

THE UNIVERSITY OF EDINBURGH
BUSINESS FOR MEETING OF THE UNIVERSITY COURT
to be held in the Raeburn Room, Old College
on Monday, 9 December 2013 at 2.00 p.m.

A buffet lunch will be available at 1.00 p.m. in the Lord Provost Elder Room, Old College

This meeting of Court will be preceded by a presentation on the Research Excellence Framework (REF2014) delivered by Mrs Tracey Slaven, Deputy Secretary, Strategic Planning.

A FORMAL BUSINESS

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B PRINCIPAL'S BUSINESS

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C SUBSTANTIVE ITEMS

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D ITEMS FOR FORMAL APPROVAL OR NOTE

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Papers will be uploaded in due course.

If you require this agenda or any of the papers in an alternative format e.g. large print please contact Dr Katherine Novosel on 0131 650 9143 or email Katherine.Novosel@ed.ac.uk

MINUTE OF A MEETING of the University Court of the University of Edinburgh held in the Conference Room, School of Chemistry on Monday 4 November 2013.

Present: Rector (in chair)
The Principal
Ms D Davidson
Mr A Johnston
Professor A M Smyth
Dr M Aliotta
Professor J Ansell
Professor D Finnegan
Professor S Monro, Vice-Convener
Mr D Bentley
Dr R Black
Mr L Matheson
Dr C Masters
Mrs E Noad
Ms A Richards
Ms A Lamb
Ms K Haigh, Vice-President Students' Representative Council

In attendance: Senior Vice-Principal Professor M Bownes
Vice-Principal Professor J Haywood
Vice-Principal Professor D Miell
Vice-Principal Professor J Seckl
Vice-Principal Professor L Yellowlees
University Secretary, Ms S Smith
Vice-Principal Mr N Paul, Director of Corporate Services
Dr I Conn, Director Communications and Marketing
Mr A Currie, Director of Estates and Buildings
Mr P McNaull, Director of Finance
Mrs T Slaven, Deputy Secretary Strategic Planning
Ms E Fraser, Deputy Director of HR
Ms F Boyd, Head of Stakeholder Relations and Senior Executive Officer
Dr D Cook, Senior Strategic Planner
Dr K J Novosel, Head of Court Services

Apologies: The Rt Hon D Wilson, Lord Provost of the City of Edinburgh
Sheriff Principal E Bowen
Mr P Budd
Mr H Murdoch, President Students' Representative Council
Ms S Beattie-Smith, Rector's Assessor

Court received a presentation on the Edinburgh Global Plus delivered by Vice-Principal Professor Steve Hillier.

A FORMAL BUSINESS

1 MINUTE OF THE MEETING HELD ON 16 SEPTEMBER 2013

Paper A1

The minute of the meeting held on 16 September 2013 was approved as a correct record.

2 NOTE OF SEMINAR HELD ON 16 SEPTEMBER 2013 **Paper A2**

The note of the Seminar held on 16 September 2013 was approved as a correct record.

3 SENATE ASSESSORS **Paper A3**

Court welcomed the election of Professor Sarah Cooper and Dr Claire Phillips as Court Senate Assessors both with effect from 1 August 2014 until 31 July 2018. Court further noted that an election was being held from 12 November to 14 November 2013 to elect the short term vacancy for a Senate Assessor to be appointed with immediate effect until 31 July 2014 and that Court would be notified at its next meeting on the outcome of this election.

B PRINCIPAL'S BUSINESS

1 PRINCIPAL'S COMMUNICATIONS **Paper B1**

Court noted the items within the Principal's report and the additional information on: funding to support the development of the Higgs Centre for Theoretical Physics; the encouraging negotiations around the bids for ARCHER; the number of Schools now in receipt of an Athena Swan Award including the gold award for the School of Chemistry; the various successful events attended by the Chancellor over three days at the beginning of October; the hosting of the prestigious inaugural meeting of the Global Citizenship Commission during which Malala Yousafzai received an honorary Master of Arts degree from the University; various visits and meetings with international leaders including the President of Turkey and the USA ambassador and confirmation of agreement by the Russian Ambassador to be the visiting Montague Burton Professor; the encouraging position of current applications for the 2014/2015 academic year; the submission of the REF return on 22 November 2013; and the impact of the industrial action on 31 October 2013. Court further noted that Vice-Principal Mr Nigel Paul, Director of Corporate Services had intimated his intention to retire in the summer 2014.

2 VICE-PRINCIPALS UPDATE **Paper B2**

Court approved the revised remit of Vice-Principal Kenway's portfolio and the amendment of his designation to Vice-Principal High Performance Computing and Big Data with immediate effect. Court further approved the job description for the Vice-Principal Equality and Diversity which is for a 0.4 FTE position and has been advertised internally.

C SUBSTANTIVE ITEMS

1 REPORT OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

Comments on the Report of the Central Management Group meeting of 9 October 2013

Paper C1.1

The revised IP Policy was approved noting the reference to the arrangements to handle IP created by students which was similar to that in the previous policy. Court further noted and welcomed the proposals to take forward the required tasks in respect of the UNPRI and that this would be led by the recently appointed Director of Social Responsibility and Sustainability.

Court noted the report and in particular the opportunity which had arisen in respect of the National Physical Laboratory. It was confirmed that a detailed due diligence exercise would be undertaken should the phase 1 bid be positively received.

2 EUSA PRESIDENT'S REPORT

Paper C2

Court noted the items within the EUSA President's Report and the additional information delivered by the EUSA Vice-President Services on: the income received from the three venues involved in the Edinburgh Festivals; the campaigns to ensure that students were aware of their rights in respect of fees charged by letting agencies and private landlords; the success of the School Councils project; and the impact of the proposed Lobbying Bill. EUSA was commended for the events held around the Black History Month and congratulated on the successful appointment of a new Chief Executive Officer.

3 2012-13 OUTCOME AGREEMENT SELF EVALUATION

Paper C3

The self-evaluation Report was welcomed and approved by Court and it was noted that the document would be submitted to the Scottish Funding Council to enable the SFC to assess the University's progress against the 2012/2013 Outcome Agreement. In particular Court commended the case studies and it was noted that there were no areas of underachievement.

4 2014-17 DRAFT OUTCOME AGREEMENT

Paper C4

Court noted that a three year approach to preparing Outcome Agreements for the SFC had now been agreed and this draft was presented for initial comment prior to a finalised document being available at the next meeting of Court. Court approved the format and content of the document noting the emphasis on the first of the three years.

5 ECA POST MERGER SELF EVALUATION

Paper C5

Court approved the Self-Evaluation Report on the progress achieved two years after the merger with ECA which had been prepared at the request of the Scottish Funding Council (SFC) and would be followed up by a visit by the SFC on 23 January 2014: the detailed arrangements for the visit were still to be finalised. Court welcomed the confirmation of the success of the merger for both students and staff and noted that there were areas of on-going work particularly in respect of the estate.

6 DRAFT CORPORATE GOVERNANCE STATEMENT

Paper C6

The draft Corporate Governance Statement was endorsed by the Court subject to the addition of information on the recent joint meeting between the Audit and the Risk Management Committees.

7 REPORT FROM ESTATES COMMITTEE

Paper C7

Court noted the report and endorsed the various recommendations as set out in the paper. The additional information provided on the increased costs of the new Nursery; the position with SCRM 2; the George Square redevelopment and the public realm master plan for the central area; the current proposals for the School of GeoSciences; progress on taking forward the 2025 estates study; and ECA and work around Potterrow. There was also discussion on the need to be prepared to take forward opportunities as these arose and to have so called 'shovel ready' projects available while taking cognisance of the need for caution on the resources allocated to such

projects. It was also confirmed that in relation to the GeoSciences proposal the demolition only applied to the Annex of Crew Building. Court asked if future reports could contain, or direct members to, maps and diagrams of the areas being discussed to enable better understanding and there was discussion on the options in respect of health and safety issues around the Crichton Street/Charles Street junction.

8 REPORT FROM AUDIT COMMITTEE

Paper C8

The draft minute of the Audit Committee meeting held on 23 September 2013 was noted in particular the comments around issues of monitoring IT security incidents and near misses and the continuing concerns around ensuring that agreed actions arising from internal audit assignments were actioned timeously. It was further noted that the Audit and Risk Management Committees had held a joint meeting on the 28 October 2013 which had been attended by Court members of the Knowledge Strategy Committee. The meeting had been very productive with discussion on the implications of the new Scottish Code of Good Higher Education Governance in respect of audit and risk oversight arrangements; audit assurance processes and assurance models; and future issues for the sector include taxation matters which would be further discussed by the Committee.

9 REPORT FROM NOMINATIONS COMMITTEE

Paper C9

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

Curators of Patronage

The term of office of Vice-Principal Professor Miell as a Curator of Patronage to be extended by a further three years until 31 July 2017.

Membership of Court

Dr Chris Masters' term of office as a member of Court to be extended by a further three years until 31 July 2017.

Staff Committee

Ms Doreen Davidson to be appointed a member of the Staff Committee with immediate effect until 31 July 2014.

Appointment of Co-opted Members of Court

Court approved the arrangements as set out in the paper including:

- the Skills' Register for Court;
- the job description for co-opted members subject to any changes required as a result of completion of the Skills' Register; and
- the recruitment process should seek to fill vacancies for co-opted members at the start of 2014/2015 and anticipated vacancies at the start of 2015/2016.

Court further approved the members of the interview and short-listing panel as follows:

University Secretary (to chair Panel)
Principal
Vice-Convener of Court
Professor Smyth
Professor Ansell
Mr Murdoch

The Rector and the Vice-Convener of Court declared an interest in the following item but remained in the room and took part in discussion

Appointment of next Vice-Convener of Court

Court approved the arrangements for the appointment of the next Vice-Convener of Court as set out in the paper including:

- the statement on the Roles of the Rector and Vice-Convener of Court subject to correction on the title of the statement and the substitution of 'similar' for 'equivalent' in describing the role of the Vice-Convener in relation to the chair of other intuitions (this revised wording to be reflected throughout the documents relating to the Vice-Convener);
- publication of the draft job description on the student and staff University news web pages for comment; and
- approval of the job description subject to cognisance of matters raised by staff and students with delegated authority being granted to the University Secretary to finalise the job description.

Court further approved the members of the interview and short-listing panel as follows:

University Secretary (to chair Panel)

Principal

Dr Robert Black

Professor Ansell

Mr Murdoch

Investment Committee

Court approved the arrangements to appoint an external member of the Investment Committee as set out in the paper including:

- the job description for an external member of the Investment Committee subject to the outcome of the self-assessment exercise underway on the Skills' Register for Investment Committee members with delegated authority being granted to the Director of Finance to finalise the job description; and
- the members of the short-listing and interview panel to be delegated to the Director of Finance with the suggestion that, the Convener or another external member of the Investment Committee, the Director of Finance and a Court member on the Investment Committee should be members of the panel.

D ITEMS FOR FORMAL APPROVAL OR NOTE

1 ACADEMIC REPORT

Paper D1

Court noted the report from the Senate meeting on 2 October 2013 and on the business conducted by the electronic Senate of 10-18 September 2013. Court further approved the recommendations endorsed by Senate on the proposals regarding membership of Senate in respect of non-professorial representatives and University demonstrators and academic research staff representatives as set out in appendix 1 of the paper.

2 RESOLUTIONS

Paper D2

Court approved the following Resolutions:

Resolution No. 73/2013:	Code of Student Conduct
Resolution No. 74/2013:	Foundation of a Chair of Epigenetics
Resolution No. 75/2013:	Foundation of a Chair of Medical and Social Anthropology
Resolution No. 76/2013:	Alteration of the title of the Robert Irvine Chair of Medical Microbiology
Resolution No. 77/2013:	Alteration of the title of the Chair of Accountancy and

	Finance
Resolution No. 78/2013:	Alteration of the title of the Regius Chair of Sanskrit Language, Literature, and Philosophy, and Comparative Philology
Resolution No. 79/2013:	Alteration of the title of the Personal Chair of Drama and Performance Studies
Resolution No. 80/2013:	Alteration of the title of the Chair of History of Art
Resolution No. 81/2013:	Alteration of the title of the Chair of Strategy and Change
Resolution No. 82/2013:	Foundation of a Chair of Applied Hydrodynamics
Resolution No. 83/2013:	Foundation of a Personal Chair of Reproductive Steroids

3 REQUEST FOR PARENT COMPANY GUARANTEE

Paper D3

Court noted that since its electronic meeting on 5 July 2013 there had been further developments regarding the ARCHER High Performance Computing Services. The Court considered a paper circulated to all members in connection with UoE HPCX Ltd's two bids to EPSRC to run ARCHER, the replacement service for HECToR (high performance computing services for UK academia). These bids relate to two separate contracts (descriptions of which were in the paper) entered into (or which are about to be entered into) by UoE HPCX Ltd with EPSRC. The Court approved the form of and authorised the execution on behalf of the University by any Court member (before a witness) of the two Performance Guarantees (each being Deeds) in favour of EPSRC in respect of UoE HPCX Ltd's obligations under the two ARCHER contracts subject to clarification and further information on three issues: clarification on the nature of the performance criteria embedded in the contractual terms and subject to the guarantee; whether there was any opportunity to remediate any breach of contract in a reasonable timescale or whether the clauses were "sudden death" in nature; concern around the unlimited nature of the guarantees and whether these also extended to third parties other than EPSRC.

Post meeting note: The required clarification has now been received from the Director of UoE HPCX and is attached as an appendix. That clarification fully addressed the concerns expressed by Court, above, and hence Court approved the execution of the two Performance Guarantees in the form required by EPSRC.

4 DONATIONS AND LEGACIES

Paper D4

Court was pleased to note the donations and legacies to be notified, received by the University of Edinburgh Development Trust between 1 September and 18 October 2013.

5 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.

Principal and Senior Vice-Principal's Report

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

China

A Joint National Research Centre on the Study of China was launched at a 'Peking University at the University of Edinburgh Day' on November 18, 2013. This partnership with Peking University will provide a superb opportunity to build a distinctive centre of excellence in China Studies, to attract world-leading experts to Scotland and enable unprecedented access to Chinese digital research resources.

The College of Medicine & Veterinary Medicine hosted a symposium on Medical Education with Guangzhou Medical University on 19 November under the banner of Guangzhou-Edinburgh Medical Education Alliance (GEMEA). The event was attended by alumnus Zhong Nanshan who discovered SARS.

North America

The Principal and Kirsty MacDonald, Executive Director of Development and Alumni, undertook a successful visit to North America in November to meet alumni and donors in Toronto, Washington DC and New York. A number of recent initiatives were also developed further, most notably connections with the MasterCard Foundation and the Clinton Foundation.

The visit also helped to pave the way for the opening of the North American office in New York late next year.

Europe

The College of Medicine & Veterinary Medicine also hosted the EUROLIFE Steering Committee Meeting on 13 November. EUROLIFE is a network of eight prestigious European universities' medical schools which aims to facilitate collaborative research, the exchange of researchers and research students and the creation of new research opportunities.

Korea

Vice-Principal International attended a Reception and Banquet in honour of Her Excellency The President of the Republic of Korea at the Guildhall, London on 6 November.

International high level delegations were received from:

- The Calvert Foundation
- The China Central Party School
- University of Sao Paulo, Brazil
- Utrecht University, Netherlands

Related Meetings

The Principal was pleased to welcome to the University the British Ambassador to Israel and also the Russian Ambassador. The Russian Ambassador delivered the Montague Burton lecture on the subject of "Russia's view of the world and foreign policy".

The Principal also took part in the Falling Walls conference in Berlin. Organised by the Falling Walls Foundation this international conference considers future breakthroughs in science and society. Following on from this a sister event the Falling Walls Lab, which is a forum for young academics to present their research work, is likely to come to Edinburgh next year.

Google Senior Research Scientist: Search Quality and User Happiness, Dan Russell was welcomed to the University by the Principal and spoke to students at the School of Informatics in November.

The Principal attended a reception at the Chinese Consulate for the Board of Scotland China Education Network.

UK

Pay Negotiations 2013/14 and Industrial Action

Since the last day of Industrial Action UCEA have met again with the four trade unions in dispute - UCU, Unite, Unison and EIS. This meeting did not resolve the dispute as the unions continue to push for movement on the final pay offer, while the employer's remain firm on the final offer of 1%. A further meeting is scheduled prior to the planned strike action on Tuesday 3rd December 2013 and ACAS will be in attendance to facilitate talks.

The University has followed UCEA's advice and will include the 1% salary uplift in the December pay for all relevant staff.

Scotland

REF 2014

Court have just heard an update on the REF and we wanted to add our personal and heartfelt thanks to all staff for the work that they have undertaken on this mammoth task. It is a tremendously demanding exercise but also one of great importance and we are very grateful for the efforts of all involved.

Independence Referendum

With the intensity of the debate on the independence referendum likely to grow, particularly with the publication of the White Paper, Court may be interested to note that a statement outlining the University's position has been circulated to CMG, Heads of School and Senior Officers. In addition to giving a named contact in our communications team for queries, the statement confirms the University's position that:

- The University is committed to being a platform for debate about the referendum. It hosts events at which the views of representatives of both sides in the debate are put under critical scrutiny by the University community.
- The University encourages colleagues to bring their academic expertise to bear in the referendum debate in the same way as they would around other issues that relate to their research and/or their profession.

- Following a decision at University Court, the University's policy is not to take a position in the referendum debate, recognising that a range of views, both for and against independence, are held within the University community.

Senior Staff

A short note to update Court on the recruitment plans for the Director of Estates and Buildings and Director of Corporate Services. Both processes are underway with the interviews for Director of Estates and Buildings scheduled for the 13th December and Director of Corporate Services towards the end of February. Court will be kept informed via the usual channels.

Admissions

Although still at an early stage in the cycle, undergraduate applications to the University for 2014/15 look very healthy at +7% compared to the same point last year. This is based largely on increases in applications from England and Overseas, and is in contrast to a year-on-year decrease across the sector.

All three Colleges are committed to improving the admissions experience for applicants this year by making a much greater proportion of decisions earlier in the admissions cycle than has been typical in the past. This will project a more positive impression of the University and will enable conversion activity to begin much earlier.

Collaboration with National Museums of Scotland

A Memorandum of Understanding between the National Museums of Scotland and the University is nearing final completion. The MOU formalises and takes forward the spirit of co-operation and partnership between our two organisations and will be signed at the next available opportunity.

ICAS

The Principal was very pleased to attend the Institute of Chartered Accountants of Scotland Annual Dinner at the invitation of the Chief Executive, Mr Anton Colella. This follows a very productive meeting with Mr Colella and Business School colleagues around a joint online professional masters programme and options for developing a joint MOOC.

Honorary Degree

I'm sure that Court would like to join us in offering congratulations to Dr Anne Richards who received an honorary doctorate, Doctor of Letters, from Heriot-Watt University at the end of November.

Queens Anniversary Prize

We are delighted that Edinburgh's excellence in distance learning has been recognised with a Queen's Anniversary Prize for Higher and Further Education. The award, widely regarded as the highest national honour in UK education, has been given for a set of five online courses aimed at aspiring surgeons and developed in collaboration with the Royal College of Surgeons of Edinburgh. Professor O. James Garden leads this initiative for the University and was accompanied by the Principal at the recent announcement of the award.

Related Meetings

Professors Siddharthan Chandran, Charles French-Constant and the Principal met with Alex Neil MSP, Cabinet Secretary for Health and Well-being to discuss plans to develop a Multiple Sclerosis Register for Scotland.

The Principal was pleased to welcome Dr Alasdair Allan MSP, Minister for Learning, Science and Scotland's Languages and Paul Wheelhouse MSP, Minister for Environment and Climate Change to the University for the launch of the UN Regional Centre for Education.

University News

The university formally launched its **Gaelic Language Plan** which will strengthen the University's commitment to Gaelic by raising the profile of the language on campus and creating opportunities for its use. New developments will include an undergraduate degree in Gaelic and Primary Education and a free online course focusing on Scottish traditional music, of which Gaelic music is an element.

Our **Winter Graduations** were again very successful and as ever superbly organised. They are particularly important for our large cohort of masters students. A number of honorary degrees were conferred including one for rugby player Gavin Hastings and physicist Professor Thomas Kibble.

Funding awards for doctoral training. The University has won a share of a £350 million investment in UK science and engineering postgraduate training. This investment, from the Engineering and Physical Sciences Research Council, will fund more than 70 Centres for Doctoral Training across 24 UK universities, several of which will be hosted at Edinburgh.

The **Centre for Cultural Relations** launched at the University in late November with a lecture by Martin Davidson, Chief Executive of the British Council. The Centre is the first of its kind in the world and will promote the use of culture and education to deepen relations between groups or countries, by better understanding their practice, theory and impact for government, business, cultural organisations and individuals.

The University's **Edinburgh Cancer Research Centre** is one of 15 institutes to benefit from a £100 million UK-wide cash injection. The investment marks the latest phase in the Cancer Research UK Centres network of excellence - a unique chain of research hubs that have been established across the country.

Research in the News:

- New insight into how glacier movement is affected by melting ice in summer could help predictions of sea level rise. Studies of the Greenland ice sheet, including during a record warm summer, are helping scientists better understand how summer conditions affect its flow. This is important for predicting the future contribution made by melting glaciers to sea level rise.
- A test to check for contamination of drinking water from gas extraction processes is being developed. The move could help monitor the safety of unconventional techniques, such as shale gas and coal bed methane extraction, which have sparked debate owing to perceived health risks.
- Patients with damaged organs could be helped by new treatments after scientists have discovered how tissues scar. Researchers say that the finding could pave the way for new drugs and eventually reduce the number of patients on organ transplant waiting lists. Fibrotic

diseases occur in many tissues within the body - including the liver, lung or kidneys - and have a range of causes including viruses or toxins.

- Edinburgh researchers have developed a scan which can identify people at high risk of a heart attack. The new scan is able to detect fatty deposits in arteries which are in danger of bursting and causing a heart attack. Early detection of deposits - or plaques - could mean doctors are able to use drugs or surgery to remove the fatty blockages, preventing the patient from suffering a heart attack.

External Recognition:

- It has been announced that Professor Emeritus Peter Higgs has been given the Freedom of the City of Edinburgh in recognition for his contribution to science. The honour is likely to be conferred next year.
- Fresh Air, the Edinburgh Student Radio Station, has been awarded a bronze award for the best event or outside broadcast at the student radio awards.
- Engineering student Dursun Ozcan has won the Honeywell UniSim student design challenge for the Europe, Middle East and Africa region for his work on reducing CO2 emissions.

Vice Principal and Assistant Principals

A. Vice Principal Equality and Diversity

Following a very competitive interview process, from an exceptionally high quality field, I am pleased to recommend to Court that Professor Jane Norman, Chair of Maternal and Fetal Health, is appointed Vice-Principal Equality & Diversity from 1 January 2014 for a period of three years in the first instance.

B. Vice Principal International

It is with some regret that I inform Court of Vice-Principal Hillier's intention to retire in October next year. I am currently considering and consulting on the possibility of incorporating Development and Alumni activities with the International portfolio. As Court is aware this is a very important post that will be advertised externally and in good time to ensure a smooth handover. Court will be kept fully informed as the recruitment process progresses.

C. Assistant Principal Academic Standards and Quality Assurance

Dr Tina Harrison will be leading on the next Enhancement-led Institutional Review (ELIR) for the University. ELIR is the process to evaluate how well the University manages and maintains academic standards and quality. This is a demanding and time consuming series of activities incorporating planning and co-ordinating case studies, visits by the external committee and the production of a very lengthy report. As such I wish to propose that Dr Harrison's time commitment for her Assistant Principal duties be increased to 80% for the academic year 2014/15 to enable her to devote more time to this important and demanding process.

D. Assistant Principal Religion and Society

I also wish to recommend to Court that Professor Mona Siddiqui increases her Assistant Principal duties to 0.4 FTE for a period of 3 years, from 1 August 2014 and that her term of office be extended for a further 3 years to 31 July 2017. Professor Siddiqui would use this time to concentrate on raising the external profile of the University in her area of expertise. I fully support this plan as does the School of Divinity.

E. Assistant Principal Industry Engagement, Industry Funding and Big Data

The need for more effective engagement with industry partners has emerged from recent discussion among the senior team and also at Blair. There is agreement among those closest to this area that additional support is necessary and it is proposed that an Assistant Principal is appointed to co-ordinate and drive forward activity in conjunction with Development & Alumni and ERI as well as relevant Schools.

Vice-Principals Bownes and Kenway have identified a suitable candidate in Kevin Collins who spun-out a successful data-mining company from the University in the 90's. Kevin has also undertaken work for the School of Physics & Astronomy in two relevant areas. The first, from October 2012 to March 2013, was focussed on assessing the feasibility of a Radical

MSc course dubbed "STEMBA" which would train innovative mathematical thinkers with high employability and which would be developed and delivered with strong participation from industry. The second was to set up a formal programme for local companies to propose & supervise MSc projects for students in High Performance Computing, Mathematical Physics and Theoretical Physics during 2013-14 in response to the School receiving 10 "Highly Skilled Workforce" scholarships. During this project, Kevin has:

- developed excellent working relationships with D&A, ERI, Careers Service and IAD
- contacted over 30 local companies and received 23 interests in participation
- created web pages and materials which can be updated for running the Programme in future years
- run a series of awareness-raising industry participation events for staff & students

The broad remit of the Assistant Principal position would be to promote industry engagement across the University, to improve partnerships and fundraising possibilities with industry and also to support Vice-Principal Kenway with Big Data, where Kevin's commercial background is directly relevant.

A series of defined targets would be put in place and supported by Vice-Principal Kenway and Senior Vice-Principal Bownes.

The initial appointment would be a 0.2 FTE for two years starting from 1 January 2014 and it is proposed that Kevin would be based in, and working closely with key colleagues in D&A.

TMMO'S
December 2013

The University of Edinburgh

The University Court

9 December 2013

C1.1

**Report of the Finance and General Purposes Committee
(Comments on the Report from the Central Management Group meeting of
11 November 2013)**

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 18 November 2013 from the Central Management Group of its meeting of 11 November 2013. Comments made by the Finance and General Purposes Committee are incorporated in boxes within the report at relevant points.

Action requested

Court is invited to approve the proposal at item 1 that the University act as guarantor to EUSA/EUSA Ltd in respect of Section 75 liability and note the other 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.

Originator of the paper

Dr Deborah Cook
Dr Katherine Novosel
November 2013

Central Management Group

11 November 2013

1 EUSA FINANCIAL PERFORMANCE; AND INCORPORATION & USS PENSION SCHEME LIABILITY (CLOSED) (Appendix 1)

2 GAELIC SIGNAGE POLICY

CMG approved the draft Bilingual Signage policy, subject to some minor amendments. The Bilingual Signage policy is part of the University's implementation of its Gaelic Language Plan 2013-18. The policy will enable bilingual signage to be installed at key areas of the University (including the Main Library, Halls of Residence and the new School of Literatures, Languages and Cultures Building) when it is reasonably practical to do so, as well as setting a policy for the installation of bilingual signage on other buildings on a replacement/renewal basis. CMG asked that the possibility of displaying a range of languages on plasma screens at reception points across the University, be explored.

3 FEES STRATEGY GROUP REPORT (CLOSED)

4 TUITION FEE PROPOSALS (CLOSED)

5 STUDENT RENT PROPOSAL FOR 2014/15 AND INDICATIVE INCREASES FOR 2015/16 AND 2016/17 (CLOSED)

6 REPORT FROM SEAG (Appendix 2)

CMG noted the report from SEAG, which outlined sustainability initiatives including sustainability and the curriculum, a proposal (agreed by SEAG) to review key strategies and noted the progress made in implementing the Social Responsibility and Sustainability Strategy during 2012/13 which will feature in the Highlights Report that will be published shortly.

7 HEALTH AND SAFETY QUARTERLY REPORT (Appendix 3)

CMG noted the report for July to September 2013 which detailed that there had been slightly fewer incidents in this quarter compared to the previous year.

8 NPRAS SPACE RATES FOR 2014/15

CMG approved the revised NPRAS space rates for 2014/15.

9 PARKING CHARGES NOTICES INCREASE PROPOSALS (CLOSED)

10 PROPOSED WRITTEN RESPONSE TO PROCUREMENT REFORM (SCOTLAND BILL)

CMG noted the outcome of the earlier consultation response and reviewed and approved the Written Response to the Scottish Parliamentary Infrastructure and Capital Investment Committee due on 29 November 2013 and the Financial Questionnaire due before oral evidence to the Committee on 13 November 2013. CMG also provided suggestions about how best to express the University's views on this matter.

Report from Sustainability and Environmental Advisory Group (SEAG)

SEAG considered the following items which are drawn to CMG's attention as evidence of initiatives promoting the Strategic Plan theme: "Social Responsibility".

Full papers are available on the SEAG website at <http://www.seag.estates.ed.ac.uk/>

1 Sustainability and the Curriculum

Vice Principal Sue Rigby provided an overview of the availability of learning for sustainability undergraduate programmes across the University. Excellent work by Olga Bloemen, an undergraduate intern, identified five hundred and five undergraduate courses (outside CMVM) that met the content or teaching parameters of the definition of social responsibility in the Manifesto on this topic endorsed by EUSA.

SEAG **noted** the excellent best practise examples around the curriculum in many schools and that apart from a few joint honours, courses that meet the broad understanding of Learning for Sustainability, are available to all Undergraduate taking degrees who study with us during their honours and pre-honours periods.

2 Taking Forward Learning and Teaching Developments

The paper outlined a way forward to mainstream social responsibility and sustainability issues within the Learning and Teaching Framework of the University, providing eight recommendations.

1. Embed SRS matters within the University's existing Learning and Teaching framework
2. Conscious decision not to require all courses to cover SRS elements – however a desire to ensure all students have realistic ability to take core SRS courses
3. Conscious decision to embed this activity within L and T framework not as part of SEAG governance and to secure Professor Higgins as LfS representative on the committee
4. Expand Masters courses and complete Olga Bloemen's work as required
5. Embed elements from the Edinburgh Manifesto into graduate attributes work as appropriate
6. Key staff to progress these issues: Director of SRS engages with Learning and Teaching sub-committee of Senatus, in partnership with VP Teaching and Learning Sue Rigby and Professor Higgins, initially setting out the vision proposed in this paper and seeking agreement
7. Build on the excellent foundations of LfS Scotland and the UN RCE.
8. In partnership with EUSA, consolidate our long-standing commitment to contribute to meeting the global poverty challenge through fair trade.

SEAG **endorsed** the recommendations for mainstreaming social responsibility and sustainability issues within the Learning and Teaching Framework.

3 SRS Strategic Planning – Proposals for Review of Key Strategies

Dave Gorman, Director of Social Responsibility and Sustainability outlined the need to begin the process of reviewing and refreshing of key strategic documents including the following.

- SRS Strategy - The strategy does need a review to firm up more specific and ambitious targets with associated improved reporting, but it is suggested it is not appropriate to fundamentally review the strategy at this stage, given a likely need to review again in 2016 or 2017 post the university Strategic Plan review. It is proposed to commence review activities from January 2014.
- SRI Policy - CMG agreed to a process to activate the review of the SRI (in light of the UNPRI requirements) at its meeting on 9th October but the emerging conclusions of the review (expected around spring 2014) need to be considered alongside the early evidence from the SRS review.
- Climate Action Plan - The current Climate Action Plan has targets for emissions reductions by 2015 and 2020. So 2015 would seem to be an ideal time to have a new plan in place, to address new opportunities since adoption in 2010. Additionally, work to prepare the new Estates strategy will be reaching a climax and so should provide a very useful forward look on that aspect of the emissions picture.

SEAG highlighted other relevant strategic documents, including the progressing Estate Strategy Vision for 2025.

SEAG **welcomed** the proposals to review key strategic documents in the area of Social Responsibility, Sustainability and Climate Change.

4 **SRS Implementation Plan 2012-13**

The activities within the plan contribute directly towards objectives in the SRS Strategy 2010-2020, and also take into account the theme of Social Responsibility in the University's new Strategic Plan 2012-16. 74% of tasks identified in September 2012 have been completed, with 26% currently in progress, which will be carried over to 2013/14 implementation plan.

SEAG **noted** the progress made on the 57 tasks identified within the SRS Implementation Plan 2012-13.

5 **SRS Annual Social Responsibility and Sustainability (SRS) Highlights Report 2012-13**

SEAG **welcomed** the draft report, which presented the progress the University had made over the academic year towards achieving the objectives set out in the SRS Strategy 2010-2020. The document will be published in November 2013 online with a limited number of physical copies for senior management and engagement purposes.

SEAG **invited** members to forward case studies and comments to Matthew Lawson that would demonstrate SRS achievements for inclusion in the annual SRS Highlights report.

6 **SEAG-Operations Report from meeting 30 September**

SEAG **noted** the paper and endorsed the proposal for parking to increase the Penalty Charge Notifications (PCN) charge to £60 (currently £30), reducing to £30 if paid within 14 days. This would be implemented from January 2014.

7 **Response to Edible Edinburgh Consultation**

SEAG **noted** the report and commented on the recent engagement by University staff and civil society in Edinburgh addressing the issue of food.

SEAG **endorsed** the draft University's draft Consultation Response to Edinburgh City Council's the Edible Edinburgh Sustainable Food City consultation.

8 **Information Services Group**

SEAG **noted** the activities completed by Information Services in relation to social responsibility and sustainability efforts throughout 2012/13, and the intention, as part of plans for 2013/14, to reactivate the Green ICT Committee.

9 **Socially Responsible Investment: Taking Forward the UN Principles for Responsible investment**

SEAG noted the recent agreement by CMG of the paper setting out a process to operationalize the UN principles for responsible investment.

10 **Procurement Update**

SEAG **invited** members to contact the Director of Procurement on any points of interest or to comment on any of the proposals especially regarding the proposals within the Procurement Reform (Scotland) Bill.

Dave Gorman, Director of Social Responsibility and Sustainability
24 October 2013

Edinburgh Sustainability: www.ed.ac.uk/sustainability

Health and Safety Quarterly Report 2012/2013

Quarterly reporting period: 1st July 2013 – 30th September 2013

Accidents and Incidents

Type of Accident/Incident	Quarter 4 July - Sept 2013	Quarter 4 July - Sept 2012	Year to Date 1 Oct 2012 – 30 Sept 2013	Year to Date 1 Oct 2011 – 30 Sept 2012
Fatality	0	0	0	0
Specified Major Injury	1	3	5	5
> 3 day/ >7 day Absence	0	3	4	12
Public to Hospital	7	7	19	24
Reportable Dangerous Occurrences	0	0	0	1
Disease	0	0	0	0
Total Reportable Accidents / Incidents	8	13	28	45
Total Non-Reportable Accidents / Incidents	97	97	386	421
Total Accidents / Incidents	105	110	414	466

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

Incidents reported to the Enforcing Authorities during the quarter: (IP: Injured person)

- A 13 year old guest in Accommodation Services climbed up and jumped out of the first floor window and landed badly on the ground below, fracturing his leg. The IP was taken to hospital, where he was retained overnight and discharged the next day. *(Public to Hospital)*.
- A Postgraduate student was leaving the SCRM building through the revolving doors when the doors suddenly stopped. The IP walked into the doors and hit her head against the glass, sustaining cuts. The IP attended hospital and received treatment for her wound. The doors were checked by engineers and no fault was found. It appears that the IP stepped on the safety stop device fitted inside each glass panel of the door when she was exiting the doors. A reminder to all building users was sent out to make them aware of the device. *(Public to Hospital)*.
- A member of the public was walking down a pavement outside Old College when she tripped over a wire which was attached to a wooden A-board, securing it to the wall of the building. The IP fell onto her face and received an injury to her lip. She was subsequently taken to the emergency dental unit by taxi. The wire tie has been shortened by around 2 inches which is the maximum possible without touching the wall of the building. *(Public to Hospital)*.
- An employee had stepped onto a stool to re-hang the curtain that she accidentally pulled down during cleaning of the student accommodation. As she stepped off the stool, she banged her knee on the desk which aggravated a pre-existing injury, resulting in her absence from work. The IP had received training in manual handling including a risk assessment for above height cleaning and hanging curtains/lampshades. *(Over 7 day accident)*.

- An Undergraduate veterinary student was struck on the face with force by a horse. The IP attended hospital where 5 stiches were applied externally and 2 stitches internally, to her lip. Notices were later placed on the horse box to warn of the horse's temperament. Students have also been advised not to handle horses unless accompanied by a member of staff. *(Public to Hospital)*.
- A visiting researcher was fitting a hose to a glass flask. The valve on the glass flask broke and the IP's hand came into contact with the broken glass, resulting in a deep laceration to the hand. The IP attended hospital where paper stitches were applied. The IP returned to work the same day. The IP was reminded of the need to use a lubricant to attach hoses onto glass fittings. *(Public to Hospital)*.
- A visitor in student accommodation slipped on a flyer which had been left lying on the stairs and subsequently fell down some of the stairs. The IP sustained bruising to her ankles and attended hospital as a precaution. The University operates a strict no flyer policy in student accommodation but it is not always possible to police this at all times. When flyers are found, they are removed and the companies contacted to inform them not to distribute their flyers in University accommodation properties. *(Public to Hospital)*.
- An employee was descending the stairs to the first floor level when she tripped and fell down the last two steps. The steps are not defective and were free from obstructions or spillages. A fracture to a bone in the IP's right foot was diagnosed at hospital. *(Specified Major Injury)*.
- *Please note that the requirement to report “over 3 Day” absence accidents under RIDDOR was changed to “over 7 Day” on 6th April 2012, bringing it into line with NHS Certification procedures*

Other Issues and Developments

Appendix One

1. Occupational Health for Students

A significant gap in provision has been identified in the application of appropriate health surveillance programmes for undergraduates and postgraduates who work with animals, both laboratory animals and in a veterinary setting at our Veterinary campus at Easter Bush Veterinary Centre (EBVC). Although the Occupational Health Unit's (OHU) remit is to provide a service to University staff only, the OHU currently extends its health surveillance programmes to include some postgraduate students, where there is arguably a legal requirement for the University to do so, but this is done on a goodwill, reactive basis and is not comprehensive.

In the absence of other readily identifiable solutions, consideration is being given to formally extending the remit of the OHU to include provision of health surveillance for UGSs and PGSs who work with animals in the course of their study programmes. Naturally, this would bring with it resourcing issues of manpower, space and finance.

This would also meet with the policy of the Higher Education Occupational Health Physicians Group (HEOPS) who recommend extension of health surveillance programmes to students, in order to fully meet the spirit of the duty of care to non-employees required by the Health and Safety at Work Act.

This issue will be discussed by the University Health and Safety Committee at its November meeting.

2. New ECA H&S Manager

The recruitment process for the Health and Safety Manager at the Edinburgh College of Art resulted in a high calibre field of applicants, and interviews took place in June this year. Mr Alastair Brown, an ex-Inspector with the Health and Safety Executive Construction section, has now taken up post.

3. Healthy Working Lives Awards

The University has successfully renewed its gold-level Healthy Working Lives award. The Healthy Working Lives award programme is part of a national initiative run by the Scottish Centre for Healthy Working Lives.

The University initially obtained the gold-level award, valid for three years, in 2010. Following a reassessment exercise by NHS Lothian this award has been renewed for another 3 years. The award highlights the University's continued commitment to promoting a safer, healthier workforce.

4. Liquid Nitrogen Facilities Audit

The University carried out an audit of the University's liquid nitrogen facilities in 2000/2001, in consultation with WS Atkins. In 2012, due to the length of time which had elapsed, and the changes in the University's estate over time, it was decided that a further comprehensive audit of this type of installation should be conducted. The brief for this survey was very similar to the previous one, with the engineer being asked to look at the hardware side of the installations, including tanks and pipework, as well as the management systems including maintenance records, risk assessments and training records.

The University went through a full procurement exercise, and again WS Atkins were appointed as consultants. The surveys were carried out by two fully qualified gas safety engineers, both of whom are ex Health and Safety Executive Inspectors.

