%)
College Central	-	-	-	36,879	36,879	(100%)
TOTAL CHSS	**13,550**	**55,416**	**120,064**	**222,610**	**654,300**	**(75%)**
Biomedical Sciences	55,074	120,606	216,481	319,479	851,312	(62%)
Clinical Sciences and Community Health	22,061	90,399	12,884	128,012	260,022	(29%)
Molecular and Clinical Medicine	77,385	333,569	40,983	89,133	943,094	274%
Royal (Dick) School of Veterinary Studies	914	8,031	880	5,120	47,482	57%
College Central	5,500	3,400	4,000	14,000	14,000	(76%)
TOTAL CMVM	**160,935**	**556,005**	**275,228**	**555,744**	**2,115,911**	**0%**
Biological Sciences	51,903	92,197	46,498	95,943	268,532	(4%)
Chemistry	-	20,930	25,986	29,951	105,016	(30%)
Engineering	32,129	76,227	68,022	180,648	586,070	(58%)
Geosciences	49,201	136,874	21,569	105,435	451,229	30%
Informatics	67,164	136,671	38,300	103,231	596,215	32%
Mathematics	-	-	3,110	7,910	7,910	(100%)
Physics	150	2,870	1,700	11,932	56,130	(76%)
College Central	-	-	-	-	-	-
TOTAL CSE	**200,546**	**465,768**	**205,185**	**535,051**	**2,071,103**	**(13%)**
Support Services	500	7,220	-	3,310	102,565	**118%**
Grand Total	**375,531**	**1,084,409**	**600,476**	**1,316,715**	**4,943,879**	**(18%)**
	-	-	-	-	-	

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TABLE 7
DISCLOSURE INTERVIEWS BY SCHOOL

	CURRENT YEAR		PREVIOUS YEAR			YTD
	Month	YTD	Month	YTD	Full Year	Variance
	No	No	No	No	No	%
Arts, Culture and Environment			-	-	1	-
Business School			-	-	-	-
Divinity			-	-	-	-
Economics			-	-	-	-
Edinburgh College of Art			-	-	-	-
Health in Social Science		1	-	-	-	-
History, Classics And Archaeology			-	-	-	-
Law			-	-	-	-
Literatures, Languages and Cultures			-	-	-	-
Moray House School of Education			-	-	2	-
Philosophy, Psychology and Language Sciences			-	-	-	-
Social and Political Science			-	-	-	-
College Central			-	-	-	-
TOTAL CHSS	**-**	**1**	**-**	**-**	**3**	**-**
	-	-	-	-	-	
Biomedical Sciences		5	-	1	9	400%
Clinical Sciences and Community Health	5	12	1	6	22	100%
Molecular and Clinical Medicine	1	1	-	3	5	(67%)
Royal (Dick) School of Veterinary Studies		-	-	1	1	(100%)
R(D)VS - Roslin Institute	1	6	3	6	23	0%
College Central		-	-		-	-
TOTAL CMVM	**7**	**24**	**4**	**17**	**60**	**41%**
	-	-	-	-	-	
Biological Sciences	1	5	2	4	21	25%
Chemistry		1	1	1	17	0%
Engineering		4	1	5	21	(20%)
Geosciences	1	1	-	2	7	(50%)
Informatics		-	-	-	14	-
Mathematics		-	-	-	-	-
Physics		-	-	1	12	(100%)
College Central		-	-	-	-	-
TOTAL CSE	**2**	**11**	**4**	**13**	**92**	**(15%)**
	-	**-**	**-**	**-**	**-**	
Support Services	-	-	-	-	-	**-**
Grand Total	**9**	**36**	**8**	**30**	**155**	**20%**
	-	-	-	-	-	

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TABLE 8
PATENT FILINGS BY SCHOOL

	CURRENT YEAR								PREVIOUS YEAR												YTD
	Month				YTD				Month				YTD				FULL YEAR				Variance
	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				-				-								-	-	-	-	-	-
Edinburgh College of Art				-				-								-	-	-	-	-	-
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				-				-								-	-	-	-	-	-
TOTAL CHSS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
												-				-					-
Biomedical Sciences				-				-	-	-	-	-	-	1	-	1	-	2	-	2	-
Clinical Sciences and Community Health			1	1			2	2	-	-	-	-	-	-	1	1	2	3	5	10	100%
Molecular and Clinical Medicine				-				-	2	1	2	5	2	2	3	7	3	5	4	12	-
Royal (Dick) School of Veterinary Studies				-				-	-	-	-	-	-	-	-	-	-	-	1	1	-
R(D)VS - Roslin Institute				-	2	1		3	-	-	-	-	-	-	-	-	3	1	-	4	#DIV/0!
TOTAL CMVM	**-**	**-**	**1**	**1**	**2**	**1**	**2**	**5**	**2**	**1**	**2**	**5**	**2**	**3**	**4**	**9**	**8**	**11**	**10**	**29**	**(44%)**
				-				-												29	
Biological Sciences	1		1	2	1	2	1	4	1	-	1	2	2	-	1	3	2	-	3	5	33%
Chemistry	1		2	3	2	-	3	5	-	-	1	1	-	-	1	1	3	3	4	10	400%
Engineering			2	2		1	2	3	1	1	-	2	5	1	4	10	9	6	9	24	(70%)
Geosciences				-			1	1	-	-	2	2	1	2	2	5	2	1	3	6	(80%)
Informatics				-				-	-	-	1	1	-	-	1	1	2	1	1	4	-
Mathematics				-				-	-	-	-	-	-	-	-	-	-	-	-	-	-
Physics				-				-	-	-	-	-	-	-	-	-	-	-	1	1	-
TOTAL CSE	**2**	**-**	**5**	**7**	**3**	**3**	**7**	**13**	**2**	**1**	**5**	**8**	**8**	**3**	**9**	**20**	**18**	**11**	**21**	**50**	**(35%)**
				-				-												50	
Support Services				-				-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	**2**	**-**	**6**	**8**	**5**	**4**	**9**	**18**	**4**	**2**	**7**	**13**	**10**	**6**	**13**	**29**	**26**	**22**	**31**	**79**	**(38%)**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2011

TABLE 9
LICENCES SIGNED BY SCHOOL

	CURRENT YEAR		PREVIOUS YEAR			YTD
	Month	YTD	Month	YTD	Full Year	Variance
	No	No	No	No	No	%
Arts, Culture and Environment	-	-	-	-	-	-
Business School	-	-	-	-	-	-
Divinity	-	-	-	-	-	-
Economics	-	-	-	-	-	-
Edinburgh College of Art	-	-	-	-	-	-
Health in Social Science	-	1	-	-	-	-
History, Classics And Archaeology	-	-	-	-	-	-
Law	-	-	-	-	-	-
Literatures, Languages and Cultures	-	-	-	-	-	-
Moray House School of Education	-	-	-	-	1	-
Philosophy, Psychology and Language Sciences	-	-	-	-	-	-
Social and Political Science	-	-	-	-	-	-
TOTAL CHSS	**-**	**1**	**-**	**-**	**1**	**-**
Biomedical Sciences		1	-	2	3	(50%)
Clinical Sciences and Community Health	1	2	-	1	3	100%
Molecular and Clinical Medicine	3	4	-	2	8	100%
Royal (Dick) School of Veterinary Studies		-	-	-	1	-
R(D)VS - Roslin Institute		1	-	3	7	(67%)
TOTAL CMVM	**4**	**8**	**-**	**8**	**22**	**0%**
Biological Sciences	1	3	-	1	10	200%
Chemistry		-	-	-	8	-
Engineering		10	1	2	6	400%
Geosciences		1	1	1	2	0%
Informatics		1	1	1	7	0%
Mathematics		-	-	-	-	-
Physics		-	-	-	9	-
TOTAL CSE	**1**	**15**	**3**	**5**	**42**	**200%**
Support Services	-		-			**-**
Grand Total	**5**	**24**	**3**	**13**	**65**	**85%**
	-	-	-	-	-	

Chancellor's Fellowships

1. Introduction

The University will declare a surplus for 2010/11 that was higher than anticipated. This, together with the settlement for SFC in the recent Scottish Government Spending Review, gives the University opportunity to make strategic investments.

One of the key areas for strategic investment is in staff positions for REF2014. For RAE2008 significant investment was made in senior positions, which often bring with them significant additional costs. Such appointments can still be made where vacancies exist and where Schools have the resources to sustain the posts.

We propose that the major centrally-funded investment for REF2014 should be in early-career positions, so that we can build a cohort of new researchers in anticipation of their moving to full University Lectureships over a period of 5 years.

To celebrate the appointment of a new Chancellor of the University, it is proposed that these are designated "Chancellor's Fellowships" and Her Royal Highness has graciously agreed to this.

2. Proposal

- We will create up to 75 Chancellor's Fellowships, with a notional maximum of 5 in any one School. These will be advertised *en bloc*.
- They will be 5 year Fellowship positions, with review by the 3rd anniversary of appointment.
- The salaries will be fully funded at up to Grade UE8 in 2012-13.
- In subsequent years the University contribution to salary will be reduced to 75% in 2013-14, 50% in 2014-15, 25% in 2015-16 and 0% in subsequent years, the difference being found by the School.
- If Schools wish to make appointments before 1 August 2012, this will be fully funded by the School.
- Additional costs of establishing the research will be found by the School and/or College.
- It is anticipated that the Fellow will focus primarily on research in years 1 and 2, gradually acquiring those additional responsibilities for teaching and administration expected of a Grade 8 Lecturer, or above, by Year 5.

3. Additional notes

The positions must be sustainable through anticipated proleptic positions, additional funding streams, or other mechanisms. The process of appointment will be overseen at University level to ensure that we have equality across the disciplines. The primary criterion for appointment to a Chancellor's Fellowship is the excellence of the candidate; the filling of a specific post to accommodate teaching requirements should be done by other routes.

Finance and General Purposes is invited to note and comment on the paper

Principal's Career Development PhD Scholarships

1. Introduction

The University will declare a surplus for 2010/11 that was higher than anticipated. This, together with the settlement for SFC in the recent Scottish Government Spending Review, gives the University opportunity to make strategic investments.

There has been a significant reduction in the number of postgraduate research studentships offered by the Research Councils, and the University has fewer PGR students than we would wish. It is therefore appropriate and opportune to continue the very successful Principal's Career Development PhD Scholarship scheme.

The Principal's Career Development PhD Scholarship scheme has been reviewed and has attracted high quality students from a variety of backgrounds.

It is proposed that the scheme be continued for a further year with an intake of 50 students funded to 50% from the 2010/11 surplus, with the balance coming from the Schools.

2. Proposal

- 50 Principal's Career Development PhD Scholarships will be advertised for take-up in 2012-13.
- The home fees and stipend for each Scholarship will be funded 50% from the supervising School(s) and 50% centrally.
- The total costs of the Scheme for 1 year entry will be *ca*. £2.64M over 3 years, £1.32M of which will be borne centrally.
- Consideration be given to building these Scholarships into the Planning Round for 2013-14.

3. Additional notes

A review of the Principal's Career Development PhD Scholarship scheme was held in 2011. The scheme was well-received by the Schools and by the students and the quality of students was very high. The scheme was oversubscribed with high quality students.

Students are developing skills in the following career development areas: Teaching, Public Engagement, and Entrepreneurship, as well as in Research.

A document containing feedback from academic colleagues and from students is available on request from Vice-Principal Professor Nigel Brown

F&GPC is invited to note and comment on the paper

C2

The University of Edinburgh

The University Court

12 December 2011

Risk Management Committee
Report For Year Ended 31 July 2011

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 2011, and its views on the exposure and management of risk in the University. Its purpose is to support the deliberations of the CMG, Finance & General Purposes Committee, Audit Committee and Court in respect of the reporting on Risk Management and Internal Control in the Annual Accounts.

Action requested

For discussion and approval.

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

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
5 December 2011

RISK MANAGEMENT COMMITTEE

REPORT FOR YEAR ENDED 31 JULY 2011

Prepared by N.A.L. Paul Convenor Date: 26 September 2011
H Stocks Secretary

Introduction

This report summarises the activities of the Risk Management Committee during the year ended 31 July 2011, and its views on the exposure and management of risk in the University. Its purpose is to support the deliberations of Central Management Group, 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 structured framework for risk management has operated since then.

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; and Central Management Group (CMG) 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 / Research Excellence Framework, 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:
    - risk management policy agreed by Court;
    - registers of key University, College and Support Group, and Subsidiary Company risks;
    - reviews of key University risks;
    - risk assessments incorporated into Committee papers as appropriate;
    - risk assessments incorporated into College and Support Group annual planning documents;
    - project risk registers;
    - annual risk assurance questionnaire and reports;
    - risk assurance map.

- Induction for new Heads of School and senior managers in University Risk Management processes

- 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 2010/11

The key activities of the Risk Management Committee during 2010/11 can be summarised as:

– Update of University Risk Register – the outcome of the 2010/11 review was approved by the University Court at its meeting on 20 June 2011. The main risks to the University in the immediate future relate to meeting the challenges of the changing political and financial environment and were identified as:

    - Insufficient funding to develop the University and maintain its UK and international competitiveness:
        - e.g. due to Government funding policies for universities in Scotland and the rest of the UK
        - consequential impact of reduced funding or policy changes made by research funders e.g. research councils, charities etc
        - inability to generate new non-governmental income

- Changes to cross-border flows of students, which present political and operational challenges, arise as a result of divergence in fees policy between Scotland and the rest of the UK in 2012/13
- Changes to university governance processes or structures result from developments in government policy/legislation
- Growth in international, PG and distance learning student recruitment fails to achieve targets and falls behind UK and international competitors e.g. due to
    - UKBA polices and practice resulting in UK perceived as unwelcoming to international students
    - marketing and quality of distance learning programmes
- Staff and/or student dissatisfaction leads to disruption to business continuity. This could arise as a result of
    - the need to operate within funding constraints
    - b) pressures for changes in staff terms and conditions (including pension funds)
    - c) student tuition fees or graduate contribution proposals

– Updates of College, Support Group and Subsidiary Company Risk Registers;

– A review of each risk identified in the 2010/11 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 risks that emerged and where the risk management Committee noted mitigating actions taken by the University, were:

- The changing political and funding climate, as divergent policies and practical implications emerged from the UK Coalition Government and Scottish SNP Government on particularly tuition fees and governance reviews.

- The management of student protests, particularly relating to tuition fees

- The prospect of industrial action as a result of Pension Fund changes, particularly related to USS.

- The developments of both policy and practice in the UK Borders Agency which have potentially damaging implications for the University attracting overseas staff and students

- The enactment of the Bribery Act and the need for the University to develop anti-bribery and corruption policies and procedures

- Operational resilience during the sever winter weather

.

- The risks relating to the mergers of eca and the MRC Human Genetics Unit into the University.

- The importance of the preparation for the next Enhancement Led Institutional Review.

- 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;

- The committee undertook an effectiveness review and reported the outcome to Court. The Risk Management Committee concluded that its processes enabled it to have visibility of the major risks of the University, and of the key risks within each College, Support Group, and Subsidiary Company, and to understand the main mechanisms and actions for managing the major risks. It was also satisfied that new and emerging risks were being brought to the attention of the Committee. Similarly it was satisfied that the linkages with Audit Committee operated effectively (with the Director of Corporate Services, Director of Finance, the University Secretary and Head of Internal Audit being a member or in attendance at both Committees), as did the linkage into the Central Management Group. It took comfort from the fact that the University's external auditors, KPMG, have commented positively on the risk management processes in the University. The review highlighted three areas for future consideration by the Committee – review of risk management awareness, business continuity, and maintenance of knowledge of Risk Management generally.

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 2010/11

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, Development and Alumni 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 with appropriate actions taking place.

   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.

   The Annual Institutional Statement to the Scottish Funding Council on Internal Subject Review Activity for 2010/11 was noted.

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 Court, 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 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 June 2009 to reflect the publication of the Scottish Government Public Procurement Policy Handbook, and updated delegated authorities, including procurement, were approved in June 2010. All procurement over EU limits requires the notification to, and the involvement of the Director of Procurement or her staff.

During the year the University was assessed as part of the Scottish Government Procurement Capability Assessment process. The University was again rated as "superior" - the top category, and was the only University to achieve this rating.

The University has recorded benefits of £9.0m during 2010/11 (£7.5m for 2009/10) from professional and collaborative procurement. 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.

Responses to questions on Procurement in the Annual Risk Questionnaire and the Internal Control Questionnaire indicate 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 (2010 year end wording)

The University Court:

a) acknowledges responsibility for the design and implementation of internal control to prevent and detect fraud and error;

b) confirms that there have been no instances of fraud or suspected fraud affecting the group and parent 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.*

c) confirms that have been no allegations of fraud, or suspected fraud, affecting the group or parent University's financial statements communicated by employees, former employees, analysts, regulators or others;

d) 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.

The term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.

i. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

ii. 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;

With regard to points (b) and (c), 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 significant reported incidents of fraud in either questionnaire, albeit a cash loss of £890 was reported and investigated. There were also no allegations of fraud or suspected fraud affecting the University's financial statement.

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 2011. 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. However, it should be noted that on 25 October an out of court settlement was reached with AMA regarding the long standing legal case that AMA had brought against the University relating to Cramond.

NALP/HS

APPENDIX 1: Year end questionnaire

University of Edinburgh

Risk Management Annual Return
For the period 1 August 2010 to 31 July 2011

		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?	√		It was report last year that a student in dispute with the University regarding progress towards her PhD in the College of Medicine and Veterinary Medicine, was conducting a 'cyber campaign' maligning researchers, students and senior members of staff, without substantiation. The student this year has been attempting to take legal action against the University. This is being resisted An issue with a dyslexic medical student relating to fitness to practice medicine

[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

				arose during the year which
		Yes	No	If YES, provide details
				resulted in a breakdown in relationships between the College and the student. The issue has now been resolved. It was noted that there is a student campaign in progress against tuition fees for RUK students
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 retention of students?		√	
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?		√	
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 member of academic staff dismissed for misconduct (breach of contract). Currently is appealing dismissal. Three incidents involving breaches of University policy / procedures have led to formal disciplinary procedures being instigated. Two of the cases resulted in verbal warnings. In the third case involving 4 individuals), 2 were dismissed for gross misconduct, the other 2 resigned during the course of the disciplinary procedure. A grievance against member of staff was investigated; the staff member resigned before grievance process was completed.

		Yes	No	If YES, provide details
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 - 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 - academic fraud -	√		Internal Audit investigated cash loss of £890 in Business School
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?		√	
15	Have there been any instances of procurement activity that have failed to comply with University/funding body requirements e.g. - failure to adequately advertise or competitively tender for procurement of goods and services valued over £50k) - failure to use OJEU procedures for procurement of goods/services (above £156k over 4 years) or works (estimate over £3.9m)? - failure to obtain required authorisation for entry into purchasing framework agreements as required by the University Delegated Authorities Schedule		√	
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?	√		A lightning strike resulted in prolonged loss of telephony across much of Accommodation Services. This caused major disruption It was a number of days before a near normal service was restored but voicemail was not restored for several more weeks

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

		Yes	No	If YES, provide details
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,	√		There was a data protection issue relating to the student record system as a result of a bug in an upgrade to the system from the supplier. This bug affected many other institutions. Appropriate managers were advised; all affected applicants were contacted the situation explained and the university's apologies offered. The University Secretary formally complained to the supplier. The latter has confirmed that increased testing processes will be implemented. University testing processes have also been revised as a result. A staff member took student files out of the office to work on notes and her bag was stolen. The bag was later handed in and all information intact A medical student was given encrypted patient data for research purposes. The student transferred the encrypted data onto an unencrypted memory stick which was left in a GP practice. Immediate steps were taken on discovery of the loss and the stick has been returned safely. This is a serious breach of protocol and procedures. The College is investigating and there will be a fitness to practice review. NHS are also holding an enquiry.
18	Have deficiencies in the state of the University's properties led to any of the following? - 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		√	

		Yes	No	If YES, provide details
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?	√		See response to Q16
20	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?	√		There are some ongoing risks associated with the estate redevelopment planning and business continuity at Easter Bush. The current approved expenditure is £9.8m. In addition a risk allowance of £1.3m has been reported to Estates Committee (September 2011). Resource and technical issues in IS have resulted in 9 months delay in implementing the a project to improve research administration processes between Finance and ERI, and across the University
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?	√		Previously reported problems with financial management in Informatics have left the School with a cumulative overspend from which it will be challenging to recover in the current financial climate
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)?	√		Cramond – long standing Court action raised by AMA against UoE. The hearing will be held in October and November 2011. Regular reports are provided to Estates Committee, F and GPC and the University Court
24	Have there been any incidents, occurrences or activities which have resulted in or potentially could result in a) legal action against the University b) prosecution or formal disciplinary proceedings either within the University of by professional bodies against staff or students?	√		See responses to Questions 6 & 10 above

		Yes	No	If YES, provide details
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?		√	
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?	√		Scottish Government funding & fees policy, governance review, and proposal in White Paper on post 16 Education UK Borders Agency policy and practice New biosafety and biosecurity legislation Agency Workers Directive EU Procurement law review and developing case law Bribery Act.
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		√	
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?		√	
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?		√	

NALP
September 2011

Appendix 2: Assurance map 2010/11 relating to University Risk Register version 8

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

Key to committee acronyms: PSG Principal's Strategy Group; FGPC Finance and General Purposes Committee; CMG Central Management Group; AC Audit Committee; RMC Risk Management Committee

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
1. Insufficient funding to maintain and develop the University due to: - Government funding policies in Scotland and the rest of the UK - Economic recession and its impact on government, corporate and charity funded activities, and philanthropic giving	Lobbying, directly and via US/UUK Input to SFC on their strategic plans and funding issues/reviews University planning process including monitoring of student demand and intakes Internal pressure within Colleges and ERI to maintain focus on grant applications Review of student intake and applications for first years of divergent fee regimes	Excellence in research Excellence in commercialisation and knowledge exchange Quality services Quality infrastructure Stimulating alumni relations and philanthropic giving	• 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	Review of effectiveness of controls by lead risk manager University planning process including monitoring of student demand and intakes Monitoring of relevant Balanced Scorecard indicators Monitoring of comparative financial data against Russell Group Peers Responses from Risk Management Annual Return	Director of Planning Director of Planning Director of Planning Director of Finance	*[Review URL]* Court: 8/11/10; 20/12/10; 21/2/11; 20/6/11 PSG: 19/10/11; 2/11/10 FGPC: 25/10/10; 7/2/11 CMG: 13/10/10; 23/11/10; 26/1/11; 20/4/11; 15/6/11 RMC: 23/9/11; 13/1/11; 31/3/11; 19/5/11 AC: 2/6/11