The survey visits were carried out in July and August 2013, and the sites visited were judged to be satisfactory apart from one, and in this case temporary improvements have been made to the ventilation system, with plans well underway to implement changes which will significantly improve this particular facility.

The Health and Safety Department is currently awaiting the final formal report on this exercise.

5. High Risk Materials Recording System

The Health and Safety Department has completed a project with Information Services to build a bespoke electronic system for the management of high risk materials. This system records information on the holdings, usage and disposals of radioactive and biological materials, to allow a more efficient means of ensuring the university maintains legal compliance.

6. Physiotherapy Service

The Occupational Health Unit has been working with the Centre for Sport and Exercise's Fitness Assessment and Sports Injuries Centre (FASIC) on the provision of a physiotherapy service for staff.

The OHU will manage this service which will enable them to refer employees for physiotherapy treatment where appropriate. The waiting time for physiotherapy treatment on the NHS can be up to 12-16 weeks, and access to such an in-house treatment service will assist employees to remain at work, or return to work more quickly. This service is due to commence on 27th November.

7. BS OHSAS 18001: Occupational Health and Safety Management

The Health and Safety Department has completed a process of assessing a number of accreditation bodies for BS OHSAS 18001 and a preferred organisation has been identified. The process of formally submitting for accreditation of the University's corporate health and safety management systems will commence shortly.

8. Investors in People

The Health and Safety Department achieved the Investors in People (IIP) award in 2010, an award which is valid for three years. In August 2013 a re-assessment exercise took place and the Health and Safety Department was awarded the enhanced Bronze level IIP award.

9. Biosafety Training and Development Assistant

The Health and Safety Department recently undertook a recruitment exercise for the new post of Biosafety Training and Development Assistant. Interviews took place on 24th September and a suitable candidate was selected. Dr Fiona Harris will take up post on 4th November.

Alastair Reid
Director of Health and Safety
28th October 2013.

Accidents & Incidents

Quarterly period: 01/07/2013 – 30/09/2013

Year to Date Period: 01/10/2012 – 30/09/2013

(Fourth Quarter)

COLLEGE / GROUP	REPORTABLE (TO HSE) ACCIDENTS / INCIDENTS														TOTAL Non-Reportable Accidents / Incidents		TOTAL ACCIDENTS / INCIDENTS	
	Fatality		Specified Major Injury		>7 day injury		Public to Hospital		Dangerous Occurrences		Diseases		TOTAL Reportable Acc / Inc		Qtr	Ytd	Qtr	Ytd
	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd				
Humanities & Social Science	-	-	-	1	-	-	-	7	-	-	-	-	0	8	4	27	4	35
Science & Engineering	-	-	-	-	-	1	2	-	-	-	-	1	3	16	77	17	80	
Medicine & Veterinary Med.	-	-	1	1	-	-	2	6	-	-	-	-	3	7	25	97	28	104
SASG	-	-	-	-	-	-	-	-	-	-	-	0	0	1	6		6	
Corporate Services Group	-	-	-	3	-	3	3	3	-	-	-	3	9	50	175	53	184	
ISG	-	-	-	-	-	-	-	-	-	-	-	0	0	1	4	1	4	
Other Units	-	-	-	-	-	-	1	1	-	-	-	1	1	0	0	1	1	
UNIVERSITY	0	0	1	5	0	4	7	19	0	0	0	0	8	28	97	386	105	414

* Units noted below taken from organisational hierarchy report 12/08/13 - <http://www.ed.ac.uk/schools-departments/governance-strategic-planning/organisational-hierarchy/current-org-hierarchy>

SASG: Student and Academic Services Group: Biological Services, Communications and Marketing, Development and Alumni, Governance and Strategic Planning, Student and Academic Services, Student Recruitment and Admissions, Student Services

ISG: Information Services Group: Applications, Digital Curation Centre, EDINA & Data Library, Information Services Corporate, Infrastructure, Library and Collections, User Services Division

CSG: Corporate Services Group: Accommodation Services, Centre for Sport and Exercise, Corporate Services Group, Edinburgh Research and Innovation, Edinburgh University Press, Estates and Buildings, Finance, Health & Safety, Human Resources, Internal Audit, Procurement Office (inc. Printing Services). Social Responsibility & Sustainability

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

NB Reporting requirements for absence from work after an accident changed on 6th April 2012 to >7 day absence

C1.2

The University of Edinburgh

The University Court

9 December 2013

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 18 November 2013 covering items other than the CMG report. Detailed papers not included in the appendices are available at:

<https://www.wiki.ed.ac.uk/display/UCC/Finance+and+General+Purposes+Committee>

Action requested

The Court is invited to approve the arrangements to sign off the US GAAP Accounts including the appointment of a Court Sub-Group with delegated authority to approve the Accounts on behalf of Court at item 3, to approve the Subsidiary Companies Financial Statements 2012/2013 at item 4 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 3-10

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

Originator of the paper

Dr Katherine Novosel
November 2013

University Court, Meeting on 9 December 2013
Report of the Finance and General Purposes Committee
18 November 2013
(Report on Other Items)

1 SUMMARY RESEARCH AND COMMERCIALISATION REPORT FOR Appendix 1
2 MONTHS TO 30 SEPTEMBER 2013

The final outcome for the year ended 31 July 2013 was noted and the position two months into the new financial year. The Committee noted that while applications for the period had increased in comparison with the same period last year the level for research awards was down; this was mainly due to the distortion created in last year's figures by the inclusion of the infrastructure award to the Human Genetics Unit. The Committee was assured that the indicative figures for research and commercialisation at three months were in-line or ahead of the position last year.

2 SUBSIDIARY COMPANY BOARD MEMBERSHIP CHANGES

The Committee approved the appointment of Mrs Tracey Slaven, Deputy Secretary, Strategy Planning to the board of ERI with effect from 1 April 2014 and the appointment of Ms Clair Brady, Head of Technology Transfer to the Board of Edinburgh Technology Fund limited with immediate effect.

**Summary Research and Commercialisation Report
For the 2 Months to 30 September 2013**

Data tables for the 2 months to 30 September 2013 are attached, which also contain comparative data to 31 July 2013, confirming the final outcome for the last financial year.

It is not appropriate to try to draw any firm conclusions or trends from only 2 months of data, and therefore no trend graphs are presented at this stage in the year.

Research applications for the 2 month period were up by **11%** at **£110m**, with applications to RCUK making up 55% of that total. While RCUK applications are 12% down in value, applications to UK government, UK charities and EU Government all show increases compared to the same period last year.

Research awards for the 2 months were **£20.7m** compared with **£94.3m** at the same time last year, although that figure was distorted by the **£59.7m** infrastructure award to the Human Genetics Unit in September 2012.

By way of comparison, awards for the 2 months to September 2011 were **£28.6m**.

Awards from UK Charities were the highest source of funding in the 2 month period, representing **38%** of the total. RC UK awards were the next highest source (**32%**).

The University's rolling application to awards success rate remains at 41%.

Research income in the period rose by **22%** to **£29.3m**.

ERI will shortly publish some data from RCUK and Brunswick Group showing how Edinburgh has performed during 2012/13 compared to other research intensive universities.

IL/HM

7 November 2013

Edinburgh Research and Innovation Limited
Research and Commercialisation Report
For the 2 months to 30 September 2013

Table 1
Research applications, awards and income by College

	Year to			Month of			Full Year 31 Jul 13
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
All Research Applications - number							
CHSS	103	64	61%	75	34	121%	629
CMVM	102	110	(7%)	65	64	2%	817
CS&E	107	111	(4%)	74	68	9%	765
Support Services (ISG etc)	-	-	-	-	-	-	10
Total - number	312	285	9%	214	166	29%	2,221
All Research Applications - value - 100% project value							
CHSS	22,284	15,790	41%	18,763	11,571	62%	136,156
CMVM	40,337	44,388	(9%)	27,225	31,533	(14%)	407,874
CS&E	46,940	38,288	23%	29,864	26,949	11%	448,118
Support Services (ISG etc)	-	-	-	-	-	-	2,796
Total - value £'000	109,561	98,466	11%	75,852	70,053	8%	994,944
All Research Awards - number							
(a) Number of awards/contracts received (Note 1)							
CHSS	38	21	81%	14	9	56%	242
CMVM	47	57	(18%)	23	23	0%	367
CS&E	31	37	(16%)	16	9	78%	314
Support Services (ISG etc)	-	-	-	-	-	-	11
Total - number	116	115	1%	53	41	29%	934
(b) Awarded to Constituent parties (Note 2)							
CHSS	43	24	79%	15	12	25%	284
CMVM	53	68	(22%)	25	29	(14%)	432
CS&E	38	46	(17%)	18	11	64%	405
Support Services (ISG etc)	-	-	-	-	-	-	13
Total - number	134	138	(3%)	58	52	12%	1,134
All Research Awards - value - 100% project value							
CHSS	2,263	3,526	(36%)	780	1,749	(55%)	25,136
CMVM	13,309	83,241	(84%)	4,973	64,804	(92%)	172,873
CS&E	5,166	7,568	(32%)	2,983	1,463	104%	98,497
Support Services (ISG etc)	-	-	-	-	-	-	4,146
Total - value £'000	20,738	94,335	(78%)	8,736	68,016	(87%)	300,652
All Research Awards - value - Sponsor contribution							
CHSS	2,005	3,096	(35%)	748	1,448	(48%)	21,426
CMVM	12,485	81,428	(85%)	4,414	64,118	(93%)	161,235
CS&E	4,324	6,666	(35%)	2,382	1,335	78%	85,283
Support Services (ISG etc)	-	-	-	-	-	-	3,644
Total - value £'000	18,814	91,190	(79%)	7,544	66,901	(89%)	271,588
Research Income £'000							
CHSS	2,427	2,046	19%	1,226	1,001	22%	17,449
CMVM	14,707	11,074	33%	7,672	6,497	18%	96,873
CS&E	11,876	10,613	12%	6,293	5,825	8%	83,376
Support Services (ISG etc)	293	299	(2%)	129	127	2%	2,126
Total - value £'000	29,303	24,032	22%	15,320	13,450	14%	199,824

Note 1: denotes the number of research award letters/contracts received, where there is a one-to-one mapping of that award letter/contract to the original application submitted

Note 2: denotes the number of constituent parts of research awards/contracts received, where a constituent comprises a School or Research Centre share of the award budget. Some large projects, for example, may have a number of investigators, each with a share of the budget, in which case this dataset recognises, and therefore counts, each of these constituents as a separate item.

All data is presented with reference to the University Financial Year starting on 1 August.

Edinburgh Research and Innovation Limited
Research and Commercialisation Report
For the 2 months to 30 September 2013

Table 2
Research applications and awards by funding source (100% project value)

Applications	Values £'000							Numbers						
	Year to			Month of			Full Year	Year to			Month of			Full Year
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance		30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
UK - Research Council	55,379	63,100	(12%)	47,076	50,151	(6%)	528,414	100	123	(19%)	87	93	(6%)	656
UK - Government	17,494	9,642	81%	12,471	8,101	54%	45,081	62	24	158%	35	17	106%	172
UK - Charity	12,800	8,414	52%	5,298	5,239	1%	162,995	69	55	25%	44	21	110%	681
EU - Government	12,648	8,780	44%	1,668	3,441	(52%)	172,012	28	32	(13%)	14	10	40%	258
UK - Universities etc.	5,677	3,414	66%	4,527	1,511	200%	42,105	27	20	35%	17	10	70%	198
UK - Health Authorities	3,135	402	680%	2,717	-	-	16,459	4	3	33%	3	-	-	28
EU - Other	774	217	257%	711	217	228%	2,762	7	2	250%	6	2	200%	25
Overseas - Universities etc.	750	307	144%	750	300	150%	1,029	2	2	0%	2	1	100%	11
Overseas - Charities	367	89	312%	354	39	808%	5,812	4	3	33%	3	1	200%	33
Overseas - Industry	261	17	1435%	261	17	1435%	3,731	2	1	100%	2	1	100%	21
Overseas - Other	110	104	6%	-	104	(100%)	1,702	2	1	100%	-	1	(100%)	12
UK - Industry	97	2,506	(96%)	19	311	(94%)	7,694	3	14	(79%)	1	6	(83%)	90
Overseas - Government	69	1,396	(95%)	-	622	(100%)	4,198	2	4	(50%)	-	3	(100%)	24
EU - Industry	-	78	(100%)	-	-	-	950	-	1	(100%)	-	-	-	12
	<u>109,561</u>	<u>98,466</u>	11%	<u>75,852</u>	<u>70,053</u>	8%	<u>994,944</u>	<u>312</u>	<u>285</u>	9%	<u>214</u>	<u>166</u>	29%	<u>2,221</u>
	-	-		-	-		-	-			-	-		-

Awards	Values £'000							Numbers						
	Year to			Month of			Full Year	Year to			Month of			Full Year
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance		30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
UK - Charity	7,927	3,994	98%	2,080	471	342%	36,633	33	30	10%	17	8	113%	303
UK - Research Council	6,640	79,956	(92%)	3,953	62,451	(94%)	177,431	27	41	(34%)	12	14	(14%)	234
EU - Government	3,039	3,571	(15%)	1,509	899	68%	30,792	12	7	71%	6	3	100%	71
UK - Government	879	1,553	(43%)	635	524	21%	21,746	15	5	200%	10	1	900%	79
UK - Universities etc.	769	1,665	(54%)	420	590	(29%)	16,059	12	11	9%	4	5	(20%)	91
UK - Industry	632	523	21%	24	99	(76%)	6,044	6	12	(50%)	1	4	(75%)	81
EU - Other	345	-	-	7	-	-	652	3	-	-	1	-	-	12
Overseas - Government	165	36	358%	-	6	(100%)	1,478	2	3	(33%)	-	1	(100%)	12
Overseas - Universities etc.	127	336	(62%)	32	336	(90%)	802	2	1	100%	1	1	0%	8
Overseas - Other	79	-	-	-	-	-	306	2	-	-	-	-	-	2
Overseas - Industry	76	-	-	76	-	-	3,173	1	-	-	1	-	-	12
Overseas - Charities	60	238	(75%)	-	214	(100%)	1,815	1	2	(50%)	-	2	(100%)	13
UK - Health Authorities	-	2,463	(100%)	-	2,426	(100%)	2,631	-	3	(100%)	-	2	(100%)	7
EU - Industry	-	-	-	-	-	-	1,090	-	-	-	-	-	-	9
	<u>20,738</u>	<u>94,335</u>	(78%)	<u>8,736</u>	<u>68,016</u>	(87%)	<u>300,652</u>	<u>116</u>	<u>115</u>	1%	<u>53</u>	<u>41</u>	29%	<u>934</u>
	-	-		-	-		-	-			-	-		-

Note: The award numbers in this table now reflect our new dataset, the Number of Awards/contracts received (see Table 1, footnote 1).

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**Table 3A
Research applications by School**

Applications	Values £'000							Numbers						
	Year to			Month of			Full Year	Year to			Month of			Full Year
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance		30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
Economics	6,294	867	626%	6,294	-	-	8,663	2	1	100%	2	-	-	13
Social and Political Science	5,216	1,561	234%	4,677	686	582%	32,186	20	11	82%	14	3	367%	99
Moray House School of Education	1,946	1,378	41%	1,467	1,145	28%	8,923	20	9	122%	15	5	200%	76
History, Classics And Archaeology	1,856	756	146%	1,429	578	147%	6,814	11	6	83%	6	4	50%	75
Business School	1,498	14	10600%	1,297	-	-	3,493	10	2	400%	7	-	-	31
Philosophy, Psychology and Language Sciences	1,484	1,948	(24%)	725	650	12%	27,219	6	10	(40%)	5	5	0%	75
Law	1,205	1,560	(23%)	145	1,209	(88%)	7,094	5	6	(17%)	3	4	(25%)	32
Literatures, Languages and Cultures	1,063	282	277%	1,061	111	856%	13,288	11	3	267%	9	1	800%	66
Health in Social Science	910	5,057	(82%)	901	5,024	(82%)	9,555	5	7	(29%)	4	5	(20%)	45
Edinburgh College of Art	806	2,079	(61%)	765	2,045	(63%)	11,386	11	7	57%	9	6	50%	88
Divinity	6	288	(98%)	2	123	(98%)	7,535	2	2	0%	1	1	0%	29
College General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CHSS	22,284	15,790	41%	18,763	11,571	62%	136,156	103	64	61%	75	34	121%	629
Clinical Sciences	19,498	14,416	35%	8,356	10,478	(20%)	205,842	46	40	15%	23	21	10%	355
Royal (Dick) School of Veterinary Studies	8,149	7,524	8%	8,149	7,113	15%	73,440	21	23	(9%)	21	18	17%	161
Biomedical Sciences	6,512	5,315	23%	6,279	4,082	54%	40,387	12	15	(20%)	10	9	11%	111
Molecular, Genetic and Population Health Sciences	6,178	17,133	(64%)	4,441	9,860	(55%)	88,174	23	32	(28%)	11	16	(31%)	188
College General	-	-	-	-	-	-	31	-	-	-	-	-	-	2
Total CMVM	40,337	44,388	(9%)	27,225	31,533	(14%)	407,874	102	110	(7%)	65	64	2%	817
Physics	18,564	10,151	83%	9,561	8,449	13%	49,584	30	22	36%	24	17	41%	107
Biological Sciences	17,450	12,248	42%	15,871	9,986	59%	119,368	31	31	0%	23	22	5%	184
Chemistry	3,617	3,193	13%	1,255	2,929	(57%)	64,008	7	12	(42%)	4	10	(60%)	93
Informatics	3,369	3,315	2%	2,237	2,114	6%	103,455	10	14	(29%)	8	7	14%	119
Engineering	2,079	6,436	(68%)	502	1,625	(69%)	63,481	14	18	(22%)	7	7	0%	126
Geosciences	1,348	1,269	6%	369	1,043	(65%)	34,888	12	10	20%	7	3	133%	114
Mathematics	513	1,676	(69%)	69	803	(91%)	12,506	3	4	(25%)	1	2	(50%)	21
College General	-	-	-	-	-	-	828	-	-	-	-	-	-	1
Total CSE	46,940	38,288	23%	29,864	26,949	11%	448,118	107	111	(4%)	74	68	9%	765
Support Services	-	-	-	-	-	-	2,796	-	-	-	-	-	-	10
Total UOE	109,561	98,466	11%	75,852	70,053	8%	994,944	312	285	9%	214	166	29%	2,221

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**Table 3B
Research awards by School**

Awards	Values £'000						Numbers							
	Year to			Month of			Full Year	Year to			Month of			Full Year
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance		30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
Philosophy, Psychology and Language Sciences	862	55	1467%	-	55	(100%)	2,420	2	1	100%	-	1	(100%)	33
Social and Political Science	446	1,286	(65%)	74	658	(89%)	8,832	9	11	(18%)	1	6	(83%)	61
Literatures, Languages and Cultures	367	6	6017%	366	-	-	881	5	1	400%	3	-	-	29
Business School	199	14	1321%	100	-	-	593	7	2	250%	2	-	-	11
History, Classics And Archaeology	197	201	(2%)	164	-	-	1,639	3	1	200%	1	-	-	32
Edinburgh College of Art	64	297	(78%)	12	297	(96%)	2,459	6	2	200%	2	2	0%	42
Moray House School of Education	57	242	(76%)	1	204	(100%)	2,353	5	2	150%	2	1	100%	33
Law	53	535	(90%)	53	535	(90%)	3,675	2	2	0%	2	2	0%	16
Health in Social Science	12	23	(48%)	8	-	-	469	2	1	100%	1	-	-	12
Divinity	6	-	-	2	-	-	930	2	-	-	1	-	-	12
Economics	-	867	(100%)	-	-	-	885	-	1	(100%)	-	-	-	3
College General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CHSS	2,263	3,526	(36%)	780	1,749	(55%)	25,136	43	24	79%	15	12	25%	284
Clinical Sciences	9,046	10,140	(11%)	2,102	3,741	(44%)	57,021	31	36	(14%)	17	14	21%	186
Royal (Dick) School of Veterinary Studies	2,296	10,397	(78%)	2,095	710	195%	21,909	7	14	(50%)	4	7	(43%)	86
Molecular, Genetic and Population Health Sciences	1,405	62,116	(98%)	776	60,317	(99%)	83,949	11	16	(31%)	4	7	(43%)	108
Biomedical Sciences	562	588	(4%)	-	36	(100%)	9,994	4	2	100%	-	1	(100%)	52
College General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CMVM	13,309	83,241	(84%)	4,973	64,804	(92%)	172,873	53	68	(22%)	25	29	(14%)	432
Chemistry	1,565	1,000	57%	1,416	158	796%	6,357	5	6	(17%)	3	3	0%	41
Physics	966	1,968	(51%)	841	547	54%	16,226	7	6	17%	5	2	150%	66
Geosciences	922	2,678	(66%)	167	300	(44%)	13,779	7	16	(56%)	4	1	300%	93
Biological Sciences	851	1,473	(42%)	163	297	(45%)	20,326	4	7	(43%)	1	2	(50%)	77
Engineering	534	57	837%	396	-	-	13,473	11	3	267%	5	-	-	63
Informatics	259	283	(8%)	-	52	(100%)	25,421	3	7	(57%)	-	2	(100%)	52
Mathematics	69	109	(37%)	-	109	(100%)	2,915	1	1	0%	-	1	(100%)	13
College General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CSE	5,166	7,568	(32%)	2,983	1,463	104%	98,497	38	46	(17%)	18	11	64%	405
Support Services	-	-	-	-	-	-	4,146	-	-	-	-	-	-	13
Total UOE	20,738	94,335	(78%)	8,736	68,016	(87%)	300,652	134	138	(3%)	58	52	12%	1,134

Note: The award numbers in this table detail those awarded to constituent parties (see Table 1, footnote 2).

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**Table 4
Commercialisation activity**

	Year to			Month of			Full Year 31 Jul 13
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
Disclosure Interviews							
CHSS	-	1	(100%)	-	1	(100%)	7
CMVM	3	5	(40%)	-	4	(100%)	86
CS&E	6	9	(33%)	3	1	200%	82
Total - number	9	15	(40%)	3	6	(50%)	175
Patents filed on Technologies - by College							
CHSS	-	-	-	-	-	-	-
CMVM	8	3	167%	3	-	-	28
CS&E	2	5	(60%)	2	4	(50%)	39
Total - number	10	8	25%	5	4	25%	67
Patents filed on Technologies - by Type of filing							
Priority Filings	7	2	250%	2	-	-	28
PCT Filings	1	1	0%	1	-	-	16
Other/National Filings	2	5	(60%)	2	4	(50%)	23
Total - number	10	8	25%	5	4	25%	67
Licences signed (excluding non revenue bearing licences)							
CHSS	-	1	(100%)	-	-	-	7
CMVM	2	3	(33%)	2	1	100%	16
CS&E	3	4	(25%)	2	2	0%	27
Total - number	5	8	(38%)	4	3	33%	50
Spin-out companies created							
- Number	-	2	(100%)	-	2	(100%)	5
Start-up companies created							
- Number	-	-	-	-	-	-	30

**Table 5
Consultancy processed through ERI**

	Year to			Month of			Full Year 31 Jul 13
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
By Business Type - Invoiced value £'000							
Scotland - Commerce	95	192	(51%)	45	93	(52%)	985
Scotland - Government	191	85	125%	119	59	102%	747
Rest of UK - Commerce	187	106	76%	102	60	70%	1,277
Rest of UK - Government	20	4	400%	11	-	-	387
International - Commerce	232	302	(23%)	108	150	(28%)	1,294
International - Government	15	36	(58%)	1	25	(96%)	173
Total - value £'000	740	725	2%	386	387	(0%)	4,863
By College - Invoiced value £'000							
CHSS	92	174	(47%)	72	87	(17%)	980
CMVM	266	284	(6%)	124	159	(22%)	1,917
CS&E	381	266	43%	190	141	35%	1,958
Support Services (CSG, ISG etc)	1	1	0%	-	-	-	8
Total - value £'000	740	725	2%	386	387	(0%)	4,863
	-	-	-	-	-	-	-

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Table 6
Consultancy Income by School £

	Year to			Month of			Full Year 31 Jul 13
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
Philosophy, Psychology and Language Sciences	19,806	4,500	340%	5,838	4,500	30%	30,732
Social and Political Science	42,839	109,424	(61%)	39,139	38,235	2%	291,049
Moray House School of Education	9,104	42,184	(78%)	6,522	37,164	(82%)	207,596
Business School	3,042	11,150	(73%)	1,875	5,000	(63%)	255,648
Health in Social Science	9,777	4,583	113%	9,777	-	-	50,329
Edinburgh College of Art	-	-	-	-	-	-	43,365
Law	8,600	-	-	8,600	-	-	48,254
Divinity	500	-	-	500	-	-	15,351
Literatures, Languages and Cultures	-	2,583	(100%)	-	2,583	(100%)	5,043
Economics	-	-	-	-	-	-	-
History, Classics And Archaeology	-	-	-	-	-	-	-
College General	(1,500)	-	-	-	-	-	32,870
Total CHSS	92,168	174,424	(47%)	72,251	87,482	(17%)	980,239
Molecular, Genetic and Population Health Sciences	124,103	80,794	54%	64,255	37,899	70%	771,115
Clinical Sciences	93,453	69,902	34%	42,065	43,715	(4%)	522,252
Royal (Dick) School of Veterinary Studies	26,822	2,789	862%	11,790	1,829	544%	152,413
Biomedical Sciences	11,063	127,606	(91%)	-	72,044	(100%)	399,809
College Central	10,131	4,400	130%	5,815	3,700	57%	71,786
Total CMVM	265,572	285,491	(7%)	123,925	159,187	(22%)	1,917,374
Biological Sciences	73,570	8,548	761%	8,562	7,626	12%	154,289
Geosciences	119,392	94,188	27%	63,966	54,779	17%	785,190
Informatics	43,062	39,208	10%	11,152	5,248	112%	215,795
Engineering	86,696	58,950	47%	64,171	34,000	89%	278,775
Physics	43,202	1,350	3100%	34,050	1,050	3143%	160,473
Mathematics	4,500	-	-	-	-	-	5,644
Chemistry	11,158	64,005	(83%)	8,228	37,505	(78%)	263,883
College Central	-	-	-	-	-	-	93,919
Total CSE	381,579	266,249	43%	190,129	140,208	36%	1,957,968
Support Services	640	640	0%	-	-	-	8,285
Total UOE	739,959	726,805	2%	386,305	386,877	(0%)	4,863,865
	-	-	-	-	-	-	-

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**Table 7
Disclosure Interviews by School**

	Year to			Month of			Full Year 31 Jul 13
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
Business School			-			-	1
College General			-			-	-
Divinity			-			-	-
Economics			-			-	-
Edinburgh College of Art		1	(100%)		1	(100%)	1
Health in Social Science			-			-	-
History, Classics And Archaeology			-			-	-
Law			-			-	-
Literatures, Languages and Cultures			-			-	-
Moray House School of Education			-			-	5
Philosophy, Psychology and Language Sciences			-			-	-
Social and Political Science			-			-	-
Total CHSS	-	1	(100%)	-	1	(100%)	7
	-	-		-	-		-
Biomedical Sciences		1	(100%)		1	(100%)	3
Clinical Sciences	2	4	(50%)		3	(100%)	46
Molecular, Genetic and Population Health Sciences			-			-	17
Royal (Dick) School of Veterinary Studies	1		-			-	20
College Central			-			-	-
Total CMVM	3	5	(40%)	-	4	(100%)	86
	-	-		-	-		-
Biological Sciences	1	2	(50%)	1	1	0%	14
Chemistry	1	1	0%			-	31
Engineering	2	3	(33%)	2		-	22
Geosciences	1	3	(67%)			-	12
Informatics	1		-			-	2
Mathematics			-			-	-
Physics			-			-	1
College Central			-			-	-
Total CSE	6	9	(33%)	3	1	200%	82
	-	-		-	-		-
Support Services	-	-	-	-	-	-	-
Total UOE	9	15	(40%)	3	6	(50%)	175
	-	-		-	-		-

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**Table 8
Patent filings by School**

	Year to								Month of								Full Year			
	30 Sep 13				30 Sep 12				Sep 13				Sep 12				31 Jul 13			
	Priority	PCT	Other	Total	Priority	PCT	Other	Total	Priority	PCT	Other	Total	Priority	PCT	Other	Total	Priority	PCT	Other	Total
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	2	-	-	2	-	-	1	1	-	-	-	-	-	-	-	-	1	-	1	2
Clinical Sciences	2	-	1	3	1	-	-	1	-	-	1	1	-	-	-	-	7	4	5	16
Molecular, Genetic and Population Health Sciences	1	-	-	1	-	-	-	-	1	-	-	1	-	-	-	-	-	-	2	2
Royal (Dick) School of Veterinary Studies	1	1	-	2	1	-	-	1	-	1	-	1	-	-	-	-	5	1	2	8
Total CMVM	6	1	1	8	2	-	1	3	1	1	1	3	-	-	-	-	13	5	10	28
Biological Sciences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	1	3
Chemistry	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	2	5	2	9
Engineering	1	-	1	2	-	-	2	2	1	-	1	2	-	-	2	2	11	3	8	22
Geosciences	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	1	-	-	1	1
Informatics	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	1	2	1	1	4
Mathematics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Physics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CSE	1	-	1	2	-	1	4	5	1	-	1	2	-	-	4	4	15	11	13	39
Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total UOE	7	1	2	10	2	1	5	8	2	1	2	5	-	-	4	4	28	16	23	67

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Table 9
Licences signed by School (excluding non-revenue bearing licences)

	Year to			Month of			Full Year 31 Jul 13
	30 Sep 13	30 Sep 12	Variance	Sep 13	Sep 12	Variance	
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		1	(100%)			-	7
Philosophy, Psychology and Language Sciences			-			-	
Social and Political Science			-			-	
Total CHSS	-	1	(100%)	-	-	-	7
	-	-		-	-		-
Biomedical Sciences							
Clinical Sciences		1	(100%)			-	3
Molecular, Genetic and Population Health Sciences	1	1	0%	1	1	0%	5
Royal (Dick) School of Veterinary Studies	1	1	0%	1		-	8
Total CMVM	2	3	(33%)	2	1	100%	16
	-	-		-	-		-
Biological Sciences	2		-	1		-	9
Chemistry	1	1	0%	1		-	6
Engineering		3	(100%)		2	(100%)	4
Geosciences			-			-	2
Informatics			-			-	5
Mathematics			-			-	
Physics			-			-	1
Total CSE	3	4	(25%)	2	2	0%	27
	-	-		-	-		-
Support Services			-			-	
Total UOE	5	8	(38%)	4	3	33%	50
	-	-		-	-		-

EUSA President's Report

9 December 2013

C2

The future of EUSA: Strategic Plan

Our Trustees approved a process and timescales for developing a Strategic Plan for EUSA by December 2014. We will be consulting extensively at the start of this process, including involving a wide range of students, to ensure we develop the organisation and set out a plan that anticipates and meets student needs over the next few years. This is a very exciting time for the Association and we look forward to reporting on our progress and our new Strategy in due course.

Budgeting

EUSA has revised its financial year start and end dates, which will now begin on 1 April. As a result the organisation will be developing new budgets over November - February with a view to these being signed off by our Trustee Board in March.

Incorporation

EUSA is working towards becoming a charitable company limited by guarantee, on 1 April. We welcome the University's support particularly in relation to our pension liability and are now able to progress with the practical steps required to complete Incorporation.

Celebrating success

EUSA was happy to be recognised as sector leading in two respects this month. We are amongst the top 3 licensed premises in Scotland, shortlisted by the Scottish License Trade News awards for our socially responsible attitude to delivering our bars/entertainments/events provision. We were also highly commended by the Higher Education Academy who recognised our Peer Support project as one of the top 4 Student Union/Institutional partnership projects. The Peer Support project is still in its infancy but has already had significant impact – with over 400 student leaders working to support students in almost every school.

A new home for EUSA

Student and staff workshops have now taken place to discuss future needs and possibilities for a new student centre. Although this is a long term project, we are genuinely excited about the opportunity to contribute to this potential development, and influence the student union space of the future.

Learning conversations

I worked with Jon Turner, Director of IAD to host the first in what we hope will be a series of Learning Conversations with students and staff to talk about the future of learning at the university. This project is being led by student volunteers, and will provide a space to bring people together to collaborate and innovate, and to highlight and encourage best practice.

Student wellbeing

We have been promoting student wellbeing as we head towards the exam period – Nadia our Vice President Societies and Activities has been out with the Advice Place to Easter Bush, Little France and Lauriston Place to promote the support available from EUSA and strategies to support student wellbeing. We are also pleased to be involved with the new Healthy University strand of the Student

Experience Project. We are also working with the Student counselling service to deliver student stress-busting workshops early in the new year. We launched our student mental health survey this week, which builds on a national piece of work undertaken earlier this year by NUS. We'll be using the outcomes of the survey to inform discussions going on within the Student Experience Project and identify some possible solutions for developing support.

School Councils



Our School Councils pilot project which aims to improve academic community and encourage student/staff partnership in curriculum development is making impressive progress. By the end of semester seven Schools will have established their councils, with more to follow in the new year. We are already really pleased to report that students in each of the areas involved are really keen and proactive, and that we are also getting a good level of interest from staff. Each of the schools are working towards a model of interaction that works locally for them. The councils are already generating an interesting range of local campaigns and projects (including increased lab time, lab shadowing schemes to give 1st years more lab experience, and review of feedback within electronic marking systems).

History months

Following our events for Black History month in October, we are now moving on to planning for International Women's Day in March and LGBT History month in February. EUSA is pleased to be working with the University's LGBT staff network on this, and we have already secured Patrick Harvie, leader of the Scottish Green Party as our keynote speaker. Events for International Women's Day include an insight into successful women at the University, including our Vice Principal Learning and Teaching, and University Secretary.

Interfaith events

EUSA is collaborating with the Chaplaincy on interfaith events, after successfully securing a small amount of funding from NUS to promote interfaith collaboration on campus. We are currently discussing with the chaplaincy and students what sorts of events they would like to see.

Water on campus

Our Vice President Services, Kirsty has been working hard to secure better provision of water on campus. Working with Estates and Buildings there is a study underway to identify suitable water

points in new buildings, as well as installing water points in some existing sites. This is something students have been asking us about for some time so it's nice to see this happening.

Hugh Murdoch
EUSA President

The University of Edinburgh

The University Court

9 December 2013

C3

**Risk Management Committee
Report for year ended 31 July 2013**

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 2013, 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

Has due consideration been given to the equality impact of this paper? Yes – it has no equality and diversity impact.

Freedom of information

Can this paper be included in open business? No

Originator of the paper

N A L Paul / H Stocks
26 November 2013

The University of Edinburgh

University Court

9 December 2013

C4

**Report and Financial Statements for the Year Ended 31 July 2013
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 on Risk Management Post Year End Assurances in support of the Financial Statements for the Year ended 31 July 2013.

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

Has due consideration been given to the equality impact of this paper? N/A

Freedom of Information

Can this paper be included in open business? Yes

Originator of the Paper

Nigel A L Paul
Vice Principal and Director of Corporate Services
3 December 2013

Report and Financial Statements for the Year Ended 31 July 2013

Risk Management - Post Year End Assurance

The Corporate Governance Statement in the Report and Financial Statements for the year ended 31 July 2013 states that *“By its 9 December 2013 meeting, the Court had received the Audit Committee and Risk Management Committee reports for the year ended 31 July 2013; it also had taken account of relevant events since 31 July 2013.”*

To enable Court to receive assurance that the post 31 July 2013 events have been ‘taken into account’ the Convener of the Risk Management Committee has asked each College and Support Group to review their responses to the year end risk questionnaire and provide details of any further major events or issues that have arisen since 31 July, or provide assurance that the responses reflect the position to date.

I am able to report to Court that each College and Support Group has responded and that there are no significant new events or issues to be drawn to the attention of Court which impact on the ability of the Court to approve the Annual Accounts for the year ended 31 July 2013. The assurances provided in the Risk Management Committee report for the year ended 31 July 2013 therefore remain valid for the post year end period.

The University continues to manage the major risks in the University Risk Register as approved by Court in June 2013, and to monitor emerging issues.

N.A.L. Paul
Vice Principal and Director of Corporate Services
3 December 2013

Annual Report of the Audit Committee to Court, for year ended 31 July 2013

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 2012/2013 to which is attached the Internal Audit Report 2012/2013, the Value for Money Report and the External Auditor's Highlights Memorandum as previously agreed. The draft Minute of the Audit Committee meeting held on 22 November 2013 is also attached for information.

Action requested

The University Court is invited to note the content of the Annual Report of the Audit Committee 2012/2013 and note the content of the draft Minute of the Audit Committee meeting held on 22 November 2013.

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 2012/2013 describes the activities of the Audit Committee which included receipt of papers on the University's risk management controls during 2012/2013 and internal audit reports prepared using a risk-based approach.

Equality and Diversity

Has due consideration been given to the equality impact of this paper? N/A

Freedom of Information

Can this paper be included in open business? Yes, except for Annex 3.

Any other relevant information

The paper will be presented by Mr A Johnston, Audit Committee Member.

Originator of the paper

Dr Deborah Cook
Dr Katherine Novosel
December 2013

Annual Report of the University of Edinburgh, Audit Committee to Court for the year ended 31 July 2013

1 Membership and Frequency of Meetings 2012/2013

Membership of the Committee for 2012/2013 was as follows:

Ms A Richards (Convener) (Co-opted member of Court)
Mr M Sinclair (External member)
Mr A Trotter (External member)
Mr P Budd (Co-opted member of Court)
Mrs E Noad (Co-opted member of Court)
Mr A Johnston (General Council Assessor on Court)

The University Secretary is Secretary to the Committee and its Executive Secretary is the Head of Court Services. The Committee was notified that as from the start of 2013/2014 the Deputy Secretary, Strategic Planning will be Secretary to the Committee and its Executive Secretary, Dr Deborah Cook, Senior Strategic Planner. Routinely in attendance at meetings of the Committee during 2012/2013 were: the Vice-Principal and 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 23 November 2012 at which the Committee considered the Draft Reports and Financial Statements for year ended 31 July 2012 and associated reports.

There were no changes to the membership of the Audit Committee during 2012/2013. However at its meeting on 5 November 2012, Court on the recommendation of the Nominations Committee extended Ms A Richards term of office and Convener'ship of the Audit Committee until 31 July 2014.

The Committee met on four occasions during the course of 2012/2013 in order to fulfil its remit and in addition a Sub-Group of the Committee was convened on 15 January 2013 to specifically consider the Consolidated Financial Statements, July 2012 prepared in accordance with US GAAP requirements. The Committee had previously been informed that institutions out with the USA receiving over \$10m US loans are required to prepare financial statements under US GAAP (Generally Accepted Accounting Principles) to be presented to the United States Department of Education (USDE). The accounts were required to be signed off by Court by 31 January 2013 on the recommendation of the Audit Committee. The Sub-Group of the Audit Committee endorsed the financial statements and recommended their adoption to a Sub-Group of Court held on 22 January 2013.

A joint meeting was also held with the Risk Management Committee on 27 September 2012. The topics discussed included: roles and remits of the Audit Committee and Risk Management Committee; developments in audit and risk management practice presented by the External Auditors; and developing trends in internal audit in the HE sector. The meeting was well received and a similar joint meeting was held in October 2013.

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 held on 23 November 2012 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 and there was valuable discussion on the complexity of the University, the challenges around central and devolved functions, and management responsibilities in taking forward internal audit assignment recommendations.

2 Internal Audit

Terms of Reference and Operating Framework

In order to ensure best practice, the Audit Committee at its meeting on 30 May 2013 reviewed the Internal Audit Terms of Reference (last approved in October 2009) and the Internal Audit Operating Framework (last approved in September 2010). Recent guidance from the Institute of Internal Auditors had suggested that the 'Internal Audit Charter' should be reviewed and approved annually and it was considered that these two documents were equivalent to such a 'Charter'.

The Committee fully endorsed these revised documents which were approved by Court at its meeting on 24 June 2013 on the recommendation of the Audit Committee. The Committee further agreed that going forward these two documents would be reviewed on an annual basis.

Annual Report of the Internal Auditors 2012/2013

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 2012/2013 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:

Based on the work carried out during 2012-13, 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. A statement of appetite for risk was recently agreed. There was a discernible reported drop in the implementation of agreed audit recommendations to address identified control weaknesses. This prompted more pro-active engagement from senior management and this appears to have improved the situation. This allows me to conclude that there remains sufficient evidence 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 24 June 2013, Court, on the recommendation of the Audit Committee, approved the Internal Audit Plan 2013/2014. The Chief Internal Auditor prepared the plan in consultation with senior management, including the Principal as Chief Accountable Officer. The Plan continued to be based on the University being classified as 'risk defined' although it was acknowledged that as a result of approval of the revised Risk Policy and Appetite Statement there would require to be further reflection on this classification.

Internal Audit Performance and Resourcing (2012/2013)

The Audit Committee has instituted a formal process for appraising the performance of the Internal Audit Service and to monitor expenditure against output. The appraisal methodology was reviewed and considered to be fit for purpose.

The Committee agreed that in undertaking the 2012/2013 review it would consider information obtained from the following:

- A benchmarking appraisal paper, comparing the level of internal audit service within the University with similar universities;
- 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 Vice-Principal and Director of Corporate Services 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 23 September 2013, the Committee reviewed these three documents and also taking cognisance of the verbal opinion of External Audit and the Director of Finance 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 within the Annual Report and Accounts.

The Committee in particular welcomed the information in the paper on the benchmarking exercise and noted the satisfactory value for money demonstrated in respect of the University's internal audit provision against other Russell Group institutions. This confirmed information on the resourcing of the Internal Audit Service based on data available from the BUFDG (British Universities Finance Directors' Group) 2013 Audit Survey (based on 2011/2012 accounts) which had been previously considered by the Audit Committee at its meeting on 30 May 2013. The Committee would however continue to monitor the appropriateness of the level of resources available to Internal Audit.

3 External Audit

Appointment and Remuneration of External Auditor

KPMG was initially appointed in July 2001 and through a process of re-tendering and extension of contracts continued to provide external audit services until 31 July 2013: the 2012/2013 Accounts being the last to be prepared under the present external audit arrangements. The Audit Committee had agreed in 2011/2012 to seek to initiate a full tendering exercise for external audit provision in respect of the 2013/2014 audit onwards. At its meeting on 31 May 2012 the Audit Committee had agreed a timetable to take forward the tendering exercise and at its meeting on 27 September 2012 considered and agreed the details for this exercise including specification of work requirements and evaluation criteria tender documentation.

The tendering exercise commenced in November 2012 with a closing date in January 2013 and following an evaluation process a Sub-Group of the Audit Committee appointed at its meeting on 23 November 2012 which included the Convener and two other members of the Committee, considered presentations from the top four short-listed suppliers. After reviewing the quality of the submissions and the presentations, the panel recommended appointment of PwC. On the recommendation of the Audit Committee, Court at its meeting on 13 May 2013 approved the appointment of PwC as the University's external auditor from the 2013/2014 audit for a period of three years with the option to extend the contract by a further two years.

At its meeting on 30 May 2013, the Audit Committee reviewed and was satisfied with the External Audit Plan Overview for the year ending 31 July 2013 prepared by KPMG. The Audit Committee reported to the Court meeting on 24 June 2013 that the proposed external fee for the University, its Subsidiary Companies and Andrew Grant Bequest for the 2012/2013 external audit was £103,483 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. A further fee of £40,000 exclusive of VAT was approved in respect of the external audit of the accounts prepared in accordance the US GAAP requirements.

External Audit Performance (2012/2013)

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 2010/2011. 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 30 May 2013, the Audit Committee considered and endorsed the opinions in the report on the satisfactory performance of External Audit. The Committee noted that the communications between the University and KPMG had been very positive and the Committee fully supported the statement on the professionalism and integrity of KPMG.

Audit Highlights Memorandum for the year ended 31 July 2013

KPMG presented an Audit Highlights Memorandum for the year ended 31 July 2013 covering the University and Group to the Audit Committee meeting on 22 November 2013. KPMG issued an unqualified audit opinion on the 2012/2013 Group and University financial statements, setting out specific recommendations none of which were categorised as high risk and are being addressed by the University. As previously agreed this Highlights Memorandum for the year ended 31 July 2013 is attached at Annex 2 for completeness and for information to Court, the Highlights Memorandum will also 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 23 September 2013 considered the 2012/2013 Value for Money Report attached at Annex 3 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 2012/2013.

5 Risk Management

The Audit Committee received and considered the Annual Report from the Risk Management Committee for the year ended 31 July 2013 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 Report also included at the request of the Audit Committee a separate appendix from the Vice Principal and Chief Information Officer setting out the Information Systems Annual Assurance Report for 2012/2013. 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 2013.

At its meeting on 30 May 2013 the Audit Committee also considered and endorsed the revised University Risk Register welcoming the new format. The Committee also fully supported the revised Risk Policy and Appetite Statement which was approved by Court at its meeting on 24 June 2013 commending the robust and systematic approach taken to the review of risk management documentation.

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 2012/2013 contains information within the Annual Risk Questionnaire (questions 5-7) regarding incidents within Colleges and Support Groups and the Internal Control Questionnaire also contains assurances on fraud. External audit will receive appropriate information. There were no significant reported incidents of fraud.

7 Reports and Financial Statements for the year ended 31 July 2013

The Committee received the Annual Report and Accounts for the year ended 31 July 2013 at its meeting on 22 November 2013 presented in the revised format. 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 Annual Report and Accounts 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 Memorandum for the year ended 31 July 2013; the Risk Management Committee's Report for year ended 31 July 2013; the Central Management Group's Value for Money Report 2012/2013 and direct comments from relevant members of staff of the University, the Audit Committee considered that:

The University's internal control systems during 2012/2013 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 Andrew Grant Bequest

The Audit Committee has agreed at the request of the corporate Trustee of the Andrew Grant Bequest to consider the Trustee's Report and Financial Statements for the year ended 31 July 2013 and associated documents for this charity and a separate Report will be prepared for the corporate Trustee.

10 Other Committee Business

Other issues considered by the Audit Committee during 2012/2013 included: initial observations on the implications for the Audit Committee of the new Scottish Code of Good Higher Education Governance; the University's Corporate Governance Statement; assurances around the mitigation of any potential risks associated with the setting of 2013/2014 fees for RUK-domiciled students; and voluntary severance payments.

The Audit Committee also invited a representative from IS to attend all its meetings where there were any internal audit reports involving IT matters, particularly security issues. The Committee wished robust information and assurances on all IT matters and in order to take this matter forward the joint meeting with the Risk Management Committee held on 28 October 2013 included a presentation on IT security. The Committee was also concerned during 2012/2013 on the process to take forward agreed recommendations within internal audit reports and as a result information was provided following each meeting of Audit Committee to the Central Management Group on outstanding recommendations to raise awareness and to initiate appropriate actions from Heads of Colleges and Support Groups.

Dr Katherine Novosel
Head of Court Services
November 2013

ANNEX 1

Internal Audit Annual Report 2012-2013**A Internal Audit Opinion**

1. In line with our Terms of Reference, the SFC Financial Memorandum and the CUC Handbook¹, our opinion on the adequacy and effectiveness of the institution's arrangements for risk management, control and governance is as follows:

Based on the work carried out during 2012-13, 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. A statement of appetite for risk was recently agreed. There was a discernible reported drop in the implementation of agreed audit recommendations to address identified control weaknesses. This prompted more pro-active engagement from senior management and this appears to have improved the situation. This allows me to conclude that there remains sufficient evidence 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.

2. It is important to note that:
 - The annual opinion is based upon the work performed during the year as summarised in Appendix A;
 - 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.

B Audit Approach and Methodology

3. Internal Audit's responsibilities, as defined in its Terms of Reference and Operating Framework which were updated and re-approved by Court on 24 June 2013, 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

4. The SFC Financial Memorandum² states that institutions will find it useful to take account of the CUC Handbook. This reaffirms that, to help the University accomplish its

¹ 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/

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.

5. 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).

Coverage

6. Appendix A lists the 36 assignments completed during the year (29 in 2011-12) in the order that reports were completed. It also summarises the main findings of each of these 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. 9 additional assignments (including 3 special investigations) were accommodated during the year. The planned review of Strategic Plan Key Performance Indicators was deferred to 2013-14 due to changes in the senior staff responsible for this within the University during the summer. Based on the resources required to complete the audit plan, it is 96% completed. Work is continuing on 8 assignments. IT and other audit specialists were engaged to provide support on specific assignments, funded by increased resource made available by the Director of Corporate Services and revenue arising from services provided to our commercial client.

7. In summary there were:

6 Additional Assignments; Staff Benefit Scheme (SBS) Trust Deed & Rules, Insurance, Controlled Drugs, E-Authorisations, Major and Small Research Facilities, Feedback to Students on Course Performance.

3 Special Investigations; Online Printing Services, Attempt to access a student's personal financial records, Cheque fraud scam.

1 Deferred Assignment; Strategic Plan Key Performance Indicators

8 Continuing Assignments; Financial Controls in Support Groups, Academic Collaborations, Procurement arrangements, Annual Reviews, Capital Projects - compliance with external conditions, Restricted Funds, Edinburgh University RUK Bursaries, Major and Small Research Facilities.

8. The Chartered Institute of Internal Auditors (CIIA) International Standards (2013)³ state that:

"internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations, and

² Scottish Funding Council Financial memorandum, effective from 1 January 2006.

http://www.sfc.ac.uk/effective_institutions/financialmemorandum/mandatory_requirements.aspx

³ Chartered Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing, revised 2013.

information systems regarding the” 4 requirements shown in the table below. This table seeks to illustrate that our work in 2012-13 has addressed the International Standards (2013) as referred to above.

	<u>IIA Requirement</u>	<u>Addressed by Internal Audit reviews</u>
	<i>Reliability and integrity of financial and operational information</i>	School audits (7); Population of REF 2014 Module in PURE, Equine Veterinary Services - Equine Hospital
	<i>Effectiveness and efficiency of operations</i>	Distance Education Initiative, CMVM Postgraduate Office Recruitment Procedures, Personal Tutor Support Systems, CHSS Postgraduate Research Student Progression Monitoring
	<i>Safeguarding of assets</i>	IT Security audits (6), IT Infrastructure Network Monitoring, Identity Management (service) IDM, Insurance.
	<i>Compliance with laws, regulations, and contracts</i>	Stewardship of Philanthropic Gifts, Data Protection Act compliance involving student data, Key Information Sets, Controlled Drugs.

C Risk Management

9. 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.”

10. Drawing on the University’s risk management processes, internal audit planning uses risk assessment to select areas for review in the internal audit plan. This is in accordance with the requirements of the CIIA International Standards (2013).
11. We assessed the University’s Risk Maturity, essentially an evaluation of the degree and extent of risk management being “embedded” through an organisation. We again concluded that risk maturity could be classified as ‘risk defined’ (see Appendix C) and that effective overarching risk management processes are in place for the University, Colleges and Support Groups, but not at the level of all Schools and operational areas. We are able to identify risk management policies and aspects of risk management excellence. In accordance with our classification of “risk defined”, our assessment of risk management draws upon areas of good risk management practice in place supplemented by our own assessment.

12. 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 all key University Committee papers. The Internal Audit planning process draws upon the University's corporate Risk Register and the Risk Registers of Colleges, Support Groups and subsidiaries.
13. The RMC 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 intends to increase institutional awareness and understanding of risk. The University's corporate Risk Register is refreshed annually. The University, in 2013, revised its Risk Management Policy and Appetite Statement which included a new definition of risk appetite, focusing on specifying and illustrating risk appetite at a more granular level. An annual joint meeting of the Audit Committee and Risk Management Committee has been established; the meeting scheduled for September will focus on information security issues.
14. 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.
15. We are able to confirm that there is a strategy 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 D.

D Control

16. The CIIA International Standards (2013) 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."

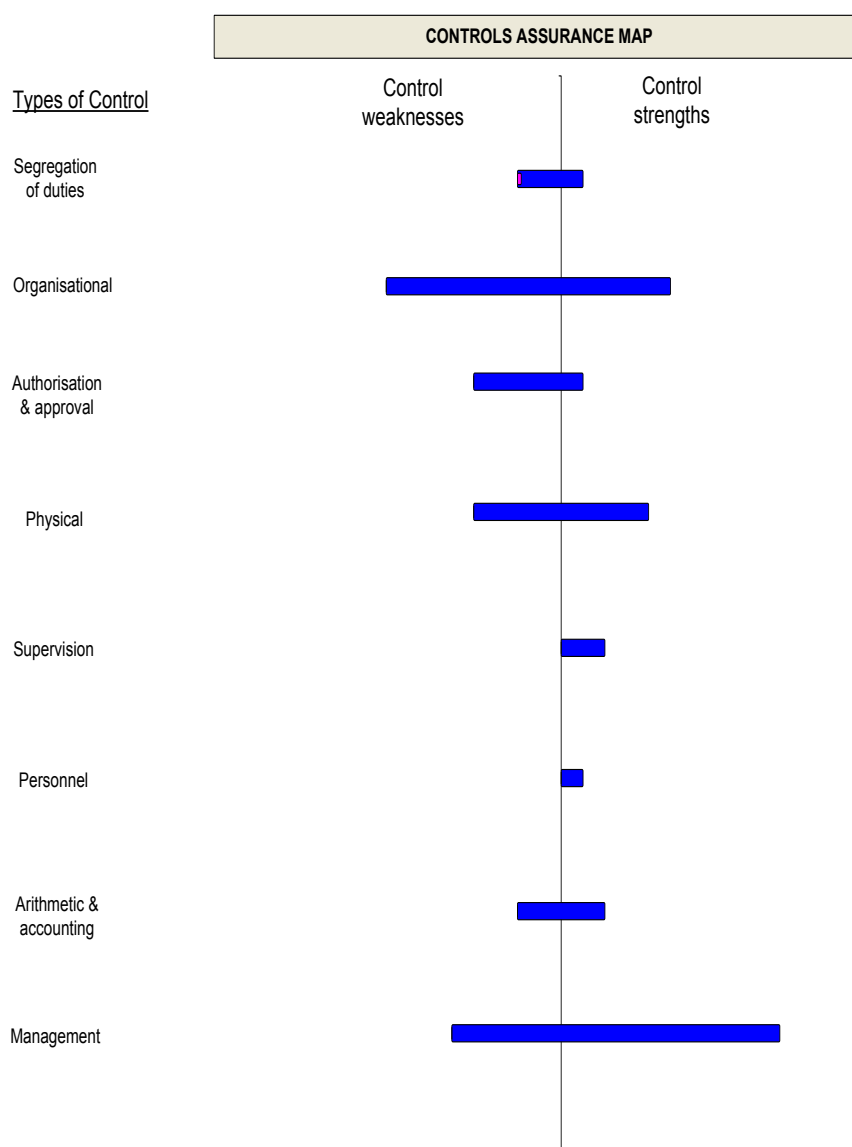
17. Accordingly, the audit plan identified assignments to address requirements of this Standard and, where appropriate, and the Standards incorporated in the Public Sector Internal Audit Standards (effective from 1 April 2013).
18. The University has undertaken to comply with the UK Corporate Governance Code (new edition published in September 2012) which states that

"The board should, at least annually, conduct a review of the effectiveness of the company's risk management and internal control systems and should report to shareholders that they have done so. The review should cover all material controls, including financial, operational and compliance controls."

19. In coming to a view, members are expected to seek input from the Audit Committee, other constitutional committees, senior management, and external and internal audit.

The new *Scottish Code of Good HE Governance* which comes into effect during 2013/14, has drawn on the UK Corporate Governance Code⁴ as a source of good practice.

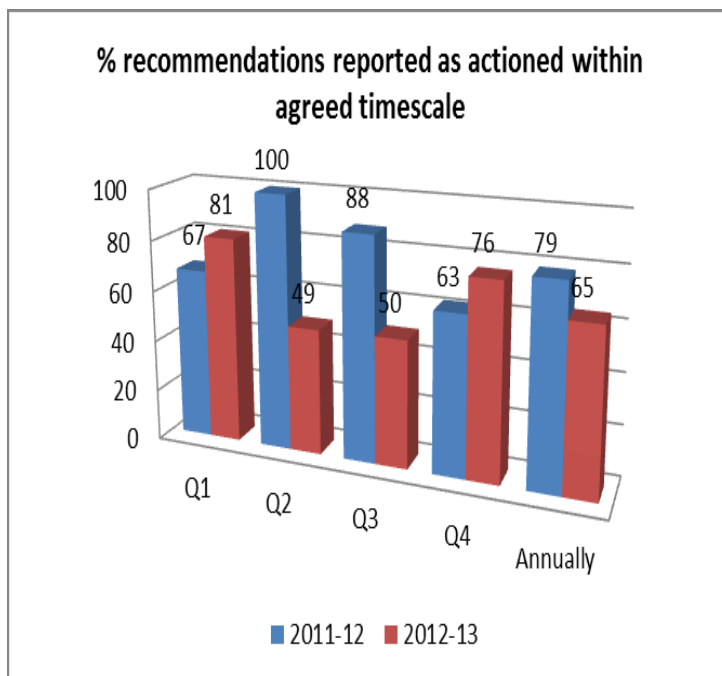
20. A summary of each audit report is set out in Appendix A. Using a recognised framework of internal controls, we recorded the more significant control weaknesses and control strengths for assignments completed during the year. The Controls Assurance Map below highlights our overall assessment of the control weaknesses and strengths based on our audit work. The apparent changes on last year are weaker organisational controls, more reliance on management controls and a general strengthening of the segregation of duties, physical and supervisory controls.



⁴ <http://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-September-2012.aspx>

Follow Up Reviews

21. Integral to an effective control environment is evidence that appropriate management arrangements are in place to ensure that recommendations made and agreed to improve the control environment have been implemented as agreed. Our findings from follow up reviews during the year showed **65%** of originally agreed recommendations were reported as having been actioned within the original timescale. This is a discernible drop from the previous year (79%). A



summary of our findings compared with the equivalent data for the year before shows:

% recommendations reported as actioned within agreed timescale reported to Audit Committee

Audit Committee	2011-12			2012-13		
	Total Recs checked	Actioned	%	Total Recs checked	Actioned	%
Q1	73	49	67	37	30	81
Q2	43	43	100	77	38	49
Q3	75	66	88	42	21	50
Q4	48	30	63	101	77	76
Annually	239	188	79	257	166	65

22. This would suggest that there has either been a reduced appetite to maintain the control environment and / or more pressing competing priorities have arisen.

23. Following a suggestion by the Audit Committee, CMG now routinely receives internal audit reports noting progress in implementing agreed internal audit recommendations.

E Governance

24. Governance is defined in the CIIA International Standards (2013) 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.”

25. In 2012-13 we considered governance matters specifically during individual reviews and also reviewed the more localised governance arrangements in the location-based audits. We also specifically reviewed governance arrangements relating to the delivery of the stewardship of philanthropic gifts, research council awards, the Staff Benefits Scheme, IT security incident reporting and the CHSS doctoral training centre.

26. The SFC Accounts Direction for Scotland’s Colleges and Universities requires universities to include in their financial statements a statement covering the responsibilities of their governing body in relation to corporate governance. This statement is required to indicate how the college or university has complied with good practice in this area. A separate paper is presented to the University Audit Committee 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.

27. As noted in Paragraph 23 above, CMG is now involved in more regular monitoring of progress to implement agreed Internal Audit recommendations.

F Value for Money (VfM)

28. 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.”

29. 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. VfM is synonymous with performance improvement and / or operational efficiencies. The Finance Department provides an annual report to CMG on VfM initiatives.

30. 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. We identified two areas specifically (Edinburgh College of Art and Equine Veterinary Services) where greater value for money was achievable through improved clarity of budgetary ownership. In addition to our appraisal of management’s arrangements for securing value for money, 11 out of 36 audit assignments carried out in 2012-13 highlighted potential value for money opportunities for the University. These are listed in Appendix E.

31. 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 D.

G University Internal Audit Service – quality control

Quality Assurance

32. The CIAA International Standards (2013) 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.” The reviewer should ideally have knowledge of the sector. The Audit Committee agreed in 2010 that it would be sufficient to participate in a peer group assessment every 4 years. A Quality Assurance Assessment exercise was conducted in 2012 and assessed the University of Edinburgh Internal Audit Service as achieving best professional practice for each of the six themes evaluated.
33. The Internal Audit Service achieved recognition of IIP (Investors In People) status in 2010 and in 2013 achieved the enhanced status of Bronze Award.

Continuing Professional Development (CPD)

34. 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 specialist contractors utilised this year were as follows.

<u>Position as at July 2013</u>	CIA	Senior Aud'r	Senior Aud'r	Senior Aud'r	Contr 1	Contr 2	Contr 3	Contr 4	Contr 5
Years in Internal Audit	28	19	11	5	7	10	9	11	10
Years in HE/FE	14	15	8	14	23	10	2	4	14
Years in Public Services	40	21	8	17	32	25	21	8	18
Years with relevant auditing / accounting / IT qualification	27	15	33	19	26	31	9	6	17

External Professional Engagement

35. Our team has once again played a part in the extended profession of internal auditing. We are members of CHEIA and of the CIAA, the leading professional body for internal auditors.
36. We provided comment on the planned revisions to CIAA's International Standards (2013) and submitted our comments via CHEIA. We have led CHEIA's response to the consultation on the development of new UK Public Sector Internal Audit Standards. The

Chief Internal Auditor leads a working group within the sector to compare the effectiveness of sector quality assurance procedures against those promoted by the CIIA and to establish appropriate frequency of use.

37. The Chief Internal Auditor is a member of the global Council of his professional accountancy body, ACCA⁵, and is Vice Chairman of CHEIA. A Senior Internal Auditor is the Convener of CHEIA's Northern Regional Executive and a member of his professional accountancy body, CIPFA's Scottish Executive Committee. He completed the Institute of Leadership and Management (ILM) Level 3 Award. Another Senior Internal Auditor passed the final examinations for the Chartered Membership of the Institute of Internal Auditors (CMIIA) qualification and the other Senior Internal Auditor serves on the committee of the Scottish IDEA User Group.

Performance Monitoring

38. The CUC Handbook states that the Head of Internal Audit should "monitor internal audit's performance annually against agreed performance measures." Appendix B1 includes a selection of key performance indicators (KPI's), and Appendix B2 provides a summary of responses to the performance questionnaires received from management, following an audit in their area. This shows that 97% of the responses registered were 'satisfied' or 'fully satisfied'.

Hamish McKay
Chief Internal Auditor

⁵ The Association of Chartered Certified Accountants.

Appendix A

SUMMARY FROM AUDIT ASSIGNMENTS DURING 2012-2013

2012/13 AUDITS	Summary (reflecting the position at the time when the work was carried out)	Recommendations
1) Stewardship of Philanthropic Gifts	The audit was undertaken at the request of the Principal seeking assurance that philanthropic donors are being suitably engaged to maintain their interest. It also reviewed the University's response to the recent (Woolf) report on the London School of Economics (LSE's) relations with Libya. More was needed by the University to respond to the Woolf Report in order to minimise risk of funding being inadvertently accepted from donors who may be undesirable. The Development and Alumni Department lacked mechanisms to highlight possible donor dis-satisfaction and this extended to the independent fundraising of individual Schools. [Court approved enhanced procedures for the ethical screening of donations in May 2013.]	8
2) Identity Management (service) (IDM)	IDM holds information on entitlement of all University computer users to the key IT services; it replaced a previous in-house system which was not able to meet the ever-increasing demands on it. It is an absolutely critical link in the provision of University IT services. The availability of IDM was very good, and substantially better than the system it replaced. There was a need to bring together providers and consumers of the IDM service in order to make strategic decisions about future IDM development. [An IDM User group representing the providers and consumers of IDM data has met.]	4
3) Doctoral Training Centre in the College of Humanities and Social Science	The University hosts the Doctoral Training Centre (DTC) for social sciences in Scotland. The DTC channels funding from the Economic and Social Research Council (ESRC), and other sources, to its students. The audit reviewed the governance and management to seek assurance that the DTC will deliver its objectives without Edinburgh taking on disproportionate risk as the lead institution. A supplementary, more detailed, Memorandum of Understanding signed at University Principal level was needed to help ensure that risk is transferred effectively.	3
4) IT Security - Penetration Testing (EASE)	We tested some aspects of the University's EASE authentication system. No critical vulnerabilities were detected. The penetration test highlighted vulnerabilities which needed to be assessed within the local context, but not necessarily so in a University context where the information is common knowledge. The Principal confirmed that he was content to note the residual risk with regard to the remaining vulnerabilities detected.	4
5) IT Security - Penetration Testing - School of Social and Political Science	This external penetration test looked at a number of selected applications and services in the School of Social and Political Science. No critical vulnerabilities were detected. Of the lesser vulnerabilities identified, in the mobile category, the School had been concentrating most effort on securing devices. They have now shifted the emphasis to securing access to applications and data, coupled with improved user education to raise awareness of the reputational and financial loss.	8

2012/13 AUDITS	Summary (reflecting the position at the time when the work was carried out)	Recommendations
6) School of Physics and Astronomy	It was agreed that the review would focus on the controls in the School stores; the School's delegated authority levels; and the recording of School computer equipment assets. Testing provided comfort that there were generally effective procedures in place to ensure that only valid and appropriately authorised expenditure was processed in accordance with approved School delegated authority levels and University and School policies and procedures. There was potential to minimise the risk of inappropriate commitments further through review of existing delegated authority arrangements and improved segregation of duties, particularly at the Institute for Astronomy. There was also potential to enhance controls associated with the stores and the recording of computer equipment.	4
7) CMVM Postgraduate Office Recruitment Procedures	The College of Medicine and Veterinary Medicine (CMVM) were keen to optimise the development and management of their Postgraduate Taught (PGT) Programmes and were progressing a review of the processes surrounding the use of Programme business plans. There was an opportunity to make the financial management and responsibility for Programmes clearer so that the annual review processes could be carried out in a consistent manner, allowing Key Performance Indicators to be developed and monitored at College level. We recommended that the continued viability of each Programme should be endorsed by College on an annual basis. Clear guidance was needed on the circumstances under which a Programme would be discontinued. There was potential to make more use of enquirer and applicant information to focus applicant processing/communications on the most likely candidates.	12
8) CHSS Postgraduate Research Student Progression Monitoring	We reviewed the assessment and feedback arrangements to postgraduate research students in the College of Humanities and Social Science (CHSS). The University attaches importance to effective feedback mechanisms for students and there are policies and guidance in place defining associated responsibilities. However, our testing found that the mechanisms in place in CHSS to ensure that all such students have their progression adequately monitored were not being fully applied in practice. Therefore more formal monitoring of annual reporting needed to be developed to help ensure the process is being performed as intended by CHSS. It could not be demonstrated that all PhD Supervisors have attended the expected training sessions, though some local arrangements helped compensate for this. This should reduce the risk of adverse impact on the student experience and of the inappropriate commitment of resources.	3
9) IT Security - Physics and Astronomy – Edinburgh Parallel Computing Centre (EPCC) projects	We reviewed three research projects within EPCC with a view to ensuring confidentiality, integrity and availability of their data. We acknowledged one exemplar approach to accessing data securely and recommended measures to replicate this approach. With the lack of a shared formal methodology, there was a heavy dependence on the qualities and attributes of the key individuals involved. Whilst the responsibility for ensuring that specific security processes are carried out lies with the Head of School, there was a need for a consistent focus for the application of IT Security policies / procedures and the provision of upward assurance. One measure includes having the role of an IT Security Officer vested in one person, in line with the IT Security Policy. [The School	3

2012/13 AUDITS	Summary (reflecting the position at the time when the work was carried out)	Recommendations
	has advised that the focus lies jointly with the Director of IT Services and the School Computing Manager.]	
10) Population of REF2014 module in PURE	We reviewed the University's progress in collating data to support the submission for REF2014. PURE is a research management tool used widely in the University. One of its functions is the REF2014 module to support our REF 2014 submission. We offered assurance that the University was working effectively and timeously towards collecting the appropriate data and that GaSP (Governance and Strategic Planning) was exercising effective oversight. One of our three recommendations was to strengthen oversight over the data pertaining to staff personal circumstances; this was the most sensitive aspect and therefore least shared.	3
11) Personal Tutor support systems	We assessed the Personal Tutor System (PTS) project using the University's Major Project Governance Toolkit which includes guidance on assessing which projects should be classed as 'major' projects and on the governance framework needed. Phase 1 of the PTS project has been successfully completed and Phase 2 was being progressed. We found there was a clear organisational framework for the PTS project and this has been kept up to date as the project has developed. We have recommended enhancements to the project governance arrangements for the PTS by providing greater clarity on the authority, roles and responsibilities of Project Board members and that a risk register be established and maintained. We recommended that the use of agreed project resources should be monitored against project progress and that interim milestones for each sub-project within PTS should be introduced. The Project Board needed to be provided with regular updates of resource use and progress.	5
12) IT Infrastructure - Network monitoring	We reviewed processes in place to monitor University networks and found that these were effective in highlighting certain types of suspicious network activity and have triggered appropriate action. While current processes will detect some - but not all - suspicious incidents, we were satisfied that this was an effective approach and noted that management continues to consider additional arrangements.	0
13) School of Engineering	The audit objective was to assess the adequacy of policies and procedures in place and the quality of the internal controls operated in key areas. The audit concluded that whilst many policies and procedures existed, they were not suitably structured. Many were not readily accessible to staff. They needed to be reviewed, updated and made available to staff in a logical, indexed structure. The audit also concluded that whilst many controls existed, some were not as reliable as thought, notably physical controls over stores and the approval of expense claims.	6
14) Attempt to access a student's personal financial records	A student reported to the University an apparent attempt by an unknown person to obtain her personal bank details (phishing). It was not possible to identify how data was obtained to facilitate the phishing attempt. Enquiries as to a possible source of data seepage from the University were, and are always likely to remain, inconclusive. The student has not suffered a monetary loss and has recorded that she was more than happy with the response she	0

2012/13 AUDITS	Summary (reflecting the position at the time when the work was carried out)	Recommendations
	received from the University.	
15) Edinburgh College of Art (ECA)	We reviewed financial controls in ECA to seek assurance that since the merger, financial processes have aligned with those of the University. The main finding was that financial processes had largely integrated with those of the University. Despite this, the application of the underlying controls needed strengthening. We made recommendations to clarify ownership of budgets and strengthen retail and cash handling controls. We highlighted the need to shorten the interval between income being awarded to support students and the payments being made.	8
16) Cheque fraud scam	Fraudulent cheques were used to obtain funds from an official University bank account. The transactions were spotted by Finance Department staff when carrying out the regular bank reconciliation and they were immediately reported to the bank. The fraudulent cheque documents were of a high technical standard, purporting to be official University of Edinburgh cheques. The authorised signatures were false and did not match any of the current or recent signatures provided to the bank. The cheques should never have been honoured by the bank and the bank has now fully reimbursed the funds. This incident happened to coincide with a police investigation potentially involving the same fraudsters and a court case was pending. All reasonable checks had been made to establish whether there was a credible source, or reference point, within the University for these cheques, but to no avail. We were satisfied that the University was an innocent victim of an attempted fraud using fabricated cheques.	0
17) Distance Education Initiative (DEI)	By design, IT support for the DEI used the same mechanisms as for on-campus students. The strategic decision to treat DEI students in the same way as on campus students had avoided the creation and administration of a parallel IT support regime. Following favourable feedback from student representatives, some aspects of DEI provision had been incorporated into on-campus course.	3
18) Institute of Genetics and Molecular Medicine	The MRC Human Genetics Unit (HGU) transferred to the University from the Medical Research Council (MRC) in October 2011. The HGU is now part of the Institute of Genetics & Molecular Medicine (IGMM). HGU had already adopted and integrated with key University systems and IGMM were progressing the integration of the three business units that make up the Institute. We identified a need to make clear the responsibilities at a senior level in the School of Molecular, Genetic & Population Health Sciences and IGMM. Management had a proactive approach and we provided assurance that overall internal controls in HGU were adequate. We also identified opportunities to enhance processes and procedures further.	10
19) Space Management - Postgraduate Taught	The University has a strategy to increase the number of PGT students and to move towards charging market-based fees for PGT programmes in parallel with improving overall student experience, including infrastructure and learning resources. Concerns had been raised, including that a lack of space of the appropriate quality may be perceived as a restriction on the ability to increase fees and/or student numbers. Much work had already been carried out in this area, including the development of the Timetabling System and the	4

2012/13 AUDITS	Summary (reflecting the position at the time when the work was carried out)	Recommendations
	contributions of working groups considering specific aspects of space management and student needs. However we felt that as space management now involves a wide range of stakeholders, there was a need to further clarify policy and roles and responsibilities.	
20) Insurance	We found that the University's main insurance was managed effectively. While some smaller insurances were bought elsewhere in the University, we found no evidence of duplication. There was patchy knowledge in operational areas of the insurance covers in place, leading potentially to missed opportunity of placing claims. Policy documents were now being scanned electronically and it was agreed that a formal policy covering the retention and storage of original insurance documentation be drawn up.	6
21) Data Protection Act (DPA) compliance involving student data	We reviewed instances of Schools disclosing student data to external bodies; the main reason for this being to facilitate professional accreditation. Specific issues identified were addressed. Student Admissions & Curricula Systems (SACS) is the owner in the University of student data while in the student records system (EUCLID), and also beyond. When SACS grant access to other users, they need to make clear the responsibilities these users are accepting concerning the Act. We found that while there was generally good DPA awareness in Schools, some specific ground rules were not widely known. [Guidance has since been released.]	3
22) School of Law	We found controls in the School were generally effective with examples of good practice in areas of budget setting, reconciliation, monitoring and provision of management information. We found sound authorisation controls over payments, research activities, scholarships and IT asset management. We made recommendations regarding UKBA pre-employment checks, 'hours-to-be-notified' payments being miscalculated, completeness of income, management of petty cash, lone working procedures and first aid cover.	10
23) Key Information Sets	The University has been required to publish 'Key Information Sets' (KIS), which is a new measure to offer potential students a comparison of like degree programmes. We offered assurance that the University's processes for building the KIS were effective. It was recognised that the KIS alone was an incomplete measure which undersells the student experience. The University was addressing the need to contextualise this information and present a more holistic view. Having now built these measures of course data, the University intended to use the opportunity to define courses models and plan future courses.	2
24) Research Council Awards	Following funding constraints, Research Councils have been increasingly transferring responsibility to higher education institutions for self-regulation of Research Grant applications through mechanisms such as internal peer review. The University had introduced a range of measures to enhance arrangements associated with internal peer review processes. These provided some comfort that the expectations of the Research Councils were being met through ensuring peer review was taking place at appropriate levels prior to submission of applications. There was potential 1) to enhance existing	3

2012/13 AUDITS	Summary (reflecting the position at the time when the work was carried out)	Recommendations
	mechanisms to ensure formal approval of new requirements relating to research policy and practices; and 2) for the authorisation procedures in CMVM to more explicitly incorporate internal peer review.	
25) School of Divinity	We found certain controls in the School of Divinity to be sound with examples of good practice in areas of segregation of duties and budget monitoring. We found effective authorisation controls over payment and research activities. However we identified areas where controls needed to be improved, namely research expenditure monitoring, cash handling and maintaining asset registers of both IT assets as well as antique paintings, statues and furniture held in the School.	11
26) IT Security Incident Reporting	A comprehensive University wide mechanism to gather information on IT Security related incidents remained a goal. Whilst the strategy on IT security incident reporting had been defined, the workable protocols and mechanisms had yet to be devised. [The recommendation to commission the Information Technology Committee to secure consensus regarding appropriate protocols and the mechanisms to achieve effective IT security incident reporting across Schools and Support Units was accepted.]	2
27) Equine Veterinary Services - Equine Hospital	A number of procedures and guidelines at the Equine Hospital (EQH) relating to patient management, pricing, charging and stock control had already been reviewed or introduced by management. However we found a number of areas in EQH where stock items and professional services were not being fully or properly recorded against client accounts and that issuing of stock had, until very recently, not been properly controlled. Once final accounts had been compiled for clients, there was a lack of transparency and completeness in the way any credits were applied to client accounts. We also found that there was a lack of clarity over who was responsible for the EVS budgets. We estimated that the scale of unrecovered costs via various routes may have been of a similar scale to operational losses in the EQH.	17
28) Controlled Drugs – Veterinary Services	We reviewed Controlled Drugs management at Veterinary Services after an apparent discrepancy had been noted in a Controlled Drug register during a separate audit of the Equine Hospital. The overall management of Controlled Drugs in Veterinary Services complied with relevant legislative requirements and good practice. Areas tested included procurement; storage and access control; record keeping and the destruction / disposal of out of date stock. We noted a potential weakness in access control at 1 of the 8 Controlled Drugs cabinets in use which management addressed during the audit. We recommended the adoption of a more consistent approach to regular stock checks and corresponding formal stock check entries in the Controlled Drugs Registers.	4
29) College of Medicine EEMeC Application - IT Security	The Edinburgh Electronic Medical Curriculum, EEMeC, application is a web based, bespoke virtual learning environment. It provides an online intuitive learning environment that supports the undergraduate MBChB Programme. In addition to sensitive assessment and marking data, the application allows	2

2012/13 AUDITS	Summary (reflecting the position at the time when the work was carried out)	Recommendations
	access to a number of tools and resources. The EEMeC application is used by over 3,000 staff and students and it has an assessment of “high” ⁶ in terms of its criticality. We identified many instance of good operational and development practice. Some small weaknesses were identified and are being addressed by support staff.	
30) School of Mathematics	Testing provided comfort that there were generally effective procedures in place to ensure that only valid and appropriately authorised expenditure was processed. However there was potential to minimise risk of inappropriate commitments further through review of existing delegated authority arrangements and segregation of duties. We reviewed the arrangements for scholarships as they constituted a relatively high proportion of the overall School budget and were able to confirm that their payment and accounting was being processed as intended by the University. We identified some cases where expenses claims had not been approved in compliance with the University Expenses Policy. The College Office was addressing this issue.	3
31) eAuthorisations	eAuthorisations fulfils the need for a centralised record of authorised signatures. It is based on a former paper record, but with added functionality including links with some financial IT systems. There is a user misconception that changes to eAuthorisations will ripple through to all major financial systems which commit expenditure. This does not happen, hence there is some divergence between actual levels of authorisation and levels recorded in eAuthorisations. We observed a practice of users bypassing IT controls altogether in purchasing and in claiming expenses. We listed some issues which could be considered for the future development of eAuthorisations.	2
32) School of Engineering EXAM Application - IT Security	On operational matters, the School Teaching Office oversees the course administration of all the taught courses delivered by the School. A key component of this service is the EXAM database and its dedicated network. This application has a criticality rating of high ⁷ but there is no Code of Practice in place to support any business case for re-developing the application. Microsoft support for the application’s workstations and the database software ends in April 2014 and will generate additional risks. Governance of the application is satisfactory, with close working relationships in evidence.	3
33) Staff Benefits Scheme (SBS) Trust Deed and Rules	An employee reported that the outsourced pension Administrators had supplied different versions of a pension forecast via different routes. It then transpired that an actual pension payment was significantly higher than the amount forecast one month previously. SBS Trustees reported that there had been a possible problem with interpretation of Trust rules in the past. Internal Audit was invited to comment upon internal control arrangements. We determined that the Trustees could draw comfort from the arrangements to implement Trust decisions. We suggested that the external administrators be asked to explain the reasons for the differences and quantify the impact of the differing interpretations.	0

⁶ In terms of their criticality, the University’s [Information Security Policy](#) categorises systems as high, medium or low.