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
2. Staff dissatisfaction and possible disruption to business continuity consequent upon the need to operate within funding constraints or arising from pressures for changes in staff terms and conditions (including pension funds)	Maintenance of relationships with local union representatives Input to national pay negotiations and discussions on Pension Funds Senior staff work with Heads of School to ensure downsizing and change activity appropriately managed (e.g. with Moray House School of Education) Business continuity planning	Excellence in research Excellence in commercialisation and knowledge exchange Quality people	• Recruiting and retaining excellent researchers • Supporting the professional and career development of staff engaged in research • Ensuring that commercialisation agreements provide for a reasonable financial return both to the University and to the inventors • Continuing to review and improve recruitment and retention strategies, systems and processes • Recognising and rewarding excellence through the effective use of our Contribution Reward policy and promotion process, and the development of a Total Reward Strategy • Promoting health, wellbeing and a positive working environment supported by good management practices and clearly defined roles and responsibilities • Improving ways of informing and involving staff in decisions and changes which affect them	Review of effectiveness of controls by lead risk manager Operation of Staff Committee, JULC, and Consultative Committee on Redundancy Avoidance (SCCRA) Responses from Risk Management Annual Return	Director of HR	*[Review URL]* Court: 27/9/10l; 8/11/10; 20/12/10; 16/5/11 FGPC: 15/9/10; 25/10/10; 2/5/11; 6/6/11 CMG: 1/9/10; 13/10/10; 23/11/10; 9/3/11; 20/4/11; 25/5/11; 15/6/11; 29/11/10 AC: 29/9/10 RMC: 13/1/11
3. Challenge of managing activities to ensure some income streams exceed costs	Financial strategy & financial planning and budgetary/forecasting processes, including F&GPC/Court oversight Fees Strategy Group Financial scenario planning	Excellence in research Quality services Quality infrastructure	• 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 • developing and regenerating our estate through the implementation of our Estate	Review of effectiveness of controls by lead risk manager Level of university annual surplus/deficit and cash flow position Measure of growth in key income streams Measuring cost increases in	Director of Finance Director of Finance Director of Finance & VP Dev & Alumni Director of Finance	*[Review URL]* Court: 27/9/10; 20/12/10; 21/2/11; 16/5/11; 26/6/11 PSG: 2/11/10; 17/1/11; 12/4/11; 3/5/11; 20/6/11 FGPC: 2/9/10; 15/9/10; 25/10/10;

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
	Post Review Group ER/VS activity SUMS review of support services Benchmarking against other comparable institutions Internationalisation strategy implementation Various college based academic developments Development of FEC to teaching High level reporting of research applications and award trends Drives to improve the utilisation of the University's 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	staff and non-staff costs Comparison with competition on key performance measures Financial control of capital building programme Responses from Risk Management Annual Return	 Director of Finance Director of Finance	29/11/10; 7/2/11; 2/5/11; 6/6/11 CMG: 1/9/10; 13/10/10; 23/11/10; 26/1/11; 4/3/11; 20/4/11; 25/5/11; 15/6/11 AC: 29/9/10; 24/3/11; 2/6/11 RMC: 23/9/10; 31/3/11; 19/5/11
4. Growth of the University falls behind UK and international competitors, e.g. in areas such as: • size (turnover/assets); • research funding • international students/staff, (including where	Strategic plan priorities and targets, and its implementation International Strategy, steering group and development plans International Office and Marketing activities	Excellence in learning and teaching Excellence in research	• 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	Review of effectiveness of controls by lead risk manager Monitoring of annual accounts and comparative sector data from HESA Monitoring of share of SFC grants	Director of Planning Director of Finance and Director of Planning Director of Planning	*[Review URL]* Court: 20/12/10; 21/2/11; 16/5/11; 20/6/11 PSG: 2/11/10; 16/11/10; 20/6/11 FGPC: 15/9/10; 29/11/10; 2/5/11;

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
growth curtailed by UKBA policy or operations); • PGR/PGT student numbers;	Development of international linkages and MoUs Focus on maintaining and growing research funding and diversifying sources of research funding Opportunities for merging / embedding other organisations into the University (e.g. eca & HGU) Active management of issues arising with UKBA Student number monitoring	Quality services Quality infrastructure Advancing internationalisation	• embedding the use of performance indicators • generating surpluses for reinvestment • continuing to attract more, and a diverse range of, international students and staff	Balanced Scorecard indicators Student intake number setting, analysis and reporting Responses from Risk Management Annual Return Monitoring of league tables	Director of Planning Director of Planning	6/6/11 CMG: 1/9/10; 23/11/10; 26/1/11; 9/6/11; 25/5/11 RMC: 31/3/11
5. Rate of maintenance, enhancement and investment in the estate fails to support University growth aspirations (research, education and accommodation), provide a satisfactory student and staff experience, and maintain competitiveness with other leading institutions across the world.	Fundraising for new developments College/estates planning, prioritisation and project processes Capital programme development and project management processes Estates Advisory Group (EPAG) / Space Management Group (SMG) processes	Excellence in learning and teaching Excellence in commercialisation and knowledge exchange Quality infrastructure	• 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	Review of effectiveness of controls by lead risk manager Annual benchmarking against sector Annual condition and legislation compliance backlog survey Building performance assessments (condition and functional suitability) Responses from Risk	Director of Estates & Buildings Director of Estates & Buildings Director of Estates & Buildings Director of Estates & Buildings	*[Review URL]* Court: 27/9/10; 21/2/11; 16/5/11; 20/6/11 FGPC: 15/9/10; 25/10/10; 7/2/11; 6/6/11 CMG: 26/1/11; 9/3/11; 20/4/11; 25/5/11 AC: 29/9/10; 24/3/11; 2/6/11

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
	Annual backlog and compliance review Ongoing estate activities e.g. building inspections, physical condition and compliance surveys, fire risk assessments	Enhancing our student experience	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 • securing investment from external sponsors • 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	Management Annual Return		RMC: 13/1/11
6. Failure to provide a high quality student experience e.g. in teaching and learning, student services, living and social environment	College and Support Group Annual and Strategic Plans "Student Experience" a specific goal in the 2008/12 University Strategic Plan Appointment of VP Academic	Enhancing our student experience	• 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	Review of effectiveness of controls by lead risk manager NSS results Other student experience survey results of e.g. library, IT, teaching quality, course design.	VP Academic Enhancement VP Academic Enhancement VP Academic Enhancement	*[Review URL]* Court: 27/9/10; 21/2/11 PSG: 28/9/10; 17/1/11; 22/2/11 FGPC: 7/2/11 CMG: 9/3/11

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
	Enhancement, launch of new senate committees, and development of good proactive guidelines School plans for performance improvement Improvement of study and social spaces as part of Estates plans		students, prospective students and graduates • 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	International Student Barometer and Postgraduate Research Experience Survey Responses from Risk Management Annual Return	VP Academic Enhancement	RMC: 19/5/11
7. Inability to retain or attract sufficient key academic staff to meet University / College goals for research and teaching	Ensuring the university remains an attractive working environment Annual review of academic staff (inc salary) Active leadership by Principal and of HoCs Recruitment processes group, and flexible HR strategies to meet needs	Excellence in learning and teaching Excellence in research Quality people	• Ensuring that staff involved in the delivery of learning and teaching continue to develop their professional capability • Recruiting & 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	Review of effectiveness of controls by lead risk manager Recruitment and retention monitoring Annual equal pay review Responses from Risk Management Annual Return	Director of HR Director of HR Director of HR	*[Review URL]* RMC: 31/3/11 CMG: 1/9/10; 9/3/11; 20/4/11

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
	of different business areas		• 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			
		Advancing internationalisation Promoting equality, diversity, sustainability and social responsibility	• 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			
8. Inadequate management of work priorities and major change projects both individually and as a combined programme of activity. Major projects in progress are: 8.1 new student	Project management steering groups, boards, advisory groups and implementation groups Project management processes, Gateway	Quality services Quality infrastructure	• 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	Review of effectiveness of controls by lead risk manager 8.1 Ongoing governance by Student Admissions and Curricula Systems Board; External Reviews	8.1 Director of Registry 8.2 Director of Estates & Bldgs 8.3 Director of Planning	*[Review URL]* Court: 27/9/10; 8/11/10; 20/12/10; 21/2/11; 16/5/11; 20/6/11 PSG: 2/9/10;

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
administration processes project (EUCLID); 8.2 major estates projects e.g. Vet School, SCRM, library central area refurbishment; 8.3 adaption of data collection processes/systems to reflect the new metrics related basis for future research assessment 8.4 establishing process to operate the new managed immigration system (affecting staff and students) 8.5 development and implementation of merger proposals with Edinburgh College of Art 8.6 development and implementation of merger proposals with MRC Human Genetics Unit	processes and reviews Guidance on major projects and "Projects" website Reporting to University committees Communication activities Planning and provision of resource to enable projects Development of ERMIS for data collection of research management information, incorporating any known REF requirements	Building strategic partnerships and collaborations Excellence in research	• continuing to develop a systematic approach to the acquisition, creation, capture, storage, presentation and management of information resources • stimulating the development and growth of interdisciplinary research centres across Schools and Colleges and with other organisations • recruiting and retaining excellent researchers • ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources • working together with major research funders and other external bodies internationally and in the UK	8.2 Monitoring by Strategic Project Boards of progress, costs, quality, sustainability 8.3 Not yet appropriate 8.4 Monitoring of attendance, fees arrears and identity information 8.5 Merger achieved on 1 August 2011 8.6 Merger achieved 1 October 2011. Responses from Risk Management Annual Return	8.4 SCE College Registrar (students) and Director of HR (staff) 8.5 Prof David Fergusson 8.6 MVM College Registrar	28/9/10; 21/12/10; 17/1/11 FGPC: 2/9/10; 15/9/10; 25/10/10; 29/11/10; 7/2/11; 2/5/11; 6/6/11 CMG: 1/9/10; 13/10/10; 26/1/11; 9/3/11 AC: 29/9/10; 25/11/10; 24/3/11 RMC: 23/9/10; 31/1/11; 31/3/11; 19/5/11
9. Failure of IT infrastructure, systems operation, or serious breach of IT or data security leading to inadequate performance unacceptable loss of service or loss of sensitive or personal data	Ongoing resilience improvement programmes and infrastructure upgrades Internal and external audit processes, including external penetration testing	Quality infrastructure	• 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	Review of effectiveness of controls by lead risk manager Annual IT assurance process Responses from Risk	VP Knowledge Management and CIO VP Knowledge Management and CIO	*[Review URL]* Court: 20/12/10; 16/5/11 AC: 29/9/10; 25/11/10; 24/3/11; 2/6/11 RMC: 23/9/10

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
	Business recovery plans and exercises Oversight by Knowledge Strategy Committee Systems implementation trialling and load testing Annual IT assurance process from VP Knowledge Management and CIO Policies on data security			Management Annual Return		
10. Inadequate engagement with changes in public policy, legislation, and practice affecting Higher Education, e.g. o UK Government; o Scottish Executive/Scottish Enterprise/SFC; o City of Edinburgh; o European Union; o Research Councils	Membership of sector-wide representational bodies Informal liaison, networking and lobbying Monitoring public policy developments Responses to consultations	Excellence in research Excellence in commercialisation and knowledge exchange Quality services Quality infrastructure Engaging with our wider community	• 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, officials and the media on policy issues • Interacting with key city partners over issues including planning, procurement, transport	Review of effectiveness of controls by lead risk manager Responses from Risk Management Annual Return	Director of Planning	*[Review URL]* Court: 20/12/10; 21/2/11; 20/6/11 PSG: 21/12/10; 3/5/11 FGPC: 7/2/11 CMG: 23/11/10; 26/1/11; 25/5/11; 15/6/11 AC: 29/9/10; 24/3/11; 2/6/11 RMC: 13/1/11

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
			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			
		Promoting equality, diversity, sustainability and social responsibility	• Exploiting our strengths in environmental and sustainability research to influence policy formulation and implementation			
11. Failure to appropriately position and support the University's image and reputation in the UK and worldwide	International strategy development Activities of Communications & Marketing in partnership with all units Media monitoring and management, and relationships building Brand management and market research processes Visitor Centre and Corporate publications Relationship development with Alumni Linkages with international groupings	Advancing internationalisation Engaging with our wider community	• 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 • 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,	Review of effectiveness of controls by lead risk manager Monitoring of media coverage Monitoring of fundraising levels Monitoring of number of student applications Responses from Risk Management Annual Return	Director of Communications & Marketing Director of Communications & Marketing Director of Development & Alumni VP Planning and Resources	*[Review URL]* Court: 20/12/10; 16/5/11; 20/6/11 PSG: 22/2/11 CMG: 20/4/11; 15/6/11 RMC: 23/9/10; 31/3/11; 19/5/11

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
	e.g. British Council, SDI, UKFO, Confucius Network, U21 etc	Stimulating alumni relations and philanthropic giving	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			
12. Significant academic collaborations fail to be effectively managed and do not deliver benefit to the University	Strategic decisions made through PSG/Central Management Group/Finance & General Purposes Committee Memoranda of Agreement Guidelines for staff Separate financial monitoring Quality Assurance Agency Codes of Practice Governance arrangements put in place and clear	Advancing internationalisation Building strategic partnerships and collaborations	• 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 • 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	Review of effectiveness of controls by lead risk manager Responses from Risk Management Annual Return	College Registrars	*[Review URL]* Court: 8/11/10 PSG: 19/10/10 FGPC: 6/6/11 AC: 2/6/11 RMC: 31/3/11

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
	designation of responsibilities Review of all partnerships and collaborations on a 5 yearly cycle					
13. Widespread damage to property and buildings (fire, explosion, malicious damage etc), including properties adjacent to the University estate	Fire/security policies & procedures Fire detection systems Training & awareness Audit of H&S mgt in all units in partnership with insurance brokers Insurance cover Programme of fire risk assessments Business continuity plans Planned preventative maintenance	Quality infrastructure	• identifying and planning for major risks and business continuity across all areas of infrastructure • continue our maintenance and compliance work programme	Review of effectiveness of controls by lead risk manager Reports to EPAG H&S audits carried out by University's insurance brokers Responses from Risk Management Annual Return	Director of Estates & Buildings Director of Estates & Buildings Director of Estates & Buildings	*[Review URL]* RMC: 13/1/11
14. Failure to achieve a rating of "confidence" in the 2011 Enhancement Led Institutional Review (ELIR)	ELIR Steering Group overseeing the preparation of the review Various University-wide academic developments via	Excellence in learning and teaching	• responding to recommendations identified through quality enhancement activities • ensuring our research feeds directly into the learning experience at all levels • providing flexible and informed curriculum choice • building collaborative learning into the	Review of effectiveness of controls by lead risk manager Routine QA monitoring of Schools and Colleges ELIR Steering Group		*[Review URL]* Court: 27/9/10; 20/6/11 RMC: 31/3/11

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
	Senate Committee Task Groups Updating of relevant academic regulations Various College level academic developments via relevant committees Various School level academic developments via ELIR School contacts. Reviews and enhancement of various teaching, learning, academic & pastoral support and support services for students	Enhancing our student experience	curriculum, along with students' capacity to learn by enquiry and monitor learning by self-assessment • providing more opportunities for students to study abroad or undertake professional or industrial placements • stimulating new and more flexible ways of learning, teaching and assessing through the use of new technologies and the innovative design of teaching space • expanding access to taught postgraduate and continuing professional development provision through e-learning • ensuring that information provided to students is comprehensive, accessible, consistent and user friendly • providing coordinated student services that recognise the needs and expectations of students, prospective students and graduates • providing good-quality and well-placed learning and social spaces that support group and individual learning and form simulating foci for the life of the academic community • standardising analysis of, and action taken in response to, internal and external student feedback	updates Progress against ELIR planning timeline Responses from Risk Management Annual Return		

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The University of Edinburgh

University Court

12 December 2011

Report and Financial Statements for the Year Ended 31 July 2011
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 3l July 2011 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

Freedom of Information

Can this paper be included in open business? Yes

Originator of the Paper

Nigel A L Paul
Director of Corporate Services
5 December 2011

Report and Financial Statements for the Year Ended 31 July 2011

Risk Management - Post Year End Assurance

This paper provides assurances related to post year end events for consideration by Court in approving the Financial Statements of the University of Edinburgh, the Edinburgh College of Art, and, as Trustee, the Andrew Grant Scholarship Fund for the year ended 31 July 2011.

To enable Court to receive assurance that the post 31 July 2011 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. He has consulted the previous acting Director of Finance and the Post Merger Working Group with regard to post year end matters related to the Edinburgh College of Art and the Andrew Grant Scholarship Fund.

University of Edinburgh

The Corporate Governance Statement in the Report and Financial Statements for the year ended 31 July 2011 states that *"By its 12 December 2011 meeting, the Court had received the Audit Committee and Risk Management Committee reports for the year ended 31 July 2011; it had also taken account of relevant events since 31 July 2011."*

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 2011. The assurances provided in the Risk Management Committee report for the year ended 31 July 2011 therefore remain valid for the post year end period.

It should be noted that, since the year end

a) the Legal dispute regarding the Cramond disposal has been resolved - the Financial Statements for the year ended 31 July 2011 reflect the final position reached on resolution
b) the mergers of the Edinburgh College of Art and the Human Genetics Unit into the university were effected on 1 August 2011 and 1 October 2011 respectively
c) the euro crisis and weakening UK and European economies could impact on the income of the University, and the valuation (and funding) of its pensions funds

These do not impact on the Report and Financial Statements for the year ended 31 July 2011 as presented to Court.

The University continues to manage the major risks in the University Risk Register as reported to Court in June 2011.

Edinburgh College of Art

Edinburgh College of Art was merged into the University on 1 August 2011, and activities were transferred to the University's core systems and internal control environment. A new Principal and Head of Administration were appointed and the previous ECA and the University's School of Arts Culture and Environment were merged to form a combined unit operating under the ECA name. Whilst there remain a number of transition activities still in progress, the process of merger is proceeding satisfactorily. Research and teaching continues uninterrupted and the internal control weaknesses which were being addressed during the year

ended 31 July 2011 are being superseded through implementation of the University's systems and control environment. It was recognised during due diligence and in discussions at Court meetings that the some of the ECA estate was in poor condition and that a major programme of refurbishment and renewal would be required in the years following merger. A Project Steering group has been established to take this forward. It should however be noted that an impairment review was undertaken at 31 July 2011, which indicated that no adjustments were required and that the carrying value in the Financial Statements was a fair value.

These matters have already been reported, but are noted here for completeness. They do not impact on the Report and Financial Statements for the year ended 31 July 2011 as presented to Court.

Andrew Grant Scholarship Fund

The Andrew Grant Scholarship Fund transferred to the University on 1 August 2011 with the previous trustees, being the members of the ECA Governing Body, replaced by the Court of the University of Edinburgh as the single corporate trustee. The Trustee, being the University Court, has formally delegated the operation of the investment management and the award giving activities to the University's Investment Committee and a Bequests & Scholarships Committee respectively. The Financial Statements for the Andrew Grant Scholarship Fund comprise the Andrew Grant Bequest, the Edinburgh College of Art Prize Fund, and other specific endowments. In accordance with the decision of the Trustee at its meeting on 19 September 2011, and subject to OSCR approval, the funds related to the Edinburgh College of Art Prize Fund, and other specific endowments will be transferred from the Andrew Grant Scholarship Fund to the University to be managed through the same processes as all other University endowments. This will leave the Andrew Grant Bequest as the only activity being accounted for within this entity in future.

These matters are recorded in the Report and Financial Statements for the year ended 31 July 2011 as presented to Court.

N.A.L. Paul
Director of Corporate Services
5 December 2011

The University of Edinburgh

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The University Court

12 December 2011

Annual Report of the Audit Committee to Court, for year ended 31 July 2011

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 2010/2011 to which is attached the Internal Audit Report 2010/2011 and Value for Money Report. The Annual Report also provides assurance to Court in respect of adopting the Edinburgh College of Art Report and Financial Statements for year ended 31 July 2011 and the ECA, Andrew Grant Scholarship Fund Trustee's Report and Financial Statements for the year ended 31 July 2011. Attached to the Report are three additional papers: Annex 3 provides information on the sources of assurance in respect of ECA and the Andrew Grant Scholarship Fund; Annex 4 is an Annual Report from Edinburgh College of Art; and Annex 5 an Annual Report from ECA, Andrew Grant Scholarship Fund Trustees. The draft Minute of the Audit Committee meeting held on 22 November 2011 is also attached for information.

Action requested

The University Court is invited to note the content of the Annual Report of the Audit Committee 2010/2011 and note the content of the draft Minute of the Audit Committee meeting held on 22 November 2011.

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 2010/2011 describes the activities of the Audit Committee which included receipt of papers on the University's risk management controls during 2010/2011 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 Anne Richards, Convener of the Audit Committee.

Originator of the paper

Dr Katherine Novosel
December 2011

Annual Report of the University of Edinburgh, Audit Committee to Court for the year ended 31 July 2011

1 Membership and Frequency of Meetings 2010/2011

Membership of the Committee for 2010/2011 was as follows:

Ms G Stewart (Convener) (Co-opted member of Court)
Mr D Bentley (External member) until 31 December 2010
Mr M Sinclair (External member)
Mr A Trotter (External member) from 21 February 2011
Mr P Budd (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. The Principal attended the meeting of the Audit Committee held on 25 November 2010 at which the Committee considered the Draft Reports and Financial Statements for year ended 31 July 2010 and associated reports. Also in attendance at the Audit Committee meeting held on 2 June 2011 were Ms S McPherson, Convenor Audit and Risk Committee, Edinburgh College of Art (ECA), Ms K Sinclair, Acting Director of Finance, ECA, Mr P McGinty, Deloitte, ECA Internal Auditor and Mr S Reid, KPMG who attended as ECA's External Auditor as well as the University's External Auditor.

The term of office of Professor S Monro ceased at the end of the 2009/2010 academic year and Court, at its meeting on 21 June 2010, on the recommendation of the Nominations Committee appointed Mr Peter Budd as his successor with effect from the start of the 2010/2011 academic year for a period of two years.

During 2010/2011 the term of office of Mr D Bentley ceased on the 31 December 2010 and as previously agreed an open recruitment and interview process was undertaken to identify his successor on the Committee. Court at its meeting on 8 November 2010 agreed the arrangements for the recruitment process which were taken forward on its behalf by the Nominations Committee. The position was advertised in the week commencing 22 November 2010 and interviews held with short-listed candidates on 28 January and 4 February 2011. The interview panel consisted of Ms Stewart, Convener of Audit Committee, Mr Sinclair, external member of Audit Committee and Mr Gorringe, Director of Finance. As a result of this robust process Court, at its meeting on 21 February 2011, on the recommendation of the Nominations Committee, approved the appointment of Mr Alan Trotter with immediate effect for a period of three years.

The Committee met on four occasions during the course of 2010/2011 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.

The Audit Committee at its meeting on 29 September 2010 as part of the review of its effectiveness agreed to recommend to Court minor amendments in respect of its terms of reference in order to comply with the Scottish Funding Council's Financial Memorandum's mandatory requirements in relation to audit arrangements: these arrangements replaced the previous SFC's Code of Audit Practice. Court at its meeting on 8 November 2010 approved the proposed revised changes.

2 Internal Audit

Annual Report of the Internal Auditors 2010/2011

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 2010/2011 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 2010-11, I am able to confirm that there is a strategy with supporting policies in place 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 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. 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 20 June 2011, Court, on the recommendation of the Audit Committee, approved the Internal Audit Plan 2011/2012. The Chief Internal Auditor prepared the plan in consultation with senior management, including the Principal as Chief Accountable Officer.

Internal Audit Performance and Resourcing (2010/2011)

The Audit Committee has instituted a formal process for appraising the performance of the Internal Audit Service and to monitor expenditure against output. The methodology was reviewed and considered to be fit for purpose and as previously agreed the Internal Audit Quality Assurance Benchmarking Exercise which involves a reciprocal peer review group was not undertaken: the next benchmarking exercise will be undertaken in respect of the academic year 2013/2014 and be considered at the first meeting of the Audit Committee in the academic year 2014/2015.

The Committee agreed that in undertaking the 2010/2011 review it would consider information obtained from the following:

- the annual evaluation questionnaire - a process to obtain feedback from managers of activities within the University which had been the subject of internal audit; and
- a report prepared by the University Secretary, the Director of Corporate Services and the Director of Finance based on the guidance contained within the CUC Handbook for Members of Audit Committees in Higher Education Institutions which had been published in February 2008.

At its meeting on 29 September 2011, the Committee reviewed these two documents and also taking cognisance of the verbal opinion of External Audit concluded that it remained very satisfied with the overall performance of the Internal Audit Service. The Principal, as the designated Accountable Officer has expressed his satisfaction with the performance of the Internal Audit Service. The Audit Committee further confirmed its desire to continue to undertaken an annual review of Internal Audit Service particularly given the rapidly changing environment in which the University now operated.

At its meeting on 2 June 2011, the Committee considered information on the resourcing of the Internal Audit Service based on data available from the BUFDG (British Universities Finance Directors' Group) 2011 Audit Survey (based on 2009/2010 accounts) and was satisfied that the University continued to benefit from value for money in respect of its Internal Audit Service. It was further noted that no concerns had been raised on the resources available to Internal Audit to undertake its agreed Annual Audit Plan; the Audit Committee would continue to monitor the position.

3 External Audit

Appointment and Remuneration of External Auditor

KPMG was initially appointed in July 2001 and the 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. As a result of this tendering exercise, 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 audit years. At its meeting on 29 September 2010, the Committee considered the future provision of External Audit services and taking cognisance of the previous very robust tendering and appointment process and the satisfactory performance reviews was minded to recommend to Court the re-appointment of KPMG for a further two years to undertake the 2011/2012 and 2012/2013 audits with the proviso that future fee uplifts be in line with CPI rather than RPI. Court at its meeting on 8 November 2010 agreed to take forward the option to extend the contract with KPMG as recommended by the Audit Committee with the fee uplift for these two additional audit years to be in line with the CPI rather than the RPI. KPMG has agreed to the revised arrangements and the Audit Committee will seek to initiate a full tendering exercise for external audit provision in respect of the 2013/2014 audit onwards.

At its meeting on 2 June 2011, the Audit Committee reviewed and was satisfied with the External Audit Plan Overview for the year ending 31 July 2011. The Audit Committee reported to the Court meeting on 20 June 2011 that the proposed external fee for the University and Subsidiary Companies for the 2010/2011 external audit was £88,090 exclusive of VAT and that this was consistent with the fees structure agreed as part of KPMG's accepted tender submission; the Court approved this fee.

External Audit Performance (2010/2011)

The Audit Committee has instituted a formal process for appraising the performance of External Audit and agreed that a similar approach be adopted to that successfully undertaken in 2009/2010. The Committee asked that a report be prepared by the Director of Finance and the Chief Internal Auditor based on the guidance contained within the CUC Handbook for Members of Audit Committees in Higher Education Institutions which had been published in February 2008.

At its meeting on 2 June 2011, the Audit Committee considered the report and was fully supportive of the opinions in the report on the satisfactory performance of External Audit. The Committee at this same meeting considered the outcome of the KPMG client feedback review which had been an outstanding item from previous years' performance reviews. The Audit Committee was content with outcome of this client feedback review and that the action points were being taken forward particularly the work to strengthen KPMG's understanding of the University's IT strategy.

Audit Highlights Memoranda for the year ended 31 July 2011

KPMG presented two Audit Highlights Memoranda for the year ended 31 July 2011 one in respect of the University and Group and a separate Memorandum for the subsidiary companies to the Audit Committee meeting on 22 November 2011. KPMG issued an unqualified audit opinion on the 2010/2011 Group and University financial statements, setting out specific recommendations none of which were categorised as high risk and are being addressed by the University. The Highlights Memoranda for the year ended 31 July 2011 will be forwarded to the Scottish 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 at its meeting on

22 November 2011 considered the 2010/2011 Value for Money Report attached at Annex 2 and based on the content of this Report is satisfied that arrangements were in place to improve and promote economy, efficiency and effectiveness within the University during 2010/2011.

5 Risk Management

The Audit Committee received and considered the Annual Report from the Risk Management Committee for the year ended 31 July 2011 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 2011. The Audit Committee also considered and endorsed during 2010/2011 the revised University Risk Register (version 9).

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 2010/2011 contains a statement confirming that there were no allegations of fraud or suspected fraud affecting the University's financial statements. Also, there were no significant reported incidents of fraud, albeit a cash loss of £890 was reported and investigated.

7 Reports and Financial Statements for the year ended 31 July 2011

The Committee received the Reports and Financial Statements for the year ended 31 July 2011, including the Principal's Statement and Corporate Governance Statement, at its meeting on 22 November 2011. 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 Highlights Memoranda for the year ended 31 July 2011; the Risk Management Committee's Report for year ended 31 July 2011; the Central Management Group's Value for Money Report 2010/2011 and direct comments from relevant members of staff of the University, the Audit Committee considered that:

The University's internal control systems during 2010/2011 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 Edinburgh College of Art

In addition to consideration of matters pertaining to the University of Edinburgh, the Audit Committee has taken forward the task of providing appropriate assurances to enable the Report and Financial Statements of the Edinburgh College of Art for the year ended 31 July 2011 and the Trustee's Report and Financial Statements of the ECA, Andrew Grant Scholarship Fund for the year ended 31 July 2011 to be adopted by Court.

The Audit Committee received relevant documents prepared and presented by the Convenor of the Audit and Risk Committee of the Edinburgh College of Art, the Acting Finance Director of Edinburgh College of Art and the Internal and External Auditors of Edinburgh College of Art at its meetings held on 2 June 2011, 29 September 2011 and 22 November 2011. Also at its meeting on the 22 November 2011 the Committee received a paper detailing the sources of assurance for Edinburgh

College of Art and ECA, Andrew Grant Scholarship Fund Annual Financial Statements and this is attached as Annex 3.

The Committee thereby gained assurances that the accounts of Edinburgh College of Art and ECA, Andrew Grant Scholarship Fund had been properly prepared and showed a true and fair view of the state of affairs of those entities for the year ended 31 July 2011, included all necessary disclosures and that the statements within these accounts regarding the internal control and risk environment were appropriate. The Committee took further assurances from the robust due diligence exercise undertaken as part of the merger process and confirmation that the Director of Corporate Services and the Director of Finance had reviewed the draft Report and Financial Statements of the Edinburgh College of Art for the year ended 31 July 2011 and the draft Trustee's Report and Financial Statements of the ECA, Andrew Grant Scholarship Fund for the year ended 31 July 2011 against the due diligence reports provided to Court and the Due Diligence Working Group, and against the SFC's funding letter, and that they were satisfied that the Statements were consistent with their understanding of the control and financial position for the year ended 31 July 2011.

Members of the University's Audit Committee were also invited to attend private meetings with the External Audit and Internal Audit Services of Edinburgh College of Art without the presence of officers of the University or the Edinburgh College of Art prior to their consideration of the Edinburgh College of Art's Report and Financial Statements for the year ended 31 July 2011 and the ECA, Andrew Grant Scholarship Fund Trustee's Report and Financial Statements for the year ended 31 July 2011. Unfortunately, the Edinburgh College of Art Internal Auditor tendered his apologies at short notice and no meeting was held with ECA Internal Audit Services. The meeting with External Audit allowed 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. At its meeting on the 22 November 2011 the Audit Committee also considered the Annual Report of the Edinburgh College of Art Audit and Risk Committee for the year ended 31 July 2011 and the Annual Report of the ECA, Andrew Grant Scholarship Trustees and these are appended at Annexes 4 and 5[1].

The Audit Committee received the Edinburgh College of Art's Report and Financial Statements for the year ended 31 July 2011, including the Operating and Financial Review and Corporate Governance Statement, at its meeting on 22 November 2011. 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 Report and Financial Statements to the Court for adoption.

The Audit Committee also received the ECA, Andrew Grant Scholarship Fund Trustee's Report and Financial Statements for the year ended 31 July 2011, at its meeting on 22 November 2011. 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 ECA, Andrew Grant Scholarship Fund Trustee's Report and Financial Statements to the Court for adoption as the single corporate trustee of the Andrew Grant Scholarship Fund and of the Andrew Grant Bequest.

10 Other Committee Business

Other issues considered by the Audit Committee during 2010/2011 included: the University's Corporate Governance Statement; voluntary severance payments and arrangements for non-standard severance; ethical fundraising; implications of the Bribery Act; Finance follow up of External Audit reports; and new accounting requirements in respect of disclosure of attendance at Court and its relevant Committees and heritage assets. The Committee also received papers confirming the requirement to prepare University of Edinburgh Accounts in accordance with US GAAP and approved the arrangements for taking forward the external audit of these Accounts. As directed by

[1] The Edinburgh College of Art Annual Internal Audit Service Report is available on request.

Court, the Committee undertook a review of its effectiveness at its meeting on 29 September 2010 agreeing on a report which was presented and approved by Court at its meeting on 21 February 2011.

Dr Katherine Novosel
Head of Court Services
November 2011

Annex 1

Internal Audit Annual Report 2010-2011

A Introduction

Internal Audit's responsibilities, as defined in its Terms of Reference which were updated and re-approved by Court on 19 October 2009, include producing an annual report for the Audit Committee, giving an opinion on the University's arrangements for:

- Risk management - see section C
- Control - see section D
- Governance - see section E

The SFC Financial Memorandum[1] states that institutions will find it useful to take account of the CUC[2] Handbook. 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.

The SFC Financial Memorandum also requires the institution to have a strategy for systematically reviewing management's arrangements for securing value for money, and Internal Audit is required to appraise these arrangements. The CUC Handbook 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 economy, efficiency and effectiveness. Therefore our annual report includes a section on Value for Money (section F).

This report also aims to highlight where we provided specific added value during the year.

B Internal Audit Function

Coverage

Appendix A1 lists the 32 assignments completed during the year (31 in 2009-10) in the order that reports were presented to the Audit Committee. Appendix A2 provides a list of follow-up reviews carried out during the year. Appendix B summarises the main findings of the audit assignments. 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. Six additional assignments to the original plan were accommodated during the year (see Appendix A), two of which are still underway. Our scheduled assignments on the Sick Children's Hospital redevelopment and the Identity Management Service (IDMS) have been deferred since both the underpinning projects were deferred. Based on the resources required to complete the audit plan, it is 95% completed. Work is continuing on 8 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.

Performance Monitoring

The CUC Handbook states that the Head of Internal Audit should "monitor internal audit's performance annually against agreed performance measures." Appendix C1 includes a selection of

[1] Scottish Funding Council Financial memorandum, effective from 1 January 2006.
http://www.sfc.ac.uk/effective_institutions/financialmemorandum/mandatory_requirements.aspx
[2] Handbook for Members of Audit Committees in Higher Education Institutions, produced by Committee of University Chairmen
http://www.hefce.ac.uk/pubs/hefce/2008/08_06/

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.

Quality Assurance

The Institute of Internal Auditors (IIA) International Standards[3] 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 "external assessments must be conducted at least once every 5 years by a qualified, independent reviewer or review team from outside the organisation." For successive years from 2007-2010, in order to encourage other universities to participate, the University underwent an evidence-based independent assessment by qualified audit staff from other universities which concluded that the University of Edinburgh Internal Audit Service operates substantially in accordance with professional standards. This was reported to the Audit Committee in each of the 4 previous years. Last year, the Audit Committee agreed that it would be sufficient to participate in a peer group assessment every 4 years. We therefore intend to participate again in 2014. The Internal Audit Service achieved IIP (Investors in People) accreditation in 2010.

Continuing Professional Development (CPD)

The Internal Audit team attended the annual conference of the Council of Higher Education Internal Auditors (CHEIA), 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.

Position as at July 2011	CIA	Senior Aud'r	Aud'r 1	Aud'r 2	Contr 1	Contr 2	Contr 3
Years in Internal Audit	26	17	9	3	14	7	10
Years in HE/FE	12	13	6	12	7	7	3
Years in Public Services	38	19	6	15	14	23	8
Years with relevant auditing / accounting / IT qualification	25	13	31	17	23	29	9

External Professional Engagement

Our team has once again played a part in the extended profession of internal auditing. We are members of Council for Higher Education Internal Auditors (CHEIA) and of the Institute of Internal Auditors (IIA).

We have continued to respond to the invitation from the Chartered Institute of Public Finance and Accountancy (CIPFA) to comment upon the role of the head of internal audit in public service organisations. We also provided comment on the planned revisions to IIA's Internal Audit international standards and submitted our comments via CHEIA.

The Chief Internal Auditor led a working group within the sector to compare the effectiveness of sector quality assurance procedures against those promoted by the IIA, the leading professional body for internal auditors.

The Chief Internal Auditor is a member of the global Council of his professional accountancy body, ACCA, and is Vice Chairman of CHEIA. The Senior Internal Auditor has recently become Chairman of CHEIA's Northern Regional Executive and a member of his professional accountancy

[3] Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

body, CIPFA's Scottish Executive Committee. One of the Auditors serves on the committee of the Scottish IDEA User Group.

C 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."*

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. This is in accordance with the requirements of the recently revised IIA International Standards.

We assessed the University's Risk Maturity, and again concluded that it could be classified as 'risk defined' (see Appendix D) and that effective risk management processes are in place for the University, Colleges and Support Groups, but not for all Schools and operational areas. In accordance with that classification, we are not able to provide assurance solely based on risk management processes, management of key risks and reporting of risks. However we are able to identify risk management policies and pockets of risk management excellence and provide assurance based on these elements.

We maintain an on-going connection with the risk management process via the Chief Internal Auditor's attendance at Risk Management Committee (RMC) meetings and our scrutiny of Committee papers. The Internal Audit planning process draws upon the University risk register and the risk registers of Colleges and Support Groups.

The Risk Management Committee has the remit to identify and evaluate key risks to the University and to identify the strategy in place to manage such risks. The University's declared approach to risk management is intended to increase institutional awareness and understanding of risk. The University's corporate Risk Register has recently been refreshed.

The Annual Report of the RMC will be considered by the University's Audit Committee on 22nd November and will be presented to the Finance and General Purposes Committee and then to Court. The report will support the Audit Committee's assessment for Court of the internal control environment, economy efficiency and effectiveness, risk management and corporate governance arrangements. It will then inform the production of the Corporate Governance Statement for inclusion in the Annual Report and Accounts.

We are able to confirm that there is a strategy with supporting policies in place for identifying, evaluating and managing the University's significant risks. Identified risks are subject to a structured review process and are ultimately reviewed by Court. Guidance is available on how to identify and analyse risk and what the options are to mitigate risks. These observations are consistent with our assessment of the University's risk maturity as 'risk defined.' The processes in place with regard to the University's risk management are illustrated in Appendix E.

D 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."*

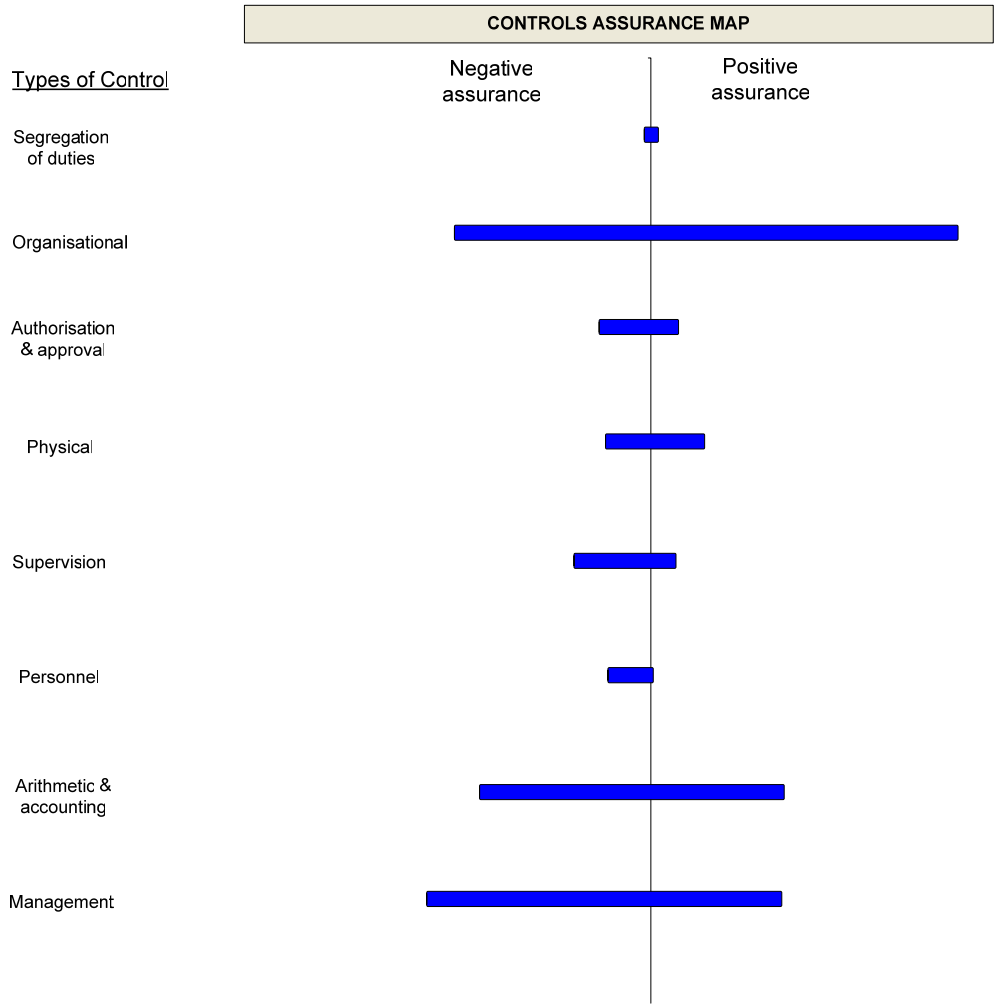
The IIA International Standards also state that:

> *"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."*

Accordingly, the audit plan identified assignments to address requirements of this standard. We referred as appropriate to the Institute of Internal Auditors professional standards.

The University has undertaken to comply with the UK Corporate Governance Code 2010. Furthermore, 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.

A summary of each audit report is set out in Appendix B. Using a recognised framework of internal controls, Appendix F highlights the more significant **control weaknesses** and **control assurances** identified. Based on our findings during the year, the Controls Assurances Map below highlights our overall assessment of the control weaknesses and assurances based on our audit work.



88% (89% in 2009-10) of recommendations from a programme of follow up reviews were reported by management as having been implemented in full as agreed.

E Governance

Governance is defined in the revised 2011 IIA International Standards as the:

> *"combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organisation toward the achievement of its objectives."*

In 2010-11 we reviewed governance arrangements for the BioQuarter Project, the Edinburgh Centre on Climate Change, the University of Edinburgh Utilities Supply Company Limited and payment of expenses. We also reviewed the processes supporting the financial planning of capital projects, research grant management; and considered the more localised governance arrangements in the location-based audits.

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. Court also periodically assesses the effectiveness of the committee structure.

F Value for Money (VfM)

The SFC Financial Memorandum requires the institution to have a strategy for systematically reviewing management's arrangements for securing value for money, and Internal Audit is required to appraise these arrangements. 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." The Audit Committee's Terms of Reference require the Committee to "monitor and be satisfied that appropriate arrangements are in place to promote economy, efficiency and effectiveness and to receive an annual report from management on such activities to enable it to offer Court an opinion on these matters annually". The outcome of Internal Audit's work is intended to support the Audit Committee in forming their opinion.

The University's Value for Money Strategy attributes specific responsibilities for delivering VfM. CMG is required to identify areas likely to yield significant VfM opportunities and to "initiate post-implementation reviews of major projects to establish whether the VfM targets have been delivered." Major projects were recently defined in the University of Edinburgh Major Projects Governance Toolkit as "a project which has a significant financial, operational, or reputational impact on the University, College or School or Support Group." VfM is synonymous with performance improvement and / or operational efficiencies. The Toolkit also makes it mandatory that major projects will include a post project review. We are able to confirm that this framework is in place. In accordance with the Value for Money Strategy the Director of Finance also provides annually, on behalf of CMG, a list of other VfM achievements.

We consider that the University has a sound and established approach to financial management in which accountability is assigned, budgets are set and monitored, and central oversight is in evidence. While this approach may often be taken for granted, it is absolutely key to achieving value for money. It supports financial planning and monitoring to demonstrate that value has been achieved, and it encourages the University to react to enforced financial restrictions.

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. In addition to our appraisal of management's arrangements for securing value for money,

8 out of 32 audit assignments carried out in 2010-11 highlighted potential value for money opportunities for the University. These are listed in Appendix F.

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. The process map of management's arrangements for securing VfM is illustrated in Appendix E.

G Internal Audit Opinion

In line with our Terms of Reference and the CUC Handbook, our opinion on the adequacy and effectiveness of the institution's arrangements for risk management, control and governance" is as follows:

On the basis of the work carried out during 2010-11, I am able to confirm that there is a strategy with supporting policies in place 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 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. Management has established satisfactory arrangements to achieve VfM and these arrangements are in harmony with the directives of the Scottish Funding Council.

It is important to note that:

- The annual opinion 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.