⁷ In terms of their criticality, the University’s [Information Security Policy](#) categorises systems as high, medium or low.

2012/13 AUDITS	Summary (reflecting the position at the time when the work was carried out)	Recommendations
34) Feedback to Students on Course Performance (2)	The original audit review was prompted by the acknowledged risk to the University of continuing low scores in the student responses to questions in the National Student Survey (NSS) relating to assessment and feedback. We provided a draft audit report to management on this topic and a corresponding Interim Summary Report to the Audit Committee in September 2012. We have now reviewed progress in this area and we are satisfied that the work proposed by management to analyse the reasons for the University's low NSS results has been completed or is underway as planned. A Remediation Strategy is now in place and has been agreed by Court. There is evidence that the Remediation Strategy is being actively progressed.	0
35) Special Investigation - Online Printing Services	The University supports an Online Printing Services facility (mainly for students). Internal Audit was notified by Finance that several top up payments to fund an Online Printing Services account had been reimbursed to the originating credit card account that had made the payment, since the credit cardholder had declared that the amounts had not been authorised. The credit cardholder was not the student who had the Online Printing account. We conducted an investigation and both parties involved were traced and contacted. As a result of our actions the University was able to recover the value of the unauthorised transactions. We were able to confirm that the incident was not indicative of any control deficiencies in the University's processes.	0
36) Risk Management	Internal Audit routinely receives the papers of the Risk Management Committee, and the Chief Internal Auditor attends the Committee meetings. This provides an opportunity to comment upon specific risk assessments and contribute to discussions on emerging risks, and also to inform the audit planning process. In 2012-13 the University declared its risk appetite for the various categories of risk. Our annual assessment of the University's risk maturity again concluded that it could be classified as 'risk defined' as illustrated in Appendix C. The University's risk management processes are illustrated in Appendix D.	0

(Listed in the order in which reports were completed and reflecting the position when the assignment was carried out.)

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 2008-09	Year 2009-10	Year 2010-11	Year 2011-12	Year 2012-13
General performance indicators					
Annual cost of service	£233k	£245k ¹	£253k	£255k	£289k
Direct audit days available ²	692	694	658 ³	675	735
Cost per direct audit day	£337	£353	£385 ³	£378	£394
Number of audits	32	31	32	29	36
(+ those to finalise)	7	7	8	8	8
Number of recommendations made	116	110 ⁴	122 ⁴	127	156
Performance measures indicating efficiency					
University of Edinburgh income received / Internal Auditor (£M)	£138.83	£147.88	£158.50	£162.71	£175.22
University employees / Internal Auditor	1,984	1,980	1,960	2,184	2,263
% Available time applied to audit work	81%	82%	80%	77%	78%
% Allocated audit time actually spent conducting audit work	95%	100%	92% ³	90%	92%
% Completion of the annual plan by annual report date	98%	94%	95%	96%	96%
Performance measures indicating effectiveness					
% Audit work undertaken by staff with directly relevant qualifications	71%	87%	100%	100%	100%
% Recommendations agreed by management	100%	97% ⁴	99%	100%	99%
% Audits perceived to add value	96%	94%	94%	92%	94%

¹ Includes a deduction of £23,893 to allow for one-off payments for IT System Firewall testing and for Investors In People application.

² Is affected by staff recruitment, staff induction, phasing of annual leave and timing of work done for commercial client.

³ 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.

⁴ 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.

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 2012-13.

Internal Audit Performance Evaluation Questionnaires

Based upon feedback from 16 returns received for 11 Audit Assignments.

	YY	Y	N	NN	NA / Nil response
1. Were you given adequate notification of the audit?	11	4	1		
2. Were you informed adequately of the audit objectives and scope?	11	5			
3. Were the appropriate staff consulted for the audit area covered?	13	3			
4. Did staff conduct themselves in a professional manner during the audit?	13	3			
5. Were you given the opportunity to discuss the report with the auditor prior to finalisation?	12	3	1		
6. Were the recommendations in the report practical and realistic?	9	6	1		
7. Was the report produced to a professional standard?	12	4			
8. Do you feel that the audit was worthwhile and has added value to your work?	12	3	1		
Percentage %	73%	24%	3%	0%	0%

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

(Due to timings, the returns do not reflect all Audits undertaken during this year, and include some audits from previous years.)

NOTE – the responses to a set of 30 Performance Evaluation Questionnaires covering 18 different audit assignments issued in March 2013 have unfortunately been lost. This was due to changes in the personnel involved in receiving and processing the completed questionnaires. Procedures have now been re-established with appropriate staff for the Questionnaires reported in the table above and for future issues of Questionnaires.

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 management assignments). While we have made minor adjustments and updated our own comments, our overall assessment of the University's risk maturity is that it remains Risk Defined.

Note: For the avoidance of doubt, the larger table is reproduced from the Chartered 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 Chartered Institute of Internal Auditors UK and Ireland - An approach to implementing Risk Based Internal Audit - Assessing the Organisation's risk maturity						
Risk Maturity	Risk naive	Risk aware	Risk defined	Risk managed	Risk enabled	Sample audit test
Key characteristics.	No formal approach developed for risk management.	Scattered silo based approach to risk management.	Strategy and policies in place and communicated. Risk appetite defined. <input checked="" type="checkbox"/>	Enterprise approach to risk management developed and communicated.	Risk management and internal controls fully embedded into the operations.	

Internal Audit Comment

This is our overall assessment of the University's risk maturity based upon the assessment of the risk processes noted below.

Process

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

The University Strategic Plan 2012-2016 is in place. Progress against the plan is regularly monitored and documented. The strategic risk register is mapped to the Strategic Plan.

Not all managers have received training.

In place.

Court approved an updated risk appetite. It focuses on specifying and illustrating risk appetite at a more granular level.

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

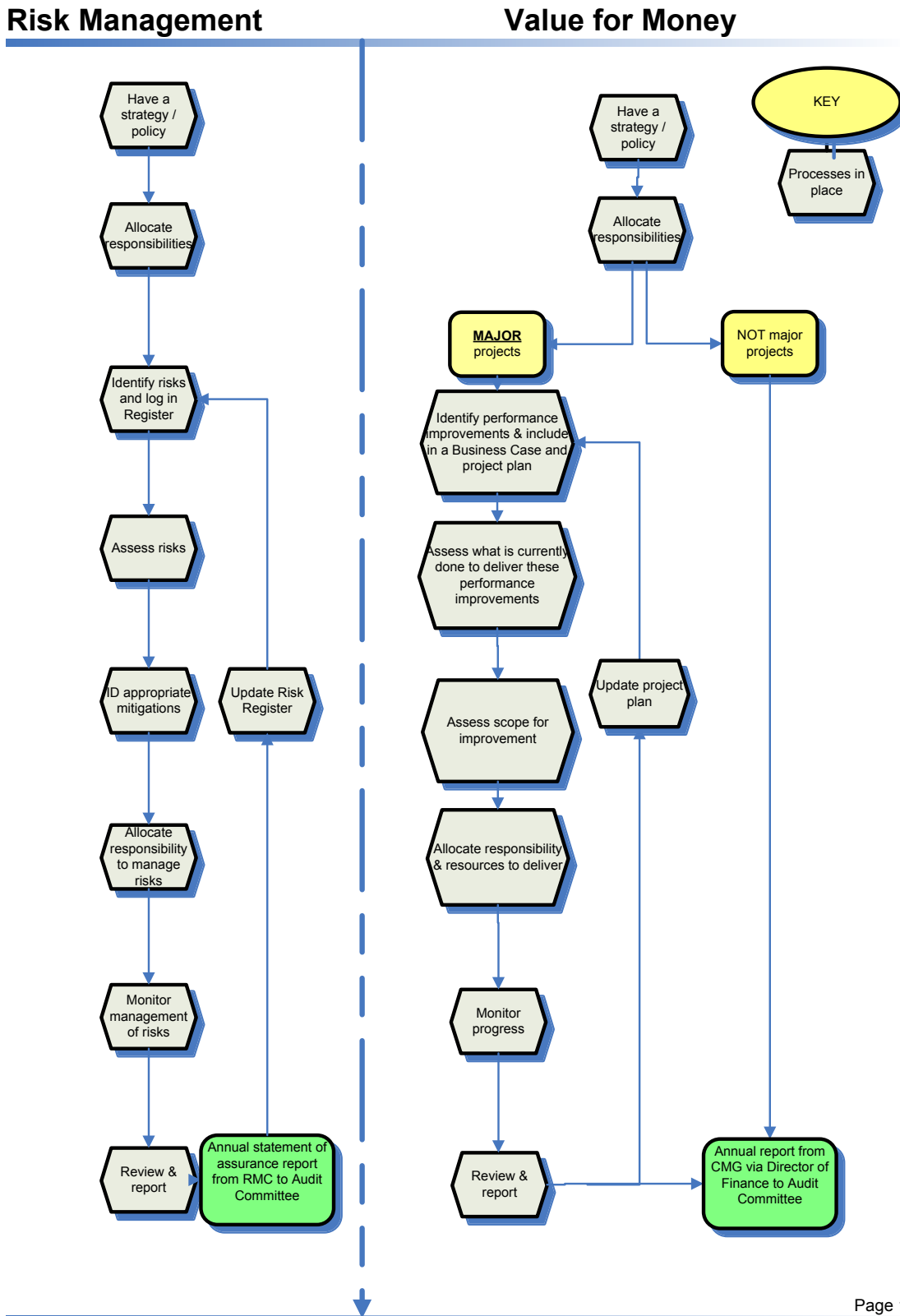
Internal Audit Comment
Risk Management Guidance Manual.
All corporate and College and Support Group risks have been collated. A series of risk registers for the top risks exists.
In place for University, College, Support Groups, subsidiaries and many operational areas and projects.
Yes, but may not apply to the whole organisation.
The normal internal audit process assists management in providing assurance that monitoring controls are adequate.
RMC review process.
A formal risk review process is in place overseen by the RMC. RMC reports to Audit Committee and CMG and an annual report to Court.

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

Internal Audit Comment
Estates Development project procedures routinely include risk assessment, as do IT projects. All Committee papers are prompted for evidence of risk assessment. A toolkit for the governance of Major University projects has been developed.
Will be for some defined roles such as project directors / managers.
Some managers.
Some may be informally assessed.
There is a programme of reviews of recognised risks. This provides the Court, through the Risk Management Committee, assurance that each risk is being adequately managed. Internal Audit seeks to assess the effectiveness of the mitigating controls identified in these reviews.

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 E

Internal Controls 2012-2013: Analysis of the strengths and weaknesses identified during the year

Ref	Audit assignment	Internal Controls								VfM Opportunity?
		Segregation of Duties	Organisation	Authorisation & Approval	Physical	Supervision	Personnel	Arithmetic & Accounting	Management	
1	Stewardship of Philanthropic Gifts		X						X	Yes
2	Identity Management (service) (IDM)				✓✓				X	
3	Doctoral Training Centre in the College of Humanities and Social Science		X							Yes
4	IT Security - Penetration Testing (EASE)				✓					
5	IT Security - Penetration Testing (Social and Political Science)									
6	School of Physics and Astronomy	X			X					
7	CMVM Postgraduate Office Recruitment Procedures		X			X				Yes
8	CHSS Postgraduate Research Student Progression Monitoring		✓			X			X	Yes
9	IT Security – Physics – Edinburgh Parallel Computing Centre (EPCC) projects		X		✓					
10	Population of REF2014 module in PURE		✓						✓	
11	Personal Tutor support systems		✓	X					X	Yes
12	IT Infrastructure – Network monitoring				✓				✓	
13	School of Engineering				X					
14	Attempt to access a student's personal financial records									
15	Edinburgh College of Art		X		X			X		Yes
16	Cheque fraud scam							✓✓		
17	Distance Education Initiative								✓	
18	Institute of Genetics and Molecular Medicine		X						✓	
19	Space Management – Postgraduate Taught		X						✓	Yes
20	Insurance				X				✓	Yes
21	Data Protection Act compliance involving student data		X							
22	School of Law			✓				X	✓	Yes
23	Key Information Sets								✓	
24	Research Council Awards			X			✓			Yes
25	School of Divinity	✓			X					
26	IT Security Incident Reporting		X							
27	Equine Veterinary Services - Equine Hospital			X				X		Yes
28	Controlled Drugs – Veterinary Services		✓					X		
29	College of Medicine EEMeC Application - IT Security								✓	
30	School of Mathematics	X						✓		
31	E-Authorisations			X						
32	School of Engineering EXAM Application – IT Security								X	
33	SBS Trust Deed Rules									
34	Feedback to Students on Course Performance (2)								✓	
35	Special Investigation - Online Printing Services									
36	Risk Management		✓							

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.



cutting through complexity

University of Edinburgh

Audit highlights memorandum

Audit: year ended 31 July 2013

15 November 2013

ANNEX 2

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Strategic overview and financial position	4
Financial statements and accounting	8
Governance and financial control	18
Other matters	21
Appendices	23

About this report

This report is made solely to the Court of the University of Edinburgh (“the University”), in accordance with the terms of our engagement. It has been released to the University on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the University’s own internal purposes) or in part, without our prior written consent. We acknowledge that the University may disclose this report to the Scottish Funding Council (“SFC”), to enable SFC to verify that a report to the University by way of management letter has been commissioned by the University and issued by the University’s auditors, and to facilitate the discharge by SFC of its functions in respect of the University. Matters coming to our attention during our audit work have been considered so that we might state to the University those matters we are required to state to the University in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Court of the University, for our work referable to this report, for this report, or for the opinions we have formed.

Nothing in this report constitutes an opinion on a valuation or legal advice. We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the scope and objectives section of this report.

Please note that that this report is confidential between the University and this firm and between SFC and this firm. Any disclosure of this report beyond what is permitted above will prejudice this firm’s commercial interests. A request for our consent to any such wider disclosure may result in our agreement to these disclosure restrictions being lifted in part. If the University or SFC (“you”) receive a request for disclosure of this report under the Freedom of Information (Scotland) Act 2002, having regard to these actionable disclosure restrictions you must let us know and you must not make a disclosure in response to any such request without our prior written consent.

In accordance with ISA (UK and Ireland) 260: *Communication with those charged with governance*, this report summarises our work in relation to the financial statements of the University of Edinburgh for the year ended 31 July 2013.

We wish to record our appreciation of the continued co-operation and assistance extended to us by your staff during the course of our work.

Area	Summary observations	Analysis
Accounting		
Financial position	The University delivered a surplus of £38.3 million for the year ended 31 July 2013. This represented a significant improvement on the original budget. A budgeted surplus of £28.2 million is forecast for 2013-14. Income growth assumptions are strongly dependent on achievement of overseas tuition fee growth. A successful outcome in the Research Excellence Framework submission is key to delivering on the University's longer term strategy.	Pages 5-7
Financial statements and accounting		
Accounting policies and judgements	There were no changes to accounting policies, which remain appropriate for the underlying operations. We considered management's judgements in respect of accounting for the capital programme, income recognition and net pension liability. We have identified opportunities for improvements to the valuation procedures. We considered other accounting and audit issues in relation to the Holyrood and Deaconess projects, research and restricted balances.	Page 9, 12-18
Audit conclusions	We anticipate issuing unqualified audit opinions on the 2012-13 financial statements of both the University, and its subsidiaries, following their approval.	Page 10, 19-20
Year-end process	Draft financial statements were provided by management on 23 September and it is anticipated that the final financial statements will be signed in line with the agreed timetable. Notwithstanding this, delays were experienced during the audit process, arising from the late provision of information from management.	Page 11
Governance and financial control		
Governance and risk management	The University's governance framework is appropriate for decision-making, accountability, control and behaviour. We are satisfied that the corporate governance statement is in line with our understanding of the University.	Page 22-24
Key financial controls	Our testing of the design and operation of key controls over financial processes and procedures confirms that controls relating to financial systems and procedures are designed appropriately and operating effectively. We have identified opportunities for improvements to the control framework in the University and its subsidiaries. Internal audit continue to provide a programme of work covering key financial and other controls.	Page 23
Mandatory communications		
Matters to report	No significant matters to report in respect of (i) auditor independence and non-audit fees. We have requested specific management representations, the most significant of which relate to the valuation of fixed assets, classification of pension schemes and accounting for Deaconess and Holyrood projects. Audit adjustments were identified in relation to the Holyrood project and research, in respect of the treatment of doctoral training programmes.	Page 26

Strategic overview and financial position

Our perspective on the University's high level
financial strategy and its financial position

The University group made a surplus of £38.3 million for the year ended 31 July 2013, a decrease of £3.4 million from 2011-12. After taking account of the difference between the historical cost depreciation charge and that on the revalued amounts, the historical cost surplus for the year was £47 million.

The surplus for the year is £30.9 million greater than the original budgeted historical cost surplus of £7.4 million.

Financial performance 2012-13

The University group made a surplus of £38.3 million for the year ended 31 July 2013, a decrease of £3.4 million from 2011-12. After taking account of the difference between the historical cost depreciation charge and that on the revalued amounts, the historical cost surplus for the year was £47 million. The surplus for the year is £30.9 million greater than the original budgeted historical cost surplus of £7.4 million.

Financial performance during the year has been strong. The University continues to experience significant favourable variances against budgeted surplus and quarter two forecasts. The actual surplus is in line with the quarter three forecasts which indicated a surplus of £38 million. There is a need for more accurate forecasting; in quarter three, the medicine and veterinary medicine college used eight month figures instead of nine month figures, resulting in a distortion of forecasts leading to 40% of income being recognised in the last four months of the year. There is a risk that inaccurate forecasts could impact the level of available University resources for this school and late charging could lead to charges not being fully covered by the funder.

The analysis below summarises significant movements in the year:

- Recurring teaching grant income from the Scottish Funding Council ("SFC") increased by £14.1 million in the year, with the remainder of the increase of £0.8 million resulting from an increase in research grants as the allocation to the sector has increased by 2.5%.
- The University attracted 1,563 full-time equivalent RUK fees, generating fee income of £13.4 million. Overall tuition fee income increased over the previous year, with overseas tuition fees continuing to increase year on year, although overseas tuition fees (non-EU) as a percentage of tuition fee income has decreased to 53.7% of tuition fee income (2011-12: 57%).
- Research income continues to increase (3.6%), in line with other Russell Group institutions (see appendix six).
- Staff costs have risen in line with the movement in staff numbers, and reflects the strategic investment across academic posts.
- Other operating expenses rose in line with the increase in research activity. There was a cost saving exercise undertaken during the year which has resulted in a reduction in overheads.

Recommendation one

Group income and expenditure account	2012-13 £million	2011-12 £million	Variance £million
SFC income	204.3	189.4	14.9
Tuition fees	174.1	150.3	23.8
Research	200.1	193.1	7.0
Other income	141.7	155.4	(13.7)
Investment income	17.6	12.7	4.9
Total income	737.8	700.9	36.9
Staff costs	377.3	354.7	22.6
Other operating expenses	284.8	268.9	15.9
Depreciation	32.7	31.6	1.1
Interest and other finance costs	5.6	4.8	0.8
Total expenditure	700.3	659.9	40.4
Other income and expenditure	0.8	0.7	0.1
Surplus	38.3	41.7	(3.4)

The University's balance sheet remains strong with net assets increasing by £123.7 million from 2011-12.

Balance sheet

The group balance sheet remains strong with the net assets increasing by £123.7 million from 2011-12. The major components of this include tangible fixed assets (£1.4 billion, including negative goodwill of £27 million), endowment assets (£284 million), net current assets (£200 million), long-term creditors (£109 million) and the net pension liability (£64 million).

A summary of the significant movements and the primary reason for those movements is included in the table below.

Financial statement caption	Increase / (decrease) to net assets £ million	Primary reason for movement
Tangible assets	23.1	Fixed asset additions (£63.2 million), offset by the depreciation charge (£32.7 million) and downward revaluation (£5.9 million).
Negative goodwill	1.4	Decrease in negative goodwill balance in relation to the amortisation of goodwill.
Endowment assets	41.4	£40.8 million of the increase of the endowments balance relates to a rise in the market value of the assets held. In 2011-12, the University undertook legal discussions with the Privy Council over permission to amend the terms of endowments where expenditure could not be incurred so that the income can be used for other purposes. A statutory instrument was issued on 16 March 2011 and considered by the investment committee in August 2011. However, no further progress has been made on this in 2012-13.
Net current assets	21.3	An increase in cash at bank (£32.8 million) due to timing differences of payments and an increase in debtors (£9.1 million) in relation to tuition fees and research, offset by decreases in bank deposits (£5.2 million) and increases in creditors due within one year (£13.8 million), mainly in relation to research. The research debtor and creditor balance depends of the timing of income and expenditure and level of activity during the year and varies from period to period.
Creditors due after one year	1.4	Creditors due after more than one year has decreased due to the ongoing repayment of bank loans. No new loans were taken out during the year.
Net pension liability	35.1	The pension liability has decreased by £35.1 million due primarily to an actuarial gain on the pension assets of £33.3 million, as a result of changes to the discount rate. £5.3 million of assets and £4.4 million of liabilities were transferred out on settlement of the staff transferring from Lothian Pension Fund to the Universities Superannuation Scheme in respect of staff transferring from Edinburgh College of Art to the University in 2011-12.

Recommendation two

Management has set a budget to achieve a surplus of £28.2 million in 2013-14, which equates to 3.7% of budgeted income.

The University has two specific finance KPIs, targeting a 3% surplus and 10% growth in income per FTE over four years.

Future financial strategy

2013-14 budget

For 2013-14 management has set a budget to achieve a surplus of £28.2 million. The targeted return on income is equivalent to approximately 3.7%, which is in line with the strategic plan finance KPI.

The SFC has confirmed the funding settlement in 2013-14, with the main teaching grant decreasing by £4.5 million, due primarily to the removal of £7.1 million funded places for RUK students. This is offset by a £1.9 million increase in the research grant funding and £3.2 million increase in other grants. Tuition fees have increased due primarily to fee growth above the inflationary price increases in overseas and postgraduate fees and additional fee income from RUK students.

The 10 year estates development programme (2012-22), totalling £823 million covers revenue and capital expenditure. In 2013-14, £128 million has been committed, of which £60 million relates to capital spend.

Medium-term financial strategy

In response to the new strategic plan the finance strategy was updated and approved by Court on 18 February 2013. The strategic plan includes two specific finance KPIs, targeting a 3% surplus and 10% growth in income per FTE over four years. Court has reviewed the level of surplus KPI in the context of the increased uncertainty and volatility in the sector and stated that 3% is a minimum and that the ambition must be to achieve a 5% target surplus to assure the financial sustainability of the University.

Management has reviewed the level of reserves held by the University and identified that the aggregate effect of maintaining multiple small contingencies across budget holders is that the group is over provided in total when these are aggregated and this manifests itself as a material over delivery at group surplus level compared to budget. Furthermore, management identified that budget holders only release contingencies at quarter 3 or even at the year-end. The consequence is that resource is not invested to benefit delivery of strategic plan targets.

A 10 year forecast has been prepared by management showing gross income and expenditure, based on trends and assumptions about growth and cost ratios. Capital spend is included within this forecast, covering both currently approved projects and an indication of desirable projects in later years.

The University committed itself to investment in key academic priorities, with a recruitment drive undertaken to recruit strategic academic posts, and so increase the potential for research funding opportunities. During 2012-13 the University made its preparation for the Research Excellence Framework ("REF") submission, focussed on its key research strengths. Given that research income accounts for 27% of total income, and that the results of the REF will determine the University's research funding level from 2015-16 onwards, a successful outcome is key to delivering on the University's longer term strategy.

Financial statements and accounting

Our perspective on the financial position of the University, and the preparation of the financial statements

There have been no substantive changes to the financial reporting framework as set out in the *Statement of Recommended Practice ("SORP"): Accounting for Further and Higher Education 2007*, and applicable accounting standards.

There have been no changes to accounting policies in 2012-13. All accounting policies have been applied consistently.

The financial statements have been prepared on a going concern basis.

Accounting framework and application of accounting policies	
Area	KPMG comment
Basis of preparation	<ul style="list-style-type: none"> ■ The 2012-13 financial statements have been prepared in accordance with the <i>Statement of Recommended Practice ("SORP"): Accounting for Further and Higher Education 2007</i>, and applicable accounting standards. The Court has additional responsibilities to prepare the financial statements in accordance with the Financial Memorandum agreed with the Scottish Funding Council ("SFC"), as well as with the Charities Accounts (Scotland) Regulations 2006 (as amended). ■ During the year there were no substantive changes in financial reporting requirements, and consequently there are no material changes to the University's accounting policies. ■ We are satisfied that the accounting policies adopted remain appropriate to the business, and have been applied consistently.
Going concern	<ul style="list-style-type: none"> ■ The University group has net assets of £1.667 billion at the balance sheet date, an increase from prior year of £0.09 billion. ■ The University approved a budget to deliver an operating surplus of £28.6 million in 2013-14, based on the notified funding allocation from the SFC and anticipated income growth offset by forecast cost savings and strategic investment. ■ Based on this information, the Court confirmed its view that it has adequate resources to continue in operational existence for the foreseeable future. We are therefore satisfied that it is appropriate to adopt the going concern assumption for the preparation of the financial statements.

Following their approval by the University Court, we expect to issue an unqualified audit opinion on the financial statements.

Audit opinion

Our audit work is substantially complete, pending review of the final version of the financial statements and consolidation. Following approval by the University Court on 9 December 2013, we expect to issue an unqualified audit opinion on the financial statements and the regularity of transactions reflected in those financial statements.

In gathering the evidence for our opinion we have:

- performed a mixture of substantive and controls testing to ensure an efficient approach that covers the identified risks;
- liaised with internal audit and reviewed their reports to ensure risk areas having a potential financial statements impact have been considered;
- reviewed assumptions and judgements made by management and considered these for appropriateness;
- considered if the financial statements may be affected by fraud through discussions with senior management to gain a better understanding of their work in relation to prevention and detection of fraud with the potential to impact on the financial statements; and
- attended the audit committee during the year, to communicate our audit plan and audit findings to those charged with governance, but also to update our understanding of the key governance processes and obtain key stakeholder insights.

Financial statements preparation

Management provided first draft financial statements on 23 September 2013, in line with the agreed timetable, and a prepared by client audit file was made available on 25 September 2013. However, these were incomplete and version two of the draft of the financial statements was provided on 8 October 2013. A number of the audit focus areas were not resolved and available for audit at the start of the final audit fieldwork. The key areas included:

- accounting transactions for the Holyrood and Deaconess capital projects;
- reconciliation of the income and expenditure analytical review to the draft financial statements; and
- provision of pension reports, journals and disclosures.

The finance team continue to remain reliant on a small number of key individuals to prepare the financial statements. Management has recognised this and is taking further steps to ensure that other members of the finance team are involved in the financial statement preparation process. We noted good practice areas, for example, the senior management accountant pro-actively engaged with the audit team prior to the onsite fieldwork beginning. There are opportunities to achieve further financial statement production efficiencies by reviewing the allocation of staff responsibilities, complexity of systems and procedures for collating information for financial reporting.

Recommendation three

In reaching our audit conclusions, we have considered the key accounting issues impacting the preparation of the financial statements.

For 2012-13, the most significant judgements are those in respect of the capital programme and income recognition. We considered other areas of focus in relation to Deaconess, Holyrood and pensions accounting.

Except for those points noted, we concur with the judgements made by management in these areas.

Key accounting judgements	
Area	KPMG comment
Capital programme and impairment review	<p>Total spend on the University's land and buildings capital programme for 2012-13 was £58.9 million of which £32.6 million was capitalised as fixed assets. A number of other significant projects commenced in the year which will complete in future years. This includes the Deaconess and Holyrood developments which are considered separately. There were no significant disposals reported in 2012-13.</p> <p>Under FRS 15 <i>Tangible fixed assets</i> ('FRS 15') an interim revaluation of the University's land and buildings was required in 2012-13. An external valuer was commissioned to undertake this valuation and the financial statements include a net decrease of the carrying value of land and buildings as at 1 August 2012 of £5.9 million.</p> <p>From review of the valuer's report we noted that the report did not provide a consistent approach to the valuation of assets under construction. Furthermore, no formal instructions were provided to the valuers for the interim valuation, and evidence of discussions and changes required were email based. The interim valuation was performed as a desk top review, and therefore the valuers did not re-inspect the land and buildings. The information flow between the University and the valuers should be formalised, particularly around additions, disposals and assets under construction.</p> <p>In previous years management has consistently used local property market indicators as the basis of considering the appropriateness of the carrying value of shared equity properties. Management has, not unreasonably, continued to use such indicators on the basis that the cost of obtaining an external valuation is greater than the potential risk that the carrying value of £6.5 million is materially misstated.</p> <p>We recommend that the University reviews its approach to instructing external valuers and documenting the thought processes and outcomes of the valuation to ensure the above issues do not recur.</p> <p>Management undertook an impairment review in conjunction with the estates team, considering new buildings and extensions completed, major capitalised refurbishment or upgrades completed and those subject to ongoing major refurbishment. No impairments were identified. There are opportunities to improve the documentation of the considerations made within this review.</p> <p style="text-align: right;">Recommendation four</p>

Key accounting judgements	
Area	KPMG comment
Income recognition	<p>The University has a diverse range of income streams, including Scottish Funding Council grants, research income, tuition fees and other income. A variety of internal and external pressures lead to a risk that income was incorrectly recognised in 2012-13.</p> <p>We have performed detailed substantive audit procedures over the significant income streams and considered the cut-off procedures performed by the University. We did not identify any material errors over income recognition. No adjustments were necessary to the financial statements.</p>
Net pension liability	<p>At 31 July 2013 the University reported a net pension liability of £64.2 million (31 July 2012: £100.7 million). The main reason for this improvement is the increases in actuarial gains on assets in the year.</p> <p>In line with prior year, we consulted KPMG actuaries to review the actuarial assumptions used by the University's actuaries in preparing actuarial reports as at 31 July 2013. We consider the assumptions adopted to be reasonably balanced for the three schemes, The University of Edinburgh Staff Benefits Scheme and the University's share of the Strathclyde Pension Fund and Lothian Pension Fund. We have included additional narrative on pensions assumptions in appendix four.</p> <p>Pension reports for the Strathclyde Pension Fund and Lothian Pension Fund were not received until 23 October which resulted in delays to completion of audit work in respect of pensions. The pension journals were not posted to the financial statements until 5 November and completed disclosures not provided until late in the audit process.</p> <p style="text-align: right;">Recommendation two</p>

Other accounting and audit issues

Area	KPMG comment
<p>Deaconess</p>	<p>The University has entered into an agreement with Mace Group for the construction of a residencies development at the site of the old Deaconess hospital in Edinburgh. Mace Group was managing this development through Graduation (Development) Limited ('GDL') which is a subsidiary company of Graduation Student Living Limited ('GSL'). Construction is expected to complete around July 2014.</p> <p>The University acquired GSL (now renamed UOE Deaconess Limited) in January 2013 for total consideration of £3.5 million, £2.5 million of which is deferred until construction completes. Due to the tax structure of the arrangement, it is anticipated that the completed building will have a market value greater than the costs to construct, thus justifying the acquisition cost. The investment is funded partially through endowment funds and partly through core University funds.</p> <p><i>UOE Deaconess financial statements</i></p> <p>Following acquisition, the UOE Deaconess board of management changed the business purpose from that of a construction company to an investment company reflecting the University's longer term strategy for the company. The draft financial statements reflected a revaluation of the property at 31 July 2013 of £1.5 million on the basis of this change in the business. It is not appropriate to revalue investment properties part way through construction under either FRS 15 <i>Fixed assets</i> or SSAP 9 <i>Investment properties</i>. Accordingly, this revaluation was adjusted in the financial statements.</p> <p><i>University group financial statements</i></p> <p>The University group financial statements reflect the relevant proportion of the Deaconess asset (i.e. the building) as endowment assets and the proportion relating to core funds as fixed assets. On consolidation, the investment in the subsidiary company is reflected as part of the cost of the building reflecting the University group's overall cost of the building to date. Management has obtained a forward valuation of the expected value of the building at completion which supports this accounting practice. On completion of construction, the building will be revalued and any impairment reflected in the group financial statements.</p>

Other accounting and audit issues

Area	KPMG comment
<p>Holyrood</p>	<p>A project agreement for a development of student accommodation at Holyrood Road was finalised and signed just prior to the year end in July 2013. The terms of this agreement are such that a third party will build and operate the accommodation and the University will rent the number of rooms required for students on an annual basis. This is a complex project with a number of complications in the project agreement; this includes:</p> <ul style="list-style-type: none"> ■ the University leasing the land under the build for 50 years with reversion at the end of the term; ■ the construction of an outreach centre which the University will obtain title to when constructed, the value of which is expected to be greater than the cost; ■ a contribution to a UoE Utilities Supply Company Limited (“USCO”) for the construction of CHP equipment who will then supply heat and power to the property; and ■ construction of the main residences building and leasing of a number of rooms to the University on an annual basis. <p><i>University accounting</i></p> <p>The financial statements reflect the signing of the lease for the land as a disposal of that land. We consider this to be incorrect; the University still retains title to the land and it should be reflected on the University balance sheet at a value that reflects that the University does not have access to it for 50 years. Management has considered this and believes that any such valuation would be immaterial; accordingly, we believe the appropriate accounting treatment is to impair the land at 31 July 2013. This has been added as an audit difference; there would be no significant impact on the result for the year if this was adjusted.</p> <p>A ‘gain’ of £2.3 million has been reflected in the financial statements for the anticipated difference between the cost and value of the outreach centre; this has been treated as proceeds on sale. We consider that any such ‘gain’ could only be quantified on completion of the building and should be reflected as a lease incentive at that stage. The appropriate accounting treatment for lease incentives is to recognise the income over the course of the lease (i.e. 50 years) and so we have also raised an audit difference in relation to this. Both these adjustments are unadjusted in the financial statements.</p>

Other accounting and audit issues

Area	KPMG comment
<p>Holyrood (continued)</p>	<p><i>UoE Utilities Supply Company Limited accounting</i></p> <p>A contribution of £1 million to the CHP development was due on signing of the project agreement and was paid in August 2013. This was reflect in the draft financial statements as a credit offsetting fixed assets additions in the year. Following discussions with management, we consider this treatment is incorrect. In return for the £1 million contribution, the developer is obtaining the right to heat and power from the University arrangements and the developer therefore obtains two benefits:</p> <ul style="list-style-type: none"> ■ the right to contract with the University for energy supplies which are considered cheaper than those available in the open market; and ■ to avoid the costs of installing further equipment (such as boilers etc) in the development. <p>We therefore consider that this contribution represents a benefit that the developer will obtain over the life of the project and that it should therefore be reflected as deferred income in the financial statements of UoE Utilities Supply Company Limited. This has been adjusted for in the financial statements.</p> <p>From our work on the Holyrood accounting, we noted that there is no overall summary of the project in terms of the requirements and rights of all parties. Management should ensure that a summary of the arrangement is put in place to map out all relevant financial and legal commitments over the life cycle of the project and anticipated accounting entries. In addition, it is important for future projects that the financial accounting implications of such arrangements are established at an earlstage and monitored up to project close given the inevitable movement in contractual terms through the negotiation process.</p> <p style="text-align: right;">Recommendation five</p>

Other accounting and audit issues	
Area	KPMG comment
Research	<p>The University has been successful in growing research income, in advance of the research excellence framework 2014. Our testing identified areas for improvement in accounting for research income and expenditure, to improve the quality of information, accuracy and efficiency of the processes.</p> <p>The humanities and social science school did not include expenditure to other higher education institutes for doctoral training programmes within their forecasts. Social Sciences Research Council funding is provided for PhD studentships to the University to administer to various Scottish universities. Internal audit raised recommendations that for the purposes of this scheme, the distribution of money to each university should be through separate R codes. The income and expenditure (£2.2 million) related to other universities had been recognised in the financial statements. An audit adjustment was made to remove the related income and expenditure.</p> <p>In previous years we have highlighted the number of open research projects that have not been removed from the research ledger despite the end date of the project having expired at least six months previously. The number of old projects has increased slightly from previous years, although we note that the number of projects in excess of 30 months old has decreased. As at 31 July 2013, there were 1,073 (2011-12: 1,000) old projects and 330 (2011-12: 348) projects in excess of 30 months old, with a total net credit balance of £3.5 million.</p>
Restricted balances	<p>The University holds a large number of restricted balances of deferred income on its balance sheet. As at 31 July 2013, there were 625 (2011-12: 1,078) such individual balances totalling £28.7 million (2011-12: £25.4 million). Management has performed a review of the restricted balances during 2012-13 to remove small non-moving balances and check the application of larger balances. Our testing identified a number of areas for improvement to restricted balance administration.</p> <ul style="list-style-type: none"> ■ £0.4 million of balances had not moved since 31 July 2011, although consideration was being given to releasing some of these balances post year end. ■ A group of grants from JISC totalling £0.5 million had not been appropriately allocated to restricted codes during the year. <p>No adjustments were necessary to the financial statements in respect of these balances but there is a risk that the funds are not appropriately applied or old balances are not released leading to an overstatement of creditors due to the potential accumulated effect of such balances.</p> <p style="text-align: right;">Recommendation six</p>

Following the approval of the subsidiary companies' financial statements we expect to issue unqualified audit opinions.

We have included comment in relation to those subsidiaries where we have considered specific accounting judgements.

Subsidiary company audits

Our audit appointment includes the audit of the University's subsidiary companies, which continue to increase in number (14 entities in our audit this year (2011-12: 12 entities)). Following the approval of the financial statements, we expect to issue an unqualified opinion in respect of each subsidiaries' financial statements. We have provided draft management representation letters in respect of each subsidiary.

University of Edinburgh Accommodation Limited ("UoEAL")

The audit of UoEAL began on 16 September, however first draft financial statements and supporting documentation was not available until 18 September. A second version of the financial statements was provided on 19 September. This led to delays in the completion of the audit of UoEAL. The senior financial accountant prepares the financial statements for UoEAL as well as the financial statements for the University. It is recommended that management review financial statement responsibilities to ensure all financial statements are available for audit on time. The lease disclosure remains outstanding.

Recommendation two

Edinburgh Research and Innovation Limited ("ERI")

Within ERI, consultancy and intellectual property income varied from budget; 10% lower than budget. This is partly due to the difficulty in predicting royalty income which is typically calculated based on the level of sales by a third party licensee in a given period. This is generally notified to ERI annually and therefore management only receive notice annually of the relevant income; the amount due by each customer may not be known until after year end. Our substantive audit testing identified sales invoices raised post year end which related to 2012-13 income; an unadjusted audit difference was raised in respect of these debtors and related income. There is a risk that income forecasts are inaccurate and that income for certain financial years is not included in the financial statements due to the difficulties in predicting this income.

Recommendation seven

SSTRIC

The draft accounts presented to audit included a number of transactions associated with the winding down of SSTRIC including purchase of its assets by the University and settlement of outstanding debtor and creditor balances. As at 31 July, these transactions had not been effected and were therefore reversed. It is management's intention to wind up the company within 12 months therefore the financial statements are not prepared on a going concern basis. Consequently, fixed assets were impaired to £800,000, the amount the company expects to receive for them from the University. There was no net impact as a result of associated deferred capital grants which have been released.

Other subsidiaries

We have identified nine adjusted audited differences and one unadjusted audit difference to the financial statements, as outlined in appendix one.

Governance and financial control

Our overall perspective on your narrative
reporting

Update on controls findings from our audit

The University's governance framework is appropriate for decision-making, accountability, control and behaviour.

We are satisfied that the corporate governance statement is in line with our understanding of the University.

Internal audit reported 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.'*

<p>Governance arrangements</p>	<p>The University maintains an integrated governance framework to provide an appropriate structure for maintaining decision-making, accountability, control and behaviour. The University's powers and framework of governance are set out in the Universities (Scotland) Acts 1858-1966, and by the Ordinances which are made under those Acts. The University Court has six meetings annually, which are well attended.</p> <p>During 2013-14 the University will be considering and working towards the implementation of the new Scottish Code of Good Higher Education Governance, which was published on 18 July 2013 and effective from 1 August 2013. Management considers that the University generally complies with this new Code but that there are areas where changes will be considered.</p>
<p>Corporate governance statement</p>	<p>The corporate governance statement provides details of the framework established to enable the University to meet the Scottish Funding Council's expectation that higher education institutions comply with the principles of the UK Corporate Governance Code, as far as they are applicable to the sector.</p> <p>We are satisfied that the corporate governance statement is in line with our understanding of the arrangements and practices operated by the University.</p>
<p>Fraud and irregularity</p>	<p>We evaluated the procedures and controls related to fraud as being designed and implemented effectively. The University has a fraud and misappropriation policy which includes reference to a number of internal procedures designed to prevent fraud and ensure employees can report suspicions in a confidential and appropriate manner.</p> <p>We have obtained representations from management that all known or suspected instances of fraud were disclosed to us during the audit. There were no material instances of fraud reported during 2012-13.</p>
<p>Internal audit</p>	<p>Internal audit completed 36 internal audit assignments and eight continuing reviews as part of their 2012-13 audit plan. We considered the findings in a number of reports, including those in respect of research council awards, eAuthorisations and risk management.</p> <p>Internal audit reported in their annual audit report that <i>'there is a strategy with supporting policies in place for identifying, evaluating and managing the University's significant risks and for maintaining effective controls. A statement of appetite for risk was recently agreed. There was a discernible reported drop in the implementation of agreed audit recommendations to address identified control weaknesses. This prompted more pro-active engagement from senior management and this appears to have improved the situation. In conclusion there remains sufficient evidence to provide reasonable assurance that the overall control and governance arrangements are adequate in the University. Management has established satisfactory arrangements to achieve value for money and these arrangements are in harmony with the directives of the Scottish Funding Council.'</i></p>

Internal controls are designed appropriately, and operating effectively, to prevent and detect material misstatement within the financial statements.

Internal controls

Our testing of the design and operation of key financial controls over significant risk points confirms that controls relating to financial systems and procedures are designed appropriately and operating effectively. However, we reported in our interim report minor weaknesses over forecasting, research project initiation, batch headers, bank reconciliations and payroll reconciliations. Testing of general IT controls over eFinancials, Oracle and EUCLID was ongoing at the date of our interim report. The table below summarises our findings.

Audit area	Key controls considered	Findings
General IT controls	<ul style="list-style-type: none"> ■ Starters ■ Leavers ■ Passwords ■ Superusers ■ Program changes ■ Interface testing 	<ul style="list-style-type: none"> ■ It is not possible to obtain a system list of all changes made to EUCLID, only a list of requested changes through the ticket system. There is limited assurance that any unauthorised changes made to the system can be detected. It was noted that some staff have access to both the development environment and the implementation environment. Although these teams are separate, there is the potential risk that a member of staff could make an unauthorised change and implement this change without detection. <i>Recommendation eight</i> ■ Network passwords are not set to expire and do not lock-out after a given number of attempts. There is a risk that someone attempting unauthorised access could continue to guess at the password without detection or risk that the password will change. <i>Recommendation nine</i> ■ It is not possible to obtain a listing of leavers in the year for eFinancials and there is no procedure to disable access to the system in a timely manner. There is a risk that staff have inappropriate access and can make changes to the information held on the system when they do not have authorisation to do so. The department performs an annual check of users however it would be best practice to improve procedures for staff leaving the University. <i>Recommendation ten</i>

Other matters

In respect of the University financial statements, there are two adjusted audit differences and two unadjusted audit differences.

In respect of the subsidiary financial statements, there are nine adjusted audit differences and one unadjusted audit difference.

Area	Key content	Reference
Adjusted audit differences Adjustments made as a result of our audit	<p>There were two audit adjustments required to the draft University financial statements. There was no net impact of these adjustments on the surplus or net assets.</p> <p>There were nine audit adjustments required to the subsidiary financial statements. The net impact of these adjustments on the USCO financial statements decreased the profit by £8,644 and decreased net assets by £8,644. The net impact of the adjustments on the HPCX financial statements decreased the profit by £110,504 and decreased net assets by £110,504. The other audit adjustments did not have an impact on the profit or net assets of subsidiary financial statements.</p>	Appendix 1
Unadjusted audit differences Audit differences identified that we do not consider material to our audit opinion	<p>We are required by ISA (UK and Ireland) 260 to communicate all uncorrected misstatements, other than those which are trivial, to you.</p> <p>In respect of the University financial statements, there are two unadjusted audit difference in respect of the accounting transactions for the Holyrood project.</p> <p>In respect of the subsidiary financial statements, there is one unadjusted audit difference in respect of income recognition in ERI.</p>	Appendix 1
Confirmation of Independence Letter issued by KPMG to the Audit Committee	<p>We have considered and confirmed our independence as auditors and our quality procedures, together with the objectivity of our Audit Partner, Audit Director and audit staff.</p>	Appendix 2
Schedule of Fees Fees charged by KPMG for audit and non-audit services	<p>There were non audit services provided in the year which related to tax and advisory.</p>	Appendix 2
Draft management representation letter Proposed draft of letter to be issued by the University to KPMG prior to audit sign-off	<p>We have requested specific management representations, the most significant of which relate to:</p> <ul style="list-style-type: none"> ■ valuation of fixed assets; ■ classification of pension schemes; and ■ accounting for the Deaconess and Holyrood capital projects. 	Appendix 3



cutting through complexity

Appendices

Adjusted and unadjusted audit differences - University

In respect of the University financial statements, there are two adjusted audit differences and two unadjusted audit differences.

A number of presentational adjustments were required to the financial statements.

Adjusted audit differences

We are required by ISA (UK and Ireland) 260 to communicate all corrected and uncorrected misstatements, other than those which are trivial, to you. There are two adjusted audit differences.

Adjusted caption	Nature of difference	Income and expenditure account (£m)	Balance sheet (£m)
DR – research income	Removal of income and expenditure in relation to the research doctoral training programmes to other higher education institutes.	2.2	-
CR – research expenditure		(2.2)	-
DR – deferred capital grants	Reversal of adjustments for SSTRIC transfer		0.2
DR – intercompany debtors			0.8
DR - investments			0.1
CR – fixed asset additions			(1.1)
Net impact		-	-

Adjusted and unadjusted audit differences (continued)

Unadjusted audit differences

There are two unadjusted audit differences.

Unadjusted caption	Nature of difference	Income and expenditure account (£m)	Balance sheet (£m)
DR – other income	Removal of the income recognised against the transfer of land to Balfour Beatty under a 50 year lease.	2.32	-
CR – accrued income		-	(2.32)
DR – impairment charges	Adjustment to the accounting for the 50 year lease for the Holyrood development.	1.4	-
CR – other income		(1.4)	-
Net impact		2.32	(2.32)

A number of numerical and presentational adjustments were required to some of the financial statements notes, to add extra disclosures or to include additional information to aid the reader of the financial statements. The most significant of which were:

- deferred capital grants – reclassification of amounts released during the year to ensure internal consistency;
- staff costs – reclassification of staff cost by type to agree to the underlying ledger;
- senior post holders – inclusion of subsidiary staff within the relevant higher paid staff bands;
- other expenditure – reclassification of other operating expenses by activity;
- tangible fixed assets – inclusion and transfer of opening assets under construction to operational land and buildings; and
- investments and endowments – removal of a prior year adjustment to an in year transfer of the general fund to endowments.

Adjusted and unadjusted audit differences - subsidiaries

In respect of the subsidiary financial statements, there are nine adjusted audit differences and one unadjusted audit difference.

Adjusted audit differences

We are required by ISA (UK and Ireland) 260 to communicate all corrected and uncorrected misstatements, other than those which are trivial, to you. There are nine adjusted audit differences.

Adjusted caption	Nature of difference	Income and expenditure account (£'000)	Balance sheet (£'000)
DR USCO – fixed assets	The contribution from Balfour Beatty had been credited to fixed assets work in progress. In accordance with FRS 5 and the relevant application notes, it is appropriate to defer this income at 31 July 2013 and recognise it over the life of the arrangement (50 years) from the point that construction is finished and the site is connected to the USCO CHP system.	-	1,200
CR USCO – deferred income		-	(1,200)
DR USCO – expenditure	The company is liable to pay the climate change levy from April 2013.	4	-
CR USCO – accruals		-	(4)
DR USCO – expenditure	One months depreciation was not recognised on the engine refurbishment.	4	-
CR USCO – fixed assets		-	(4)
Net impact		8	8
DR HPCX – revenue	Income in relation to the EPSRC contract for 2013-14 was removed from 2012-13 income and recognised as deferred income.	111	-
CR HPCX – deferred income		-	(111)
Net impact		111	111
DR ETTC – deferred income	Reversal of the rental income for August and September 2013 recognised as deferred income and debtors.	-	7
CR ETTC – trade debtors		-	(7)
Net impact		-	-

Adjusted and unadjusted audit differences (continued)

Adjusted audit differences

Adjusted caption	Nature of difference	Income and expenditure account (£'000)	Balance sheet (£'000)
DR ERI – trade creditors	Reclassification of creditors originally recognised as trade creditors.	-	(185)
CR ERI – other taxes and social security		-	144
CR ERI – amounts owed to parent		-	41
DR ERI – deferred income release	Income received for the impact acceleration project from the group had initially been recognised as a deferred income release.	84	-
CR ERI – reimbursement of expenditure from group		(84)	-
Net impact		-	-
DR ETF – Bad debt provisions	Writing off of fully provided for stock and debtors greater than four years.	-	3,064
CR ETF – Stock		-	(2,765)
CR ETF – Debtors		-	(308)
Net impact		-	-
CR SSTRIC – Fixed assets	Impairment of fixed assets to £800,000 in line with the amount expected to be received on winding up the company from the University in exchange for its assets.	-	(1,736)
Dr SSTRIC – Deferred capital grants		-	1,736
DR / CR SSTRIC – Income / expenditure		-	-
Net impact		-	-
DR Deaconess – Revaluation reserve	Removal of revaluation of asset under construction	-	1,468
CR Deaconess – Fixed assets		-	(1,468)
Net impact		-	-

A number of numerical and presentational adjustments were required to some of the financial statements notes, to add extra disclosures or to include additional information to aid the reader of the financial statements. The most significant of which were in relation to the audit fee disclosures.

Adjusted and unadjusted audit differences (continued)

Unadjusted audit differences

There is one unadjusted audit differences.

Unadjusted caption	Nature of difference	Income and expenditure account (£'000)	Balance sheet (£'000)
DR ERI – trade debtors	Identification of 2012-13 income in relation to intellectual property that had not been recognised in the financial statements.	13	-
CR ERI – intellectual property income		-	13
Net impact		13	13
DR Deaconess – profit and loss reserves	Interest expense incorrectly split between the two financial periods.		111
CR Deaconess – interest expense		111	
Net impact		111	111

We are required by ethical standards to formally confirm our independence to you.

We remain independent of the University, and its subsidiary companies.

Dear Sirs

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed. This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence.

We have considered the fees paid to us by the University and its group for professional services provided by us during the reporting period. We have summarised the fees paid to us by the University and its related entities for significant professional services provided by us during the reporting period in the next slide, as well as the amounts of any future services which have been contracted or where a written proposal has been submitted.

We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP audit directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the APB Ethical Standards. As a result we have underlying safeguards to maintain independence through:

- instilling professional values;
- communications;
- internal accountability;
- risk management; and
- independent review.

Please inform us if you would like to discuss any of these aspects of our procedures in more detail.

Confirmation of audit independence

We confirm that as of 14 November 2013 in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of Michael Rowley, Stephen Reid and the audit staff is not impaired.

This report is intended solely for the information of the audit committee of the University of Edinburgh, and the directors of the subsidiary companies, and should not be used for any other purposes.

Yours faithfully

KPMG LLP

Appendix two Independence confirmation (continued)

Services provided to the University and its group in respect of:	2012-13	2011-12
Audit of the University financial statements:	£56,135	£54,500
Audit of the subsidiary financial statements:	£55,347	£45,960
Other audit related services: grant claim certification / US GAAP audit	£30,000	£99,870
Total audit services	£141,482	£200,330
Other non-audit services: (principally in relation to IT advisory services)	£64,840	£82,336
Total	£206,322	£282,666

You are required to provide us with representations on specific matters such as your financial standing, application of accounting policies, and whether the transactions within the financial statements are legal and unaffected by fraud.

University of Edinburgh

International Standard on Auditing 580 requires us to obtain representations on certain matters that are material to our audit.

In addition to those representations which are required under auditing standards, we will be requesting that the University Court provide us with the following specific representations in respect of the University's financial statements:

- There are no significant matters that have arisen that would require a restatement of the corresponding figures.
- To the best of our knowledge the University has complied with the terms and conditions of any capital grant funding received during the year and in respect of other capital grant funding received in prior years. In all instances, the University is satisfied that the agreed outputs against which each project will be assessed will be delivered.
- To the best of our knowledge the University has complied with the terms and conditions of any revenue grant funding (for example research funding) received in recent years and where agreed outputs are to be delivered as part of the grant agreement, the University has or anticipates delivering these.
- In all material respects funds from whatever source administered by the group and the University for specific purposes have been applied to those purposes during the year ended 31 July 2013.
- All fixed assets are completely and accurately disclosed and valued appropriately in line with the requirements of FRS 15 'tangible fixed assets', using consistent accounting policies.
- All payments made from endowment funds have been made in accordance with the terms of the funds to which they relate.
- There are no further accounting consequences of the agreed Holyrood and Deaconess residences transactions that should be recorded in the 2012-13 financial statements, including liabilities, guarantees or other commitments.
- The Court has no plans or intentions that materially alter the carrying value or classification of assets and liabilities reflected in the group and University financial statements. It believes that the carrying amounts of all material assets including capital projects in progress will be recoverable.
- All significant assets held by the University and meeting the definition of heritage assets under FRS 30 'heritage assets' have been identified and reliable valuation information for those assets has been obtained to enable them to be recognised on the University's balance sheet at 31 July 2013.
- Where material endowment funds are not supported by original documentation, including faculty scholarship funds and the faculty of arts and medical research general funds, the University is satisfied with their accounting treatment on the basis of historic use of the funds.
- Material debtor and creditor balances relating to research projects at 31 July 2013 are completely and accurately stated and debtor balances, except where provided against, are considered recoverable.
- In all material respects, income during the year ended 31 July 2013 has been applied in accordance with the University's statutes and, where appropriate, with the Financial Memorandum with the Scottish Funding Council.
- The assets and liabilities representing the University's participation in the Medical Research Council's ('MRC's') pension scheme are not separable from those of the MRC and accordingly, this has been accounted for on a defined contribution basis.

Analysis of pension assumptions - EUSBS

The overall pension assumptions are considered to be within the acceptable range when compared against KPMG's benchmark assumptions as at 31 July 2013.

Presented below is a comparison of the assumptions used by the University, in conjunction with AON, in respect of the EUSBS scheme, alongside the typical assumptions we would anticipate in relation to each aspect, using our own actuarial specialists:

Assumptions	University	KPMG central	Assessment	KPMG comments
Overall				<ul style="list-style-type: none"> Overall, the proposed assumptions can be considered to be reasonably balanced for a scheme with duration of liabilities of around 20 years.
Discount rate	4.6%	4.50%		<ul style="list-style-type: none"> The methodology adopted by AON is consistent with last year's approach and the assumption is viewed as acceptable by KPMG for FRS17 purposes.
RPI inflation	3.3%	3.55%		<ul style="list-style-type: none"> The proposed RPI inflation is stronger (higher liability) than KPMG's central assumption, but lies at the edge of the range which we would find acceptable. The assumption allows for an inflation risk premium (0.25%), which is considered to be a common approach and acceptable for FRS 17 purposes.
Net discount rate (Discount rate – CPI)	2.1%	1.95%		<ul style="list-style-type: none"> As both the discount rate assumption and the RPI assumption are within our acceptable range, taken together, the net discount rate lies within our acceptable range for FRS 17 purposes as at 31 July 2013.
Salary growth	4.3 % (RPI + 1%)	1-2% above RPI inflation		<ul style="list-style-type: none"> The proposed assumption in itself is acceptable under FRS 17. The assumption should represent the University's best estimate of future increases.

Level of prudence compared to KPMG central assumptions



Analysis of pension assumptions – SPF and LPF

The overall pension assumptions are considered to be within the acceptable range when compared against KPMG’s benchmark assumptions as at 31 July 2013.

Presented below is a comparison of the assumptions used by the University, in conjunction with Hymans Robertson, in respect of the SPF and LPF scheme, alongside the typical assumptions we would anticipate in relation to each aspect, using our own actuarial specialists:

Assumptions	University	KPMG central	Assessment	KPMG comments
Overall				<ul style="list-style-type: none"> Overall, the proposed assumptions can be considered to be reasonably balanced for a scheme with duration of liabilities of around 17 years.
Discount rate	4.6%	4.40%		<ul style="list-style-type: none"> The methodology adopted by Hymans Robertson is broadly consistent with last year’s approach and the assumption is viewed as acceptable by KPMG for FRS17 purposes; albeit it is at the top end of our acceptable range, and so represents an optimistic assumption (lower liability).
RPI inflation	3.3%	3.5%		<ul style="list-style-type: none"> The proposed RPI inflation is weaker (lower liability) than KPMG’s central rate for a scheme with an average duration of 17 years but is within a range we consider to be acceptable for the purposes of FRS17. The assumption was derived from the rate implied by the Bank of England’s inflation curve for a scheme with duration of 17 years, which is consistent with the method used last year
Net discount rate (Discount rate – RPI)	2.10%	1.9%		<ul style="list-style-type: none"> As both the discount rate assumption and the RPI assumption are within our acceptable range, taken together, the net discount rate lies within our acceptable range for FRS 17 purposes as at 31 July 2013.
Salary growth	4.3 % (RPI + 1%)	1-2% above RPI inflation		<ul style="list-style-type: none"> The proposed assumption in itself is acceptable under FRS 17. The assumption should represent the University’s best estimate of future increases.

Level of prudence compared to KPMG central assumptions



The action plan summarises specific recommendations arising from our work, together with related risks and management's responses.

Priority rating for recommendations

Grade one (significant) observations are those relating to business issues, high level or other important internal controls. These are significant matters relating to factors critical to the success of the organisation or systems under consideration. The weaknesses may therefore give rise to loss or error.

Grade two (material) observations are those on less important control systems, one-off items subsequently corrected, improvements to the efficiency and effectiveness of controls and items which may be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified.

Grade three (minor) observations are those recommendations to improve the efficiency and effectiveness of controls and recommendations which would assist us as auditors. The weakness does not appear to affect the availability of the control to meet their objectives in any significant way. These are less significant observations than grades one or two, but we still consider they merit attention.

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>1 Management accounts forecasting</p> <p>There is a need for more accurate forecasting; in quarter three the medicine and veterinary medicine college used eight month figures instead of nine month figures, resulting in a distortion of forecasts leading to 40% of income being recognised in the last four months of the year.</p> <p>There is a risk that inaccurate forecasts could impact the level of available University resources and ultimately the achievement of the finance strategy.</p>	<p>It is recommended that management review the management forecasting process and ensure that the appropriate figures are used within these forecasts.</p> <p>We raised a similar recommendation in 2011-12.</p>	<p style="text-align: center;">Grade two</p> <p>The MVM College had to rely on eight months actuals as only this data was available for the tightened forecast deadline and this made it harder to predict the outturn. MVM has shown exceptional growth in research activity particularly in the later months of the financial year. MVM is taking a leading role in developing a more transparent set of management accounts and forecasting tools [PRAM] that should lead to significant improvements in forecasting across the University.</p> <p>Responsible officer: Senior, College & Support Management Accountants</p> <p>Implementation date: Q3 Forecast May 2014</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>2 Endowments statutory instrument</p>		<p>Grade three</p>
<p>In 2011-12, the University undertook legal discussions with the Privy Council over permission to amend the terms of endowments where expenditure could not be incurred so that the income can be used for other purposes.</p> <p>A statutory instrument was issued on 16 March 2011 and considered by the investment committee in August 2011. However, no further progress has been made on this in 2012-13.</p>	<p>Management should review those endowments covered by the statutory instrument to identify any which can be released for other purposes.</p>	<p>Since 2011-12 considerable work has been undertaken to review endowments and where possible to apply larger accumulated balances and annual income on dormant funds under the existing terms. 50% of the endowments relate to the College of Medicine and significant sums have been released. During 2013-14 a further review will cover all areas and endowments with the intention of presently specific proposals to Court to exercise power under the ordinance to vary the terms of dormant endowments and apply the funds appropriately.</p> <p>Responsible officer: Assistant Director of Finance (Financial and Systems Accounting) & College Accountants.</p> <p>Implementation date: Ordinance proposals June 2014</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
3 Financial statement preparation process		Grade two
<p>The finance team remain reliant on a small number of key individuals to prepare the financial statements.</p> <p>Management has recognised this and is taking further steps to ensure that other members of the finance team are involved in the financial statement preparation process.</p>	<p>There are opportunities to achieve further financial statement production efficiencies by reviewing the allocation of staff responsibilities, complexity of systems and procedures for collating information for financial reporting.</p>	<p>Agreed that efficiencies in the production of the published Group accounts can be achieved. In 2012-13 a major revamp of the Reports section was implemented with the addition of Strategy , KPI and Sustainability sections to expanded Principals , OFR and Governance sections . A project to review the systems and procedures will be undertaken in order to streamline the production of the Group Financial statement section</p> <p>Responsible officer: Assistant Director of Finance (Financial and Systems Accounting)</p> <p>Implementation date: April 2014</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
4 Valuation procedures and impairment review		Grade two
<p>We identified some issues relating to the processes to value fixed assets:</p> <ul style="list-style-type: none"> ■ The valuation report did not provide a consistent approach to the valuation of assets under construction. ■ No formal instructions were provided to the valuers for the interim valuation, and evidence of discussions and changes required were email based. ■ There is an opportunity for improvements to the documentation of the impairment review performed by management. ■ The method of valuing shared equity properties is based on an internal review of local property market indicators. <p>There is a risk that significant movements in property values are not identified and incorporated within the financial statements. Without timely review of capital projects there is a risk that reductions in actual and expected value of the University's estate are not correctly reflected in the carrying value of tangible fixed assets for either forecast or accounting purposes.</p>	<p>It is recommend that management reviews its approach to valuing fixed assets. Management should:</p> <ul style="list-style-type: none"> ■ Ensure a consistent approach to the valuation of assets under construction is used. ■ Formalise the information flow between the University and the valuers, particularly around additions, disposals and assets under construction. ■ Formalise the impairment review, ensuring that it clearly documents those assets considered. In particular it should cover considerations for all assets not in use, due for demolition and assets under going a refurbishment. ■ Consider, on an annual basis, whether the method of valuing shared equity properties remains appropriate in the context of the property market and value of these properties. <p>We raised a similar recommendation in 2009-10.</p>	<p>Properties under construction are included in fixed assets at cost and are not revalued however the costs capitalised on each such project will be included in future valuation reports.</p> <p>Full information on property additions, disposals and assets under construction will be provided ahead of each revaluation and together with the results of a formal internal impairment review. The method of valuing shared equity properties will remain under review.</p> <p>Responsible officer: Assistant Director of Finance (Financial and Systems Accounting)</p> <p>Implementation date: May 2014 for the August 2014 property revaluation</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
5 Holyrood project summary		Grade one
<p>From our audit work on the Holyrood accounting, we noted that there is no overall summary of the project in terms of the requirements and rights of all parties.</p>	<p>Management should ensure that a summary of the arrangement is put in place to map out all relevant financial and legal commitments over the life cycle of the project and anticipated accounting entries.</p> <p>In addition, it is important for future projects that the financial accounting implications of such arrangements are established at an early stage and monitored up to project close given the inevitable movement in contractual terms through the negotiation process.</p>	<p>A summary of the financial and legal commitments is being prepared by the University's legal advisors. This will cover all the agreements associated with the Holyrood arrangement over the whole over the life cycle of the project and will make explicit reference to the financial commitments of each party in respect of the HSA SPV entity and the senior debt or other borrowing and commitments arising from the arrangement.</p> <p>Consideration of financial accounting implications of projects such as the Holyrood arrangement or the Deaconess acquisition will be included in the Steering Group remit from the initial proposal stage.</p> <p>Responsible officer: Assistant Director of Finance (Treasury Management, Income/Cash Sections, Subsidiary Companies).</p> <p>Implementation date: December 2013</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>6 Restricted balances</p>		<p>Grade two</p>
<p>Management has performed a review of the restricted balances during 2012-13 to remove small non-moving balances and check the application of larger balances. Our testing identified a number of areas for improvement to restricted balance administration.</p> <ul style="list-style-type: none"> ■ £0.4 million of balances had not moved since 31 July 2011, although consideration was being given to releasing some of these balances post year end. ■ A group of grants from JISC totalling £0.5 million had not been appropriately allocated to restricted codes during the year. <p>No adjustments were necessary to the financial statements in respect of these balances but there is a risk that the funds are not appropriately applied or old balances are not released leading to an overstatement of creditors due to the potential accumulated effect of such balances.</p>	<p>Ongoing review of the restricted balances should be performed to ensure that:</p> <ul style="list-style-type: none"> ■ old, non-moving balances are released in a timely manner; and ■ all income is appropriately allocated to restricted codes on receipt. 	<p>The review of small non-moving balances has successfully reduced the volume. The review will be performed annually with the emphasis in future shifting to the larger unspent balances such as arise on Funding Council strategic grants. The review will be extended to involve finance staff in the Schools and Support areas such as JISC.</p> <p>Responsible officer: Assistant Director of Finance (Financial and Systems Accounting), College and Support Group Accountants..</p> <p>Implementation date: April 2014</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
7 Edinburgh Research and Innovation Limited – Budget and forecasting process		Grade three
<p>Consultancy and intellectual property income varied from budget ; 10% lower than budget. This is partly due to the difficulty in predicting royalty income which is typically calculated based on the level of sales by a third party licensee in a given period.</p> <p>Our substantive audit testing identified sales invoices raised post year end which related to 2012-13 income; an unadjusted audit difference was raised in respect of these debtors and related income.</p> <p>There is a risk that income forecasts are inaccurate and that income for certain financial years is not included in the financial statements due to the difficulties in predicting this income.</p>	<p>A more robust forecasting process should be developed to allow accurate forecasting of intellectual property and consultancy income. This would allow for improved budget monitoring.</p> <p>Furthermore, the frequency of debtor monitoring should be increased to ensure appropriate income recognition.</p>	<p>License agreements are monitored to ensure that all regular payments are accounted for. For other royalties however the timing of receipt of information and the level of income is uncertain however the cut-off procedure and potential use of estimates will be kept under review.</p> <p>Consultancy income was lower than budget and impacted both by academic staff focusing on important Research Excellence Framework submission preparation rather than consultancy work and by the loss of a number of key consultants. A more sophisticated forecasting process for the consultancy order book has been introduced and monitor of live projects is on-going to ensure that work is billed as soon as it can be through the sales order process system operated for consultancy which puts the existence of a project into the accounting system at the outset.</p> <p>The above steps to refine the income recognition in turn improves the debtor monitoring .</p> <p>Responsible officer: Company Accountant</p> <p>Implementation date: November 2013</p>

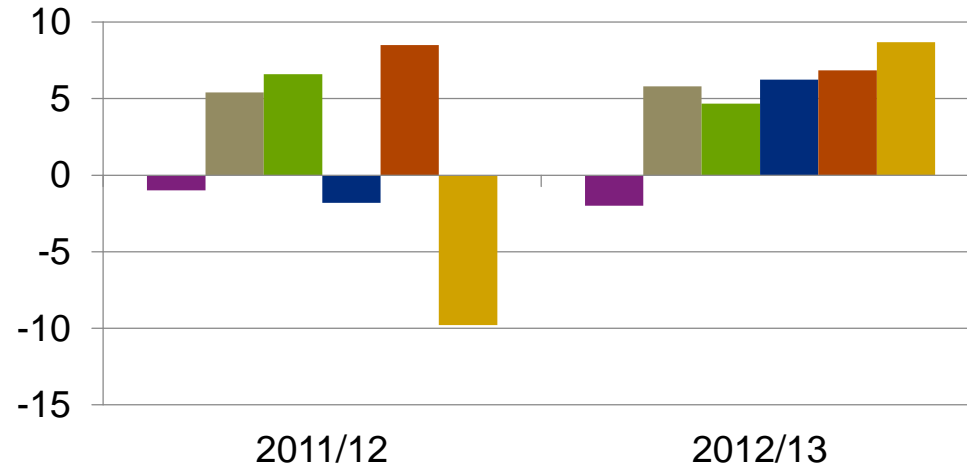
Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>8 EUCLID programme changes</p> <p>It is not possible to obtain a system list of all changes made to the system, only a list of requested changes through the ticket system. There is limited assurance that any unauthorised changes made to the system can be detected.</p> <p>It was noted that some staff have access to both the development environment and the implementation environment. Although these teams are separate, there is the potential risk that a member of staff could make an unauthorised change and implement this change without detection.</p>	<p>Management should consider whether the reduced risk of unauthorised program changes made to EUCLID though a system-enforced segregation of these environments is suitable given the tasks required by the change team.</p>	<p style="text-align: center;">Grade three</p> <p>A small number of colleagues have access to non-live and live environments with update access. These colleagues sit in the Student, Admissions & Curricula Systems (SACS) Support Team and the IS Applications Management. This is a small controlled group of staff. If these staff did not have access to the development environments, then the structure of Support within the organisation would need to change. We believe the level of risk is acceptable. Therefore no change is recommended.</p> <p>Responsible officer: Director of Student, Admissions and Curricula Systems</p> <p>Implementation date: n/a</p>
<p>9 Network password</p> <p>Passwords are not set to expire and do not lock-out after a given number of attempts.</p> <p>There is a risk that someone attempting unauthorised access could continue to guess at the password without detection or risk that the password will change.</p>	<p>From inspection of the password syntax settings there is the option to enforce password rotation and lock-out after a fixed number of attempts.</p> <p>It is recommended that management consider activating these features to give additional security to prevent unauthorised access.</p>	<p style="text-align: center;">Grade two</p> <p>There is a project in hand to protect against "brute force" attempts to break the password which is underway in 2013-14.</p> <p>Responsible officer: Director of IT infrastructure</p> <p>Implementation date: April 2014</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>10 eFinancials - leavers</p>		<p>Grade two</p>
<p>It is not possible to obtain a listing of leavers in the year for eFinancials and there is no procedure in place to disable access to the system in a timely manner. There is a risk that staff have inappropriate access and can make changes to the information held on the system when they do not have authorisation to do so.</p> <p>The department performs an annual check of users however it would be best practice to improve procedures for staff leaving the University.</p>	<p>A stricter process should be implemented where departments notify system administrators of leavers on a more regular basis. This would allow improved monitoring of leavers and more timely removal of their system access.</p>	<p>It is possible to obtain a listing of leavers from the eAuthorisation database that reflects deletions of Oracle staff ID and unique user name identifiers. By writing a Business Objects report to interrogate that database regular a list of leavers can be generated. The Financial Information Systems team will in future liaise with eAuthorisation Administrators on a monthly basis to check the database has been updated in order that eFinancials access for staff leaving or transferring can be removed or amended,</p> <p>Responsible officer: Assistant Director of Finance (Financial and Systems Accounting)</p> <p>Implementation date: March 2014</p>

Research income has increased at a rate comparable to other Russell group universities.

Research income percentage growth compared to a sample of other Russell Group institutions ^(a)

Green = Edinburgh



Note: (a) Extracted from a sample of Russell Group institutions draft accounts for 2012-13. This sample may not be representative of the all research led institutions.

The Further and Higher Education SORP Board has invited comments on the exposure draft of the revised higher education statement of recommended accounting practice.

Following the recommendations from the Sharman Inquiry into going concern and liquidity risks, the Financial Reporting Council has issued, for consultation, guidance on how the recommendations might be implemented. The proposals are indicative of a continuing focus on directors undertaking robust consideration of an entity's ability to continue as a going concern.

The impact of the guidance, once finalised, on the higher education sector will require further consideration.

Financial reporting framework

Since our last sector update, the Further and Higher Education SORP Board has invited comments on the exposure draft of the revised higher education statement of recommended practice ("SORP 2015"), which is based on FRS 102, published by the Financial Reporting Council in March 2013. The SORP Board has identified a number of questions on which comments are specifically sought. The closing date for comments on the exposure draft is 17 November 2013.

We have previously reported on the likely main impact and will continue to liaise with you in terms of the specific impact of these changes on the University.

Going concern and liquidity risk

On 30 January 2013, the FRC published *Implementing the recommendations of the Sharman Panel*: revised guidance on going concern and revised International Standards on Auditing (UK and Ireland).

The FRC's proposals included:

- to be a going concern for narrative reporting purposes, e.g. to make the Listing Rules statement that the company is a going concern, needs high confidence of remaining solvent, and sustaining its business model, over a 'foreseeable future', that is, potentially, the economic cycle;
- for accounting purposes material uncertainty disclosure in the financial statements would be required if there is more than an even chance that, over the 'foreseeable future' the company will experience severe economic or financial distress; emphasis of matter threshold for auditors is expressed differently; and
- the threshold for the use of the break-up basis of accounting remains as now (i.e. no realistic alternative to liquidation).

The FRC invited comments by 28 April 2013. It originally intended to issue final guidance by 30 June 2013 that would apply to financial years commencing on or after 1 October 2012 but subsequently announced that, having considered responses to its proposals, it will not now implement those proposals. In particular, it will reconsider how to clarify the distinction between the intended broader assessment of risks to a company's viability, driving narrative reporting, and the assessment of going concern within the financial statements.

In terms of the development of guidance in support of the principles the FRC has decided to take up a number of proposals and will:

- Issue separate, simplified guidance for SMEs. As was anticipated in the consultation questions, feedback has been that recommendations for SMEs could be more proportionate.
- Make a clearer distinction as to the meaning of going concern in the context meant by the Sharman panel. The feedback highlighted that the use of going concern to describe both the specific assessment required when preparing the financial statements, and the broader assessment of the risks affecting a company's viability, was confusing. The FRC will consult on whether changes to the UK Corporate Governance Code are needed to make the distinction clearer; if so, they will take effect in October 2014.
- Make a clearer link between the assessment of business viability risks and the broader risk assessment that should form part of a company's normal risk management and reporting processes.

It is not yet certain what approach the Scottish Funding Council will take to implementing these recommendations, but we will discuss the implications with you as the outcome becomes clearer.

We set out here some of the recent developments in tax regulations. Our commentary covers:

- **tax transparency and governance;**
- **international activity;**
- **rate of corporation tax;**
- **overseas agents;**
- **cost sharing exemption;**
- **employment status; and**
- **researchers tax exemption.**

The implications of each of these matters for the University should be carefully assessed and advice sought where appropriate.

Tax transparency and governance

The tax environment continues to generate increasing levels of public interest, particularly with respect to how organisations manage their tax affairs, including their relationships with stakeholders. Organisations are also coming under pressure to be open and transparent regarding their tax affairs and to provide sufficient disclosure in their financial statements regarding tax.

Often the debate can be narrowly focussed, ill informed and can make organisations feel they face trial by media rather than be part of a fair discussion about appropriate business and tax planning strategies.

Although the focus was originally concentrated on private sector organisations, the spotlight has subsequently been turned on the public sector, with Margaret Hodge MP commenting that *“The public sector must maintain the highest standards of propriety in its employment practices if it is to show leadership in the fight against tax avoidance.”*

Tax governance is therefore likely to become an increasingly important feature of assurance for public sector bodies which will need to satisfy themselves that the business is operating within a spirit of tax openness and compliance. Importantly, tax governance assures governing bodies that their overall tax arrangements are robust, efficient and capable of withstanding scrutiny.

All universities should therefore be considering whether they have a tax governance strategy, with adequate controls and procedures, to minimise the risk of challenge.

International activity

International activity continues to be a key strategic objective within the higher education sector. Overseas initiatives bring with them a number of issues and potential risks which need careful consideration and planning including for example governance arrangements, management, human resource, financial control / reporting as well as taxation.

The overseas tax issues in relation to such arrangements are becoming an area of increased focus by overseas tax jurisdictions, and new rules and approaches are being developed by these countries to ensure that the relevant tax compliance requirements are being adhered to, and that any tax liabilities are being calculated and paid. However, there are also new opportunities as a result of new tax treaties or local legislation.

As these overseas activities are increasingly involving the sending of UK academic and support staff to carry out the activities in country, the employment tax issues facing both universities and individuals is becoming more important. Universities need to ensure that individuals do not face significant additional tax burdens, as this can affect the willingness of staff to commit to the overseas ventures, which can in turn make them more difficult to sustain.

Universities should ensure that they have the relevant controls and governance procedures in place to minimise the risk exposure from their international footprint.

Rate of corporation tax

The standard rate of corporation tax decreased from 24% to 23% with effect from 1 April 2013 and it will decrease to 21% from 1 April 2014. The UK Government has announced that it intends to reduce the standard rate by a further 1% to 20% by 1 April 2015.

The small company rate remains at 20%.

Overseas agents

HMRC are continuing to argue that overseas agents act as intermediaries, and that payments for their supplies to a higher education institution should always have been subject to the VAT reverse charge principle. They have raised assessments in relation to perceived underpayments of VAT.

KPMG are assisting a University to take this issue to appeal and a number of other universities are standing behind this appeal. We understand that this case is likely to be heard in Spring 2014.

In the meantime, alternative structures are being considered and implemented, which give commercial advantages and cost savings, and can also be VAT efficient.

Cost sharing exemption

The VAT cost sharing exemption is a provision in European law that allows businesses and organisations making VAT exempt and / or non-business supplies to form groups to achieve cost savings and economies of scale. Once formed the groups are relieved of a VAT charge on their supplies if all the conditions of the exemption are met.

Universities are considering how this, and other cost-sharing structures, which may involve collaboration with third party commercial providers, may be utilised in order to best meet their strategic needs.

Employment Status

HMRC are still targeting employment status at universities as a key area of investigation during their enquiries and compliance visits. We expect that HMRC will further focus their efforts on reviewing educational establishments' overall status compliance, not just the lecturers and academics previously targeted, but also management and students.

We are aware of HMRC challenges in relation to payments to PhD students as tax exempt scholarships and stipends, and it is important that the University considers the terms and amounts are in line with HMRC guidance.

Researchers' Tax Exemption ("RTE")

The UK Government has scrapped plans for extending the availability of Enterprise Management Incentive ("EMI") plans to academics employed in start up ventures, and has consulted instead on the RTE and how it can be improved.

We have assisted in making a formal submission to HMRC, and we are aware that submissions have been made by several universities, and a response from HMRC is still awaited.



cutting through complexity

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**Minute of the Meeting of the Audit Committee
held at 14.30 on Friday, 22 November 2013
in the Lord Provost Elder Room, Old College**

Present: Ms A Richards (Convener)
Mr P Budd
Mr A Johnston
Mrs E Noad
Mr M Sinclair

In attendance: The Principal
Vice-Principal Mr N Paul, Director of Corporate Services
Mrs T Slaven, Deputy Secretary, Strategic Planning
Mr P McNaull, Director of Finance
Mr H McKay, Chief Internal Auditor
Mr S Reid, KPMG External Auditor
Mr M Rowley, KPMG External Auditor
Mr B Gilmore, Director IT infrastructure (for items 4, 14 and 15)
Ms E Welch, Assistant Director of Finance
Dr K Novosel, Head of Court Services
Dr D Cook, Senior Strategic Planner

Apologies: Mr A Trotter

1 MINUTE OF THE MEETING HELD ON 23 SEPTEMBER 2013 Paper A

The Minute of the meeting held on 23 September was approved as an accurate record.

2 MEETING NOTE OF THE JOINT MEETING OF THE AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE HELD ON 28 OCTOBER 2013 Paper B

The Committee noted the contents of this paper.