Hamish McKay
Chief Internal Auditor

Internal Audit Annual Report - List of Assignments

Appendix A1

	Completed audit assignments	Date Final Report Issued	Date to Audit Committee	Comment
1	Research Council Studentship Funding	29/10/2010	25/11/2010	*Added to programme*
2	Firewalls Rules Review	12/11/2010	25/11/2010	*2009 assignment*
3	Estates and Buildings - Handover Procedures for Capital Projects	16/11/2010	25/11/2010	*2009 assignment*
4	Estates and Buildings - Payment of Contractor Claims on Capital Projects	16/11/2010	25/11/2010	*2009 assignment added to programme*
5	Severance Payments 2009-10	17/11/2010	25/11/2010	
6	The Pensions Office	13/12/2010	24/03/2011	
7	Cash Loss at Student Registration	09/02/2011	24/03/2011	*2009 assignment added to programme*
8	2009-10 TRAC Return Process	03/03/2011	24/03/2011	
9	2009/10 TRAC Teaching Return	03/03/2011	24/03/2011	*Added to programme*
10	School of Arts, Culture and Environment	10/03/2011	24/03/2011	*2009 assignment*
11	Events Management (Accommodation Services): Efficiency and Delivery of Service	13/03/2011	24/03/2011	
12	Research Grant Management	14/03/2011	24/03/2011	*2009 assignment*
13	Payroll Instructions	14/03/2011	24/03/2011	
14	Financial Planning of Capital Projects	16/03/2011	24/03/2011	*2009 assignment*
15	The BioQuarter Project	28/04/2011	02/06/2011	
16	Credit Card Processing	03/05/2011	02/06/2011	
17	School of Biological Sciences	20/05/2011	02/06/2011	
18	Centre for Population Health Sciences (General Practice)	20/05/2011	02/06/2011	
19	Application of IT Codes of Practice	23/05/2011	02/06/2011	
20	Carbon Reduction Strategy	30/06/2011	29/09/2011	
21	Student Admissions and Curricula Systems	14/07/2011	29/09/2011	
22	Equipment Asset Management and Insurance	20/07/2011	29/09/2011	*2009 assignment*
23	University of Edinburgh Utilities Supply Company Limited	26/07/2011	29/09/2011	
24	Control Account Reconciliations and Bank Reconciliations	01/08/2011	29/09/2011	*Added to programme*
25	HESA Data	17/08/2011	29/09/2011	
26	Non-salary Payments to Staff	29/08/2011	29/09/2011	
27	Business School Cash Loss	02/09/2011	29/09/2011	*2011 assignment added to programme*
28	School of Geosciences	20/09/2011	29/09/2011	
29	Expenses Policy	20/09/2011	29/09/2011	*Added to programme*
30	Bribery Act	No formal report as such		
31	Risk Management	In annual report		
32	Value for Money Arrangements	In annual report		

Continuing audit assignments (8)

- Research Grant Cost Recovery
- UKBA Legislation
- Financial Control around Estates Payments
- The Moray House School of Education
- Centre for Medical Education
- School of Economics
- VfM review of Streamline Credit Card Terminals - *added to programme*
- Cash Transaction Authorisations - *added to programme*

Appendix A2

Follow Up Reviews (22)

	Date to Audit Committee	Recommendations agreed	Recommendations reported as implemented by management
Resource, Allocation, Budget Preparation, Control and Forecasting	25/11/2010	3	3
Utilities	25/11/2010	3	3
Centre for Research Collections (2nd FUR)	25/11/2010	1	1
Edinburgh Postgraduate Dental Institute	25/11/2010	6	6
School of Biomedical Sciences	24/03/2011	1	1
New Managed Immigration Systems - Students	24/03/2011	7	7
School of Chemistry	24/03/2011	3	3
External IT Penetration Test[1]	24/03/2011	1	0
HESA Data	24/03/2011	3	3
New Managed Immigration Systems - Staff	02/06/2011	13	9
Project Boards	02/06/2011	5	4
Accommodation Services - Kinetics	29/09/2011	1	1
Capital Projects - Intra-Project Communications	29/09/2011	11	11
Downloading Personal Data to any device	29/09/2011	3	3
NHS Use of University Space	29/09/2011	2	2
Animal Hospitals - Charging Procedures	29/09/2011	1	1
Intra and Extra College Collaborations (CHSS and CMVM) (2nd FUR)	29/09/2011	1	1
EUCLID	29/09/2011	1	1
Asbestos Policy	29/09/2011	9	6
Management and Collection of Student Fees	29/09/2011	5	5
Software Updates	29/09/2011	1	1
Events Management (Accommodation Services): Efficiency and Delivery of Service	29/09/2011	1	0
		82	**72**
			88%

[1] Because of the nature of the review, an exceptionally high number of 91 recommendations arose from the External IT Penetration Test, of which 58-81 had been actioned. To avoid distorting the Key Performance Indicator relating to follow up reviews (see Appendix C1) it has been treated as an assignment with 1 recommendation which has not been fully actioned.

Appendix B

SUMMARY FROM AUDIT ASSIGNMENTS DURING 2010-2011

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

1. Research Council Studentship Funding

This audit was performed at the request of the Principal and in response to a discovery that the Doctoral Training Centre (DTC) within the School of Informatics had made funding commitments to ineligible postgraduate students. Of 65 relevant students since 2004, 30 were identified as ineligible for funding support. The costs incurred to date of the 30 ineligible students were confirmed to be just under £1m plus a further cost of around £0.5m to meet committed expenditure (totalling £1.5m). These findings were consistent with the estimated costs provided by the School to support the College's report to the Principal. Final agreement of expenditure reclaims occurs 5 years after a student is recruited. The final claims to the research council have since been adjusted and thus no funding for ineligible students has been received. The College/School committed to fill this funding gap. The eligibility criteria were clear and, with no credible mitigating factors evident, we were forced to conclude that scant regard, if any, was given to students' funding eligibility by the DTC during the appointment process. All Heads of Schools were reminded that School Administrators must be directly involved in the approval process and share accountability with the Principal Investigators for awards. The College of Science and Engineering finance office now checks the eligibility of students of all colleges (across the University) appointed on research council studentships.

3 recommendations, all of which we regarded as higher priority, all agreed.

2. Firewall Rules Review

Internal Audit commissioned NCC Secure Group to review the rules used in the University's main and corporate firewalls. NCC tested the extent to which each rule worked towards its stated goal. The detailed findings were discussed with the relevant support teams resulting in a final report. That report identified many examples of good practice. 159 low level risks were identified by NCC and the support teams have responded to the corresponding recommendations (low risk is defined by NCC as an issue which should be reviewed in line with good security practice.) Senior management responded that they were prepared to accept the residual risk on 25 of the low level risks.

159 recommendations, 134 agreed, as above senior management responded that they were prepared to accept the residual risk on 25 of the low level risks.

3. Estates and Buildings - Handover Procedures for Capital Projects

Overall feedback was that procedures and checklists introduced by Estates and Buildings for handover have been well received by project staff, however some points were raised for consideration on practical matters surrounding the use of the checklist(s). A number of the issues raised indicated a lack of clear responsibility and accountability for ensuring that communication occurs between relevant Estates Development and Estates Operations and Specialist Department staff at key stages in projects, and that requirements for each project are agreed and adhered to. Consequently, Estates and Buildings needed to consider providing access to key project programming information for non Estates Development staff involved in capital projects and making these staff responsible for planning their necessary involvement in capital projects from an earlier stage. Senior managers in Estates Development and key University Specialist Departments (including Estates Operations) needed to monitor and review liaison and working practices at regular intervals. The University Engineering Services Guidelines on Testing and Commissioning needed to be reviewed in the light of audit review feedback and procedures amended to make it clear that the architect issues either the Practical Completion Certificate or Partial Possession and that the Estates Development Manager does not formally accept the building on behalf of the University.

6 recommendations, 1 of which we regarded as higher priority, all agreed.

4. Estates and Buildings - Payment of Contractor Claims on Capital Projects

An analysis of purchase orders raised in the Estates and Buildings Information System (EBIS) for Major and Strategic Projects showed that, over time, there has been a reduction in the number of increases made to original purchase order amounts during projects, reflecting management efforts to reduce such variations. The analysis found no obvious trends or links between large purchase order variations and any particular member of staff or supplier. Processes and procedures relating to payment of contractor claims were found to be adequate. The written change control procedures used for major and strategic projects in Estates Development were not used in the Design Office or in Estates Operations. Consideration needed to therefore be given to introducing these for projects over an agreed value so that variation costs are approved before an instruction to proceed is issued.

3 recommendations, all agreed.

5. Severance Payments 2009-10

Internal Audit is required to report to the Audit Committee severance payments which meet the SFC's reporting criteria, namely severance arrangements totalling £100K or over, or any severance payment made to staff earning £70K or over. Further, the Audit Committee requires Internal Audit to review the business case for each reportable payment. This paper met the reporting obligation. Subsequent debate at Audit Committee highlighted the need to introduce a Court-approved process for authorising payments arising from tribunal decisions.

No recommendations.

6. The Pensions Office

The Staff Benefits Scheme was reported to be in deficit by circa 38% prior to the review. The recovery plan to resolve the funding shortfall for the Scheme (University of Edinburgh only) fund was reviewed and was considered to be satisfactory. However, various internal control issues arose relating to the maintenance of reconciliations between balance sheet accounts in the main financial ledger (*eFinancials*) and payroll/pension data. We were alerted by management to concerns that these controls had lapsed in recent years and these proved to be well-founded. There was a need to develop an annual reconciliation between the Staff Benefits Scheme pension fund data (maintained by AON) and University-held data. It was imperative that these weaknesses be addressed as a matter of urgency. As weaknesses had been noted in the past around the processes to ensure that that all pension payments were accurate, valid and authorised (such as failure to double-check significant one-off calculations), the controls surrounding these processes were tested in detail. These controls were considered to be adequate, although it was noted that the staff procedure manual for the Pensions Office had been withdrawn for revision.

4 recommendations, 1 of which we regarded as higher priority, all agreed.

7. Cash Loss at Student Registration

Discrepancies arose during the student registration process in September 2009 and were investigated by Internal Audit. Immediate remedial actions were taken at the time. One discrepancy involved a cash amount of £1,000 and it is not possible to state categorically whether it was lost within the University or within the banking system. If the sum was mislaid within the University, it is not possible to attribute responsibility to any one individual. There was also a high probability that the money could have been mislaid within the bank. The second discrepancy also remained unresolved with the bank continuing to assert that the total amount noted on the pay in slip was £50 less than on the University's records and matched the (reduced) amount of cash that they say they received. The University has exhausted the options available to recoup the £1,050 from the bank from the two discrepancies and potential redress through the courts seems unlikely to be productive.

No recommendations.

8. 2009-10 TRAC Return Process

We focussed on the processes by which the data was produced for the 2009-10 TRAC Return, rather than the data itself. The University had adequate arrangements in place to address the risks associated with the preparation of the TRAC Return. The results of the University's full self-assessment of the 2009/10 TRAC Return process required by the new Statement of Requirements provided further comfort that the University is applying the TRAC requirements robustly.

No recommendations.

9. 2009-10 TRAC Teaching Return

As part of the overall Transparent Approach to Costing ('TRAC') project the TRAC Teaching Return process collects detailed information on expenditure on teaching across Higher Education Statistics Agency (HESA) academic cost centres. As for the main TRAC Return, we focussed on the methods by which the 2009/10 TRAC Teaching return was prepared, rather than the data itself. We identified no issues to suggest that the University has not complied with the TRAC Teaching Guidance.

No recommendations.

10. School of Arts, Culture and Environment

The review was undertaken shortly before the University merged with The Edinburgh College of Art on 1 August 2011. As well as covering the financial control environment within the School of Arts, Culture and Environment, the review therefore covered preparations in the University for the proposed merger where they impacted on existing arrangements in the School. There was a need to formally clarify and document responsibilities for the management of fixed assets and income collection in the School prior to the merger. While there were arrangements in place within the School which should ensure effective budgetary monitoring and overall financial control, there were various potential measures that could result in savings to the School. There was potential to minimise the resources and risks associated with income collection processes in the School.

11 recommendations, 1 of which we regarded as higher priority, all agreed.

11. Events Management (Accommodation Services): Efficiency and Delivery of Service

This review covered internal controls in Events Management as well as preparations for the introduction of Delegate Registration functionality with regard to the database used to book and manage events. Delegate Registration functionality eliminates the need for clients to organise registrations by enabling delegates themselves to register and pay for events up-front (and be charged a small administration fee in the process). It was confirmed that Delegate Registration functionality has been registered as a discrete project with Information Services. The project was originally due for completion in 2010 but was delayed and it is now anticipated that the full launch will be in 2012. The accompanying documentation, and the overall approach, were reviewed and discussed with the responsible staff members and found to be broadly satisfactory. There was a need to improve data back-up procedures. Financial controls, in particular month-end procedures and the maintenance of management accounts and forecasts, were also reviewed along with governance arrangements. No significant exceptions were noted.

1 recommendation, agreed.

12. Research Grant Management

This review was coincident with the Integration of Research Grant Awards Systems project which aims to deliver the Infinite system. The Infinite system is intended to improve the management of research grant information through enhancing the workflow processes and management information associated with the transfer of information between the ERI (pre-award) and the University's financial (post-award) systems. Internal Audit was invited by staff involved in the project to provide advice on the controls associated with the Infinite system. The Infinite system should represent a positive development for the University overall and therefore assist the maximisation of Value for Money through improved workflow processes and improved management information. Various enhancements suggested by Internal Audit during the project relating to the controls and delegated authority levels in the Infinite system were subsequently actioned. The proposed authorisation control processes matched accountability in the Colleges of Science and Engineering and Humanities and Social Science. However in the College of Medicine and Veterinary Medicine (CMVM) the authorisation arrangements were not fully in harmony with budgetary accountability in practice for funding deficits arising from grants, and therefore resulted in some residual risk of inappropriate commitments. The Project Sponsor undertook to revisit the feasibility of enhancing the Infinite system prior to it going live, and had proposed an alternative process for CMVM which will mitigate, but not fully eliminate the risk.

No recommendations.

13. Payroll Instructions

The controls in place, when taken together, offer assurance that only valid members of staff receive salary payments. Although our testing found no evidence of inappropriate payments, we observed potential weaknesses in some controls which leave the possibility of creating and diverting additional invalid salary payments for staff who have recently left. We recommended tightening the existing control framework.

5 recommendations, 1 of which we regarded as higher priority, 4 agreed and 1 not agreed. HR stated that they were satisfied that the risks described in the remaining recommendation are controlled by alternative means.

14. Financial Planning of Capital Projects

The identification and monitoring of cash flows for capital projects is important in maximising the return from funds invested. In recent years the Estates and Buildings and Finance Departments have developed and improved the detail which is collated, analysed and subsequently reported, primarily to the Estates Committee. Such reporting has been on an annual basis and there was a need to provide cash flow information at quarterly or monthly periods. There was a need to focus on standardising information on cash flow, and also streamlining procedures to minimise duplication of effort. Guidance on cash flow information needed to be provided in the new Treasury Management procedures being developed by the Finance Department.

7 recommendations, all agreed.

15. The BioQuarter Project

The Edinburgh BioQuarter is a partnership involving, among others, the University, the NHS, Scottish Enterprise, and Alexandria Real Estates. It aims to develop a world class life sciences commercialisation cluster, adjacent to the Royal Infirmary at Little France. There was a need to enhance the procedures in place to ensure compliance with the Commercialisation Plan agreed with Scottish Enterprise and adopt a more formal project management approach toward achieving completion of the plan. Risk Management and governance were considered to be adequate although there was also a benefit in introducing a risk register which Internal Audit drafted to support the Commercialisation Plan.

6 recommendations, 5 of which we regarded as higher priority, all agreed.

16. Credit Card Processing

The Payment Card Industry Data Security Standard is a mandatory security standard for the protection and securing of card payment data. Sanctions, following a data breach, range from fines to removal of the ability to process cards. In 2008, the University recorded 44,552 credit card and 63,165 debit card transactions, generating receipts of £18.4 million and £15.8 million respectively. There was a corporate risk arising from local non-compliance. In terms of the status of overall Payment Card Industry Data Security Standard compliance, the University's main external credit card processor, Streamline, advised that they are already compliant. However, the University's own processes also needed to meet the standard. The Finance Department intended to have all card transactions processed through a main external credit card processor. The University intended to work towards mitigating the risks around the processes to achieve full compliance in all parts of the University, including subsidiaries.

22 recommendations, 3 of which we regarded as higher priority, all agreed (The majority of these recommendations were specific to different areas focused on during the review due to the high level of credit card usage).

17. School of Biological Sciences

The complexity of the School's administrative structure presents challenges in the management of the School's business and of its staff. The challenge in terms of financial management has been addressed by the creation of a monitoring tool which provides a single page summary of the overall financial position, but with enough detail to allow active monitoring. A similar system needed to be developed to support Human Resource's monthly confirmation that all people receiving a salary are valid employees. There was generally a high quality of administration.

4 recommendations, 1 of which we regarded as higher priority, all agreed.

18. Centre for Population Health Sciences (General Practice)

There were effective arrangements in place that should ensure that Additional Costs for Teaching income is being optimised. There was potential to enhance the procedures to ensure NHS invoices are recorded and logged for payment promptly. We recommended that the internal control environment would be significantly enhanced through improved use of documented procedure notes, business planning and reporting. There needed to be further optimisation of the usage of the University's financial system.

3 recommendations, 1 of which we regarded as higher priority, all agreed.

19. Application of IT Codes of Practice

The University's Information Security Policy provides overall management direction for information. It stated that Codes of Practice should be developed for individual key services, based on an assessment of criticality. The University had identified eighteen high priority applications and services for Business Continuity purposes but only three Codes of Practice had been developed. Given his pan-University authority, the Chief Information Officer was invited to consider the best way of ensuring that the remaining Codes were prepared. Any delegated authority within these Codes needed to clearly specified.

3 recommendations, all agreed.

20. Carbon Reduction Strategy

The University's response to the opportunities and challenges presented by the social responsibility and sustainability agenda has developed organically over a number of years including the development an overarching strategic group, the Sustainability & Environmental Advisory Group (SEAG), and a complementary SEAG operations group (SEAGOG). More recently a Social Responsibility & Sustainability Strategy (SR&SS) and a Climate Action Plan (CAP) were adopted by Court in 2010. The University is reportedly held in high regard in this arena and rates well when benchmarked against other institutions in the HE sector. However some opportunities for improvement were identified. These included: a need to amend governance arrangements to ensure SEAGOG reported via SEAG so that its strategic overview of the SR&SS agenda was maintained; the identification of a senior manager with overall responsibility for management of the CAP; and the development of a standardised method of costing and comparing business cases for individual projects contributing to the CAP.

10 recommendations, 4 of which we regarded as higher priority, all agreed.

21. Student Admissions and Curricula Systems

The scope was restricted to the post implementation technical service management arrangements and non-functional areas such as capacity planning and performance monitoring. The technical service management arrangements provided by Information Services were consistent with good practice in this area. Service reporting to the business users had been established and covered a comprehensive range of topics. Service provision was consistent with a robust and resilient architecture. Performance monitoring and reporting was in place. Change management was embedded within the operational framework in place.

No recommendations.

22. Equipment Asset Management and Insurance

The new requirement for Research Council grant applications following the Wakeham Report 2010 (once the details are fully clarified) and the financial climate facing Universities is that there is a greater need to maximise value from the purchase and utilisation of equipment and related assets. While there was clearly defined authority for management of the University's asset portfolio in place, there was not clearly defined authority for overall coordination of the University's equipment and related asset portfolio in its totality. As a result, the University was unlikely to be in the optimum position to meet the new Research Council requirements and maximise the value obtained from its equipment asset portfolio. A senior member of staff should be given responsibility for overall strategic control of the University's asset portfolio, who should have ultimate authority for a decision on what should be recorded. There were overall arrangements in place for insurance of equipment and related assets that will mitigate the risk of the University incurring additional costs. However, there was potential to update the methodology to give further assurance that insurance is based on fully accurate and up to date management information.

4 recommendations, 1 of which we regarded as high priority, all agreed.

23. University of Edinburgh Utilities Supply Company Limited

University of Edinburgh Utilities Supply Company Limited is a major plank in the University's carbon reduction strategy had been successful in achieving its objectives to date. It was entering a new phase of development and operations that required a clear strategy and plan to ensure it continues to achieve its objectives, especially in support of the University's Climate Action Plan and associated target to reduce carbon emissions. With regard to governance arrangements there was a need to develop a medium-term business plan; to review key documentation; to introduce dispute resolution arrangements for directors and to review the approach to sub-delegation of authority and authorised signatories for USC Ltd. With regard to operational arrangements there was a need for: the review of insurances; the checking and reconciliation of meter readings; and the checking of calculations for the annual indexing of maintenance contract charges for the Combined Heat and Power (CHP) engines.

12 recommendations, 3 of which we regarded as higher priority, all agreed.

24. Control Account Reconciliations and Bank Reconciliations

Bank account reconciliations were found to be performed satisfactorily. However, the control environment around control and suspense account reconciliations was fundamentally weak and the overall standards were not in keeping with acceptable levels of financial housekeeping. These control weaknesses have impacted adversely on the accuracy of ledger records and around many other elements of the maintenance of good financial standards. These weaknesses needed to be addressed as a matter of urgency. A full action plan had been proposed and it was anticipated that significant administrative effort will be needed to redress the back-log of un-cleared transactions.

7 recommendations, 6 of which we regarded as higher priority, all agreed.

25. HESA Data

The various external dependencies involved with Higher Education Statistics Agency (HESA) submissions, and the dynamic nature of changes in data and of external changes in requirements, will continue to present risk to successful and timely submission of HESA Returns. Although the data is processed by an external supplier, it is in the University's interests to maintain close involvement, firstly to help ensure accuracy of the return from all sources, and secondly because the data is relevant to other projects. Such involvement will require maintaining staff skills in-house. All indications are that the University's HESA data is being processed to required standards. Our one recommendation is an addition to the formal project risk log.

1 recommendation, agreed.

26. Non-salary Payments to Staff

We reviewed arrangements covering legitimate payments to staff by invoice, paid over and above salary payments for their primary contracted employment. We therefore confirmed that records of workers' declarations (that they are self-employed) were satisfactory. This included the above members of staff. For non staff self employed contractors, we highlighted a number of duplicate supplier definitions which Finance agreed to address, and found that a process was being established to reduce further build-up of duplicate definitions.

1 recommendation, agreed.

27. Business School Cash Loss

When the Business School reported a possible loss of cash, Internal Audit carried out an investigation of the circumstances in line with the Fraud and Misappropriation Policy. We concluded that: it was not possible to identify who was responsible; that staff had not followed effective physical and logical controls surrounding cash handling; and that the process for reconciling transactions each month was flawed and incomplete. The School has identified and implemented remedial action.

No recommendations.

28. School of Geosciences

The Edinburgh Centre on Climate Change (ECCC) is a new interdisciplinary initiative supported and hosted by the University of Edinburgh, Edinburgh Napier University and Heriot-Watt University. It was intended that it will be accountable to the governing bodies of the respective institutions which should provide comfort that the University's overall interests are protected. However, there was an immediate need for a governance structure to be set up for the ECCC project as a whole within the University. This should address the position of the School of Geosciences as the "lead School" and its relationship with other participating University Schools and Departments. This should facilitate effective financial planning at School/Department level through clarifying arrangements for sharing income and costs between participating Schools for ECCC activities. Otherwise, there were generally effective arrangements in place in the School which should ensure effective budgetary monitoring and overall financial control. There was scope to enhance income collection procedures through greater use of the University's online payment system. There was also potential for improved costing of field trips.

7 recommendations, one of which we regarded as high priority, all agreed.

29. Expenses Policy

We reviewed the position of staff expenses with a view to ensuring that information can be released under FOI with no reputational issues. As part of the review we were asked to comment on a new draft policy, which we did in a separate paper. We concluded that there was a need for a new updated policy to clarify the variety of practices being followed. We drew attention to data quality issues in the information already published on the web for FOI purposes.

1 recommendation, agreed.

30. Bribery Act

We provided advice on the development of an Anti-Bribery and Corruption Policy for the University following the Bribery Act coming into effect from July 2011.

No report as such.

31. Risk Management

Internal Audit routinely receives the papers of, and attends the meetings of, the Risk Management Committee. This provides an opportunity to comment upon specific risk assessments and contribute to discussions on emerging risks. We conducted our annual assessment of the University's risk maturity which again concluded that it could be classified as 'risk defined' as illustrated in Appendix D. The University's risk management processes are illustrated in Appendix E.

No report as such.

32. Value for Money Arrangements

We conducted our periodic appraisal of the management's arrangements for securing value for money as required by the SFC Financial Memorandum. The results are illustrated in Appendix E.

No report as such.