3 MATTERS ARISING

3.1 Private meetings with External and Internal Audit Services

The Convener confirmed that separate meetings had been held between members of the Audit Committee and External and Internal Audit without the presence of any Officers of the University immediately before this meeting. The Committee identified the need for Internal and External Audit to continue their consideration of IT and IT security matters. The Committee also highlighted the need to ensure that adequate resources are in place to meet the demands of large projects in critical areas such as finance.

4 PRINCIPAL'S COMMENTS

The Principal commented on the following: the University being ranked 17th in the world in the 2013 QS World University Ranking; Emeritus Professors Higgs' joint award of the Nobel Prize for Physics; the successful events held during the

Chancellor's visit to the University; the importance of the inaugural meeting of the Global Citizenship Commission, hosted by the University; the high quality REF2014 submission; the University's success in securing research grants; recruitment of high quality early careers researchers; student success particularly in ECA; the promising student recruitment levels achieved; implementation of the personal tutor scheme; doctoral training; the University's provision of the most generous undergraduate bursaries in the UK; the University's leadership in MOOCs which attracted over 300,000 students; achievement of the Queen's Anniversary Prize for online postgraduate training in surgery (the highest form of national recognition open to a UK academic institution); the opening of the University's third overseas office in São Paulo, Brazil strengthening long-standing links with Latin America; the creation of the 4th Global Academy in the area of Justice; the continued financial sustainability of the University and leadership on the use of IT and Internationalisation. The Principal also thanked the Audit Committee and Internal and External Audit Services for their commitment and support to the University.

There was discussion by the Committee on current challenges facing the University including mechanisms to foster learning from projects.

FOR DISCUSSION

5 RISK MANAGEMENT COMMITTEE ANNUAL REPORT

Paper C

The Committee noted the 2012/13 Report on the activities of the Risk Management Committee, which summarised the key processes for managing the University's identified risks, as well as the refreshed risk appetite and the provision of assurances on procurement and fraud. The importance of Information Security was recognised and the 2012/13 Risk Management Committee Report included as an Appendix the Information Security Annual Assurance Report.

The transparent annual year end questionnaire summarising returns across the University included in the Report was welcomed and the Audit Committee thanked the Risk Management Committee for its excellent Report. There was discussion on specific issues and satisfactory assurance was provided on the management of specific risks.

The Audit Committee was content to endorse the Risk Management Committee's Annual Report for onward consideration by Court, noting that the Risk Management Committee was of the view that the University had satisfactorily managed its key risks during the year ended 31 July 2013.

6 AUDIT COMMITTEE ANNUAL REPORT

Paper D

The improvement in management completion of issues highlighted was welcomed, and the Committee emphasised the importance of seeing continued progress in this regard in the current years.

The Committee approved its Annual Report for onward submission to Court.

7 VOLUNTARY SEVERANCES (CLOSED)

Paper E

This report covered severance cases settled during 2012-13 which require disclosure in accordance with the 2011 Scottish Funding Council's Accounts Direction. The report was prepared in line with the guidance approved by the University Court in

April 2012. The Committee noted the contents of this paper.

UNIVERSITY OF EDINBURGH ACCOUNTS

8 DRAFT REPORTS AND FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2013 (CLOSED) Paper F

The revised design and structure of the Report, in line with best practice, was welcomed. The Committee noted that editing changes to the Report were currently being carried out and that the External Auditors anticipated issuing an unqualified opinion. The detail of the Financial Statement was discussed. The Audit Committee recommended the adoption of the draft Reports and Financial Statements to Court, subject to minor amendments and the Committee would see a final version by correspondence, prior to the December Court meeting.

9 EXTERNAL AUDIT HIGHLIGHTS MEMORANDUM (CLOSED) Paper G

The External Auditor confirmed their independence in drawing up the Memorandum and their intention to issue an unqualified opinion on the financial statements and that they had been comfortable with the information provided. A number of adjusted and unadjusted audit differences were drawn to the Committee's attention in the report. The Committee noted in particular the opinion provided on the Holyrood Project. An update from the Finance Director will be provided at next Audit Committee against the agreed management actions as set out in the Highlights Memorandum.

The Committee considered that KPMG's Highlights Memorandum for the year ended 31 July 2013 represented a balanced view and that any weaknesses identified or suggestions were being effectively taken forward and addressed by the University.

10 DRAFT LETTER OF REPRESENTATION AND COMMENTARY (CLOSED) Paper H

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

ANDREW GRANT BEQUEST

11 AUDIT COMMITTEE ANNUAL REPORT FOR ANDREW GRANT BEQUEST Paper I

The Annual Report for Andrew Grant Bequest was considered by the Committee. The Committee identified that in the future it would be useful to adapt the Internal Audit Opinion, included as an Annex to the Report, which covers the internal control environment for the whole University, so that it focuses only on areas of direct relevance to the Andrew Grant Bequest.

12 DRAFT TRUSTEE'S REPORT AND FINANCIAL STATEMENTS FOR ANDREW GRANT BEQUEST Paper J

The Committee considered and approved the draft's Trustee's Report and Financial Statement and recommended their adoption to the corporate Trustee of the Andrew Grant Bequest.

13 EXTERNAL AUDIT HIGHLIGHTS MEMORANDUM FOR ANDREW GRANT BEQUEST (CLOSED) Paper K

The External Auditor confirmed their independence in drawing up the Memorandum and their intention to issue an unqualified opinion on the financial statements and that there was no adjusted or unadjusted audit differences. Planned changes to the financial reporting standards for charities will require some reporting changes in future years. The Committee noted the Memorandum and recommended it to the corporate Trustee of the Andrew Grant Bequest.

14 DRAFT LETTER OF REPRESENTATION FOR ANDREW GRANT BEQUEST (CLOSED) Paper L

The Committee considered this letter of representation and was happy to recommend the attached letter of Representation subject to the change in salutation.

INTERNAL AUDIT

15 INTERNAL AUDIT ASSIGNMENT REPORTS Paper M

The Audit Committee considered the five Internal Audit Assignments completed since its last meeting.

Annual Reviews

The Committee noted the recommendations, which had been agreed in principle and noted that the recommendation around capturing this information on a central data system had been completed. There was discussion about the alignment between the data, reporting and policy. It was requested that a verbal update be brought by the Deputy Secretary Strategic Planning, on the Annual Review Key Performance Indicator to the next Audit Committee meeting.

Academic Collaborations

The recommendation for a definition of collaboration and for this definition to be subsequently included in the Delegated Authorisation Schedule was noted.

Edinburgh RUK Bursary Scheme

As a new entry in the University's risk register for 2012/13 the Committee was pleased to note that there are adequate controls in place for this scheme and that the recommendation had been completed.

Replacement of Database Servers

The Committee noted that the University's IT capability and functionality had been maintained through the replacement of database servers and that there had been no noticeable disruption to services, although there had been delays to the project timescales.

The Committee noted the remaining Internal Audit assignment.

16 INTERNAL AUDIT FOLLOW UP REVIEWS Paper N

The Committee noted the improved position in respect of the implementation of agreed recommendations from previous internal audit assignments and the reports to Central Management Group.

17 INTERNAL AUDIT PROGRESS REPORT

Paper O

The 2013/14 plan was 19% advanced after 14 weeks and the 2012/13 plan is nearing completion. The Committee noted that there had been one incident of investigation under the University's Fraud and Misappropriation policy.

18 ANY OTHER COMPETENT BUSINESS

This was the last meeting attended by the External Auditors M. Rowley and S. Reid, the Committee thanked the Auditors for their insight and judgement.

19 DATE OF NEXT MEETING

The next meeting would be held on Thursday 27 February 2014 at 17:00 in the Lord Provost Elder Room, Old College. It was noted that this meeting would be preceded by a sub-group meeting to consider the US GAAP Accounts on Monday 13 January 2014 at 09:30 in the Director of Finance's Office, Charles Stewart House.

C6.1

The University of Edinburgh

The University Court

9 December 2013

University of Edinburgh: Annual Report and Accounts 2012/13

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

The Annual Report and Accounts 2012/13 are attached.

Action requested

The Annual Report and Accounts 2012/13 were reviewed by the Finance and General Purposes Committee and the Audit Committee and at their meetings on 18 and 22 November 2013 and are recommended to Court for adoption. Court is requested to review with a view to approving the Annual Report and Accounts which incorporate as appropriate comments received from these Committees. Following this, the Annual Report and Accounts 2012/13 will be signed on behalf of Court and together with the management letter of representation will then be passed to the external auditor in order that their report may also be signed.

A copy of the Annual Report and Accounts 2012/13 will be lodged with the Scottish Funding Council by 31 December 2013. A further copy will be filed in due course along with the annual return for 2012-13 with the Office of the Scottish Charity Regulator.

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Has due consideration been given to the equality impact of this paper? There are no specific implications.

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 Annual Report and Accounts is covered by the University publication schedule. The Annual Report and Accounts will be published 30 days after adoption and signature by the Court on 9 December 2013 and the signing of the audit opinion by the external auditor.

Originators of the paper

Phil McNaull, Director of Finance
Elizabeth Welch, Assistant Director of Finance
Graham Bailey, Senior Financial Accountant
December 2013

The University of Edinburgh

The University Court

9 December 2013

University of Edinburgh: Letter of Representation for the year ended 31 July 2013

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

The draft letter of representation from KPMG LLP, in respect of the Annual Report and Accounts for the University of Edinburgh for the year ended 31 July 2013 is attached. The Principal, on behalf of Court signs the letter of representation to the external auditors in support of the financial statements being audited.

Action requested

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 so checks and balances incorporated into the processes and procedures (internal control systems) necessary to effectively management 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 seen by F&GPC at its meeting on 18 November 2013 and Audit Committee on 22 November 2013.

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

Resource implications

None.

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Has due consideration been given to the equality impact of this paper? N/A

Freedom of information

Can this paper be included in open business? No

The letter is to be agreed by Court on 9 December 2013 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

Elizabeth Welch, Assistant Director of Finance
Graham Bailey, Senior Financial Accountant

To be presented by

Phil McNaull, Director of Finance

7 November 2013

The University of Edinburgh

The University Court

9 December 2013

Review of Movement from Forecast to Actual Income and Expenditure 2012-13

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 2012-13 with the Quarter 3 forecast prepared in Spring 2013.

Action requested

The paper is for information and discussion.

Resource implications

As indicated in the paper.

Risk Assessment

The continuing financial health of the University.

Equality and Diversity

None.

Any other relevant information

None.

Originator of the paper

Lorna McLoughlin
Senior Management Accountant

November 2013

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

For how long must the paper be withheld?

The paper should be withheld for a period of twelve months from date of presentation to Court.

To be presented by

Mr P McNaull
Director of Finance

The University of Edinburgh

The University Court

9 December 2013

C7

Draft Outcome Agreement 2014-17

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

This paper sets out the University's draft Outcome Agreement with the Scottish Funding Council for 2014-2017. This sets out what the University will deliver in return for SFC funding, in alignment with the University's Strategic Plan. The draft Outcome Agreement seeks to demonstrate that the University is a research pioneer, with a global outlook, inclusive and accessible, facilitates flexible learner journeys through distance learning and life-long learning and is sustainable – financially, environmentally and socially.

Comments on the first draft of the Outcome Agreement have been received from SFC and responses/amendments made to the draft as a result are highlighted.

Action requested

Court is invited to consider and endorse the draft Outcome Agreement.

Resource implications

Having a signed agreement is a requirement of future SFC funding. Where future ambitions require additional funding for 2015-17 we have asked contributors to clearly indicate this as the future funding settlement is not yet confirmed.

Risk assessment

The risks inherent in Outcome Agreements are addressed in the University Risk Register.

Equality and diversity

Equality and diversity is a horizontal theme which runs across all outcomes and embedded throughout. Equality of opportunity is also promoted through specific actions in the draft Outcome Agreement.

Freedom of information

This paper should remain closed until the final version is approved and agreed with SFC. Publication will be co-ordinated with SFC.

Originator of the paper

Deborah Cook, Senior Strategic Planner
Tracey Slaven, Deputy Secretary, Strategic Planning
Governance and Strategic Planning, 26 November 2013.

Strategic Plan 2012-2016: First Monitoring Report

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

This paper presents the first monitoring report on progress against the targets and Key Performance Indicators in the University's Strategic Plan for 2012-2016.

Action requested

For comment and approval.

Resource implications

None.

Risk assessment

Inadequate monitoring of progress against the University's Strategic Plan targets could result in the non-delivery of the University's objectives and strategies and, ultimately, failure to meet targets. This paper details the proposed reporting arrangements to ensure there is adequate monitoring.

Equality and diversity

The 2012-2016 Strategic Planning contains a Strategic Theme 'Equality and Widening Participation', with relevant targets and Key Performance Indicators, the report monitors performance of these targets and KPIs.

Freedom of information

This paper can be included in open business.

Originator of the paper

Deborah Cook, Senior Strategic Planner
Tracey Slaven, Deputy Secretary, Strategic Planning
Governance and Strategic Planning

20 November 2013.

Strategic Plan Targets and KPIs: Progress Report 2012-2013

1. Summary

Key: KPI performance status

Improving	↑
Worsening	↓
Maintaining	↔

Key: Target performance status

On track	
Further work required	
Performance data not yet available	

Key Performance Indicator or Target	Performance
Excellence in Education	
<i>1.0 Proportion of leavers achieving a successful outcome (degree, transfer or other award)</i>	↔
1.1 Increase student satisfaction with academic and pastoral support	
1.2 Increase student satisfaction with opportunities and support for developing graduate attributes and employability	
Excellence in Research	
<i>2.0 Russell Group market share of research income (spend)</i>	2011/12 data ↑
2.1 Increase average number of PhD students per member of academic staff to at least 2.5	
2.2 Increase score for the citations-based measure in the THE World University Rankings to at least 94/100	
Excellence in Innovation	
<i>3.0 Knowledge exchange metrics: number of disclosures, patents, licenses and new company formations</i>	↔
3.1 Achieve at least 200 public policy impacts per annum	
3.2 Increase economic impact, measured by GVA, by at least 8%	Data not available
People	
<i>4.0 Proportion of staff who have had an annual review within the previous year</i>	↑
4.1 Achieve the institutional Athena SWAN Silver award	
4.2a Increase number of international applications for academic posts: number of applications.	

Strategic Plan 2012-16: Targets and KPIs Progress Report

Year 1: 2012/13

Key Performance Indicator or Target	Performance
4.2b Increase number of international applications for academic posts: average no. applications per post advertised	
Infrastructure	
5.0 Total income per square metre of GIA	↑
5.1 Increase the proportion of our building condition at grades A and B on a year-on-year basis, aiming for at least 90% by 2020.	2011/12 data
5.2 Increase student satisfaction with learning resources (library, IT resources, study space and equipment) to at least 86%	
Finance	
6.0 Operating surplus as a % of turnover	↑
6.1 Increase our total income per staff FTE, aiming for an increase of at 10% in terms	
6.2 Increase our ROCE	
Outstanding student experience	
7.0a Proportion of graduates in graduate-level employment or further study (undergraduates)	2011/12 data ↑
7.0b Proportion of graduates in graduate-level employment or further study (postgraduate taught graduates)	2011/12 data ↓
7.0c Proportion of graduates in graduate-level employment or further study (postgraduate research graduates)	2011/12 data ↔
7.1 Increase the level of overall satisfaction expressed in responses to the NSS, PTES and PRES student surveys to at least 88%	
7.2 Increase the number of our students who have achieved the Edinburgh Award to at least 500	
7.3 Create at least 800 new opportunities for our students to gain an International experience as part of their Edinburgh degree.	
Global impact	
8.0 Proportion of international students from beyond our five most well-represented countries	↑
8.1 Increase our headcount of non-EU international students by at least 2,000	
8.2 Increase our research grant income from EU and other overseas sources so that we enter the Russell Group upper quartile	2011/12 data
8.3 Increase our number of masters students on programmes established through our Global Academies by at least 500	
Lifelong community	
9.0 Physical and virtual footfall	Virtual only ↑

Strategic Plan 2012-16: Targets and KPIs Progress Report

Year 1: 2012/13

Key Performance Indicator or Target	Performance
9.1 Increase the number of active alumni engagements with the University via the Alumni Services website, social media and e-newsletters.	
Social Responsibility	
10.0 Carbon emissions per £ million turnover	↔
10.1 Reduce absolute CO2 emissions by 29% by 2020, against a 2007 baseline (interim target of 20% savings by 2015)	
Partnerships	
11.0 a Number of our research publications which are internationally co-authored	↑
11.0 b Proportion of our research publications which are internationally co-authored	↑
11.1 Increase our number of PhD students on programmes jointly awarded with International partners by at least 50%	
Equality and Widening Participation	
12.0a Undergraduate entrants from under-represented groups: widening participation	↑
12.0b Undergraduate entrants from under-represented groups: low income households	↑
12.0c Undergraduate entrants from under-represented groups: ethnicity	↑
12.0d Undergraduate entrants from under-represented groups: disability	↔
12.1a Converge on our state schools and colleges participation benchmark	2011/12 data
12.1b Converge on our low social classes participation benchmark	2011/12 data
12.2a Increase the proportion of female academic staff appointed and promoted to lecturer, senior lecturer, reader and professor levels	
12.2b Reduce the gender pay gap for University staff	

2. Detail of performance

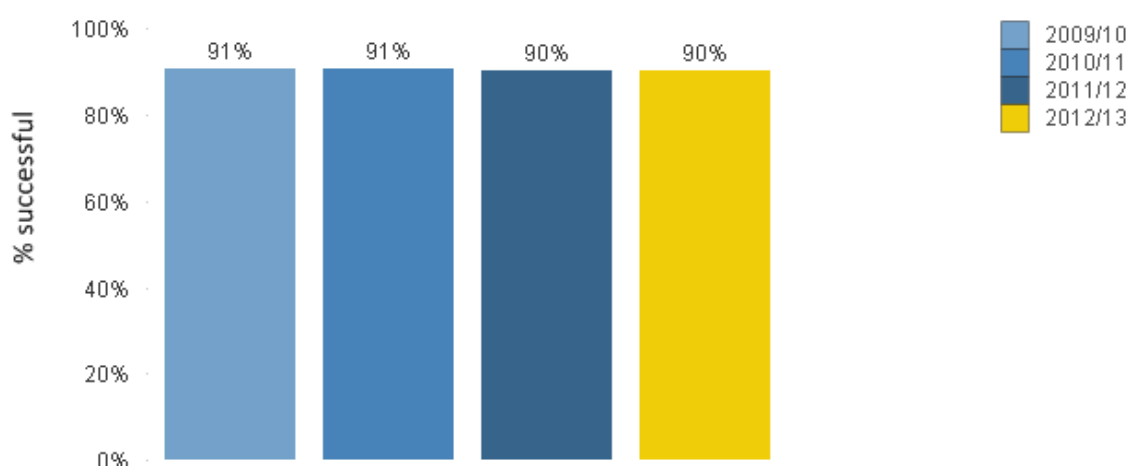
Excellence in Education	
1.0 Proportion of leavers achieving a successful outcome (degree, transfer or other award)	↔
1.1 Increase student satisfaction with academic and pastoral support	
1.2 Increase student satisfaction with opportunities and support for developing graduate attributes and employability	

KPI 1.0 Proportion of leavers achieving a successful outcome (degree, transfer or other award)

Status: Performance maintaining

Tolerance: 1 percentage point (+/-) previous 3 year average

%of leavers achieving a successful outcome (degree, transfer or other award)



Note on performance

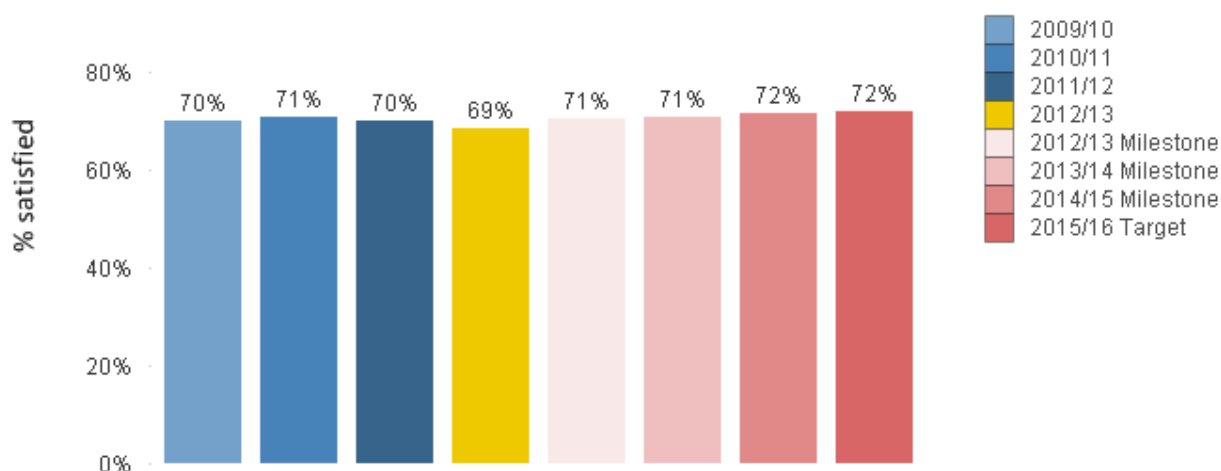
The proportion of leavers achieving a successful outcome in 2012/13 was 90.4%. This is based on the cohort of undergraduate taught entrants who started their programme of study in 2008/09. The 2012/13 performance represents a very slight increase from 2011/12, but matches the average outcome rate for the previous three years, thus performance is maintained. The College of Humanities and Social Science's outcome rate notably increased by 2.3 percentage points during 2012/13.

College	2007/08 Entry	2008/09 Entry
Humanities and Social Sciences	90.9%	92.3%
Medicine and Veterinary Medicine	97.2%	95.1%
Science and Engineering	86.8%	86.0%

Target 1.1 Increase student satisfaction with academic and pastoral support

Status: Further work required

Increase student satisfaction with academic and pastoral support



Note on performance

Student satisfaction in these areas dipped to 68.6% from the most recent student survey results. This is largely due to the inclusion for the first time, of results from the Edinburgh Student Experience Survey (ESES), which surveys undergraduate students from years 1 to 3. Without the results of the ESES

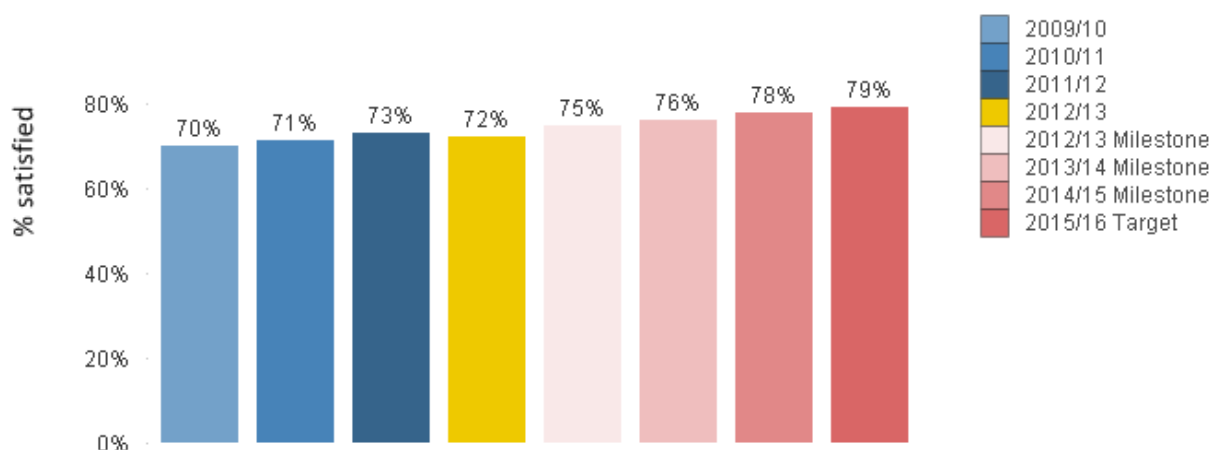
Survey	% satisfied
Edinburgh Student Experience Survey (undergraduate, years 1 to 3)	63%
National Student Survey (undergraduate final year)	72%
Postgraduate Taught Experience Survey	65%
Postgraduate Research Experience Survey	78%

survey, the 2012/13 milestone would have been reached, with a result of 71.4%. Postgraduate research students are the most satisfied with academic and pastoral support, followed by final year undergraduates. The University is investing significantly in the student experience, and we anticipate that over the medium term this will deliver improved performance.

Target 1.2: Increase student satisfaction with opportunities and support for developing graduate attributes and employability

Status: Further work required

Increase student satisfaction with graduate attributes and employability



Note on performance

This target shows a small decrease in performance in 2012/13 since 2011/12.

Final year undergraduates (students who would be expected to be most interested in this aspect), in the National Student Survey are most satisfied with opportunities and support for developing graduate attributes and employability, with 77% being satisfied. This target included for the first time, the new Edinburgh Student Experience Survey (ESES) and these students are the least satisfied together at 69%.

Survey	% satisfied
Edinburgh Student Experience Survey (undergraduate, years 1 to 3)	69%
National Student Survey (undergraduate final year)	76%
Postgraduate Taught Experience Survey	69%
Postgraduate Research Experience Survey	73%

College	% satisfied
Humanities and Social Sciences	69%
Medicine and Veterinary Medicine	81%
Science and Engineering	73%

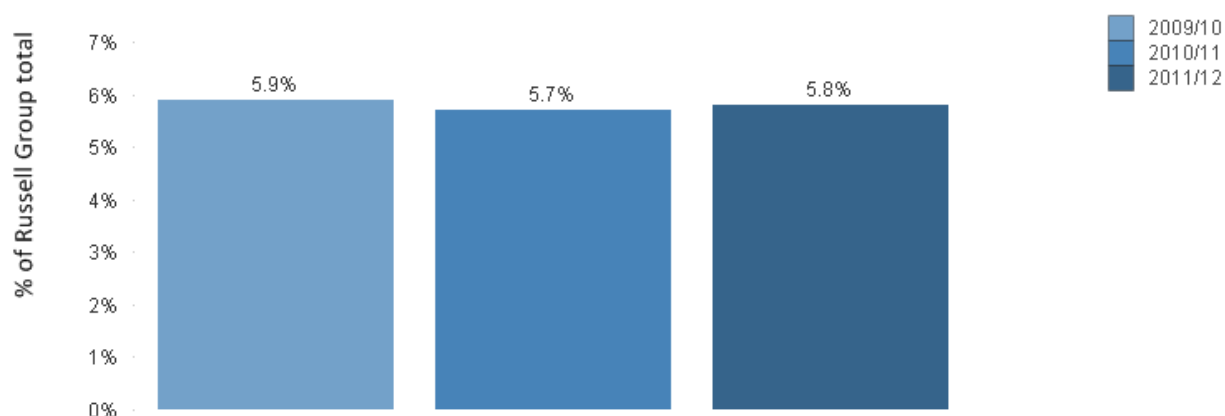
Excellence in Research	
2.0 Russell Group market share of research income (spend)	2011/12 data ↑
2.1 Increase average number of PhD students per member of academic staff to at least 2.5	
2.2 Increase score for the citations-based measure in the THE World University Rankings to at least 94/100	

2.0 Russell Group market share of research income (spend)

Status: Performance improving

Tolerance: 0.1 percentage point (+/-) from previous year

Russell Group market share of research income (spend)



Note on performance

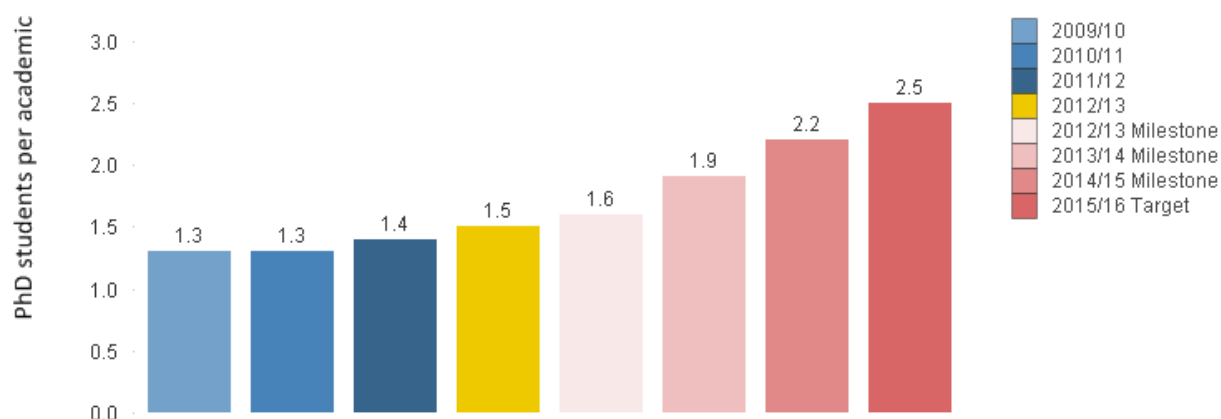
The University of Edinburgh ranks fifth in the Russell Group for research income. Research income has grown amongst Russell Group institutions slightly since 2009/10, with Edinburgh outpacing the Russell Group's rate of growth.

	2009/10	2010/11	2011/12
University of Edinburgh income (£,000s)	185,279	180,990	193,119
Russell Group research income (£,000s)	3,147,875	3,200,578	3,302,270

Target 2.1 Increase average number of PhD students per member of academic staff to at least 2.5

Status: further work required

Average number of PhD students per academic: 2009/10 to 2012/13 and milestones



Note on performance

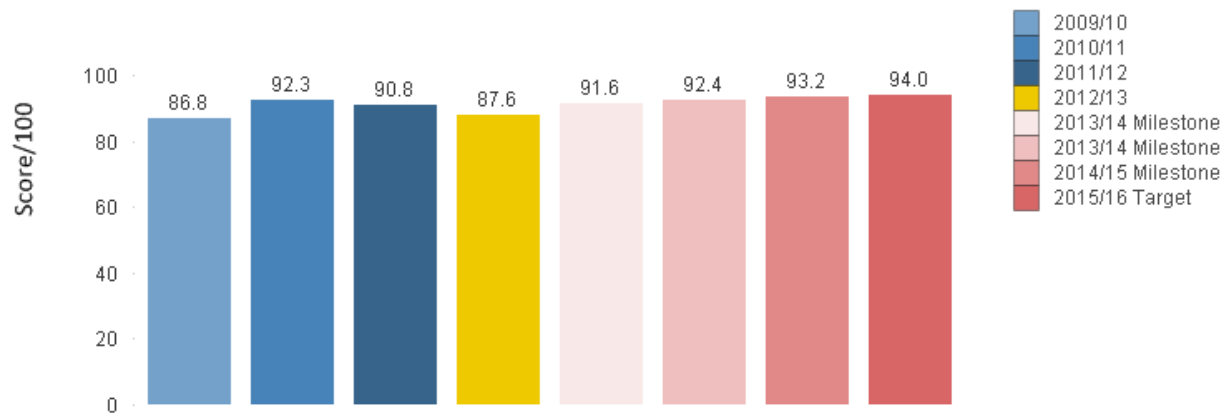
The University’s ratio of PhD students to academic staff increased in 2012/13 to 1.5 from 1.4 in 2011/12. However, this performance did not reach the milestone necessary to achieve the ambitious target. The Russell Group average number of PhD students per member of academic staff also increased in 2011/12 (from 1.5 to 1.6) and the University’s performance in 2011/12 was just under the Russell Group average.

Average number of PhD students to academics	2009/10	2010/11	2011/12
Russell Group average	1.4	1.5	1.6
University of Edinburgh	1.3	1.3	1.4

Target 2.2 Increase score for the citations-based measure in the THE World University Rankings to at least 94/100

Status: further work required

Increase our score for the citations-based measure in the THE World Ranking to at least 94/100



Note on performance

The University of Edinburgh achieved a score of 87.6 out of 100 in 2013 compared to 91 in 2012 in the THE World University Rankings. This score is relative and normalised to the highest scoring institution. Such a level of change is typical for institutions within the top 200, however some Russell Group universities in the top quartile, have improved their performance, such as Kings and LSE. In terms of subject citation scores the largest decline appears to be in the arts & humanities, from a score of 73.4 in 2012 to 54 out of 100 in 2013, although as there are fewer publications within this area, larger changes can be expected. The THE World Ranking Citations measure refers to publication made during 2007-2011 and citations made during 2007-2012, weighted by subject from Web of Science. Governance and Strategic Planning will undertake further analysis in this area during 2013/14 and post-REF to improve understanding and explore possible options to enhance our score.

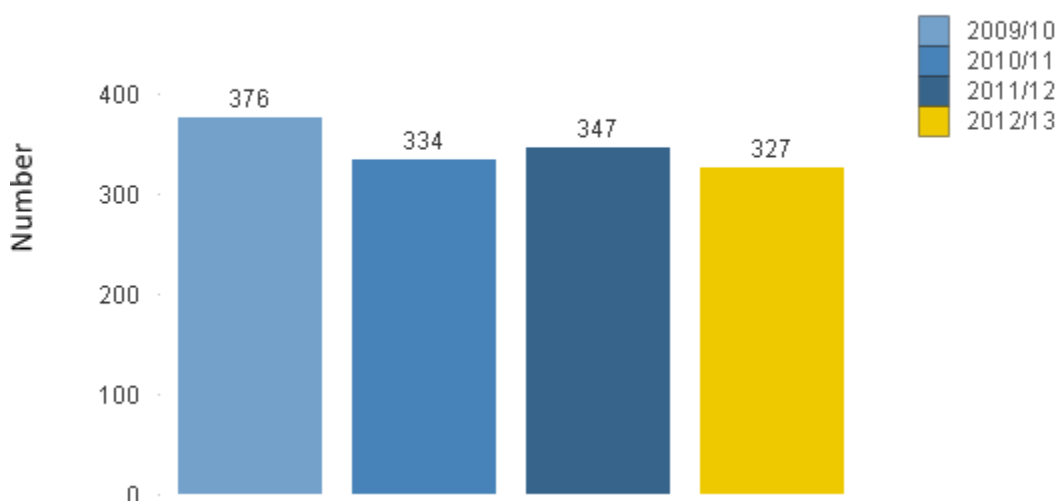
Excellence in Innovation	
3.0 Knowledge exchange metrics: number of disclosures, patents, licenses and new company formations	↓
3.1 Achieve at least 200 public policy impacts per annum	
3.2 Increase economic impact, measured by GVA, by at least 8%	Data not available

KPI 3.0 Knowledge exchange metrics: number of disclosures, patents, licenses and new company formations

Performance: worsening (due to reporting changes)

Tolerance: 1 % (+/-) from previous year

Number of disclosures, patents, licenses and new company formations



Note on performance

The majority of our commercialisation outcomes were achieved in 2012/13 with 50 new commercial licence deals and 35 new company creations. Of the 35 companies, 5 were traditional spin-outs and 30 were student supported enterprises. Disclosures were slightly down to 175 (from 199) but this was mainly due to a re-alignment of reporting by the BioQuarter team and not a cause for concern. As ever with Disclosures, quality is more important than quantity. Licence income for the year totalled £665K against a target figure of £500K.

A pilot project has been commenced to run a dedicated new company formation support programme that is focussed on post-doctoral researchers. Early signs are very encouraging, with around 80 people attending the first introductory event on 28 August 2013.

The Converge Challenge is a pan-Scottish business plan

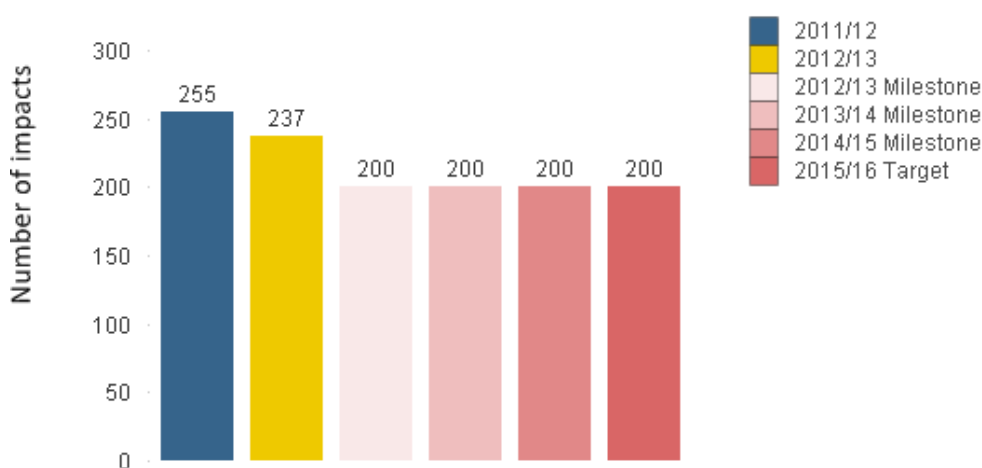
Knowledge exchange metrics	2011/12	2012/13
Disclosures	199	175
Patents	62	67
Licenses	51	50
Company formations	35	35

competition that is open to staff and students in all Scottish Universities, and offers a £60K top prize in cash and in-kind support. We are particularly pleased that this year, 3 of the 6 short-listed finalists are from the University of Edinburgh, including Kanika Bansal who is currently on an RSE Fellowship and hosted by Edinburgh Research and Innovation.

Target 3.1 Achieve at least 200 public policy objectives per annum

Status: on track

Public policy impacts: 2011/12 to 2012/13 and milestones



Note on performance

Strategic Plan Target 3.1 sets the objective that the University will achieve 200 or more Public Policy Impacts (PPIs) per academic year from 2012 to 2016. Criteria for this objective have been developed and performance towards the target measured for the academic years 2011/12 (as a backward-looking calibration exercise) and on a quarterly basis during 2012/13. Following this methodology, the total number of PPIs recorded for 2011/12 was 255 and the total number for 2012/13 was 237.

Public Policy Impact was measured on the basis of media coverage of policy-relevant research, as recorded via the PURE research information system. The criteria applied to determine whether an item recorded in PURE constitutes a PPI were twofold. In order to count as a PPI, firstly, the item must be assessed to be of public policy relevance. This may include, for example, research which, if leading to application, would have an obvious impact on public policy (such as medical research that could save a significant number of lives), or expert comment that informs debate on a public policy issue. Secondly, the item must meet one of three further conditions: a) appear in two or more media outlets; b) constitute invited expert comment, i.e. a broadcast interview with the researcher; or c) be of particular prominence, i.e. occupy a prominent broadcasting slot within the outlet.

Trends

When these criteria were applied to PURE data for 2012/13, 237 PPIs were recorded with an average monthly total of 19.75. 74% of these PPIs met criteria a) above, appearing in two or more outlets, while 22% met criteria b), constituting expert comment, and 4% met criteria c), appearing in a prominent position within the outlet. For the year 2011/12, of the 255 PPIs recorded with a monthly average of 21.25, 64% satisfied criteria a), while 27% met criteria b) and 9% criteria c). The smaller

Strategic Plan 2012-16: Targets and KPIs Progress Report

Year 1: 2012/13

proportion of PPIs meeting the prominence criteria in 2012/13 partly reflects a change to the way in which data was recorded in PURE in 2012/13, as the page number an item appeared on in a print media outlet was no longer inputted in this year.

April, July and August appear to be 'fallower' impact months, with the number of PPIs notably below the average monthly score (16 in April, 11 in July and 13 in August in 2011/12, and 15 in each month in 2012/13).

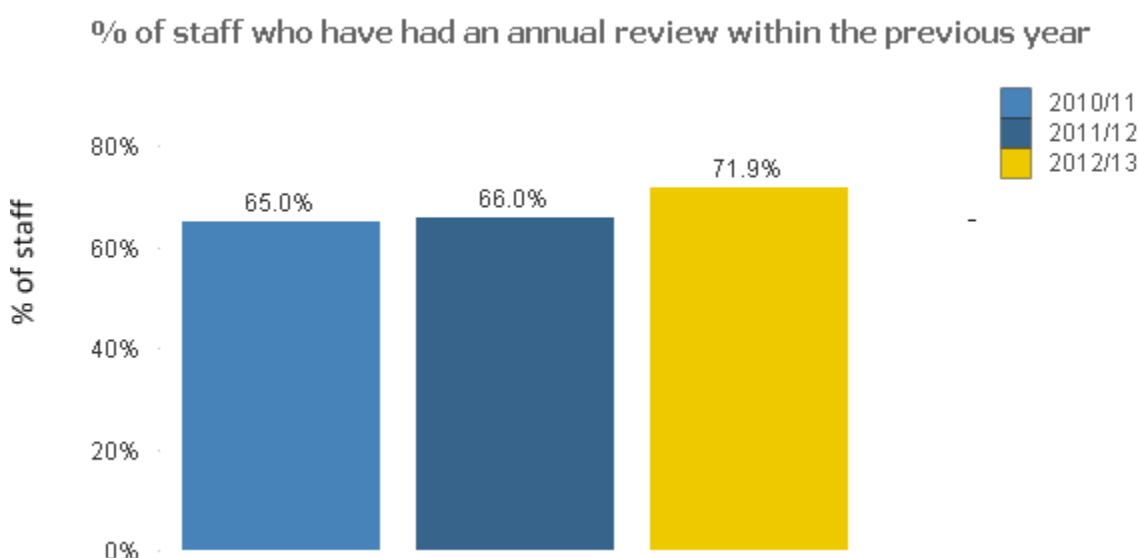
PPIs were broken down by College and School in 2012/13, revealing significant public policy impact across the university. CHSS recorded 45% of all PPIs, followed by CMVM with 34% and CSE with 20%. At School level, the School of Clinical Sciences scored highest with 40 PPIs (17%), followed by the School of Law with 28 PPIs (12%) and the School of Social and Political Science with 26 PPIs (11%). It should be noted that contemporary events and debates have an obvious impact on the PPIs recorded at a particular time. For example, both the Schools of Social and Political Science and Law registered a significant number of PPIs as a result of expert comment provided on the forthcoming 2014 referendum on Scottish independence.

People	
4.0 Proportion of staff who have had an annual review within the previous year	↑
4.1 Achieve the institutional Athena SWAN Silver award	
4.2a Increase number of international applications for academic posts: number of applications.	
4.2b Increase number of international applications for academic posts: average no. applications per post advertised	

KPI 4.0: Proportion of staff who have had an annual review within the previous year, incorporating the identification of objectives and development needs.

Status: performance improving

Tolerance: 1 percentage point (+/-) from previous year



Note on performance

The University’s Annual Review (AR) Policy Statement (November 2011), sets out a clear University-wide policy requiring every eligible member of staff to have a annual review (recognising that other external processes operate in some areas, for example, for staff on NHS contracts)

Schools and service level areas have been doing a great deal to embed the implementation of Annual review meetings over the last few years, including communicating the importance and requirement for Annual Review, developing local guidance and providing tailored training if appropriate, backed by encouragement by all the Heads of College. University HR Services (UHRS) developed and launched an on-line ‘Understanding Annual Review’ module in October 2012, which has enabled quick and easy access to staff development/refresher training in Annual Review for all staff. The Performance Management programme available to staff also provides a range of workshops, including an Annual Review Skills workshop for Reviewers.

Strategic Plan 2012-16: Targets and KPIs Progress Report

Year 1: 2012/13

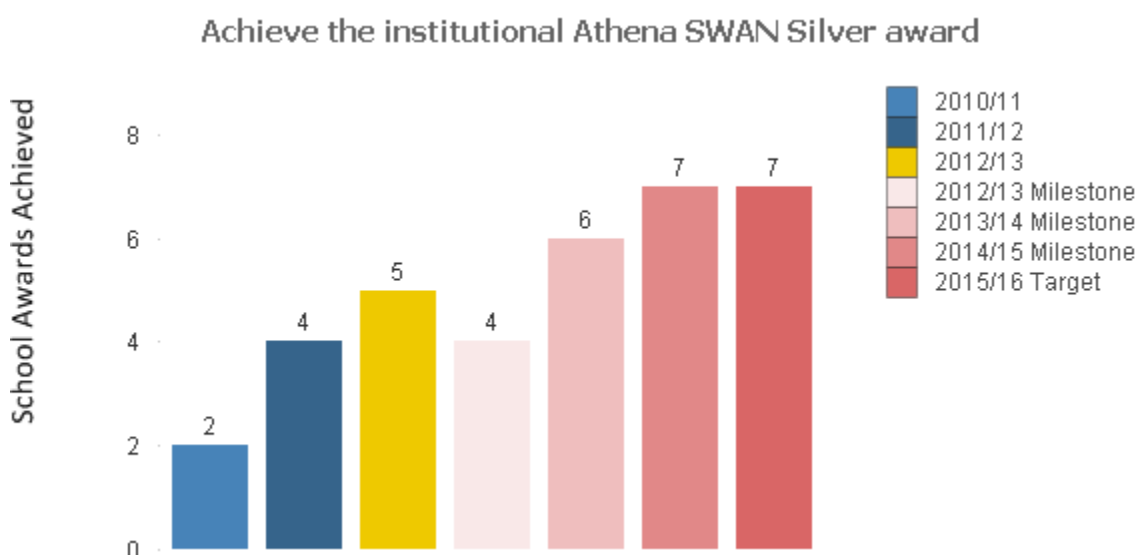
A proportion of staff completed their Annual Reviews, in the two months after 31 July 2013. These staff, together with staff who have a valid reason for not completing an annual review¹, bring the total number of staff reviewed/or who have a valid reason to 81.4% These figures show a significant improvement over 2011/12, when approximately 66% of staff had an AR. There are significant differences across Colleges/Support Groups (see below):

The rates for each College/Support Group were as follows:

College/Support Group	AR in 2012/13	AR in Aug/Sept 2013	Valid reason for no AR	Total staff reviewed or with a valid reason
Humanities & Social Sciences	68.5%	2.5%	11.8%	82.8%
Medicine & Veterinary Medicine	77.0%	1.2%	6.5%	84.7%
Science & Engineering	43.2%	4.0%	7.7%	55.0%
Corporate Services	90.3%	3.0%	3.3%	96.7%
Information Services	91.0%	0.9%	4.2%	96.1%
Student & Academic Services	87.1%	4.3%	2.3%	93.7%
University of Edinburgh	71.9%	2.5%	6.9%	81.4%

Target 4.1: Achieve the institutional Athena SWAN Silver Award

Status: on track



¹ Valid reasons are that during 2012/13 one of the following applied: maternity or long-term sick leave, secondment, sabbatical leave, job transfer, restructuring, undergoing capability process, AR rescheduled, leaving after 31/7/13.

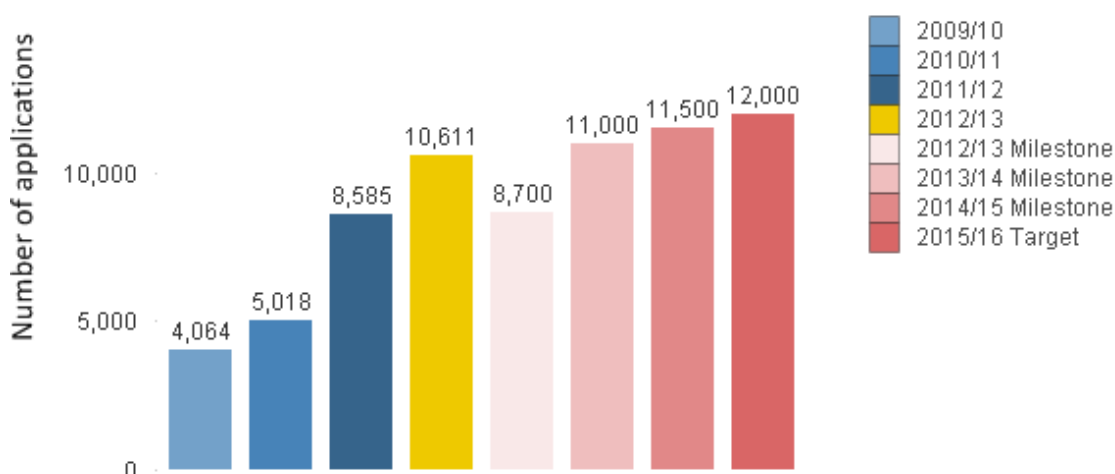
Note on performance

The University is on track to meet this target. Significant success is being achieved, and a great deal of work is underway, University-wide. During 2012/13 the following departments gained an Athena SWAN award: Royal Dick School of Veterinary Studies (the first Vet school in the UK) achieved a Bronze), School of Biological Sciences achieved a Silver Award. In the first part of 2013/14 the School of Informatics also achieved a Silver Award and the Schools of Engineering, Geosciences and Mathematics all achieved Bronze Awards following their applications in April 2013. The minimum requirement for a University to apply for a Silver Award is for half of its STEMM ‘departments’ to hold Athena SWAN awards, some of which must be at Silver level or above. As of 1 October, the University has now achieved that requirement.

4.2a Increase number of international applications for academic posts: number of applications.

Status: on track

Number of International applications for academic posts



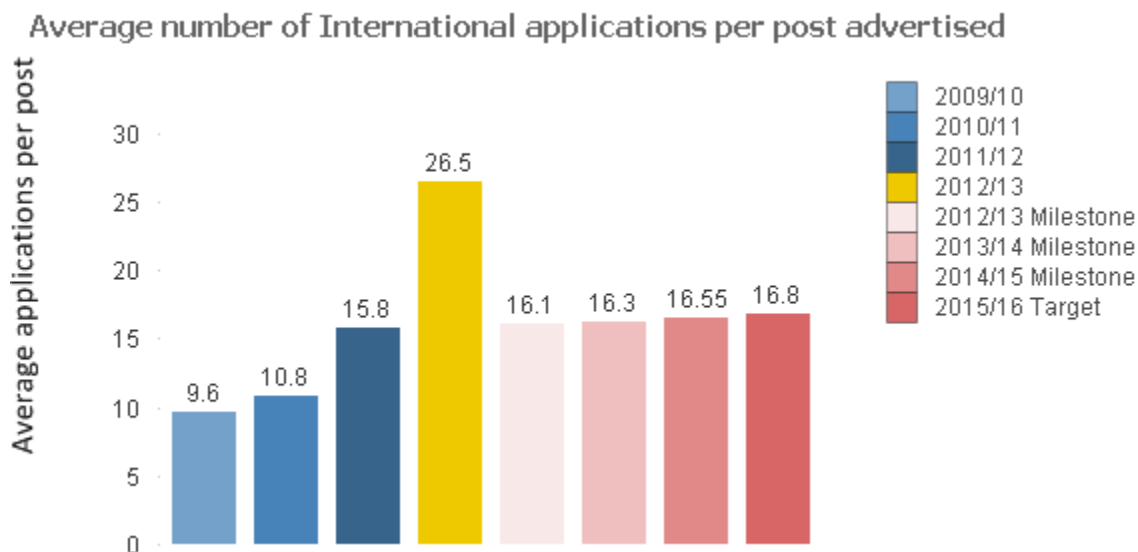
Note on performance

The new eRecruitment system which was launched in October 2013 now captures the nationality of all applicants which enables more accurate reporting of whether applicants are international² rather than address at the time of application which was used previously. As a consequence, the milestones and final targets have been revised upwards, to take into account the change in reporting. The figures show that the number of international applications has increased. The total number of academic vacancies advertised has decreased by 26%, from 544 in 2011/12 to 400 vacancies in 2012/13 whereas the number of international applicants has increased by 20% so this target is very much on track.

² Defined as having a non-UK nationality. This means that 2012/13 data is not strictly comparable with previous years data.

Target 4.2b Increase number of international applications for academic posts: average number of applications per post advertised

Status: on track



Note on performance

This sub measure was added into the Strategic Plan to account for fluctuations in applications as a result of the number of vacancies advertised. It is clear that International applications are increasing more generally and applications have also increased per post (exceeding the 2012/13 milestone and the 2015/16 target). Action has been taken during 2012/13 and 2013/14 to increase the average number of international applicants by reviewing the advertising media used to promote vacancies internationally. The University is undertaking a trial to advertise all vacancies on two new international jobs academic job boards: Uni Jobs and Global Academy Jobs, to raise our profile internationally. The impact of this approach will be measured in 2013/14 to determine whether these are effective tools in generating a higher average number of international applicants per post. Activities are underway to sustain and where possible, boost the numbers of applicants, through improving the advertising templates and the establishment of a Relocation Service (including a website) .

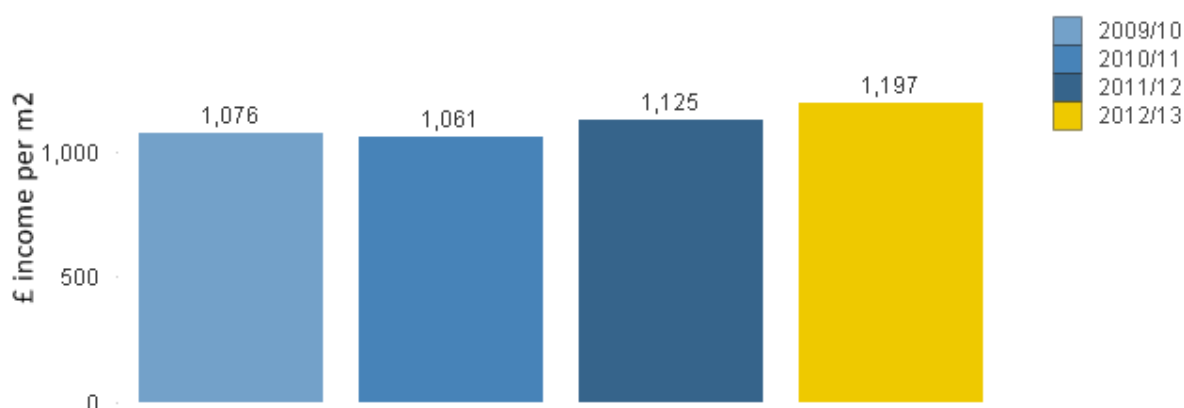
People	
5.0 Total income per square metre of GIA	(estimate) ↑
5.1 Increase the proportion of our building condition at grades A and B on a year-on-year basis, aiming for at least 90% by 2020.	2011/12 data
5.2 Increase student satisfaction with learning resources (library, IT resources, study space and equipment) to at least 86%	

KPI 5.0 Total income per square metre of GIA

Status: performance improving

Tolerance: 1 % (+/-) from previous year

Total income per square metre of gross internal area (£)

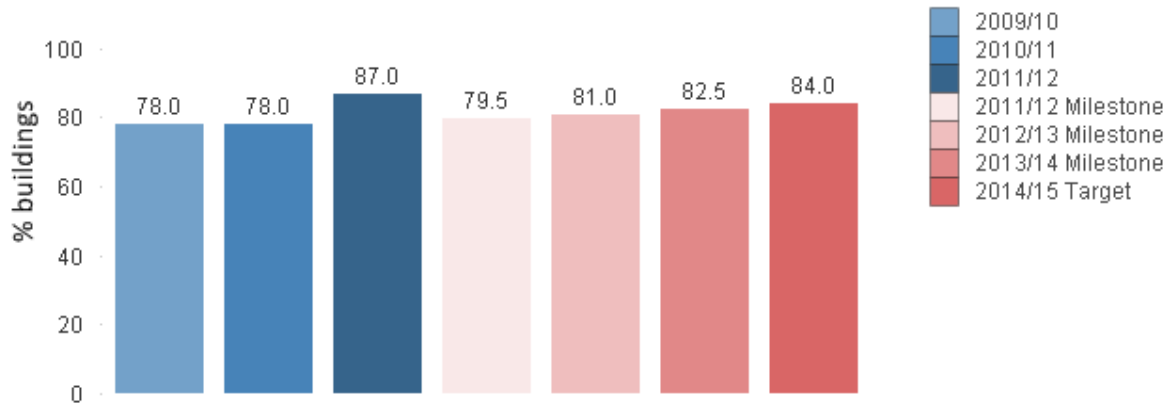


Note on performance

In 2012/13 it is estimated that the University total income per square metre grew 6.4% to £1,197, up from £1,125. Based on the gross-internal area of our non-residential estate, this indicates that the University is using its non-residential estate more efficiently, thus performance has improved. It represents a sustained year to year improvement over the past 6 years. During 2012/13 gross internal area during the period grew very slightly with an increase less than 0.5%. Going forward, this improvement will be harder to sustain on a year to year basis, given our ambitious estate development plans.

Target 5.1 Increase the proportion of our building condition at grades A and B on a year-on-year basis, aiming for at least 90% by 2020 (2011/12 data, baseline 2010/11)

Proportion of buildings at grades A and B: 2009/10 to 2011/12 and milestones



Note on performance

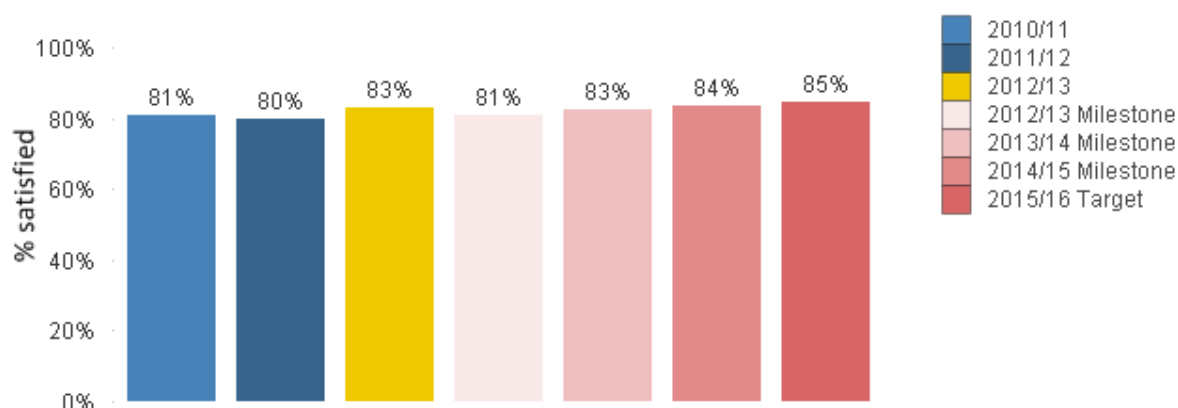
The baseline for this target is 2010/11. The University increased the proportion of buildings at grades A and B to 87% in 2011/12, up from 78% in 2010/11. The University is now in the Russell Group upper quartile (from Russell Group institutions where data is available). The University’s improvement in this area (up 9 percentage points from 2010/11), was only bettered by the University of Exeter (up 12.5 percentage points from 2010/11, and whose building condition is now 81% at grades A and B).

Russell Group – proportion of building condition at grades A and B (2011/12)	%
Upper Quartile	86%
Average	79%
University of Edinburgh	87%

5.2 Increase student satisfaction with learning resources (library, IT resources, study space and equipment) to at least 85%

Status: on track

Increase student satisfaction with learning resources to at least 85%



Note on performance

Student satisfaction in these areas has increased in surveys since 2011/12 to 83.0%, exceeding the 2012/13 milestone of 81.3%. Student satisfaction is highest in the IS survey at 90%, which together with the ESES survey has been added to this indicator for the first time in 2012/13.

College ³	% satisfied
Humanities and Social Sciences	82%
Medicine and Veterinary Medicine	87%
Science and Engineering	88%

Increases have been made in the National Student Survey and Postgraduate Taught Experience Surveys since 2011/12. Student satisfaction is above the target rate for both Science and Engineering and Humanities and Social Sciences.

Survey	% satisfied 2011/12	% satisfied 2012/13	Change
Edinburgh Student Experience Survey (undergraduate, years 1 to 3)	-	80%	N/A
National Student Survey (undergraduate final year)	83%	86%	2.9
Postgraduate Taught Experience Survey	75%	79%	4
Postgraduate Research Experience Survey	74%	74%	0
LibQual survey	89%	89%	2011 survey results used
IS survey	-	90%	N/A

³ All the surveys are included in the College breakdown, bar the IS survey.

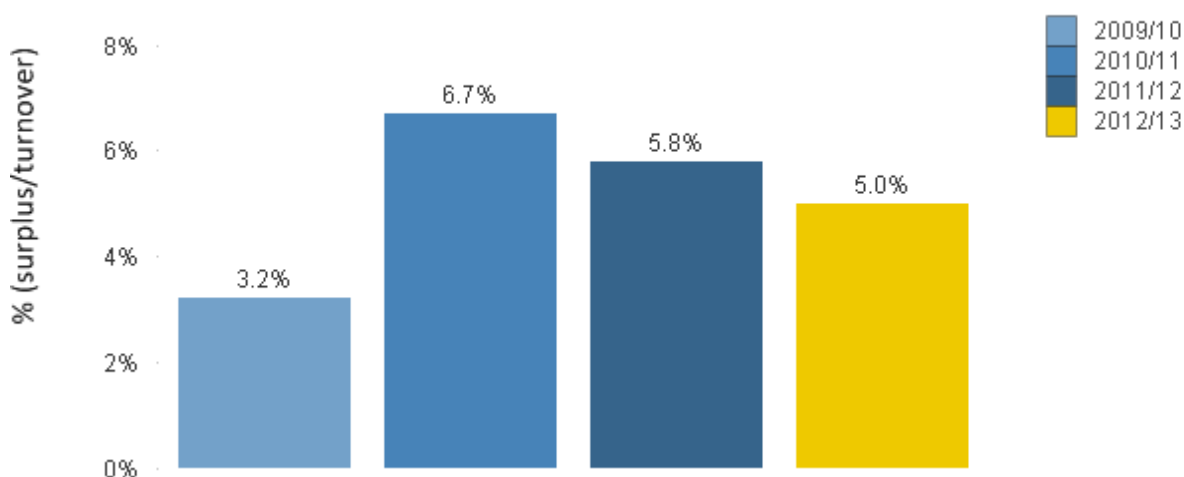
Finance	
6.0 Operating surplus as a % of turnover	↑
6.1 Increase our total income per staff FTE, aiming for an increase of at 10% in real terms	
6.2 Increase our ROCE	

KPI 6.0 Operating surplus as a % of turnover

Status: Performance Improving

Aiming for 3 to 5%

Operating surplus as % of turnover (aim for 3%)



Note on performance

The University Court on 18 February 2013 agreed that in the context of the Finance Strategy that the University should aim for an operating surplus of 3 to 5% of turnover. This target has been achieved and therefore the KPI is classed as improving.

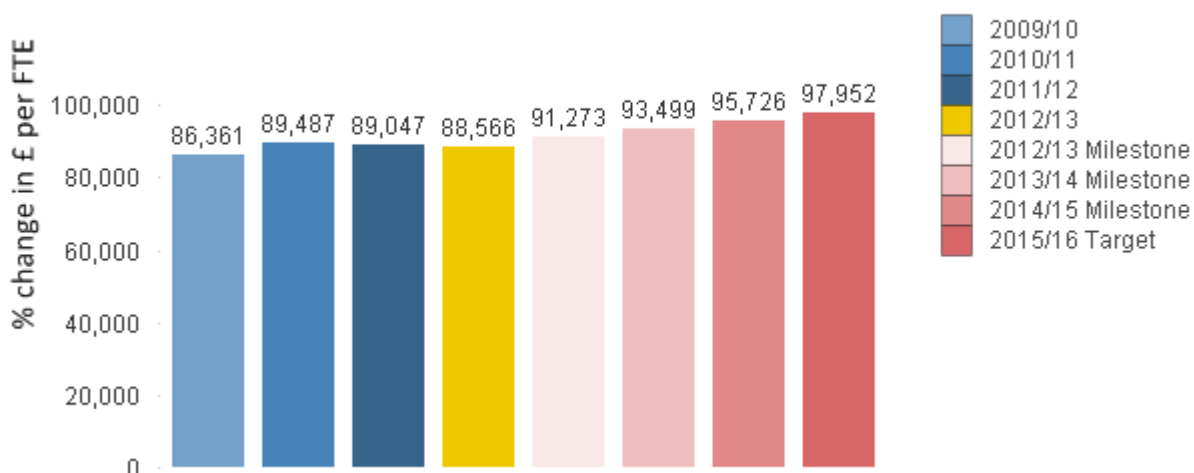
Selected Russell Group ⁴ (data not yet available for 2012/13)	2010/11	2011/12	Change
Average	5.2%	5.1%	-0.1
University of Edinburgh	6.7%	5.8%	-1.1

⁴ This includes 12 out of the 24 Russell Group institutions. These Russell Group institutions have been selected as they are the most comparable peer group to Edinburgh in terms of income and expenditure. This group includes Birmingham, Glasgow, Imperial, Kings College London, Leeds, Manchester, Nottingham, Sheffield, Southampton, UCL and Warwick.

Target 6.1 Increase our total income per staff FTE, aiming for an increase of at 10% in real terms

Status: further work required

Increase our total income per staff FTE year-on-year



Note on performance

The total income per staff FTE has decreased very slightly by 0.5% compared to 2011/12, which means that the 2012/13 milestone 2.5% increase has not been reached. This performance is due to staff FTE growing slightly faster than income. The University has invested significantly in staff during 2012/13, such as the Chancellor Fellows scheme and consequently the benefits in income are expected to be realised over the medium-term.

University of Edinburgh	2011/12	2012/13	% change
Total income (millions)	£700.9	£738.8	5.4%
Total staff (Full Time Equivalent)	7,871	8,342	6.0%

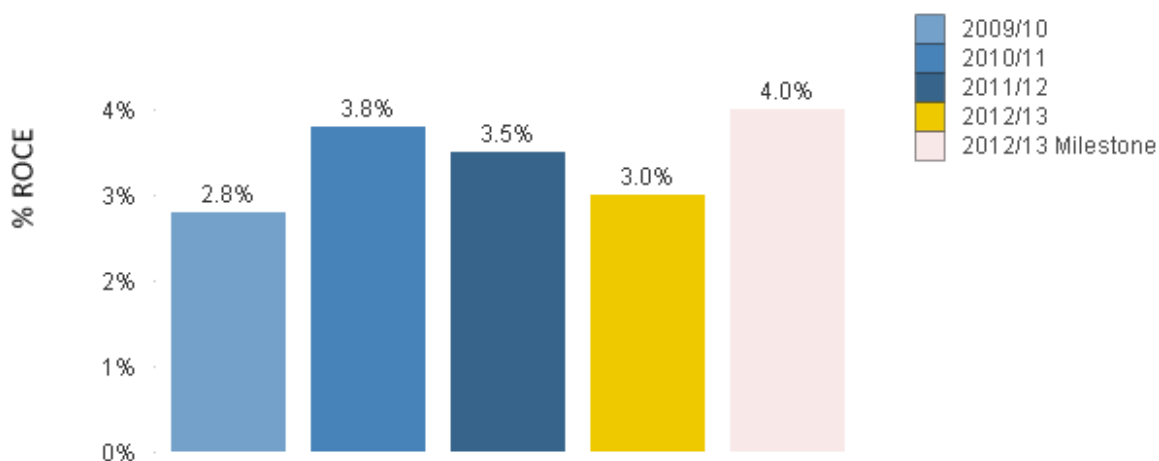
Selected Russell Group ⁵ : income per staff FTE (data not yet available for 2012/13)	2010/11	2011/12	%change
Upper Quartile	£93,956	£96,938	3.2%
Average	£89,940	£91,740	2.0%
University of Edinburgh	£89,487	£89,047	-0.5%

⁵ This includes 12 out of the 24 Russell Group institutions. These Russell Group institutions have been selected as they are the most comparable peer group to Edinburgh in terms of income and expenditure. This group includes Birmingham, Glasgow, Imperial, Kings College London, Leeds, Manchester, Nottingham, Sheffield, Southampton, UCL and Warwick.

Target 6.2 Increase our ROCE (Return on Capital Employed)

Status: further work required

Increase our Return on Capital Employed (ROCE)



Note on performance

This target measures the income generated for every £1 of assets deployed. It measures the return of capital employed and the efficiency in the deployment of the University's assets. Earnings before interest, tax, depreciation and amortisation is divided by our net assets to arrive at the ROCE. The ROCE tends to fluctuate in line with how the operating surplus fluctuates. The surplus fell this year, but Net Assets grow by a much steadier average annual increment. The operating surplus target will be key to achieve an increase in the ROCE.

University of Edinburgh	2011/12	2012/13	% change
Earnings before interest, tax, depreciation and amortisation (millions)	£59.5	£53.7	-9.8%
Net Assets	1,675.7	1,762.9	5.2%

Strategic Plan 2012-16: Targets and KPIs Progress Report

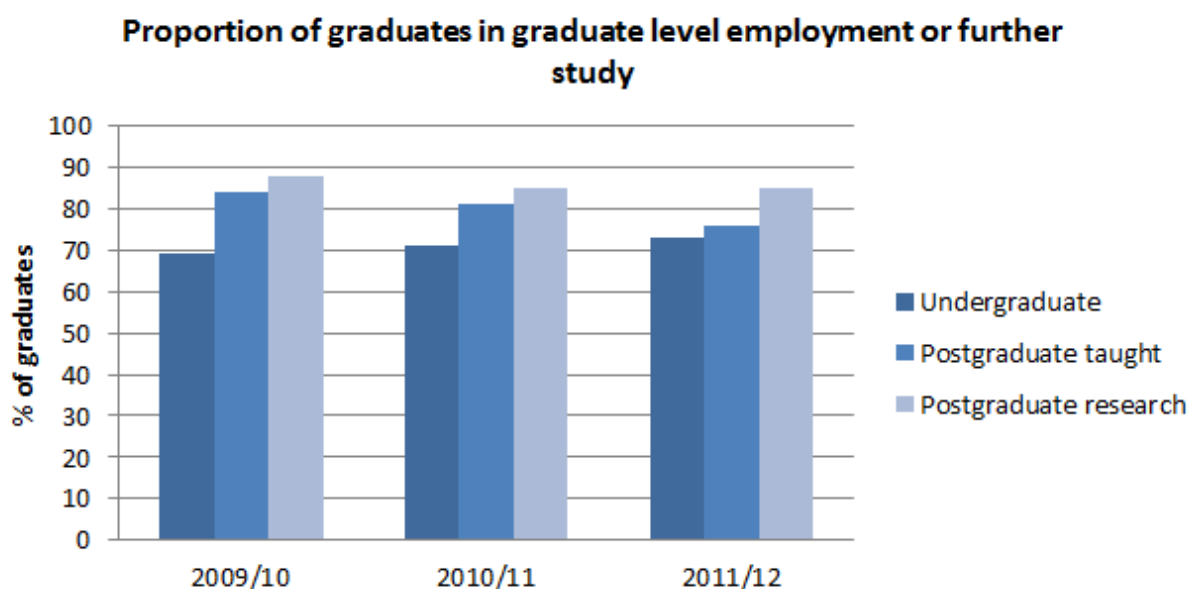
Year 1: 2012/13

Outstanding student experience	
7.0a Proportion of graduates in graduate-level employment or further study (undergraduates)	2011/12 data ↑
7.0b Proportion of graduates in graduate-level employment or further study (postgraduate taught graduates)	2011/12 data ↓
7.0c Proportion of graduates in graduate-level employment or further study (postgraduate research graduates)	2011/12 data ↔
7.1 Increase the level of overall satisfaction expressed in responses to the NSS, PTES and PRES student surveys to at least 88%	
7.2 Increase the number of our students who have achieved the Edinburgh Award to at least 500	
7.3 Create at least 800 new opportunities for our students to gain an International experience as part of their Edinburgh degree.	

KPI: 7.0 Proportion of graduates in graduate level employment or further study

Status: Undergraduates – improving, Postgraduate Taught graduates – worsening, Postgraduate Research graduates – maintaining

Tolerance: 2 percentage points (+/-) from previous year



Note on performance

This data is based on the Higher Education Statistics Agency (HESA) Destination of Leavers of Higher Education (DLHE) Survey. This self-report survey takes a snapshot of student destinations approximately 6 months after graduation. The year indicates the academic year in which the students graduated. The response rate for the survey varies between cohorts and slightly across years. Over the previous 5 years the response rates averaged at: 80% for undergraduates, 68% for postgraduate taught and 69% for postgraduate research.

Strategic Plan 2012-16: Targets and KPIs Progress Report

Year 1: 2012/13

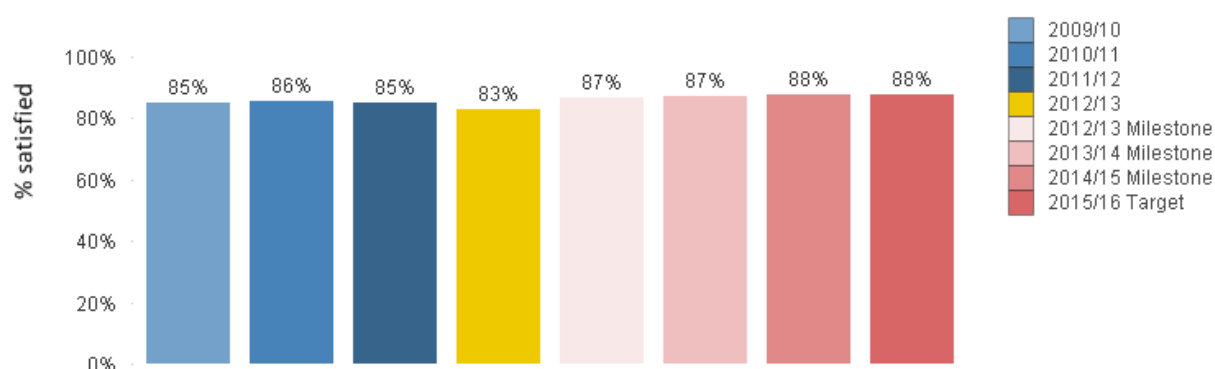
From the 2011/12 survey the classification of graduate and non-graduate employment changed slightly: prior to this the classification relied on that devised by Elias and Purcell, after this 'graduate-level' employment has been based on the simplified Standard Occupational Classification Groups 1-3, i.e. Managers and Senior Officials, Professional Occupations and Associate Professional and Technical Occupations, respectively. This mirrors changes in the wider sector and data reporting via KIS (Key Information Sets) data.

For the first time the 2011/12 survey included students from out with the EU. This is will have contributed to the marked change in the postgraduate taught student outcomes. Students from outside the EU are likely to take longer to transition into the labour market either as a result of returning to their home country or, if they remain within the UK, as a result of a challenging visa regime. The growth in postgraduate taught provision, potential for students to remain in education rather than face a challenging labour market are also likely contributing factors to postgraduate taught student outcomes.

Target 7.1 Increase the level of overall satisfaction expressed in responses to the NSS, PTES and PRES student surveys to at least 88%

Status: further work required

% overall satisfaction in student surveys: 2009/10 to 2012/13 and milestones



Note on performance

Satisfaction to these surveys decreased by 2.1 percentage points from 2011/12 to 2012/13 to 82.9%.

College	% satisfied
Humanities and Social Sciences	81%
Medicine and Veterinary Medicine	90%
Science and Engineering	83%

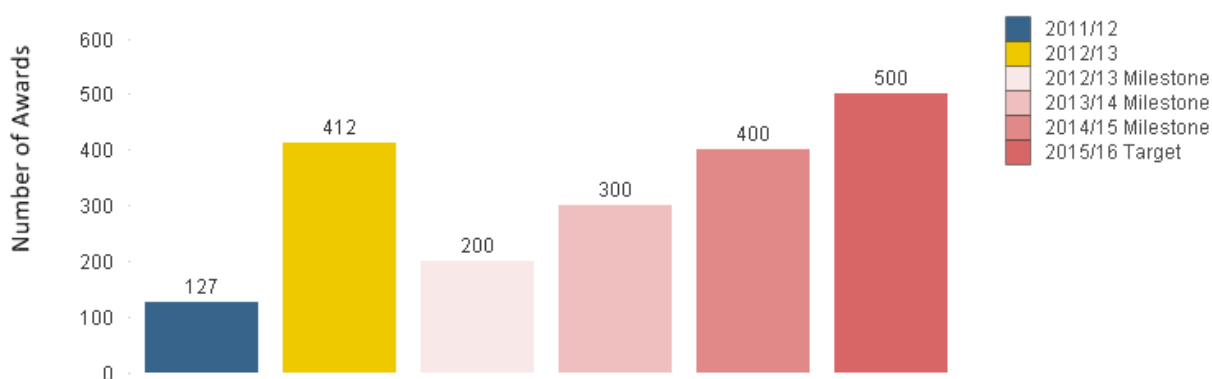
This decrease is partly due to the inclusion of the Edinburgh Student Experience Survey, for the first time in 2012/13 whose satisfaction rate is 82%, but also due to declines in satisfaction amongst postgraduate research students.

Survey	% satisfied 2012	% satisfied 2013
Edinburgh Student Experience Survey (undergraduate, years 1 to 3)	-	82%
National Student Survey (undergraduate final year)	83%	82%
Postgraduate Taught Experience Survey	87%	87%
Postgraduate Research Experience Survey	86%	81%

Target 7.2 Increase the number of our students who have achieved the Edinburgh Award to at least 500

Status: on track

Number of students achieving the Edinburgh Award: 2011/12 to 2012/13 and milestones



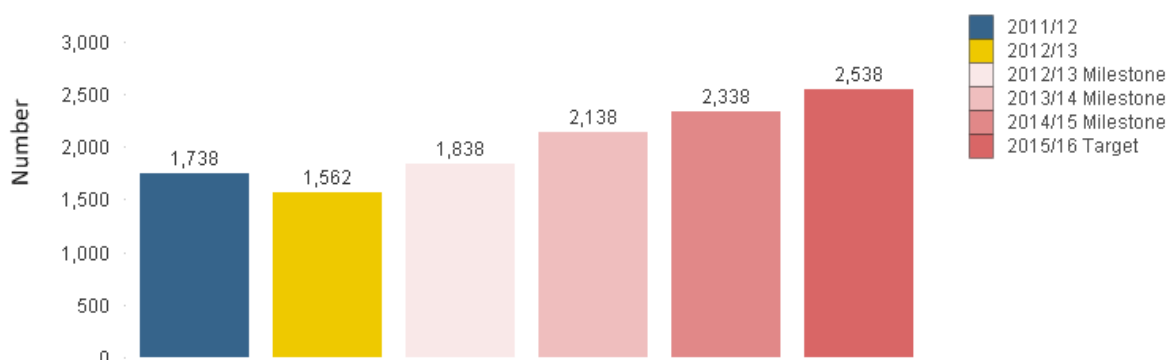
Note on performance

The Edinburgh Award wraps around co- and extra-curricular experiences, supporting our students to strive towards excellence wherever they find themselves, now and in the future. Since piloting in 2011/12, the Award has grown from being available through four areas to eighteen in 2012/13. Initially targeting some of the major student activities, growth will likely become shallower as further focus is given to ensuring diversity and equality of access. At the same time, effort will be given to ensuring continued quality enhancement as expansion continues. The distribution across Colleges reflects the total student population proportions for 2012/13. Top-level and more granular evaluation data remain positive with 97% of respondents feeling they were better off having taken part in the Award and 98.8% would recommend it to a friend.

Target 7.3 Create at least 800 new opportunities for our students to gain an International experience as part of their Edinburgh degree.

Status: further work required

Number of international experiences: 2011/12 to 2012/13 and milestones



Note on performance

The largest proportion of international experiences are undertaken by undergraduate students. The decrease of international experiences (1,562 in 2012/13 compared to 1,738)

Level of study	Number of International experiences	%
Undergraduate	1196	77%
Postgraduate taught	138	9%
Postgraduate research	228	15%

is concentrated at this undergraduate level. The largest drop in type of International Experience is amongst Extra Mural Studies (-162), followed by Erasmus exchange (-76). This decrease must be situated against the context of the baseline year of 2011/12 where study abroad students consisted largely of 2009/10 entrants, when 2009/10 was a larger than normal intake year. Extra Mural Studies are short placements that veterinary medicine students can undertake and students can take several placements, Extra Mural Studies are therefore very liable to fluctuations in numbers, hence the decrease. The Erasmus decrease can primarily be attributed to the structure of Erasmus agreements, which are School based, and are therefore prone to fluctuations in line with cohort intake size from year to year, especially for those subject areas with a compulsory period abroad element.