Appendix C1

Key Performance Indicators for Internal Audit

The SFC Financial Memorandum 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 2006-07**	**Year 2007-08**	**Year 2008-09**	**Year 2009-10**	**Year 2010-11**
General performance indicators					
Annual cost of service	£201k[1]	£215k[1]	£233k[2]	£245k[3]	£253k
Direct audit days available[4]	721	645[5]	692	694	658[6]
Cost per direct audit day	£279	£333[7]	£337	£353	£385[6]
Number of audits	34	31	32	31	32
(+ those to finalise)	6	7	7	7	8
Number of recommendations made	128	67	116	110[8]	122[8]
Number of follow up reviews	25	18	17	23	22
Performance measures indicating efficiency					
University of Edinburgh income received / Internal Auditor (£M)	£109.00	£119.26	£138.83	£147.88	£158.50
University employees / Internal Auditor	1,983	2,224	1,984	1,980	1,960
% Available time applied to audit work	87%	82%	81%	82%	80%
% Allocated audit time actually spent conducting audit work	102%	97%	95%	100%	92%[6]
% Completion of the annual plan by annual report date	95%	95%	98%	94%	95%
Performance measures indicating effectiveness					
% Audit work undertaken by staff with directly relevant qualifications	78%	76%	71%	87%	100%
% Recommendations agreed by management	99%	93%	100%	97%[8]	99%
% Agreed recommendations reported as implemented by management at follow up	86%	80%	93%	89%	88%[8]
% Audits perceived to add value	92%	90%	96%	94%	94%

[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] Includes a deduction of £23,893 to allow for one-off payments for IT System Firewall testing and for Investors In People application.
[4] Is affected by staff recruitment, staff induction, phasing of annual leave and timing of work done for commercial client.
[5] Staff turnover and resources used on recruitment reduced the days available.
[6] Approximately 50 less direct audit days available due to extended sick leave, paternity leave as well as phasing of annual leave taken. If these days were added back, cost per direct audit day would be approximately £357/day.
[7] Staff recruitment costs resulted in reduced funds available to employ temporary staff cover.
[8] The External IT Penetration Test and Firewalls reviews have been treated as an assignment with 1 recommendation which has been agreed by management to avoid distorting the key performance indicator due to the high number of recommendations arising. For the follow-up indicator the External IT Penetration Test has been treated as having 1 recommendation that has not been fully actioned (see footnote to Appendix A2).

Appendix C2

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 2010-11.

Internal Audit Performance Evaluation Questionnaires

Based upon feedback from 36 returns received for 21 Audit Assignments, (see list below).

	YY	Y	N	NN	NA / Nil response
1. Were you given adequate notification of the audit?	19	14	1		2
2. Were you informed adequately of the audit objectives and scope?	12	6	3		15
3. Were the appropriate staff consulted for the audit area covered?	25	10			1
4. Did staff conduct themselves in a professional manner during the audit?	28	8			
5. Were you given the opportunity to discuss the report with the auditor prior to finalisation?	22	10	2		2
6. Were the recommendations in the report practical and realistic?	11	16			9
7. Was the report produced to a professional standard?	26	9			1
8. Do you feel that the audit was worthwhile and has added value to your work?	14	20	2		
Percentage %	**55**	**32**	**3**	**0**	**10**

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

21 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)

Audits for which Returns received (20 Audits)	
Firewall Rules Review	Student Admissions and Curricula Systems
Estates and Buildings - Payment of Contractor Claims on Capital Projects	The BioQuarter Project
Procurement	Carbon Reduction Strategy
Estates and Buildings - Handover Procedures for Capital Projects	Credit Card Processing
The Pensions Office	Application of IT Codes of Practice
Research Council Studentship Funding	Events Management (Accommodation Services): Efficiency and Delivery of Service
Financial Planning of Capital Projects	Centre for Population Health Sciences (General Practice)
Equipment Asset Management and Insurance	School of Biological Sciences
School of Arts, Culture and Environment	2009-10 TRAC Return Process
Cash Loss at Student Registration	2009-10 TRAC Teaching Return
Audits for which Returns not received (1 Audit)	
Payroll Instructions	

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							**Internal Audit Comment**
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. ☑	Enterprise approach to risk management developed and communicated.	Risk management and internal controls fully embedded into the operations.		Our overall assessment of Risk Maturity is unchanged from previous years.
Process							
The organisation's objectives are defined.	Possibly.	Yes but may be no consistent approach.	Yes ☑	Yes ☑	Yes ☑	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.	The University's Strategic Plan 2008-12 was refreshed in 2008 and is publicly available.
Management have been trained to understand what risks are, and their responsibility for them.	No	Some limited training. ☑	Yes	Yes	Yes	Interview managers to confirm their understanding of risk and the extent to which they manage it.	Not <u>all</u> managers have received training.
A scoring system for assessing risks has been defined.	No	Unlikely, with no consistent approach defined.	Yes ☑	Yes ☑	Yes ☑	Check the scoring system has been approved communicated and is used.	In place.
The risk appetite of the organisation has been defined in terms of the scoring system.	No	No	Yes ☑	Yes ☑	Yes ☑	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.	Approach to Risk is stated in the Risk Management Strategy. Risk review process challenges whether the level of residual risk is acceptable.

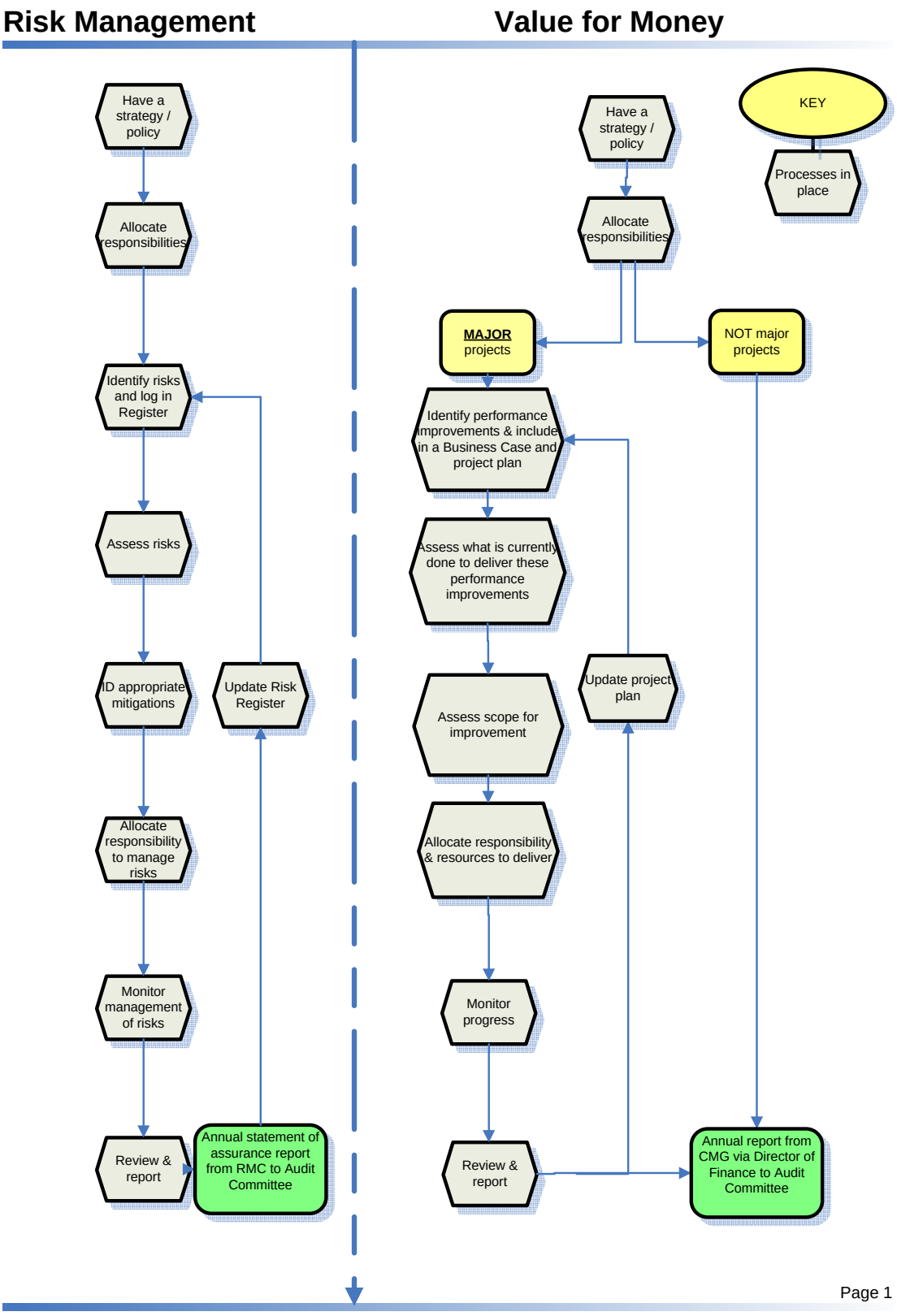
The Institute of Internal Auditors UK and Ireland - An approach to implementing Risk Based Internal Audit - Assessing the Organisations risk maturity							**Internal Audit Comment**
Risk Maturity	**Risk naive**	**Risk aware**	**Risk defined**	**Risk managed**	**Risk enabled**	**Sample audit test**	
Processes have been defined to determine risks, and these have been followed.	No	Unlikely	Yes, but may not apply to the whole organisation. ☑	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.	Risk Management processes are documented in the Risk Management Strategy.
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. ☑	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 not been collated into one list. A series of risk registers exist.
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. ☑	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).	In place for University, College, Support Groups and some Schools and operational areas.
Responses to the risks have been selected and implemented.	No	Some responses identified.	Yes, but may not apply to the whole organisation. ☑	Yes	Yes	Examine the Risk Register to ensure appropriate responses have been identified.	Yes, but may not apply to the whole organisation.
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. ☑	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.	RMC ongoing review process.
Risks are regularly reviewed by the organisation.	No	Some risks are reviewed, but infrequently.	Regular reviews, probably annually. ☑	Regular reviews, probably quarterly.	Regular reviews, probably quarterly.	Check for evidence that a thorough review process is regularly carried out.	RMC review process.
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. ☑	Yes	Yes	For risks above the risk appetite, check that the board has been formally informed of their existence.	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							Internal Audit Comment
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. ☑	All projects	All projects	Examine project proposals for an analysis of the risks which might threaten them.	The development of the Gateway process encompasses risk assessment for capital projects. The University uses definitions of projects which facilitate different approaches to risk to be followed as appropriate.
Responsibility for the determination, assessment, and management of risks is included in job descriptions.	No	No	Limited ☑	Most job descriptions.	Yes	Examine job descriptions. Check the instructions for setting up job descriptions.	Will be for some defined roles such as project directors / managers.
Managers provide assurance on the effectiveness of their risk management.	No	No	No	Some managers ☑	Yes	Examine the assurance provided. For key risks, check that controls and the management system of monitoring, are operating.	Some managers.
Managers are assessed on their risk management performance.	No	No	No	Some managers ☑	Yes	Examine a sample of appraisals for evidence that risks management was properly assessed for performance.	Some may be assessed informally.
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. ☑	Facilitate risk management/liaise with risk management and use management assessment of risk where appropriate. ☑	Audit risk management processes and use management assessment of risk as appropriate ☑	Audit risk management processes and use management assessment of risk as appropriate.		As risk management processes become more embedded, we are able to use management's assessment of risk where appropriate.

Appendix E

Process Map for Risk Management and Value for Money

This illustrates the processes in place with regard to the University's risk management, and also management's arrangements for securing value for money. This shows that both processes follow a recognised business model.



Appendix F

Internal Controls 2010-2011: Analysis of the strengths and weaknesses identified during the year

		Internal Controls								
Ref	**Audit assignment**	**Segregation of Duties**	**Organisation**	**Authorisation & Approval**	**Physical**	**Supervision**	**Personnel**	**Arithmetic & Accounting**	**Management**	**VfM Opportunity?**
1	Research Council Studentship Funding		X	XX		X	X		X	
2	Firewalls Rules Review				✓✓					
3	Estates and Buildings - Handover Procedures for Capital Projects		X							Yes
4	Estates and Buildings - Payment of Contractor Claims on Capital Projects		✓							
5	Severance Payments 2009-10		X						✓	
6	The Pensions Office		✓✓					XX	X	
7	Cash Loss at Student Registration						X			
8	2009-10 TRAC Return Process		✓							
9	2009/10 TRAC Teaching Return									
10	School of Arts, Culture and Environment		X						✓	Yes
11	Events Management (Accommodation Services): Efficiency and Delivery of Service		✓✓		X					
12	Research Grant Management		✓						X	Yes
13	Payroll Instructions			✓				✓		
14	Financial Planning of Capital Projects		X					✓✓	X	Yes
15	The BioQuarter Project									
16	Credit Card Processing		X						X	
17	School of Biological Sciences							✓		
18	Centre for Population Health Sciences (General Practice)									
19	Application of IT Codes of Practice		✓							
20	Carbon Reduction Strategy		X						X	Yes
21	Student Admissions and Curricula Systems		✓			✓			✓✓	
22	Equipment Asset Management and Insurance							X		Yes
23	University of Edinburgh Utilities Supply Company Limited		✓					X	X	Yes
24	Control Account Reconciliations and Bank Reconciliations					X		X	XX	
25	HESA Data							✓		
26	Non-Salary Payments to Staff									
27	Business School Cash Loss				X	X		XX		
28	School of Geosciences		X						✓	Yes
29	Expenses Policy									
30	Bribery Act									
31	Risk Management		✓							
32	Value for Money Arrangements		✓							

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.

Annex 2

20010/11 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 of 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 2010/11, 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 appropriate activity.

With reductions in public funding for universities now occurring, there has been a concerted effort across the University to both increase income and reduce costs. In broad terms, this activity has been reported both to the Scottish Government in response to their efficient government initiative and to Universities Scotland to support our case that Institutions are continuing to do more with less resources in the wider context of funding for universities.

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 or national initiatives

- Changes to the USS pension scheme to be implemented on 1 October 2011 have delivered a financially sustainable scheme for the University and its members.
- Successful negotiation of the merger of eca into the University will allow substantial cost savings and service enhancements.
- Estates have conducted pilot projects using a Space Assessment Model with Architecture, Law and Languages, Literatures & Cultures and are running further pilots at the College of Science and Engineering. The aim is to deliver a model that is accepted by budgetholders as fair way of improving space management across the University.
- The central post review group has continued in operation in 2010/11, being a part of the delivery of the reduction in overall staffing numbers. The rigorous process has focused on making vacant posts available only to internal candidates in the first instance, ensuring that academic posts are focused on the REF as well as delivering teaching and that support services are delivered in a coordinated way across all areas of the University.
- Voluntary severance and early retirement has continued to be supported by central funding in 2010/11. It has resulted in 24 staff agreeing to leave the University. Though the volume of uptake of the scheme has reduced it is still important in allowing rationalisation and improvements in both academic and support activities.
- Lean Reviews, which in previous years were solely sponsored by the Corporate Services Group, are now being in addition taken up by SASG. Coming out of these reviews has been a

number of value for money improvements. The new and existing buildings and facilities at Easter Bush are now being managed by a unified facilities management operation coming out of an Estates Lean project.

- Procurement activity across the University has continued to deliver improving cost efficiencies which for 2010/11 totalled £8.6 million (2009/2010 £7.4 million). Highlights sere the procurement of major new bio-imaging equipment for the new Roslin building. New sports and entertainment equipment for Sport and Exercise has also been successfully procured. The University remains 'superior' rated and best HE in Scotland in the latest assessment of public sector bodies in Scotland.

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

- The shared timetabling project aims to deliver major improvements both in the efficiency of the use of teaching space and the flexibility of students in taking course options as part of their studies. Commercial software is being purchased to address this issue where Edinburgh currently does not have systems and procedures which have been in operation for many years at other universities.
- From the beginning of 2010/11, radical changes to the budget model for the Edinburgh Business School were introduced, designed to incentivise improved financial performance to invest in enhanced teaching and research quality. This took significant senior management input, but in the first year of operation, the Business School has had a record year in terms of income and surplus.
- The unidesk service management tool is being developed for introduction in 2011/12. This system should improve user self-help particularly for distance learners at reduced support costs.
- An investment of £4.5 million over 3 years is enabling the delivery of a much enhanced range of postgraduate taught courses delivered by distance learning. The aim is to deliver a significant increase in activity which through the economics of scale should make efficiency savings around the support systems required for teaching at a distance.
- The merger of eca into the University was completed at the end of the financial year. Major staffing rationalisation took place within eca as it planned for merger, reducing staff costs by over £1 million. The University took over estates services to deliver improvements and cost savings which will continue in teaching and support areas in its first year as the new eca within Humanities and Social Sciences.
- Negotiations continued on merging the MRC Human Genetics Unit into the University from October 2011. This will give similar opportunities to improve the efficiency of the support services.
- During the year a gateway process was adopted by estates on major capital building projects. This is aimed to improve the management of such projects and therefore deliver value for money. In the coming year post completion reviews will enable VFM to be measured on completed capital building and IT projects which have previously been subject to the gateway process.

4. Estates Rationalisation and activity to reduce utilities cost

- The opening of the New Dick Vets School at Easter Bush has enabled the existing Summerhall building to be sold. There are also reductions in running costs and long-term maintenance of over £700,000 per annum despite the new facilities being spectacularly better and larger. In addition three libraries have been rationalised into one.
- Further phases of the Library redevelopment have built on the vast increase in usage seen with the earlier phases. A further 30% to 90% from the pre-project usage has been achieved.
- The development of the Library Annexe in commercial warehousing off campus has allowed lesser-used books to be stored more cost effectively. New service and capital investment in scanning equipment has allowed fast delivery back to campus.

- A range of innovative solutions delivering more efficient shelving and storage of books at library facilities across the University.
- In areas such as Informatics with usage of sophisticated computing hardware, greater focus on electricity usage in the procurement of new equipment is delivering savings of up to 33% despite technological advances in performance.
- Further work in preparation for the devolution of utilities costs to budgetholders has continued. Accurate information by building after the implementation of new metering is now being produced. An agreed procedure for devolving budgets for 2012/13 will be agreed in the coming year.
- The levels of recycling continue to increase and the amount of waste sent to landfill bas reduced by 23%. This delivered savings in excess of £100k for last year.
- The University has now been part of the overall Scottish public sector in procurement for gas and electricity for over a year. Pressure is being exerted to receive meaningful benchmarking of prices paid compared to large Universities in the rest of the UK.
- Savings initially of 5% rising to 11% in 2013/14 have been achieved with a similar contract for water supplies.

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

- The School of Physics and Astronomy is, following a project analysing their pre-award research grant procedures, introducing revised processes from September 2011. It will streamline the preparation of research grant bids, reducing administrative costs and improving the quality of the submission made to funders.
- The School of Chemistry has replaced a nitrogen generator with a new facility which is delivering cost savings of over £2000 per month in high usage periods as all demand can be met internally rather than being bought in. It has also delivered operational improvements in terms of certainty of supply and reduced health and safety risk.
- The School of Maths has redesigned its prehonours teaching including the rationalisation of its nonspecialist (service) provision. This process will take us from teaching 400 points of courses at this level in 2009-10 to approximately 240 points in 2012-13. Combined with replacing some 10-point course with 20-point courses, this will considerably ease the administrative and other costs associated with this provision while maintaining or improving quality.

Conclusion

Again this report demonstrates the wide range of activities taking place across the University to deliver improved value for money. The focus is now on moving from opportunistic staff reductions after a period of sustained growth for the University to changes and actions which deliver improvements and cost enhancements. This is clearly a more challenging process but one that University managers see as necessary to maintain our competitive position in an extremely testing environment.

Jon Gorringe, *Director of Finance*

25 August 2011

Annex 3

Sources of assurance for ECA/Andrew Grant Scholarship Fund Annual Financial Statements

Introduction

Under the Edinburgh College of Art (Transfer)(Scotland) Order 2011 (the Order), the University of Edinburgh took over responsibility for the Edinburgh College of Art (ECA), with effect from the 1 August 2011, and the Court of the University became the trustee of the Andrew Grant Scholarship Fund (AGSF).

Prior that date, ECA was an autonomous institution constituted under the Edinburgh College of Art Order 1959, the Further and Higher Education (Scotland) Act 1992 and other statutory instruments, and funded primarily by the Scottish Funding Council, with its own Board of Governors, Finance Committee, and an Audit and Risk Committee. Under the terms of the Order, the Governance structure of ECA was dissolved with effect from 1 August 2011, and ECA's activities became part of the governance structure of the University. One consequence of the mode of transfer is that the University Court takes responsibility for the completion and sign off the Annual Accounts of ECA and the AGSF, albeit it has to rely on the governance and assurance processes in place within ECA over the past year.

This paper summarises the sources of assurance that Audit Committee, Finance & General Purposes Committee, and ultimately the University Court can look to, to sign off the Edinburgh College of Art and Andrew Grant Scholarship Fund Accounts for the year ended 31 July 2011.

Assurances required

Fundamentally the University Court and its Committees need to gain assurance

a) that the ECA and AGSF Financial Statements have been properly prepared and show a true and fair view of the state of affairs of those entities for the year ended 31 July 2011, including all necessary disclosures and the letter of representation
b) of the state of the internal control and risk environment, and that the statements made in the Financial Statements regarding these matters are appropriate

Accounts properly prepared and show a true and fair view

The primary assurances that the University Court and its Committees can look to are:

- the preparation of the Financial Statements by the previous acting Director of Finance, now working within the University's Finance Dept under the oversight of the University's Director of Finance
- the explanations provided by the previous acting Director of Finance regarding matters in the Accounts
- the explanations provided by the previous acting Director of Finance of comparisons against budgets and forecasts, and consistency with management accounts during the year
- assurances from the previous convenor of the ECA Audit and Risk Committee regarding the consistency of the Financial Statements with the previous Audit and Finance Committee's understanding of the financial position
- commentary from KPMG on the Financial Statements

The state of the internal control and risk environment

The primary assurances that the University Court and its Committees can look to are:

- the existence and operation of the Governing Body, Finance, and Audit and Risk Committees as described in the Annual Financial Statements
- meetings of the University Audit Committee with the convenor of the ECA Audit and Risk Committee and the acting Finance Director which enabled an understanding of, and questioning, of risk and internal control environment within ECA during 2010/11; these took place at the University's Audit Committee meetings on 2 June, 29 September and 22 November
- the annual report from the previous ECA Audit and Risk Committee, and copies of the minutes of meetings
- the annual report of the ECA Internal Auditor (Deloitte), sight of the reports prepared by the ECA Internal Auditor on individual assignments, and discussions with the Internal Auditor at the 2 June and 29 September Audit Committee meetings
- interim and final management reports prepared by KPMG

Secondary Assurances

The University undertook an extensive Due Diligence exercise during the period May to September 2010, after which the proposal for merger was submitted to the Scottish Funding Council, and negotiations took place with the SFC regarding funding for the merger. Discussions concluded in January 2011 with the University Court agreeing the funding package and indicating its support for the merger to the Cabinet Secretary for Education and the SFC. Following this, the University and ECA commenced transition planning and, on confirmation that the Scottish Statutory Instrument had been approved by parliament, implementation commenced. The University Court received reports on Due Diligence and the financial negotiation at its meeting on the 20 December 2010. Various working groups were constituted with the approval of Court during the processes to oversee, Due Diligence (Director of Corporate Services), Academic Vision (VP Prof David Fergusson), Negotiation (VP Prof April McMahon), Legal matters (Director of Corporate Services), Academic Integration (VP Prof David Fergusson), Operational Integration (Director of Corporate Services).

The Director of Corporate Services and Director of Finance have reviewed the draft ECA and AGSF Financial Statements against the reports of Due Diligence provided to Court and the Due Diligence working group, and against the funding letter from the SFC. We can confirm that the Financial Statements are consistent with the our understanding of the control environment and financial position arising from the Due Diligence undertaken, and that they incorporate appropriately the merger funding provided by the SFC provided directly to ECA - being £8.7 million. It should be noted that other funding for the merger comes directly to the University.

JG/NALP

Annex 4

Annual Report of the Edinburgh College of Art (ECA) Audit and Risk Committee for year ended 31 July 2011, to the University of Edinburgh Audit Committee

1 Introduction

The ECA Audit and Risk Committee presents its Annual Report on ECA for the year ended 31 July 2011. A draft of this report, prior to receipt of both the internal and external auditors annual reports for 2010-11 was considered, at the final meeting of the Audit and Risk Committee of ECA on 28th July 2011. This report has been updated to reflect the annual opinions provided by both internal and external audit.

2 Membership and Frequency of Meetings 2010/2011

Membership of the ECA Audit and Risk Committee for 2010/2011 was as follows:

Ms Shonaig Macpherson, CBE, FRSE, DUniv (Convenor)
Ms Ginnie Atkinson
Professor D Gareth Owen MA, PhD, CEng, FICE, FSUT (retired December 2010)
Mr Alastair MacKenzie, CBE, RIBA, MRTPI (resigned December 2010)
Mr Robert Robertson, BSc, MSc, ARICS (resigned December 2010)
Ms Lesley Watt, LLB, DipLB, CA (appointed January 2011)
Mr Eddie Frizzell, CBE, MA (Hons), FRSA (appointed January 2011)

Following the resignation of the College Secretary in October 2010, the Deputy Registrar and Acting Secretary continued the administrative support to the Committee. Routinely in attendance at meetings of the Committee during the year were: the Principal, the Assistant Principal, the Chief Operating Officer, the Acting Head of Finance and representatives of the College's External and Internal Auditors from KPMG LLP and Deloitte respectively. As indicated above there were several new members who joined the Committee during 2010/11 and induction training was provided in January 2010 to all such new Governors of the College.

The Committee met on 7th October 2010, 13th June 2011 and 28th July 2011 and had several joint meetings with the Finance Committee on 12th January (by conference call), 24th January 2011, 28th February 2011, 21st March 2011 and 28th June 2011. The joint committees were held primarily as a result of cancellations due to adverse weather conditions and the elongated year end sign off procedure experienced for the 2009/10 Report and Annual Accounts.

During 2010/11 all members of the ECA Audit and Risk Committee were invited to attend private meetings with External Audit and with Internal Audit without the presence of officers of the College. 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 ECA Audit and Risk Committee as requiring further consideration.

As part of the hand over process, in respect of merger with the University of Edinburgh, the Convenor of ECA Audit and Risk Committee, the Acting Head of Finance and representatives from external and internal audit, met with the University of Edinburgh's Audit Committee on 2nd June. Following merger and the transfer of responsibilities in finalising the Report and Financial Statements for the year ended 31 July 2011, ECA matters were considered at meetings on 29th September and 22nd November 2011. The work of the ECA Audit and Risk Committee throughout 2010/11, the subsequent internal audit annual opinion and any outstanding internal audit reports and external audits audit highlights report have been considered by the Audit Committee at these meetings where ECA representatives also attended as required.

3 Internal Audit

Annual Report of the Internal Auditors 2010/11

The Annual Internal Audit Statement, considered by the Audit Committee on 29th September 2011 noted: "last year our Annual Internal Audit Statement concluded that the College did not have an adequate framework of controls in place in a number of areas and systems. This included budget management and control, expenditure approvals, staffing cost management and financial recovery planning. Whilst significant progress has been made, particularly during the second half of 2010/11, these improvements could not be considered to have been embedded and established throughout the 2010/11 financial year. As such, our overall assessment remains that the College did not have an adequate framework of control in place in a number of areas and systems during the year."

The Audit and Risk Committee of ECA had anticipated the continuation of a qualified opinion from internal audit in 2010/11 but were pleased to note that the internal auditors also confirmed that the following improvements having been put in place: "In the current year we have noted improved control and management arrangements across these areas, particularly in the second half of 2010/11. Our follow up work has also confirmed that the Acting Head of Finance has established a much more robust and effective follow up process than in prior years, particularly in relation to financial management and budgetary control areas which is where the majority of prior recommendations were focused."

The ECA Audit and Risk Committee accepts the opinion of Deloitte in relation to the control framework but was heartened by the improvements noted prior to merger and confirmation of their continuation as the activities of ECA were subsumed into the University internal control framework from 1st August 2011.

The deficient but improving internal control environment was adequately disclosed the in the annual governance statement contained in the Corporate Governance Statement included in the 2010/11 Report and Financial Statements of ECA.

Internal Audit Plans

At its meeting on 7th October 2010 the Committee approved the Annual Internal Audit Plan for 2010/11 which reflected the revisions previously suggested by the Committee. Progress against this plan has been monitored and reported and due to the timing of the merger it was agreed that two areas (Absence Management and Risk Workshop) would not be undertaken. Reports completed after merger were presented to the University of Edinburgh Audit Committee. Of particular interest were the results from the follow up on previous internal audit recommendations. Of the 42 recommendations, 60% had been implemented, 16% had not been implemented, 7% were partially implemented, and no further actions were proposed for the remaining 16%.

Internal Audit Performance and Resourcing

The following Internal Audit Reports have been considered during 2010/11: School of Art: Operational and Financial Control Review, Review of Financial Controls Framework, Review of Budgetary Control and Financial Management, Review of Voluntary Redundancy Programme Severance Arrangements, the Follow up on Prior Year and Outstanding Recommendations, Review of Expenditure. The final two reports were issued after 31st July 2011 and considered by the University of Edinburgh Audit Committee who also considered all internal audit reports approved by the ECA Audit and Risk Committee during 2010/11.The ECA Audit and Risk Committee also received regular status reports.

4 External Audit

Following a competitive external audit exercise, KPMG LLP was appointed for three years, their first audit being for 2009/10. Due to timetabling constraints, the University of Edinburgh Audit Committee received the External Auditor's Planning Memorandum for the year ended 31 July 2011 before the

ECA Audit and Risk Committee. On reviewing this plan the Committee noted that the interim and yearend audit timetable has been determined by the operational logistics of the delayed finalisation of the 2009/10 Annual Report and Financial Statements and the impact of merger from 1st August 2011. The fee for 2010/11 has been agreed in line with the Planning Memorandum.

The results of the external auditor's interim audit of ECA were necessarily reported to the University of Edinburgh Audit Committee and no significant concerns regarding the preparation and completion of the Report and Financial Statements for the year ended 31 July 2011 were anticipated.

As reported in the Audit Highlights Memorandum for the year ended 31 July 2011, the external audit of ECA was completed in a timely manner, minor financial adjustments were required and an unqualified external audit certificate was issued.

5 Value for Money

In the absence of an ECA Board approved strategy on Value for Money, ECA relied on the internal audit review of expenditure undertaken in 2010/11 to highlight areas for improvement. This report indicated opportunities for reduced costs which are being addressed following merger.

6 Risk Management

The ECA Audit and Risk Committee received both the Corporate Risk Register and the ECA merger Risk Register, with particular focus on the latter register. In addition, and in line with the University of Edinburgh practice, a risk questionnaire was completed by the Heads of Schools and the Chief Operating Officer and satisfactorily reviewed by the ECA Audit and Risk Committee.

7 Fraud and Irregularity

In 2010/11 there have been no reported incidents of fraud or suspected fraud, or allegations of fraud or suspected fraud affecting the Financial Statements of ECA.

8 Reports and Financial Statements for the year ended 31 July 2011

At the time of preparing their Annual Report, the ECA Audit and Risk Committee commented: "Given the resolution of multiple issues in the 2009/10 audit process it is anticipated that the closure and finalisation process for both the ECA and Andrew Grant Scholarship Fund accounts would be less onerous than previously".

Hopefully following consideration of the Internal Auditors Annual Report at the last meeting, consideration of the ECA Annual Report and Financial Statements for the year ended 31 July 2011, the unqualified opinion from the external auditors and consideration of the External Audit Highlights memorandum, on 22nd November 2011, the Audit Committee of the University of Edinburgh can provide the undernoted assurance to the University Court.

"The Audit Committee of the University of Edinburgh received the Report and Financial Statements for the year ended 31 July 2011, including the Operating and Financial Review and Corporate Governance Statement, at its meeting on 22nd November 2011. 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 Report and Financial Statements to the Court for adoption."

9 Internal Control Environment

Based on the results of the work of the internal auditors, the actions taken to improve financial management within ECA and the unqualified external auditor's opinion the Audit Committee of the University of Edinburgh concludes that: ECA's internal control system although not embedded throughout the financial year has improved in 2010/11 and following incorporation into the

University control environment from 1st August 2011 could be relied on by the University Court to the date of signing the Report and Financial Statements.

10 Other Committee Business

Attention has been primarily focussed on resolving the issues arising from the finalisation of the 2009/10 Financial Statements and ensuring satisfactory resolution of the myriad of issues that arose. The reports from the external auditor have confirmed satisfactory resolution of these accounting issues in 2010/11.

Karen Sinclair
ECA Acting Head of Finance

Annex 5

Annual Report of the Andrew Grant Scholarship Trustees to the University of Edinburgh Audit Committee

1 Introduction

The Trustees of Andrew Grant Scholarship Fund (AGSF), who were also Governors of Edinburgh College of Art (ECA) presents its Annual Report for the year ended 31 July 2011. Given the establishment of a corporate Trustee for AGSF, following the merger of ECA with the University of Edinburgh, reference is also made to the activities of the extant Trustee.

2 Membership and Frequency of Meetings 2010/2011

The Trustees of AGSF, who were also governors of ECA, until 31 July 2011 are detailed at Appendix A. Following the merger between ECA and the University of Edinburgh on 1st August 2011, the University Court of the University of Edinburgh became the corporate Trustee of AGSF.

The Trustees met in 2011 on the following dates: 21st January, 28th February, 21st March, 13th June, 27th June and 22nd July. Court was advised at its meeting on 20th June 2011 of its roles and responsibilities as the corporate trustee of the Andrew Grant Scholarship Fund from 1st August 2011.

As part of the hand over process, in respect of merger with the University of Edinburgh, the Convenor of ECA Audit and Risk Committee, the Acting Head of Finance and representatives from external and internal audit, met with the University of Edinburgh's Audit Committee on 2nd June. Following merger and the transfer of responsibilities in finalising the Trustee's Report and Financial Statements for the year ended 31 July 2011, AGSF matters, as part of ECA activities were considered at meetings on 29th September and 22nd November 2011.

3 Internal Audit

Annual Report of the Internal Auditors 2010/11

As AGSF was administered by ECA the underlying activities of the AGSF were included in the annual planning process at ECA. In 2010/11 no specific internal audits of AGSF were planned or undertaken. The Annual Internal Audit Statement, considered by the Audit Committee on 29th September 2011 noted: "last year our Annual Internal Audit Statement concluded that the College did not have an adequate framework of controls in place in a number of areas and systems. This included budget management and control, expenditure approvals, staffing cost management and financial recovery planning. Whilst significant progress has been made, particularly during the second half of 2010/11, these improvements could not be considered to have been embedded and established throughout the 2010/11 financial year. As such, our overall assessment remains that the College did not have an adequate framework of control in place in a number of areas and systems during the year."

The internal auditors also confirmed that the following improvements have been put in place: "In the current year we have noted improved control and management arrangements across these areas, particularly in the second half of 2010/11. Our follow up work has also confirmed that the Acting Head of Finance has established a much more robust and effective follow up process than in prior years, particularly in relation to financial management and budgetary control areas which is where the majority of prior recommendations were focused."

During 2010/11 the trustees had reviewed the administration and authorisation processes operating in respect of AGSF and consider these to be reflected in the above opinion.

The deficient but improving internal control environment was adequately disclosed in the Trustee's report included in the 2010/11 Trustee's Report and Financial Statements of AGSF.

4 External Audit

Following a competitive external audit exercise, KPMG LLP was appointed for three years, their first audit being for 2009/10. Although the AGSF financial results are consolidated into those of ECA, separate Reports and Financial Statements are prepared and audited. The results of KPMG's audit of ECA and AGSF are consolidated into one Audit Highlights memorandum, albeit separate letters of representation have been issued to the Trustee of AGSF.

The fee for 2010/11 was agreed in line with the Planning Memorandum approved by the ECA Audit and Risk Committee.

The external auditor's interim audit of AGSF highlighted no significant concerns regarding the preparation and completion of the Trustee's Report and Financial Statements for the year ended 31 July 2011 were anticipated.

As reported in the Audit Highlights Memorandum for the year ended 31 July 2011, the external audit of AGSF was completed in a timely manner, no adjustments were required and an unqualified external audit certificate was issued.

5 Value for Money

In the absence of a strategy on Value for Money, the trustees relied on the internal audit review of expenditure undertaken in 2010/11 to highlight areas for improvement. This report indicated opportunities for reduced costs in respect of AGSF which were actioned by 31 July 2011.

6 Risk Management

The ECA Audit and Risk Committee, on behalf of the AGSF trustees, received the Corporate Risk Register and the ECA merger Risk Register, which included the activities of AGSF. In addition, and in line with the University of Edinburgh practice, a risk questionnaire completed by the Chief Operating Officer in respect of AGSF was satisfactorily reviewed by the ECA Audit and Risk Committee. The major risk identified related to the level of Freedom of Information enquiries received in respect of AGSF.

7 Fraud and Irregularity

In 2010/11 there have been no reported incidents of fraud or suspected fraud, or allegations of fraud or suspected fraud affecting the Financial Statements of AGSF. Approval from the trustees has been provided in respect of the expenditure transactions included in the 2010/11 Financial Statements. This provides added assurance that all expenditure incurred is in line with the donors' wishes.

8 Trustee's Report and Financial Statements for the year ended 31 July 2011

At the time of preparing their Annual report, the ECA Audit and Risk Committee commented: "Given the resolution of multiple issues in the 2009/10 audit process it is anticipated that the closure and finalisation process for both the ECA and AGSF accounts would be less onerous than previously".

Hopefully following consideration of the Internal Auditors Annual Report at the last meeting, consideration of the Trustee's Report and Financial Statements for AGSF for the year ended 31 July 2011, the unqualified opinion from the external auditors and consideration of the External Audit Highlights memorandum, on 22nd November 2011, the Audit Committee of the University of Edinburgh can provide the undernoted assurance to the University Court.

"The Audit Committee of the University of Edinburgh received the Trustee's Report and Financial Statements for the year ended 31 July 2011, at its meeting on 22nd November 2011. 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 Trustee's Report and Financial Statements to the Court for adoption."

9 Internal Control Environment

Based on the results of the work of the internal auditors, the actions taken to improve financial management within ECA, particularly in respect of the criteria adopted by the Awards and Bequests Committee in awarding grants from AGSF funds and the unqualified external auditor's opinion the Audit Committee of the University of Edinburgh concludes that: AGSF's internal control system although not embedded throughout the financial year has improved in 2010/11 and following incorporation into the University control environment from 1st August 2011 could be relied on by the University Court in its capacity as corporate Trustee to the date of signing the Trustee's Report and Financial Statements.

10 Other Committee Business

The initial meetings of the trustees during 2010/11 were focussed on resolving the issues that arose in relation to finalisation of the 2009/10 AGSF Trustees' Report and Financial Statements. In conjunction with the Awards and Bequest Committee, improvements were introduced in respect of the administration of awards from AGSF. The trustees also liaised closely with the University of Edinburgh in developing an appropriate legal structure for AGSF following merger and were kept apprised of all developments proposed by the University of Edinburgh following the merger date.

APPENDIX A

Trustees of AGSF to the period ending 31 July 2011:

Mr D Workman
Professor Ian G. Howard
Professor R Coyne
Mr D MacDonald
Ms S Macpherson
Professor C Hawley
Ms G Atkinson
Professor I F Y Marrian
Ms S Nicholson
Dr P W A West (appointed October 2010)
Professor N Mendelle
Dr J MacDonald, (appointed March 2011)
Ms F Miller (retired June 2011)
Professor S Blackmore (resigned November 2010)
Mr A Mackenzie (resigned December 2010)
Lady Mathewson (resigned December 2010)
Professor D.G. Owen (retired December 2010)
Mr R B Robertson (resigned December 2010)
Ms G Prince (retired January 2011)
Ms L Watt, (appointed January 2011)
Ms J Cunliffe (appointed January 2011)
Mr E Frizzell, (appointed January 2011)
Ms A Barr (appointed July 2011)

A

Minute of the Meeting of the Audit Committee held at 5.00 pm on 22 November 2011 in the Lord Provost Elder Room, Old College

Present:	Ms A Richards (Convener) Mr A Johnston Mrs E Noad (via conference call) Mr M Sinclair Mr A Trotter
Apologies:	Mr P Budd
In attendance:	The Principal Mr J Gorringe, Director of Finance Mr N Paul, Director of Corporate Services Dr K Waldron, University Secretary Ms L Welch, Assistant Director of Finance Mr H McKay, Chief Internal Auditor Mr M Rowley, KPMG, External Auditor Director Mr S Reid, KPMG, External Director (UoE and ECA) Ms K Sinclair, Acting Director of Finance, ECA Mr G Bailey, Senior Financial Accountant Dr K Novosel, Head of Court Services

1 MINUTE OF THE MEETING HELD ON 29 SEPTEMBER 2011 — Paper A

The Minute of the meeting held on 29 September 2011 was approved as a correct record.

2 MATTERS ARISING

2.1 Membership of Committee — Paper B

The Committee welcomed the extension of the term of office of Mr Budd and Mr Martin for a further three years until 31 July 2015.

2.2 Heritage Assets — Paper C

At its last meeting, the Committee had asked for further information on the University's heritage assets. The Committee welcomed the paper which provided an interesting insight to the significant and valuable collections held by the University.

2.3 Private meetings with Internal and External Auditors UoE

The Convener confirmed that she and other members of the Audit Committee had met with the External and Internal Auditors of the University specifically to discuss any matters which may be of importance in respect of the Committee's deliberations on the Accounts and supporting documents. The Convener intimated that External Audit had drawn their attention to the increase in the number of subsidiary companies and there had been discussion with Internal Audit on a number of matters including: value for money; the development of the new Strategic Plan; and the recent mergers. No significant matters of concern had been raised in respect of the University Reports and Financial Statements for the year ended 31 July 2011.

2.4 Private meetings with Internal and External Auditors ECA/Andrew Grant Scholarship Fund

The Convener confirmed that she and other members of the Audit Committee had met with the External Auditor of the Edinburgh College of Art and that unfortunately the Internal Auditor had tendered his apologies at short notice. The Convener confirmed that External Audit had intimated the significant financial improvements at the Edinburgh College of Art which had greatly assisted the auditing process. There were no significant matters of concern raised in respect of the Edinburgh College of Art Report and Financial Statements for the year ended 31 July 2011 or the ECA, Andrew Grant Scholarship Trustee's Report and Financial Statements for the year ended 31 July 2011.

3 PRINCIPAL'S COMMENTS

The Principal commented on the most significant challenges during 2010/2011 and the current position in each area: Scottish Government funding to the sector; Border Agency issues; merger with Edinburgh College of Art and Medical Research Council's Human Genetics Unit; changes in funding to support commercialisation; pension issues; core expenditure; NSS results and improving the student experience; the University's fundraising Campaign; research funders; and student fees and application levels. The Principal thanked the Audit Committee for all its work particularly in monitoring the University's internal control environment and thanked Internal and External Audit for their excellent performance during 2010/2011. The Committee asked that further information on the merger with the Medical Research Council's Human Genetics Unit be provided to a future meeting of the Committee.

FOR DISCUSSION

4 RISK MANAGEMENT ANNUAL REPORT **Paper D**

The Committee noted the Report on the activities of the Risk Management Committee undertaken during 2010/2011 and the assurances provided on the adequacy of the management of risk. In particular the Committee welcomed the assurance provided by Risk Management Committee's monitoring of the risk registers held at College and Support Group levels and below and the actions taken to mitigate risks identified. The Committee further noted and commended the process undertaken to ascertain matters which had arisen throughout the year by means of the transparent annual year end questionnaire and welcomed the information contained within the 2010/2011 assurances map of the actions to mitigate the risks identified in the University Risk Register. It was further noted that Court at its meeting on 12 December 2011 would receive a post year-end risk management and controls statement to provide further assurances as part of the process to sign off of the Reports and Financial Statements. The Committee also noted the reporting process in respect of any concerns regarding possible fraud.

The Audit Committee was content to endorse the Risk Management Annual Report for onward consideration by Court, noting that KPMG also expressed its satisfaction with the Report.

5 AUDIT COMMITTEE ANNUAL REPORT **Paper E**

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The Committee approved the Report for onward submission to Court and agreed that the Annual Report of the Edinburgh College of Art, the Annual Report of ECA, Andrew Grant Scholarship Fund and the paper outlining the sources of assurance in respect of the Report and Financial Statements of the Edinburgh College of Art and the ECA, Andrew

Grant Scholarship Fund, Trustee's Report and Financial Statements should be appended to this Report. It was further agreed to insert a footnote confirming that copies of the Annual Internal Audit Report of the Edinburgh College of Art would be made available on request.

6 VALUE FOR MONEY REPORT **Paper F**

It was noted that the Central Management Group had reviewed and approved this Report for onward transmission to the Audit Committee at its meeting on 11 October 2011.

The Report set out the main value for money activities undertaken across the University during 2010/2011 divided into various categories. The Committee welcomed this Report, particularly noting the importance of the post review group in containing salary costs and that while there had been significant efficiency savings achieved through various estate rationalisation projects the size of the estate and space management issues remained particularly challenging; it may be appropriate to consider the establishment of a group similar to the post review group to take this forward. The Committee further noted the activities of the APUC (Advanced Procurement for Universities and Colleges) in providing value for money in a range of service provision areas across the further and higher education sectors. The Committee was assured that the University had in place satisfactory arrangements to promote economy, efficiency and effectiveness.

UNIVERSITY OF EDINBURGH

7 DRAFT REPORTS AND FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2011 (CLOSED) **Paper G**

The Committee noted and welcomed the comprehensive information contained in the Principal's Report and in the Operating and Financial Review covering all the significant issues and major risks during the year. The establishment of three new subsidiary companies was noted and that the Corporate Governance Statement had been amended to reflect discussion at the last meeting of Court.

The Committee welcomed the increased turnover of £650.8m as recorded in the group income and expenditure account noting the increased income from areas such as tuition fees and education contracts. As in previous years there had continued to be careful monitoring of expenditure during 2010/2011 and the Committee welcomed the £42.2m favourable variance achieved. The balance sheets confirmed an improved position from the previous year with the total net assets including pension liabilities now being recorded as £1.540bn for the group. The Committee noted the various elements accounting for the recorded tangible assets including the treatment of Summerhall and the Holyrood development. The very strong group cash flow position was also noted by the Committee.

The Audit Committee considered in detail the Reports and Financial Statement for the year ended 31 July 2011 in respect of material issues and matters of clarity and accuracy. Members were asked to submit minor typographical or other issues directly to the finance department outwith the meeting. It was suggested that it might be helpful to expand the current statement on the University being a going concern and to provide confirmation that planned student numbers were in line with government funding.

The Committee agreed to recommend to Court adoption of the Reports and Financial Statements for the year ended 31 July 2011, subject to the above suggestions, commending the unqualified opinion within the External Auditor's Report and the continuing financial strength of the University.

8 EXTERNAL AUDIT HIGHLIGHTS MEMORANDA 2010-2011 (CLOSED) Paper H

It was noted that External Audit had prepared two memoranda this year: one covering the Group and the University; and the other providing more detailed information on the subsidiary companies.

The External Auditor confirmed the continuing strong financial position of the University within the sector and commented on the growing complexity of the University and the significant additional activities undertaken during 2010/2011. The Committee noted the key areas covered within the memoranda and the recommendations in the action plans and was satisfied with the management responses including that related to the 'cash suspense' ledger: there were no matters of significant concern highlighted in either memorandum.

The Committee noted the information on non-audit fees and it was agreed that in future years it would be helpful for further information to be provided to the Committee on these fees. External Audit confirmed that it remained independent in terms of regulatory and professional requirements. The External Auditor further confirmed that the separate memorandum on subsidiary companies had been prepared to assist the Committee given the range of activities now undertaken by subsidiary companies. It was noted that the Finance and General Purposes Committee closely monitored the activities of the subsidiary companies including formation of new companies and membership of the companies' governing boards and that it reported thereon to Court.

The Committee considered KPMG's Highlights Memoranda for the year ended 31 July 2011 and was content that they represented a balanced view and that any weaknesses identified or suggestions were being effectively taken forward and addressed by the University.

9 DRAFT LETTER OF REPRESENTATION AND COMMENTARY (CLOSED) Paper I

The Audit Committee was content with the draft Letter of Representation and recommended approval of the Letter to Court noting the changes from the previous year.

10 DRAFT US GAAP ACCOUNTS (CLOSED) Paper J

The Committee noted the current draft of the accounts prepared in accordance with US generally accepted accounting principles (GAAP). The external audit would be undertaken in December prior to consideration by the agreed sub-group of the Audit Committee in the middle of January 2012 and the adoption of the US GAAP accounts by a delegated sub-group of F&GPC/Court in time for them to be submitted to US Department of Education by the deadline of 31 January 2012.

11 EXTERNAL AUDIT UPDATE ON US GAAP ACCOUNTS

The External Auditor's confirmed that there were no matters which required to be raised with this Committee.

EDINBURGH COLLEGE OF ART

12 SOURCES OF ASSURANCE FOR EDINBURGH COLLEGE OF ART/ANDREW Paper K

GRANT SCHOLARSHIP FUND ANNUAL FINANCIAL STATEMENTS

At the last meeting of the Audit Committee it was agreed that it would be helpful for a comprehensive statement to be made available on the various sources of assurance which the Committee could rely upon in making its recommendations to Court to adopt the Report and Financial Statements of the Edinburgh College of Art and the Trustee's Report and Financial Statements of the ECA, Andrew Grant Scholarship Fund. The Committee noted and welcomed this paper which set the primary sources of assurance and the secondary sources in respect of the due diligence work undertaken as part of the merger process.

13 AUDIT COMMITTEE ANNUAL REPORT ON ECA **Paper L**

The Committee noted the Report of the Audit and Risk Committee of the Edinburgh College of Art which had been prepared in a similar format to that adopted for Reports from this Committee to Court. The Report had been considered and approved by the last meeting of the Audit and Risk Committee of the Edinburgh College of Art and had been updated to reflect the contents of the External and Internal Audits' Annual Reports, specifically the Internal Audit opinion.

14 AUDIT COMMITTEE ANNUAL REPORT ON AGSF **Paper M**

The Committee noted the Report which had been prepared on behalf of the Trustees of the ECA, Andrew Grant Scholarship Fund and set out the detail of the activities of the Trustees during 2010/2011. It was confirmed that the Trustees had approved allocations from the ECA, Andrew Grant Scholarship Fund in advance of expenditure.

15 DRAFT REPORT AND FINANCIAL STATEMENTS FOR ECA (CLOSED) **Paper N**

It was noted that the Finance and General Purposes Committee had considered the draft Report and Financial Statements at its meeting on 21 November 2011 and had suggested that it was appropriate to include acknowledgement of the academic leadership of Professor Howard as the Principal of the College and the work of Dr West as Chief Operating Officer in rebalancing the financial position of the College and assisting in the merger process. The Audit Committee was supportive of these suggested amendments.

The Committee considered the draft Report and Financial Statements for Edinburgh College of Art for the year ended 31 July 2011 in detail welcoming the unqualified external audit opinion and the operating surplus of £8.2m achieved and recommended their adoption to Court subject to the above amendments.

16 DRAFT TRUSTEE'S REPORT AND FINANCIAL STATEMENTS FOR AGSF (CLOSED) **Paper O**

It was noted that the ECA, Andrew Grant Scholarship Fund included the Andrew Grant Bequest and other endowments and that the accounts confirmed the fund totalled £4.50m as of the merger date following repayment of the loan in July 2011. The Committee suggested that it would be helpful to include more detail regarding the repayment of the £1.5m loan and the additional payment of £200,000 to compensate the fund for any lost return.

The Committee considered the draft Trustee's Report and Financial Statements for ECA, Andrew Grant Scholarship Fund for the year ended 31 July 2011 in detail welcoming the unqualified external audit opinion and recommended their adoption to Court subject to the

above suggested amendment.

17 EXTERNAL AUDIT HIGHLIGHTS MEMORANDUM 2010-2011 (ECA AND AGSF) (CLOSED) **Paper P**

The Committee noted that this Memorandum covered both the Edinburgh College of Art and the ECA, Andrew Grant Scholarship Fund and further noted the areas of audit emphasis. External Audit had confirmed its independence in terms of regulatory and professional requirements.

The Committee considered KPMG's Highlights Memorandum for the year ended 31 July 2011 in respect of Edinburgh College of Art and ECA, Andrew Grant Scholarship Fund and was content that it represented a balanced view.

18 DRAFT LETTER OF REPRESENTATION (ECA) **Paper Q**

The Audit Committee was content with the draft Letter of Representation and recommended approval of the Letter to Court.

19 DRAFT LETTER OF REPRESENTATION (AGSF) **Paper R**

The Audit Committee was content with the draft Letter of Representation and recommended approval of the Letter to Court.

INTERNAL AUDIT

20 INTERNAL AUDIT REPORTS **Paper S**

The Audit Committee considered the reports on 2 Internal Audit assignments completed since its last meeting.

Streamline credit card terminals – VfM
The Committee noted the value for money issues highlighted in this report and was satisfied with the actions being taken in respect of the recommendations.

Cash Transaction Authorisation
It was noted that this assignment had been undertaken at the request of the Finance department and the Committee was content with actions being taken to address the recommendations.

21 INTERNAL AUDIT FOLLOW UP REVIEWS **Paper T**

The Committee noted the satisfactory position and further noted the process undertaken by Internal Audit in respect of follow up reviews.

22 INTERNAL AUDIT PROGRESS REPORT **Paper U**

It was noted that the 2010/2011 Audit Plan was nearing completion with only six outstanding audit assignments and that the 2011/2012 plan was 29% advanced after 15 weeks. The Committee was content with these satisfactory positions.

23 SEVERANCE PAYMENTS 2010-11 (CLOSED) **Paper V**

The Committee noted without comment four of the cases recorded and was content that

appropriate procedures had been followed and noted the circumstances surrounding the fifth case. The Committee further noted the two cases within the Edinburgh College of Art.

FOR INFORMATION/FORMAL APPROVAL

24 DATE OF NEXT MEETING

The next meeting of the Audit Committee will be held on Thursday, 1 March 2012 at 5.00 pm in the Lord Provost Elder Room, Old College. It was further noted that a meeting of a sub-group of the Audit Committee would be held in the week of 23 January 2012 to consider the US GAAP Accounts and related papers.

C5.1

The University of Edinburgh

The University Court

12 December 2011

Reports and Financial Statements for the Year to 31 July 2011

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 2011.

Action requested

The draft Reports and Financial Statements were reviewed by the Finance and General Purposes Committee and the Audit Committee and at their meetings on 21 and 22 November and are recommended to Court. Court is requested to review the Reports and Financial Statements with a view to adoption. Following this, the Reports and 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 Financial Statements will be lodged with the Scottish Funding Council by 31 December 2011. A further copy will be filed in due course along with the annual return for 2010-11 with the Office of the Scottish Charity Regulator.

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 12 December 2011 and the signing of the audit opinion by the external auditor.

Originators of the paper

Jon Gorringe
Director of Finance
2 December 2011

C5.2

The University of Edinburgh

The University Court

12 December 2011

Letter of Representation for the Year to 31 July 2011

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

The Letter of Representation in respect of the Reports and Financial statements of The University of Edinburgh for the year ended 31 July 2011 is attached. Following the adoption of the Reports and Financial Statements by Court, the Principal, on behalf of Court will sign the Letter of Representation to the external auditors in support of the financial statements.

By signing 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 has been placed on the checks and balances incorporated into the processes and procedures (internal control system) necessary to effectively manage the University, on the advice of professional advisors and on the professional ethics of the University's academic, research and support staff.

Appendix A to the letter provides definitions of "material" and "fraud" in the context of the financial statements and of both a related party and of related party transactions and the Schedule attached to the letter details an uncorrected audit difference that is considered immaterial to the group and parent University financial statements taken as a whole.

The draft letter was considered at the Finance and General Purposes Committee on 21 November 2011 and at Audit Committee on 22 November.

Action requested

Court is asked to approve this letter and its signing by the Principal.

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 letter is to be agreed by Court on 12 December 2011 for signature by the Principal. 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 and the letter of representation will be also made available at that stage.

Originators of the paper

Jon Gorringe
Director of Finance
2 December 2011

C5.3

The University of Edinburgh

The University Court

12 December 2011

Outturn 2010-11 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 2010-11 with the Quarter 3 forecast prepared in Spring 2011.

Action requested

The paper is for information.

Resource implications

As indicated in the paper.

Risk Assessment

The continuing financial health of the University.

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

Originator of the paper

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

15 November 2011

To be presented by

Jon Gorringe, Director of Finance

C5.4

The University of Edinburgh

The University Court

12 December 2011

US GAAP Reports and Financial Statements

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

The paper is intended to update Court about the progress on the preparation of the US GAAP Accounts for the year to 31 July 2011.

Action requested

Court is invited to establish a sub-group of Court and Finance and General Purposes Committee to sign off the US GAAP accounts in January 2012 and to note the progress on the accounts preparation.

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.

Originators of the paper

Elizabeth Welch
Assistant Director of Finance
2 December 2011

The University of Edinburgh

C6.1

The University Court

12 December 2011

Report and Financial Statements for Edinburgh College of Art
For the year ended 31 July 2011

Brief description of the paper

The Report and Financial Statements for the Edinburgh College of Art (ECA) for the year ended 31 July 2011 are attached.

Action requested

The draft Report and Financial Statements were reviewed by the Finance and General Purposes Committee and the Audit Committee at their meetings on 21 and 22 November and are recommended to Court. Court is requested to review the Report and Financial Statements with a view to adoption. Following this, the Report and 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 Financial Statements will be lodged with the Scottish Funding Council by 31 December 2011. A further copy will be filed in due course along with the annual return for 2010-11 with the Office of the Scottish Charity Regulator.

Court is invited to comment on and approve the Report and Financial Statements.

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

The release of the Report and Financial Statements is covered by the University publication schedule. The Report and Financial Statements will be published 30 days after adoption and signature by the Court

Originators of the paper

Jon Gorringe, Director of Finance
Elizabeth Welch, Assistant Director of Finance
Karen Sinclair, Acting Director of Finance, ECA

To be presented by

Mr Jon Gorringe
Director of Finance

The University of Edinburgh

The University Court

12 December 2011

C6.2

Edinburgh College of Art: Letter of Representation for the year ended 31 July 2011

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

The letter of representation and attachment from KPMG LLP, in respect of the Report and Financial Statements for the Group and College of Edinburgh College of Art (ECA) for the year ended 31 July 2011 is attached. The Principal, on behalf of Court signs the final letter of representation to the external auditors in support of the Financial Statements being audited. These comprise the ECA Report and Financial Statements, which consolidates the results of the ECA Andrew Grant Scholarship Fund (AGSF). A separate Letter of Representation is required for the Trustee of the AGSF.

Action requested

It is requested that the letter of representation is reviewed and the contents noted.

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 resources and proper conduct of affairs. To make such statements the Principal and the Court must rely on a number of checks and balances incorporated into the processes and procedures (internal control systems) necessary to effectively manage resources. They must rely on the advice of professional advisors and on the professional ethics of the academic, research and support staff.

The draft letter was considered at the Finance and General Purposes Committee on 21 November and by the meeting of the Audit Committee on 22 November 2011.

The letter will be ratified by Court and signed on its behalf at the meeting on the 12 December.

Resource implications

None.

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

The letter is to be agreed by Court on 12 December 2011 for signature by the Principal. The release of the Report and Financial Statements is covered by the University publication schedule. The Report and Financial Statements will be published 30 days after adoption and signature by the Court and the letter of representation will be also made available at that stage.

Originator of the paper

Jon Gorringe, Director of Finance
Elizabeth Welch, Assistant Director of Finance
Karen Sinclair, Acting Director of Finance, ECA

To be presented by

Jon Gorringe
Director of Finance

The University of Edinburgh

C6.3

The University Court

12 December 2011

Trustee's Report and Financial Statements for Andrew Grant Scholarship Fund For the year ended 31 July 2011

Brief description of the paper

The Trustee's Report and Financial Statements for the Andrew Grant Scholarship Fund (AGSF) for the year ended 31 July 2011 are attached.

Action requested

The draft Trustee's Report and Financial Statements were reviewed by the Finance and General Purposes Committee and the Audit Committee at their meetings on 21 and 22 November and are recommended to the Trustee. The Trustee is requested to review the Trustee's Report and Financial Statements with a view to adoption. Following this, the Trustee's Report and Financial Statements will be signed. 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 Financial Statements will be lodged with the Scottish Funding Council by 31 December 2011. A further copy will be filed in due course along with the annual return for 2010-11 with the Office of the Scottish Charity Regulator.

Members are invited to comment on and approve the Trustee's Report and Financial Statements.

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

The release of the Trustee's Report and Financial Statements is covered by the University publication schedule and will be published 30 days after adoption and signature by the Trustee.

Originators of the paper

Jon Gorringe, Director of Finance
Elizabeth Welch, Assistant Director of Finance
Karen Sinclair, Acting Director of Finance, ECA

To be presented by

Mr Jon Gorringe
Director of Finance

The University of Edinburgh

C6.4

The University Court

12 December 2011

Edinburgh College of Art, Andrew Grant Scholarship Fund
Letter of Representation for the year ended 31 July 2011

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

The letter of representation and attachment, from KPMG LLP, in respect of the Trustee's Report and Financial Statements for the Edinburgh College of Art (ECA), Andrew Grant Scholarship Fund (AGSF) for the year ended 31 July 2011 is attached for approval.

Action requested

It is requested that the letter of representation is reviewed and the contents noted.

In making the statements in the letter the Trustee acknowledges the responsibilities placed on it by various statutes, standards and memoranda for the effective stewardship of the resources and proper conduct of affairs. To make such the Trustee must rely on a number of checks and balances incorporated into the processes and procedures (internal control systems) necessary to effectively manage resources. It must rely on the advice of professional advisors and on the professional ethics of the academic, research and support staff.

The draft letter was considered at the Finance and General Purposes Committee on 21 November and by the meeting of the Audit Committee on 22 November 2011.

The letter will be ratified and signed by the Trustee at a meeting on the 12 December.

Resource implications

None.

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

The letter is to be agreed on 12 December 2011 for signature by the Trustee. The release of the Trustee's Report and Financial Statements is covered by the University publication schedule. The Report and Financial Statements will be published 30 days after adoption and signature and the letter of representation will be also made available at that stage.

Originator of the paper

Jon Gorringe, Director of Finance
Elizabeth Welch, Assistant Director of Finance
Karen Sinclair, Acting Director of Finance, ECA

To be presented by

Jon Gorringe
Director of Finance

The University of Edinburgh

C7.1

Court

12 December 2011

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 third report on progress against the 33 targets set out in the University's Strategic Plan 2008-2012. The paper has been endorsed by both CMG and F&GPC. Once Court's comments have been incorporated, the progress report will be submitted to the Scottish Further and Higher Education Funding Council (SFC).

Action requested

For comment.

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, Senior Strategic Planner
Dr Alexis Cornish, Director of Planning and Deputy Secretary
Governance and Strategic Planning, 28 November 2011

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 has already met 4 out of 33 targets (8.1, 9.2, 11.1 and 12.2);
- the University is 'on track' to meet 22 out of 33 targets;
- 2 targets are 'not yet determined' (3.1 and 10.3); and
- the remaining 5 targets are assessed as 'further work required' (targets 1.1, 7.1, 8.2, 10.1 and 12.3).

Target		Progress to date	Achievement Status
Excellence in learning and teaching			
1.1	increase the level of satisfaction expressed in the *Assessment and feedback* section of the National Student Survey and enter the upper quartile of institutions surveyed *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 the 2011 NSS, Edinburgh's figure was 52%, up from 51% in 2010 and 46% in 2009. This remains the equal lowest figure of all comparator group institutions. The comparator group upper quartile figure increased to 70%, which, at 18% higher than Edinburgh, represents a divergence of 1% year on year. The Russell Group upper quartile figure was up 2% to 65% - at 13% higher than Edinburgh's figure, this also represents a divergence of 1% year on year. • Through a wide-reaching Student Voice project initiated by Governance and Strategic Planning, a new set of standardised NSS reports was introduced in 2011. Centrally-produced reports, which are widely circulated, present Edinburgh's NSS results year-on-year – at University, School, subject and programme level. Our results are compared against those of other institutions. • As was the case last year, the approach being followed to improve NSS performance comprises four strands: (a) setting standards and communicating expectations (based around University-wide Feedback Standards and Guiding Principles approved by Senatus in June 2010); (b) monitoring performance and actions; (c) review and development of feedback and assessment practices; and (d) identifying and promulgating effective practices. • In the light of the 2011 results, actions have focused particularly on strand b., and have been targeted around seven Schools with the least satisfactory performance on assessment and feedback. A Task Group chaired by the Senior Vice-Principal has held face-to-face meetings with each of the seven Schools, to agree what heightened measures are being actively pursued to achieve significant improvements in student satisfaction with feedback. • On (c), steps underway to reconfigure substantially arrangements for student support are likely to include innovative provision for periodically reviewing with students their progress and performance, in the light of grades and feedback.	▼

Target		Progress to date	Achievement Status
		• On (d), the Enhancing Feedback website continues to be widely used: of the 7,000+ visitors to the site from 102 countries by September 2011, over one thousand visitors were from Edinburgh. Efforts to share good practices are also being boosted by the compilation of an Inspiring Learning handbook with a large section devoted to examples from across the University of 'Feedback that makes a difference'. These initiatives are being complemented by College-led workshops to promulgate best practices.	
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 [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'** was agreed for this target was reported in October 2009]	• In June 2011, following wide-spread consultation, the Curriculum and Student Progression Committee (CSPC) adopted taught assessment regulations, which combined the previous undergraduate and taught postgraduate assessment regulations. The taught assessment regulations were standardised and structured into policy, regulation and guidance[1]. They came into use in academic year 2011/12. • In September 2011, CSPC agreed a remit for a postgraduate research assessment regulations task group. This will perform a similar task for the postgraduate research assessment regulations. CSPC's views will be sought on key policy issues and appropriate postgraduate research assessment regulations will be drafted for approval by CSPC, to be adopted for use from academic year 2012/13.	▲
1.3	be one of the first Russell Group universities to implement the use of transcripts for measuring and recording student achievement	• The University will issue students leaving the University from the end of 2011/12 onwards with a HEAR - a Higher Education Achievement Report. This is an extended transcript which includes information about students' non-credit bearing activities. • In March 2011, the Learning and Teaching Committee (LTC) approved the recommendations on what will initially be included in the HEAR, the proposed protocol to amending and developing the non-credit bearing inclusions in HEAR, and the set up of a central repository for degree programme specifications[2]. • The current information in the sector is that HEARs will be issued to students who enter degree programmes from academic year 2011/12 onwards, although this implementation date is still provisional. By issuing the HEAR to all students who leave from the end of 2011/12, the University is an early adopter. We will issue HEARs to students who began their degree programmes before academic year 2011/12 and to students who have not completed degree programmes, e.g. visiting students and students who leave with Certificates or Diplomas of Higher Education. • The practical aspects of delivery of the records are the responsibility of Academic Registry. A project on this is ongoing and the expectation is that from next semester students will be able to use MyEd to see the additional, non-academic information that the University holds for their HEARs.	▲

[1] www.docs.sasg.ed.ac.uk/AcademicServices/Regulations/TaughtAssessmentRegulations.PDF
[2] http://www.ed.ac.uk/schools-departments/institute-academic-development/undergraduate/development/hear

Target		Progress to date	Achievement Status
1.4	increase our headcount of taught postgraduate students by 50%	• In 2010/11, our headcount of taught postgraduate students was 5,637, which was 47% greater than in 2007/08.	▲
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	• The REF2014 Guidance on Submissions was published in July 2011, and the Panel Criteria and Working Methods will be published in January 2012. Sub-panels will produce the overall quality profiles by assessing three distinct elements of the assessment, weighted as follows: Research outputs : 65% Research impact : 20% Research environment : 15% The research environment data to be considered (over the census period 1 August 2008 to 31 July 2013) are: Research doctoral degrees awarded Research income Research income-in-kind • While we do not have access yet to the research income-in-kind eligible for submission (this will be made available to us prior to the REF submission deadline), we can provide an interim indication of research performance on the basis of research doctoral degrees awarded and research income from 1 August 2008 to 31 July 2010. Research doctoral degrees – 8.1% increase Research income – 6.0% increase	▲
2.2	increase our headcount of research postgraduate students at a greater rate than the Russell Group average	• 2010/11 data will not be available until March 2012. • Our headcount of research postgraduate students in 2009/10 was 2,720, which was 4.6% higher than in 2007/08, the baseline year. In comparison, the Russell Group average headcount of research postgraduate students was 2.3% higher than in 2007/08.	▲
2.3	double the recorded number of skills training and development opportunities taken up by postgraduate research students	• In 2010/11, the recorded number of skills training and development opportunities taken up by postgraduate research students was 4,694. This is an increase of 68% on the 2007/08 baseline of 2,796.	▲
Excellence in commercialisation and knowledge exchange			
3.1	increase our economic impact by a higher percentage than our growth in income	• This target is reported on biennially, with the next report on progress included in the October 2012 final targets report.	—

Target		Progress to date	Achievement Status
Quality people			

4.1	achieve an 85% appraisal completion rate across all staff
	
	[This target is measuring the proportion of the University's total staff population who are recorded as having had an appraisal, or 'Annual Review' covering both performance and development. The target is aiming for 100% of staff with contracts of 1 year or more, other than where review is not possible e.g. due to turnover and long-term absence.]
		• The target was set in the context of plans to introduce a new framework for reviews across the University. That project has taken longer than expected due to a number of organisational factors. However, significant progress has been made:
		  • The Oracle HR database has been developed to record review completion and that facility is now available to all Schools and Departments. A number of pilot areas and others are already using that facility and arrangements are being made to roll it out University-wide. This will facilitate much easier and fuller reporting on completion of Annual Reviews next year.
		  • A University Annual Review Policy Statement has now been developed following substantial debate in Staff Committee and with the trade unions. This establishes the principles and governance processes for Annual Review and formally changes the University policy to require reviews to be annual, rather than every two years.
		  • Locally, areas are doing much to embed good practice, which is, in turn, feeding into University-wide guidance and processes:
		  - Significant work has been carried out on guidance for managers and staff. The College of Science and Engineering (CSCE) has developed a website and the College of Medicine and Veterinary Medicine (CMVM) has also developed College guidance. The development of University-wide guidance is underway, building on principles that have now been established by Staff Committee and the work already carried out within Colleges/Support Groups.
		  - New training modules have been developed by CSCE and the College of Humanities and Social Science (CHSS) working together, and are now available University-wide.
		  - University HR Services is working with a range of colleagues to develop an on-line Annual Review 'workflow' system which will be piloted by the Roslin Institute.
		
		• In the interim, information on appraisal/review completion rates gathered from the College/Support Group HR teams, indicates that, for the University as a whole, approximately **65%** of staff have had reviews in 2010/11. This is based on the following rates for each College/Support Group.
		
		  • In CHSS, in those areas for which figures are available, 65% of staff have had Annual Reviews. In a number of areas reviews are scheduled to take place before the end of the calendar year.
		  • CMVM has recently mandated that annual reviews must take place for all staff on grades 9 and 10 before 31 December 2011, after which work will be carried	

Target		Progress to date	Achievement Status
		out to cascade it to more junior staff. From the figures available, around 51% of staff across the College have been reviewed, including 98% of clinical consultants. • In CSCE, 55% of staff have had a review in 2010/11 – a substantial increase over last year. CSCE has recently launched a College Performance & Development Review website and is requiring that a review has taken place for all staff seeking promotion/regrading, contribution or bridging funding, as part of a significant push on Annual Review. • In Corporate Services Group, over 90% of staff have had reviews in 2010/11. • In Student and Academic Services Group, to date 55% of staff have had annual reviews with the remainder programmed to be carried out before the end of the calendar year. • In Information Services Group, over 95% of staff have had reviews in the past year. • In the 2011 Principal Investigators (PIs) and Research Leaders Survey, 73.4% of Edinburgh's 173 PIs who responded had had an appraisal in the last 2 years – on par with the average for Russell Group institutions.	

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	• In the College of Medicine and Veterinary Medicine:
		  • The School of Biomedical Sciences has been successful in achieving the Silver Award in 2011.
		  • The Roslin Institute is working toward achieving the Silver Award in 2011/12.
		• In the College of Science and Engineering:
		  • The School of Physics was awarded 'Juno Practitioner' status through the Institute of Physics' Project Juno which is a similar programme to Athena SWAN. The School has started work to achieve 'Juno Champion', which is equivalent to Athena Swan Silver, award in 2012.
		  • The School of Chemistry was awarded the Athena Swan Silver award in 2006, which was successfully renewed in 2009, and is aiming to achieve the Gold Award in 2012.
		  • Following the withdrawal of the School of Biological Sciences' Athena Swan project leader, the School is currently identifying a successor. Determination of a date for submission for an award will be reviewed once an appointment has been made.	

Target		Progress to date	Achievement Status
4.3	ensure 90% of staff in leadership roles have participated in a leadership development programme or other related activities *[This target is to be achieved cumulatively over the 4 year period covered by the Strategic Plan. The leadership development initiatives included are only those known to HR at the time of reporting.]*	• By the end of academic year 2010/11, a cumulative total of 66% 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. • The cumulative totals of academic staff, and professional services staff, participating in a leadership development programme or other related activities over the period are, respectively, 60% and 80%. Currently the data gathered for the strategic target is only that known to University HR Services (UHRS) within a limited reporting system. In the coming year resources will be put into data gathering with the Institute for Academic Development (IAD), Colleges and Support Groups to widen the data collected in relation to specific leadership activity within these areas. It will be necessary to focus on academic staff, particularly, to meet the 90% target. In order to do so, this agenda will be given a real push in the coming year through a series of initiatives: • The Annual Review process will promote a more systematic approach to discussion on leadership needs across the University. • The restructuring of the Learning & Development (L&D) function and subsequent development of an L&D strategy for the University will mean provision will be planned, resourced and delivered according to the needs of each business area. • Colleges and Support Groupss have introduced a variety of initiatives to embed staff development more fully at local level, e.g. CHSS has a Staff Development Committee, CSG is aiming to achieve Investors in People accreditation, which relies on evidence of excellent leadership development. • UHRS is working in collaboration with the IAD to develop a clear plan of priorities to ensure appropriate academic leadership provision, particularly with REF and NSS in mind. This will meet our obligations in implementing the Concordat to Support the Career Development of Researchers, and in relation to our European Community HR Excellence in Research Award. Hitherto, the ring fencing of Roberts funding precluded the inclusion of all academic staff within Roberts-funded provision. • A new academic Mentoring scheme will enable greater focus on leadership skills for staff across the university.	▲

Target		Progress to date	Achievement Status
4.4	increase the number of international applications for academic posts	• This target is measured using applicants' home address data and covers all 'academic' vacancies advertised, including those for research assistant posts. Against a 9% year-on-year increase in academic posts advertised between 2009/10 and 2010/11, and an 18% increase in total number of applications, the number of international applications has gone up by 23%. The proportion of applications which are from international applicants has also increased, from 36.5% to 38.3%. • In 2010/11, 463 academic vacancies were advertised. We received a total of 13,101 applications for these vacancies: 5,018 (38.3%) applications had an international (non-UK) home address and the remaining 8,083 (61.7%) had a UK home address. Of the 5,018 international applications, 1,883 had a home address outwith the UK but within the EU and 3,135 had a non-EU home address.	▲
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	• The review was completed and its recommendations endorsed by the University Court at its meeting on 24 May 2010. Recommendations are at various stages of implementation and are incorporated into College and Support Group plans.	▲
5.2	increase the overall level of satisfaction expressed in the *Support services* section of the International Student Barometer survey and enter the upper quartile of institutions surveyed	• The overall level of satisfaction expressed in the Support services section of the Summer 2011 International Student Barometer survey was 91.9%. For this measure, we were ranked 7th out of 65 institutions (which included 11 other Russell Group institutions, 5 other Scottish institutions, and 21 non-UK institutions). This places Edinburgh well within the upper quartile of institutions participating in the ISB. Our figure was 0.9% higher than the 91.0% achieved in the Summer 2010 survey, when we were ranked 14th out of 59 institutions.	▲
5.3	deliver the EUCLID project in accordance with the agreed plan	• The EUCLID Project formally closed at the end of 2010, as agreed with CMG. The Student & Course Administration System came into being to take forward the work of building on the work of the EUCLID Project to deliver an excellent student record and course/programme management system. A new governance structure has been put in place to ensure that key stakeholders are involved in reviewing progress and setting objectives for the system within realistic funding constraints. The system has performed well over the past year, satellite projects likewise, and this can give us confidence in this vital university service for the coming years. • In the past year there has been a focus on making enhancements to EUCLID to improve the quality of the student data and to facilitate management information changes required by statutory bodies such the UK Border Agency (UKBA), the Student Loans Company (SLC) and the Student Awards Agency for Scotland (SAAS). The governance group are also currently devising a 3-5 year development plan for EUCLID.	▲

Target		Progress to date	Achievement Status
5.4	offer a University website, encompassing all academic and support units, that is rated by key user groups as highly effective	• We remain on track. The web site continues to improve with greatly increased consistency in design, content and navigation reflecting the increased use of the central content management system (cms) and self assessment tools. • The specifics for 2010/11 have all made good progress, indeed the review panel for the ELIR commented on how comprehensive and well presented on the web site the material they needed was. • The process of the web presence review has indicated that the current cms may not be able to meet our longer term needs. Work to establish requirements for an open source cms has started, with the expected outcome of replacing the current cms in 2012/13.	▲
Quality infrastructure			
6.1	increase income per square metre on a year-on-year basis	• 2010/11 data will not be available until the University's Reports and Financial Statements have been published. • In 2009/10, our income per square metre of gross internal area was £1,076, which was £53 per square metre (5%) higher than in 2008/09.	▲

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	• Phase 2 of the Shared Academic Timetabling Project (the procurement of software and services) proceeded well, completing during October 2011.
		• Implementation will be phased over two years.
		  o Phase 3, 'minimum process change', is currently in a data gathering phase in parallel with software installation, and will go-live at the end of March 2012.
		  o Phase 4, 'extended implementation', will roll out over the subsequent year with completion at the end of March 2013.
		• The core project team comprise resources within IS Applications and the Timetabling Unit within Academic Registry. However, the successful delivery of the project is also dependent on resource and support from Schools and other Support Groups.
		• Phase 3 includes a requirement for all teaching space, whether centrally or locally managed, to be administered within the new timetabling database system. This transparency of data will bring benefits to both Estates & Buildings' strategic objectives, and to the quality of the student experience through the provision of personalised timetables.
		• It is intended that an official Shared Academic Timetabling policy, which is working its way through the committee approval process, will provide clear guidance for Schools on all matters relating to timetabling planning and processes, as well as creating greater timetabling flexibility within the established teaching day.
			▲

Target		Progress to date	Achievement Status
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)	• This target is reviewed in line with the timetable for Estate Strategy updates. • As at December 2009, the proportion of the University's buildings which were categorised as being of highly satisfactory or reasonable standard, was 89% in the Central Area, 77% in the CMVM Zone, and 86% in the CSCE Zone (up from 31%, 63% and 63% respectively, at the time of the last survey in 2005). This therefore represents good progress, with significant improvement having been made in the Central Area.	▲
Enhancing our student experience			
7.1	increase the level of satisfaction expressed in the *Overall satisfaction* question from the National Student Survey and enter the upper quartile of institutions surveyed	• 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 the 2011 NSS, Edinburgh's figure was 85%, down from 86% last year, but up from 83% in 2009. This was 2% lower than the upper quartile of all comparator group institutions (which was up 1% year-on-year), and 3% lower than the Russell Group upper quartile figure (which was up by 1% to 88%). • See target 1.1 for information on actions being taken to improve Edinburgh's figure.	▼
7.2	ensure that all our teaching programmes, undergraduate and postgraduate, incorporate comprehensive development of the skills and attributes that graduates need	• As noted in the report for target 1.3, all of the University's graduates from the end of 2011/12 will receive a Higher Education Achievement Report (HEAR), which will contain descriptions of the graduate attributes of each degree, and a description of a range of activities undertaken by the student that will have contributed to the skill set of that student, such as acting as a class representative or participating in a work placement. • The Employability Strategy Group is now working well, with a two strand approach, helping Schools to surface graduate attributes within their degree programmes and design their curricula reflectively around these attributes, and developing an Edinburgh Award that will allow students to chart and understand their own growing skill sets. Pilot Awards will be run through academic year 2011/12. • Employability and graduate attributes are now embedded as a key theme in University and College Learning and Teaching Strategies. • Postgraduate students will receive dedicated skills training from 2012/13, with pilots running in the current academic year. A growing number of our Masters students will engage with employers as part of their studies, supported by School initiatives or by our SFC project, Making the Most of Masters. • Finally, 2011 Higher Education Statistics Agency Performance Indicator data show that 94.5% of 2009/10 students leaving Edinburgh were either in employment or	▲

Target		Progress to date	Achievement Status
		further study six months after graduating. This figure is the highest in the Russell Group.	
Advancing internationalisation			
8.1	increase our headcount of non-EU international students by a minimum of 1,000	• This target has been significantly exceeded: in 2010/11, our headcount of non-EU international students was 5,876, an increase of 1,953 on the 2007/08 baseline of 3,923.	MET
8.2	increase the proportion of our students attending another international institution by 50%	• This target is measuring the number of students participating in formally approved student exchange programmes managed by the International Office, including Erasmus exchanges. With this definition, 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 2010/11 a total of 568 Edinburgh students participated in formally approved student exchange programmes. This represents an increase of 14% on the 2009/10 figure, and a total increase of 22% since the 2007/08 baseline year when we had 466. Provisional figures for 2011/12 are indicative of further improvements in the current year, however it is likely that this will not be quite enough to achieve the 50% target within the period covered by the Strategic Plan.	▼
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	• 2010/11 data will not be available until April 2012. • In 2009/10, the value of our research grant income from EU and other overseas sources was £22.9 million which was 31% higher than in 2007/08 and 40% higher than the Russell Group median.	▲
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	• In 2010/11, the Centre for Sports and Exercise staged 4 major international and 2 major domestic sporting events (following the staging of 6 major international and 6 major domestic events across 2008/09 – 2009/10). Plans are already in place to stage at least 1 major international and 2 major domestic sporting events during 2011/12. • The Great Britain Swim Team has confirmed it will stage (July-August 2012) its pre-London 2012 training camp in Edinburgh, utilising new conditioning facilities at the Pleasance and swim sessions at the Royal Commonwealth Pool/St Leonards. GB Swimming has also confirmed it will be bringing its Aspiring World Performers Programme Camp to UoE to coincide with the Senior GB Swim Team pre-Olympic Camp. In addition, the University is still pursuing other sports/countries ahead of Glasgow 2014.	▲

Target		Progress to date	Achievement Status
9.2	meet the Edinburgh Beltane Beacon programme target of seconding nine Public Engagement Fellows over three years	• The Edinburgh Beltane Beacon programme target has been significantly exceeded: 14 Public Engagement Fellows and two Honorary Fellows have been appointed since May 2008.	MET
Promoting equality, diversity, sustainability and social responsibility			
10.1	converge on our participation benchmarks for under-represented groups	• 2010/11 data will not be available until June 2012. • For the proportion of young entrants from state schools, our performance in 2009/10 was 70.4% compared with a benchmark of 78.8%, representing a difference of 8.4%. In 2008/09, our figures were 70.8% / 78.7%, giving a difference of 7.9%. This year's performance against benchmark therefore represents a divergence year-on-year of 0.5%. Our figure is, however, both higher and closer to benchmark than the figure reported two years ago. • The Higher Education Statistics Agency (HESA), who publish the participation figures, have previously stated that the 2008/09 figures for the low social classes indicator were not comparable year-on-year, due to a change in the wording of a question on the UCAS form. This question has now reverted back to its original wording; therefore for the low social classes indicator, institutions' 2009/10 entrant figures are not comparable to those for 2008/09 but are *broadly* comparable to those for 2007/08. Our performance in 2009/10 was 16.5% compared with a benchmark of 20.9%, representing a difference of 4.4%. In 2007/08, our figures were 17.2% / 20.8%, giving a difference of 3.6%. This year's performance against benchmark therefore represents a divergence compared with 2 years ago of 0.8%.	–
10.2	increase the proportion of female academic staff appointed and promoted to the lecturer, senior lecturer, reader and professor levels	• In 2010/11, the proportion of female academic staff appointed and promoted to grades UE08 or equivalent and higher was 40.5%, which is higher than in the previous three years when the figures were 33.6% in 2009/10, 34.7% in 2008/09 and 38.4% in 2007/08. • At each grade (or equivalent), the figures were 49.1% to UE08, 35.3% to UE09 and 18.2% to UE10. These proportions are higher than last year for UE08 and UE09, but lower at UE10. The figure of close to 50% for lecturers is promising in relation to the 'pipeline' for the future, because it means that pool from which promotions can be made is now appreciably larger than before. • As regards the overall academic staff population, over the last five years the proportion of female lecturers and senior lecturers has risen steadily, rising from 39% to 45% of lecturers and from 28% to 36% of senior lecturers. The proportion of readers has varied between 23% and 27% and is currently 25% (although it should be noted that there are relatively fewer readers and small numbers of promotions (to or from reader) or appointments can affect the figures). The proportion of chairs has risen from 13% to 19%.	▲

Target		Progress to date	Achievement Status

10.3	reduce absolute CO_2 emissions by 40%, against a 1990 baseline
	
	[The University has set a revised target for reducing CO_2 emissions by 29% against a 2007 baseline by 2020. The baseline year was revised as a result of the Climate Change (Scotland) Act 2009.]
		• The intensification of academic business and related activities and development of the estate over the period between 2007-2011, makes this a very challenging target. Major drivers for reduction in CO_2 are now the Climate Action Plan (CAP) together with the Carbon Reduction Commitment (CRC). The CRC imposes a statutory requirement to submit annual carbon emissions covering the whole University estate (previous targets applied to the academic core estate only).
		• In the light of this intensification, the Climate Action Plan will be reviewed, and Estates and Buildings continue to explore all opportunities to improve infrastructure efficiency and building consumption. The Carbon Action Plan identifies the installation of new CHP and similar large infrastructure works as key to the plan as well as changing each individual's attitude to the use of energy.
		• The following list of projects identifies the main work elements:
		  • Energy Infrastructure and CHP investment
		  • Energy Devolution Project
		  • Switch and Save Campaign
		  • SALIX Rotating Fund work programme
		  • Sustainable Development
			—

Building strategic partnerships and collaborations			

11.1	establish at least five new international partnerships for the award of joint PhDs	This target is met: the University now has six new agreements in place that include 23 international partner universities.
		• University-wide Memoranda of Understanding (MOU) have been signed with Macquarie University, Sydney and with Universitas 21. The latter allows for jointly awarded PhD degrees between the University of Edinburgh and 15 other Universitas 21 (U21) partners.
		• College/School-level MOUs have also been signed as follows:
		  • College of Humanities and Social Science with the National University of Singapore;
		  • School of Social and Political Science with the University of Cologne (EU ITN EXACT project);
		  • School of Informatics with the Royal Institute of Technology, Stockholm, Albert-Ludwigs-Universität, Freiburg, and NCBS, Bangalore; and
		  • School of Philosophy, Psychology and Language Sciences with the Universities of Naples and Trieste - Jointly awarded PhD in Experimental Psychology and Cognitive Neuroscience.
			MET

Target		Progress to date	Achievement Status
Stimulating alumni relations and philanthropic giving			
12.1	meet or exceed the £350 million fundraising target of the Edinburgh Campaign	• The Campaign total at the end of 2010/11 was £330.5 million, which is 96% of the Campaign's total fundraising target. The year-on-year increase was £34.3 million (11.6%).	▲
12.2	raise £35 million through fundraising for scholarships as part of the Edinburgh Campaign	• Since 1999, the starting point for this target, almost £39 million has been raised for scholarships – this figure includes over £5 million paid directly to the Scholarships and Student Finance Office and £0.7 million paid directly to the International Office.	MET
12.3	deliver a threefold increase in the participation rate of alumni who give to the University	• Our baseline participation rate in 2007/08 was 3.3%, based on 3,400 recorded donors and 104,000 contactable alumni. Therefore the target, to deliver a threefold increase, meant that we were aiming for a participation rate of 9.9% by 2011/12. As previously reported, achieving this participation rate is extremely challenging, due in part to the year-on-year increase in the base number of our alumni who are contactable. • In 2010/11 our participation rate was 3.1%, based on just over 4,000 donors from 130,000 contactable alumni. While our alumni participation rate has essentially not increased over the period of the Strategic Plan, during the same period: o Our number of alumni donors has increased by 17%, if we compare against the original donor number, or by 26% if we compare against a refreshed base figure of 3,200 (this refreshed baseline figure excludes gift aid/legacy donations and is therefore more accurately matched to the donor figures we report now). If we also consider non-alumni donors, the growth in donor numbers since 2007/08 is even more significant, at well over 50%. The strong growth in number of donations has largely been due to community fundraising and sponsorship for medical funds, such as the Euan MacDonald Centre and Fragile X research. o Our number of contactable alumni (the denominator) has increased by 25% from 104,000 to 130,000. Our database increases each year with large cohorts of graduates. New schemes such as the alumni email service and quicker processing of returned mail help to maintain contact with alumni, meaning that now we consistently have more than 70% of our database contactable. • As well as growing our donor base, we have embarked on successful implementation of a Direct debit scheme. Consequently in 2011 we processed just over 21,000 donations compared to 14,400 in 2008 - growth of 46%. These have been processed by the same no. of staff through finding efficiencies in our systems. • This growth is being driven by a vastly improved annual fund (our low value high volume fundraising programmes) which are critical for starting the fundraising pipeline, hopefully ensuring a healthy major gift programme in future.	▼

The University of Edinburgh

C8

The University Court

12 December 2011

Strengthening the Academic Relationship with Heriot-Watt University

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

This paper outlines discussions that have taken place between senior members of the University of Edinburgh and Heriot-Watt University to explore areas of common interest and complementarity. **The approval of the Court is sought to establish a process to explore the possibility of developing more formally a Strategic Relationship between the two autonomous institutions**. The approval of the Court of Heriot-Watt University is also being sought.

Action requested

For comment and approval

Resource implications

Does the paper have resource implications? Yes

As detailed in paper.

Risk assessment

Does the paper include a risk analysis? Yes

As detailed in paper.

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? No
Disclosure would substantially prejudice the effective conduct of public affairs

For how long must the paper be withheld?
Until a formal decision is taken on any Strategic Relationship between the institutions.

Originators of the paper

Senior Vice-Principal Nigel Brown, who will also present the paper.
Mr Richard McGookin, Director of Planning, Heriot-Watt University

30 November 2011

C9

The University of Edinburgh

The University Court

12 December 2011

Report of the Nominations Committee

The Nominations Committee at its meeting on 17 October 2011 considered a number of matters which were not all finalised in time to be included in the last Report to Court and further considered the membership of the Ethical Fundraising Advisory Group by correspondence concluding on 2 December 2011 and wishes to make recommendations for approval to Court as detailed below:

Membership of Committees

Committee on University Benefactors
Sheriff Principal Edward Bowen to be appointed with immediate effect until 31 July 2014.

Finance and General Purposes Committee
Mr Les Matheson to be appointed from the start of the 2012/2013 academic year for three years until 31 July 2015.

Ethical Fundraising Advisory Group
Professor Stuart Monro to appointed with immediate effect until 31 July 2014.

Employment Related Appeals

As previously intimated Court requires to appoint external individuals to form a group from which, as required, the Principal can identify a Convenor to hold an appeal against dismissal in accordance with the new Employment Related Appeals Procedure.
Sheriff Principal Edward Bowen to be appointed with immediate effect for as long as he remains a member of Court.

Dr Katherine Novosel
December 2011

C10

The University of Edinburgh

The University Court

12 December 2011

University of Edinburgh's Draft Response to the Scottish Government's Pre-legislative Consultation: 'Putting Learners at the Centre'

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

This paper presents the University's draft response to the Scottish Government's Pre-legislative Paper: 'Putting Learners at the Centre: Delivering our Ambitions for Post-16 Education'. The draft response to this consultation draws on the response we submitted to the Scottish Government's December 2010 Green Paper: 'Building a Smarter Future: Towards a Sustainable Scottish Solution for the Future of Higher Education':http://www.ed.ac.uk/schools-departments/governance-strategic-planning/facts-and-figures/reports/scottish-solution.

In early October 2011 we circulated a link to the consultation paper (http://www.scotland.gov.uk/Publications/2011/09/14123706/0), with an accompanying briefing document which identified key points of interest to the University, to Court, inviting members to provide initial comments. Comments received have been incorporated.

Action requested

For comment and approval to allow us to submit by the Scottish Government's deadline of 23 December 2011.

Resource implications

As detailed in paper.

Risk assessment

As detailed in paper.

Equality and diversity

Chapter 3 is focused on widening access and Chapter 6 is focused on student support arrangements.

Freedom of information

This paper should remain closed until after the submission deadline of 23rd December has passed.

Any other relevant information

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

Originator of the paper

Rona Smith, Senior Strategic Planner
Dr Alexis Cornish, Director of Planning and Deputy Secretary
Governance and Strategic Planning, 7 December 2011

The University of Edinburgh

The University Court

12 December 2011

D1

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 - 30 November 2011, prepared for the Meeting of Court on 12 December 2011.

Action requested

For information

Resource implications

None

Risk Assessment

n/a

Originator of the paper

Mr Alex Hyde-Parker
Deputy Director of Development / Acting Secretary, University of Edinburgh Development Trust

Freedom of information

Can this paper be included in open business?

No, its disclosure would substantially prejudice the effective conduct of public affairs.