Further Work

Looking forward, under the banner of the Student Experience, the University is committed to increasing the number of international experiences that students undertake. In order to combat a number of barriers to a year or semester of study abroad, a range of short-term Go Abroad international experiences will be created

Type of International Experience	Number	%
Erasmus Exchange	312	20%
Erasmus work placement	45	3%
Other study abroad	350	22%
International Exchange and Departmental exchange	228	15%
Departmental exchange (languages)	63	4%
Industrial experience	27	2%
Medical elective	235	15%
Nursing elective	26	2%
Extra Mural Studies (Vets)	266	17%
Short-term International experience	10	1%

under the banner of 'The Principal's Go Abroad Challenge'.

We are seeing growing demand for both Erasmus Exchange and International Exchange opportunities across the University. For 2013/14 we received 534 Erasmus exchange applications (up from 443 applications in the previous year), and are currently expecting to send 391 students in 2013/14. For International exchange programmes applications rose by an enormous 49%, from 300 applications in 2012/13, to 448 in 2013/14. However, demand is now far outstripping the supply of study abroad places, meaning that almost 200 eligible students were unsuccessful in securing an International Exchange place.

It is essential, that we put in place measures to ensure that we have the resources and infrastructure in place to provide a greater range of Go Abroad options, and generate more strategic and sizable partner exchange.

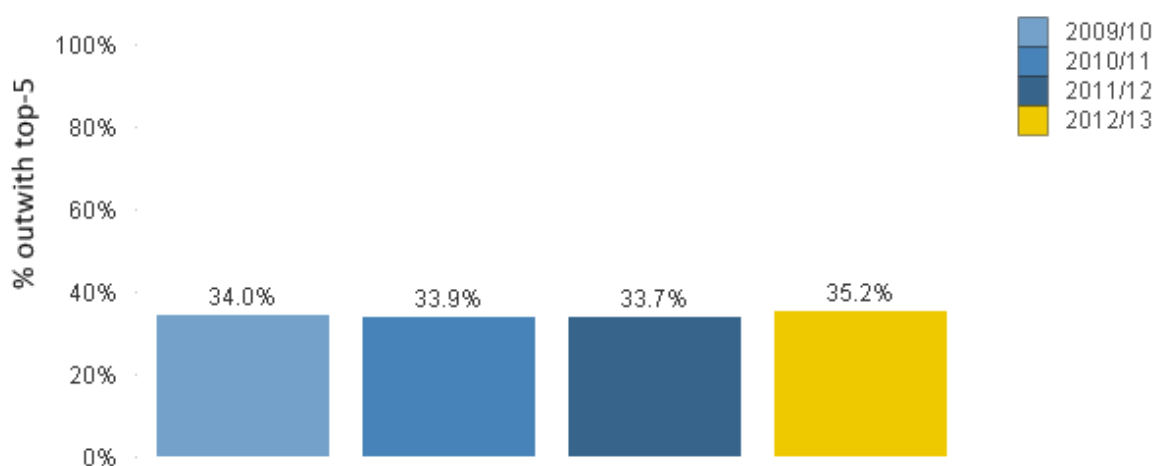
Global impact	
8.0 Proportion of international students from beyond our five most well-represented countries	↑
8.1 Increase our headcount of non-EU international students by at least 2,000	
8.2 Increase our research grant income from EU and other overseas sources so that we enter the Russell Group upper quartile	2011/12 data
8.3 Increase our number of masters students on programmes established through our Global Academies by at least 500	

KPI 8.0 Proportion of international students from beyond our five most well-represented countries

Status: Performance Improving

Tolerance: 1 percentage point (+/-) from previous year

Proportion of international students from beyond our five most wel...



Note on performance

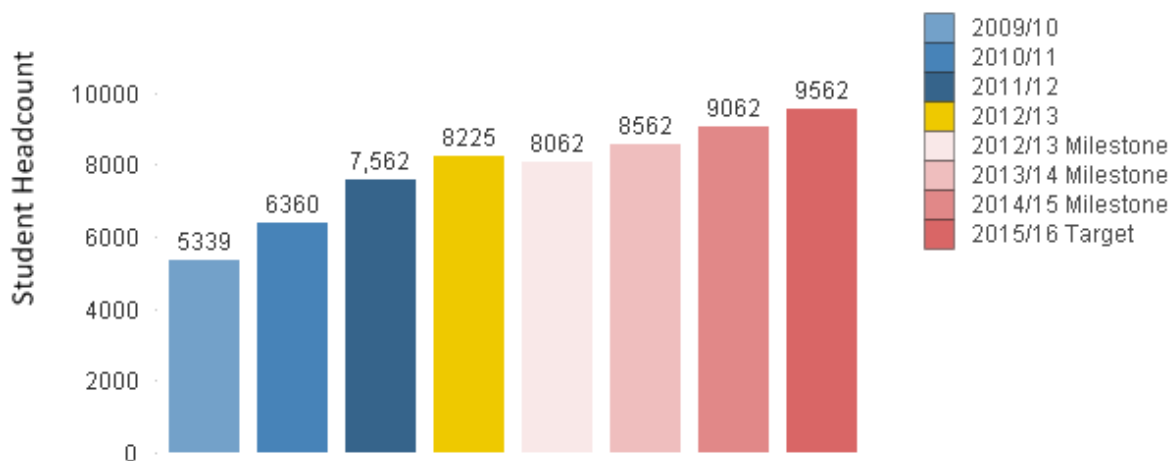
The proportion of student domiciled from non-EU countries has grown very slightly since 2011/12, from 33.7% to 35.2% of students. The top 5 overseas countries that the University attracts students from has consistently remained the same for the past five years (with some shifts in places), these countries are: China, USA, Canada, Malaysia and India (in descending order).

Top 5 Countries	Number of Students
China	2,170
USA	2,160
Canada	445
Malaysia	286
India	268
Total (all International)	8,225

Target 8.1 Increase our headcount of non-EU international students by at least 2,000:

Status: on track

Non-EU International student headcounts: 2009/10 to 2012/13 and milestones



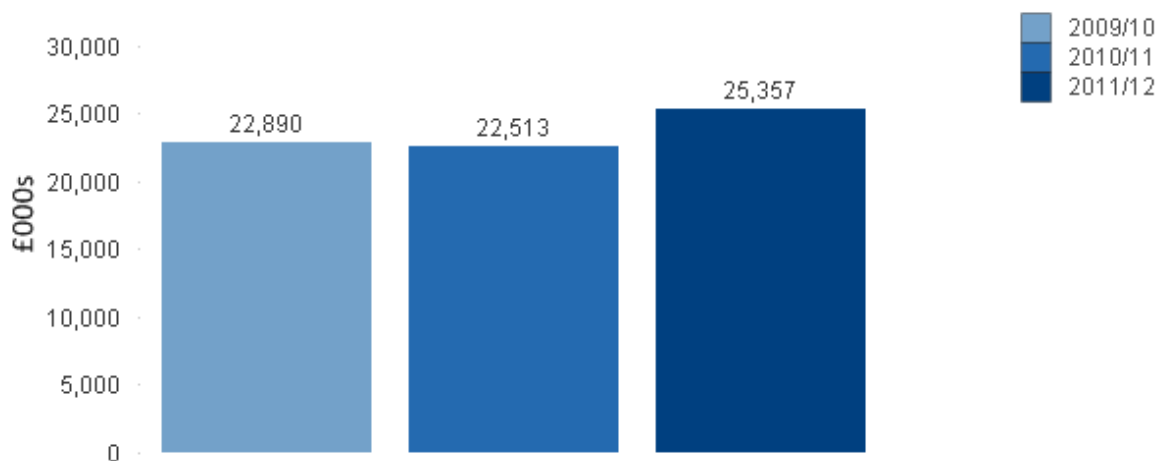
Note on performance

The headcount of International domiciled (outside of EU) students has increased by 8.8% since 2011/12 and consequently this target is on track to achieve an extra 2,000 students over the course of the Strategic Plan. The increase does not appear to be focused in any particular one country – China and US provided the largest increase of 145 and 121 students respectively, followed by Singapore (50), Australia (39) and Malaysia (33).

Target 8.2 Increase our research grant income from EU and other overseas sources so that we enter the Russell Group upper quartile

Status: further work required

Research income from EU and other overseas sources: 2009/10 to 2011/12



Note on performance

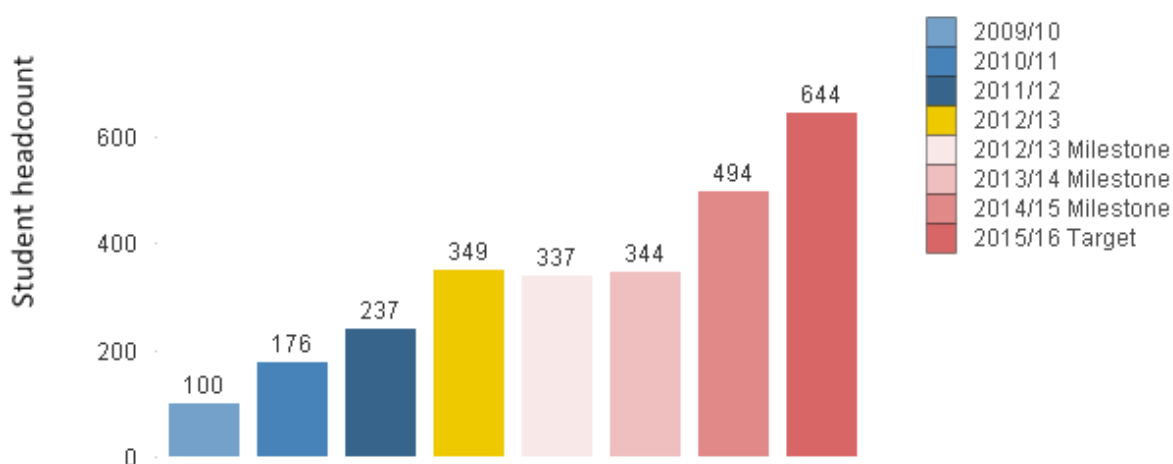
The University's research income from EU and overseas sources in 2011/12 increased by 12.6% from 2010/11. The income for the Russell Group upper quartile also increased by 13.8% over the same period. The University remains just outside the Russell Group quartile on this measure

Research income (£000s)	2009/10	2010/11	2011/12
Russell Group Upper Quartile	21,074	22,733	25,862
University of Edinburgh	22,890	22,513	25,357
<i>% from Russell Group Upper Quartile</i>	8.6%	-1.0%	-2.0%

Target 8.3 Increase our number of masters students on programmes established through our Global Academies by at least 500

Status: on track

Numbers of masters students on Global academy programmes



Note on performance

Overall, the rise in the number of masters students on Global Academies programmes has exceeded the interim milestone for 2012/13 (milestone = 337; number of students = 349). This rise has primarily been driven by the expansion of online distance learning provision across the Global Academies and increased recruitment into this modality of learning.

The Global Academies play a number of roles in the context of masters provision: assisting Schools and Colleges to form new interdisciplinary programmes; positioning and branding for student recruitment; enhancing student experience; and bringing in scholarships funding. Each of the 4 Global Academies (Justice, Health, Environment & Society and Development) is fostering the development of new MSc programmes for 2014. Looking ahead, the challenges are to scale up the number of students on each programme; to refine the portfolios of programmes in line with demand; advance Edinburgh's position as a 'destination' for online learners; and to bring in more scholarships funding.

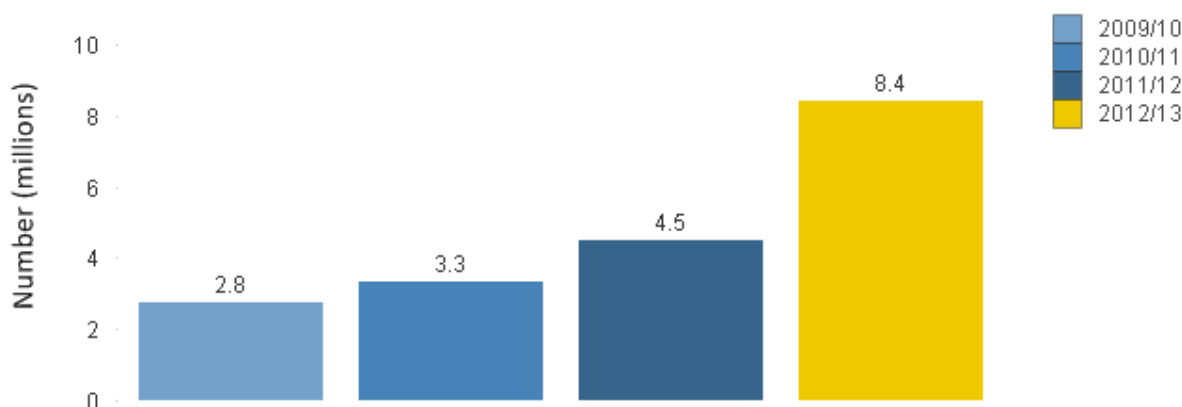
Lifelong community	
9.0 Physical and virtual footfall	Virtual only ↑
9.1 Increase the number of active alumni engagements with the University via the Alumni Services website, social media and e-newsletters.	

KPI 9.0 Physical and virtual footfall (virtual only for 2012/13)

Status: performance improving

Tolerance: 5 % (+/-) from previous year

Number of unique external visitors to the University's website (millions)



Note on performance

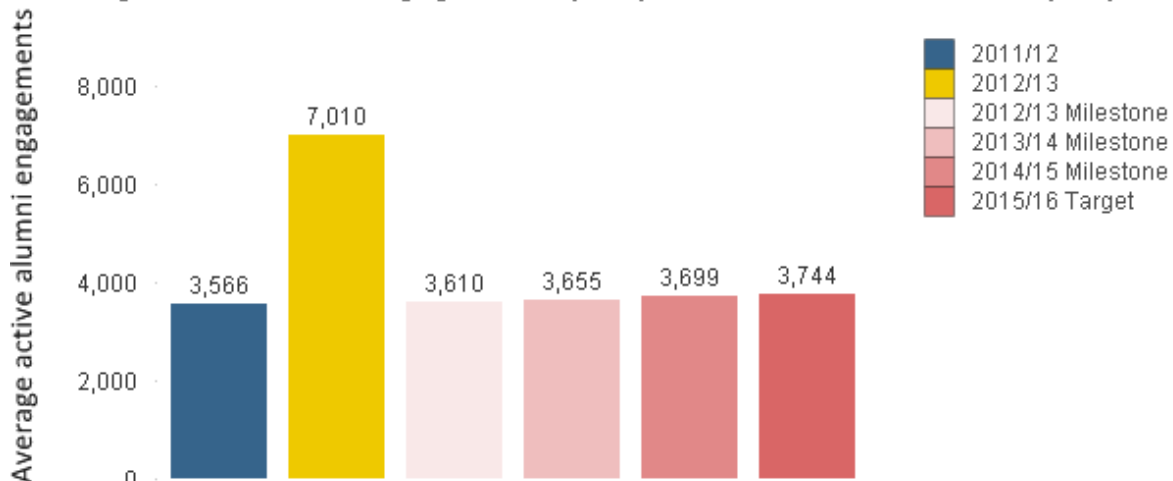
In terms of virtual footfall there has been a dramatic increase in the number of unique external visitors accessing the University website, with a 90% increase compared to 2011/12. The virtual footfall for the whole site, as measured by Google Analytics (GA), continues to rise dramatically year on year. This audience is external to the University as most internal traffic from University computer networks have been filtered out for this report.

Social media is having a clear effect on driving traffic to the University website. There is an increase of 51% of visitors coming to the University website from social media such as Facebook and Twitter. Some Schools, who were outside of the central Content Management System Polopoly, are now using the University GA code. This may account for some of the increase as their statistics will be included. However this should now detract from the fact that the increase in traffic has been very large. Physical footfall is measured, largely through the Higher Education Business and Community Interaction survey return and as such the data for 2012/13 is not yet available and will be reported on next year.

Target 9.1 Increase the number of active alumni engagements with the University via the Alumni Services website, social media and e-newsletters.

Status: on track

Average active alumni engagements (web, facebook and e-newsletter): top 5



Note on performance

The period covered represents a step change in resources deployed to support online alumni engagement activities, and as such reflects both an increase in total activities alongside a greater diversity in our communication and engagement messages.

Strategically, we have refocused our output, ensuring that communications identify the alumni component of each message and provide relevant touchstones for our large and diverse audience. This has meant greater prominence for the alumni website, a factor which is reflected in the website daily page view figures.

We now publish alumni interviews, club, network and reunion features and a range of interactive and user-generated content that exploits the additional reach provided by our social media platforms. As a consequence of this, the newsletter is now a means to highlight this refocused alumni centric content and our click-through figures have increased in line with the website figures.

Exceptionally performing content over this period includes features regarding Chris Hoy, Katherine Grainger and Michael Jamieson at the London Olympics - including a landmark alumni event at the V&A in London, photographs from the Alumni Weekend ceilidh, and a very traditionally styled Christmas video depicting snow falling outside Teviot Row House. All are universal concepts and experiences communicated in a way that our alumni will feel a particular affinity towards and on platforms that enable them to respond accordingly.

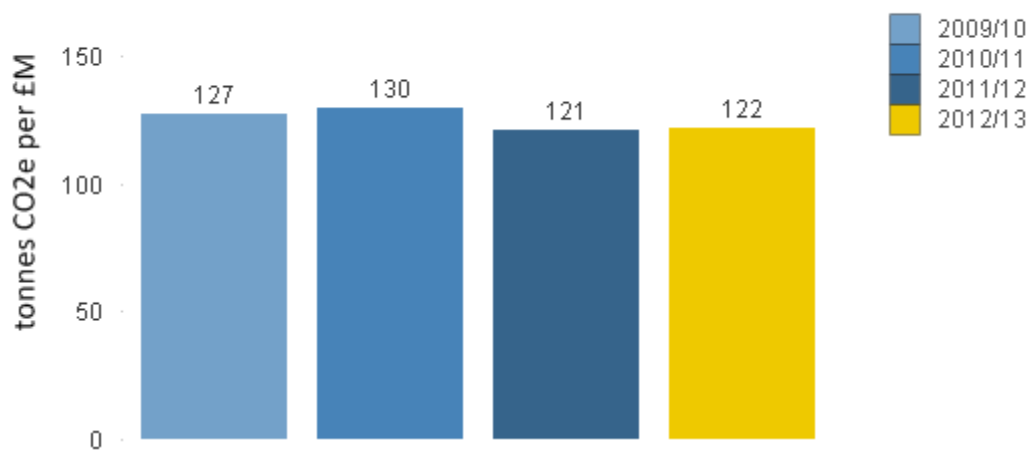
Social Responsibility	
10.0 Carbon emissions per £ million turnover	↔
10.1 Reduce absolute CO2 emissions by 29% by 2020, against a 2007 baseline (interim target of 20% savings by 2015)	

10.0 Carbon emissions per £ million turnover

Status: performance maintaining

Tolerance: 3% (-/+) from previous year

Carbon emissions per £ million turnover



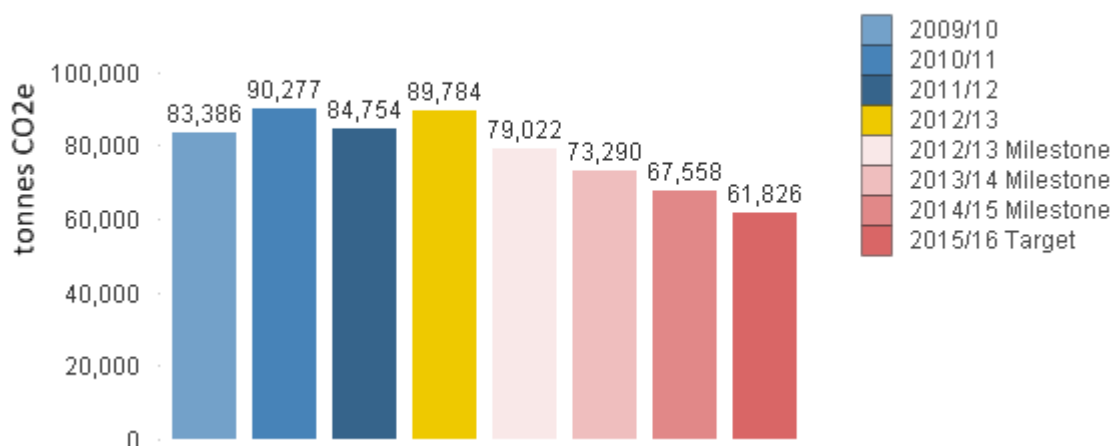
Note on performance

This measure contextualises the University’s carbon emissions relative to our financial growth. The University is maintaining its performance on this measure. Carbon emissions are increasing, but turnover has also increased; thus pointing towards a reduction in this measure in 2011/12 and which then appears to stabilise.

Target 10.1 Reduce absolute CO2 emissions by 29% by 2020, against a 2007 baseline (interim target of 20% savings by 2015)

Status: further work required

Absolute CO2 emissions: 2009/10 to 2012/13 and milestones



Note on performance

The academic business related activities and estates' development has over the period between 2007/2013 continued to intensify, making this an increasingly challenging target. CO2 reduction is enshrined in the University's strategies including a Climate Action Plan (CAP). The UK Carbon Reduction Commitment (CRC) imposes a statutory charge and reporting requirement relating to carbon emissions covering the whole University estate (previous targets had 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 energy related infrastructure and efficiency. The Carbon Action Plan identifies the installation of new Combined Heat and Power (CHP) plant along with related large infrastructure works as key to the plan as well as changing each individual's behaviour in their use and conservation of energy and utilities.

The main work elements are as follows:

- Energy Infrastructure and CHP investment.
- Switch and Save and Engagement Activities.
- Energy Conservation Programme of Works.
- Sustainable Development of the Estate and in all aspects of the business.
- Off site (renewable) energy generation opportunities assessments.

Partnerships	
11.0 a Number of our research publications which are internationally co-authored	↑
11.0 b Proportion of our research publications which are internationally co-authored	↑
11.1 Increase our number of PhD students on programmes jointly awarded with International partners by at least 50%	

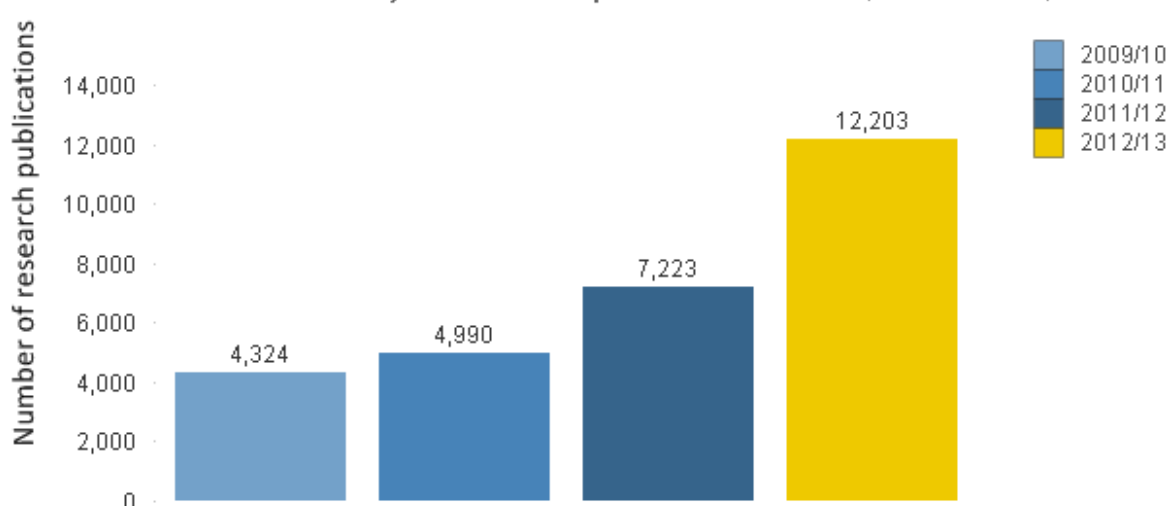
KPI 11.0a and b Number and proportion of our research publications which are internationally co-authored

Status: performance improving

Tolerance 11.0a: 1% (+/-) from previous year

Tolerance 11.0b: 1 percentage point (+/-) from previous year

Number of internationally co-authored publications: 2009/10 to 2012/13



Note on performance

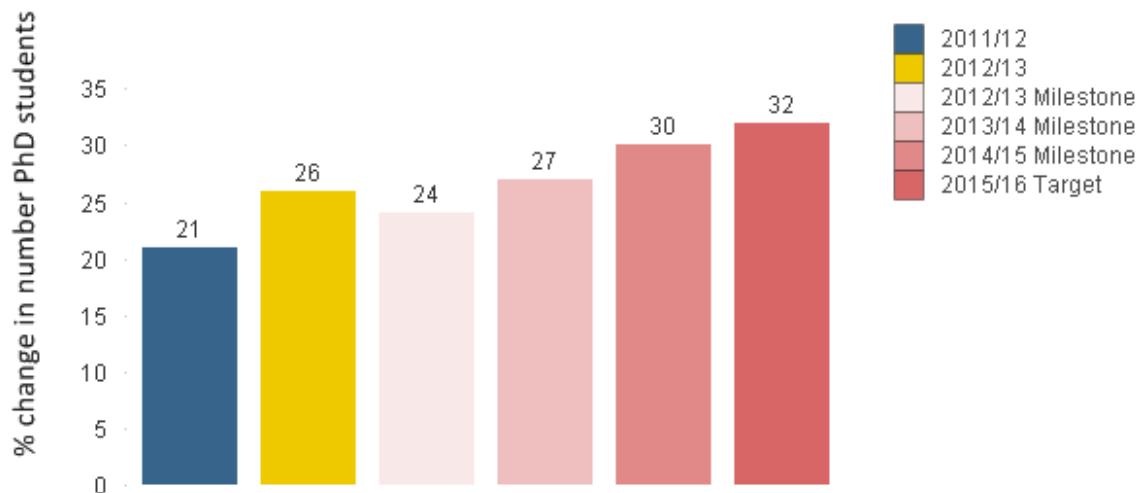
Internationally co-authored publications listed on Thomson Reuters Web of Science database have increased dramatically since 2009/10. The University’s proportion of its Internationally co-authored publications has also increased. This is at the same time as the number of the University of Edinburgh’s web of science publications have increased from 10,240 in 2009/10 to 28,691 in 2012/13.

% of Internationally co-authored publications	%
2012/13	65.3%
2011/12	54.4%
2010/11	46.1%
2009/10	42.2%

11.1 Increase our number of PhD students on programmes jointly awarded with International partners by at least 50%

Status: on track

Number of students on International joint PhD programmes



Note on performance

In 2012/13, the University of Edinburgh had 20 bilateral or multilateral international jointly awarded PhD agreements in place, spanning 45 countries and 50 universities. There were 26 on programme students.

New agreements have recently been signed with Beihang, Ghent, Louvain, Siena, Macerata and Aarhus Universities, Technical University of Munich and the China Graduate School of Theology.

Agreements are currently under negotiation with McGill (U21), Padova, Caserta and Valenciennes.

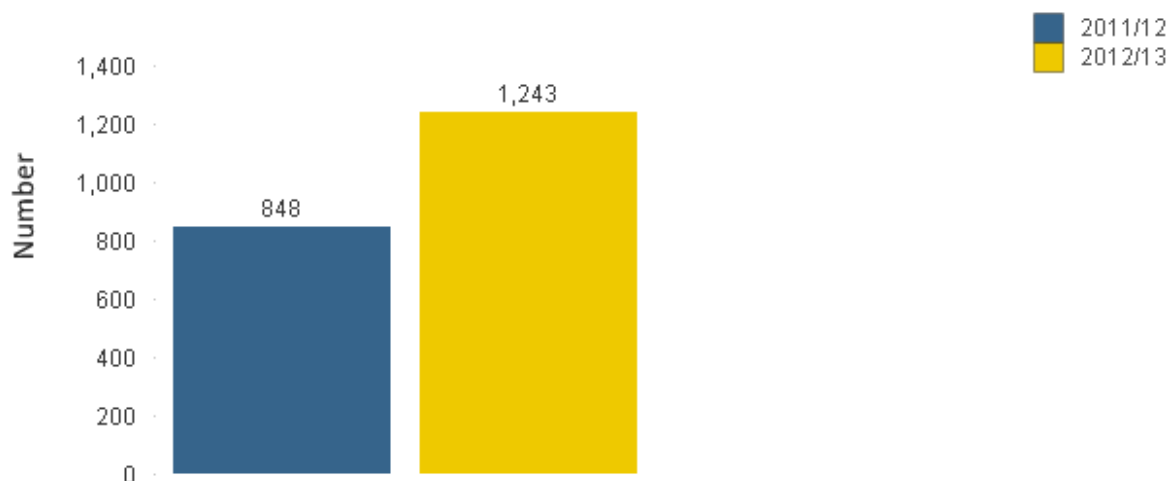
Equality and Widening Participation	
12.0a Undergraduate entrants from under-represented groups: widening participation	↑
12.0b Undergraduate entrants from under-represented groups: low income households	↑
12.0c Undergraduate entrants from under-represented groups: ethnicity	↑
12.0d Undergraduate entrants from under-represented groups: disability	↔
12.1a Converge on our state schools and colleges participation benchmark	2011/12 data
12.1b Converge on our low social classes participation benchmark	2011/12 data
12.2a Increase the proportion of female academic staff appointed and promoted to lecturer, senior lecturer, reader and professor levels	
12.2b Reduce the gender pay gap for University staff	

KPI 12.0a Undergraduate entrants from under-represented groups: widening participation

Status: Improving

Tolerance: 1% (+/-) from previous year

Undergraduate entrants from underrepresented groups: widening participation



Note: relates to full-time entrants only

Note on performance

The context of the different applicant pools (Scotland/EU and RUK) with the advent of fees for the RUK market is already impacting on offer chances by school type. It may therefore be expected that the HESA state school performance indicator will show a downward trend over the next few years. The impact of RUK Bursaries and Scotland Domiciled bursaries on applications, conversions and entrants will take time to be demonstrated.

The Scottish widening participation context has changed with the Strategic Plan KPIs on widening participation being superseded to some extent with the on-going development of the widening access strand in the SFC Outcome Agreements and the extra funded places for 2013 entry onwards. Conversion activity has concentrated on Scottish Index of Multiple Deprivation 40 (SIMD 40) postcode areas and the University has exceeded this target.

The commitment of the University to widening participation is now being more fully recognised at government and sector level exemplified by the recent parliamentary debate on the University in which widening participation featured in a number of contributions and in the recent research commissioned by Universities Scotland. Recognition of SIMD as a relatively blunt measure, as well as being flagged up by the research, was demonstrated in the Post 16 Education Act (2013) which mentions low socio economic groups rather than SIMD per se.

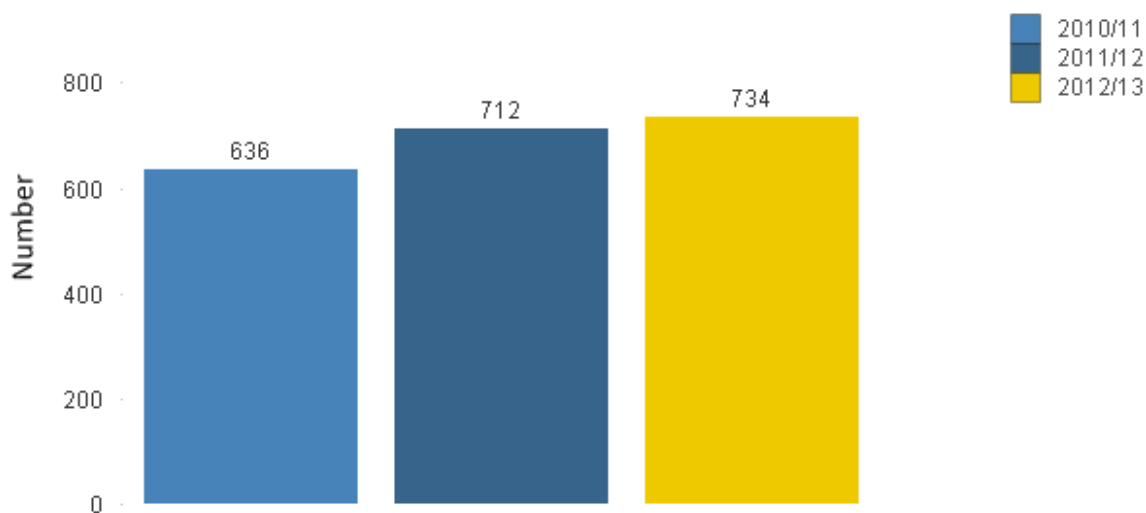
Activities have been expanded in low participation postcodes for parents and teachers. The primary school project, although still small, is also expanding with 400 P6 students coming to events on campus this year. Entrants via the LEAPS project continue to show an upward trend with the University taking the largest number of any University (361 for 2012 up from 280 in 2011).

KPI 12.0b Undergraduate entrants from under-represented groups: low income households

Status: Improving

Tolerance: 1% (+/-) from previous year

Undergraduate entrants from under-represented groups - household income



Note on performance

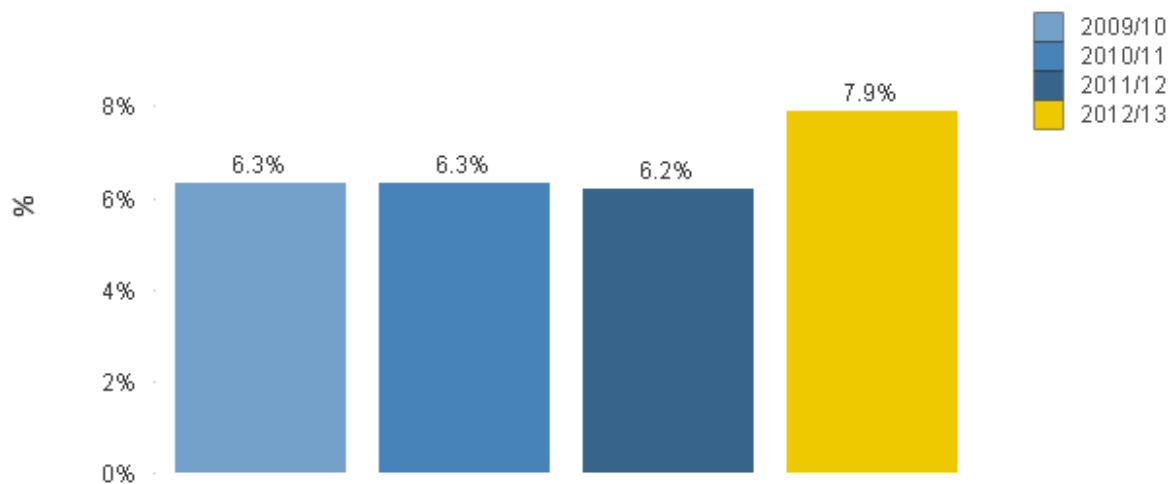
The number of Scotland domiciled entrants from households with an income of below £34,000 (including those who are exempt from parental contributions) has increased for the third year running.

KPI 12.0c Undergraduate entrants from under-represented groups: ethnicity

Status: performance improving

Tolerance: 0.5 (+/-) percentage points from previous year

Undergraduate entrants from underrepresented groups: ethnicity



Note on performance

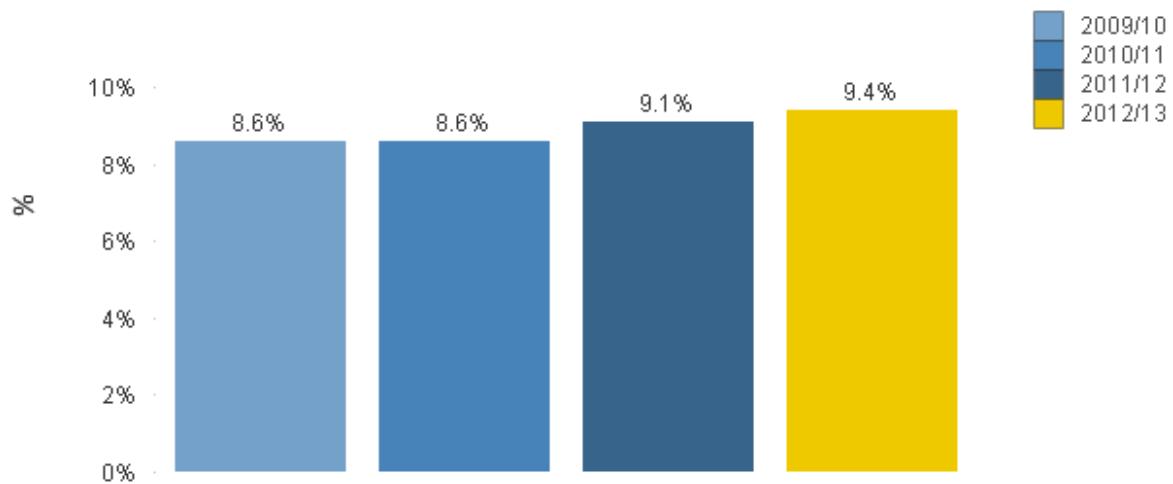
Numbers of entrants from BME backgrounds increased by 1.7 percentage points in 2012/13, after a relatively unchanged proportion in previous years.

KPI 12.0d Undergraduate entrants from under-represented groups: disability

Status: performance maintaining

Tolerance: 0.5 (+/-) percentage points from previous year

Undergraduate entrants from underrepresented groups: disability



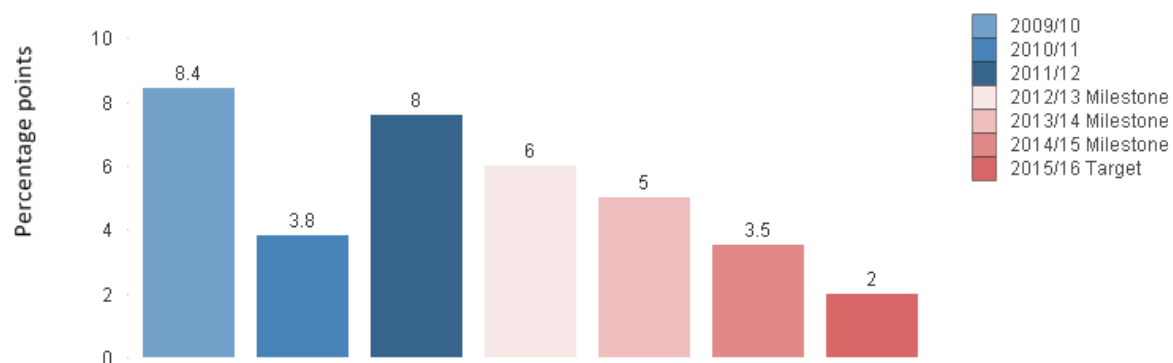
Note on performance

Number of entrants who declared a disability increased slightly in 2012/13 to 9.4%. This seems to point towards a longer-term trend where more students are reporting a disability.

Target 12.1a Converge on our state schools and colleges participation benchmark (2011/12 data)

Status: further work required

Entrants from state schools and college: difference between performance and benchmark



Note on performance

Our absolute number of entrants from state schools or colleges has not reduced in 2011/12. Our proportion has however fallen back to the

level published two years ago to 70.3% from 74.4% and the Scottish average has also fallen. The difference from the University's performance and its benchmark has therefore increased to 7.6%.

% entrants from state schools and colleges	2009/10	2010/11	2011/12
University of Edinburgh	70.4%	74.4%	70.3%
Benchmark (University of Edinburgh)	78.8%	78.2%	77.9%

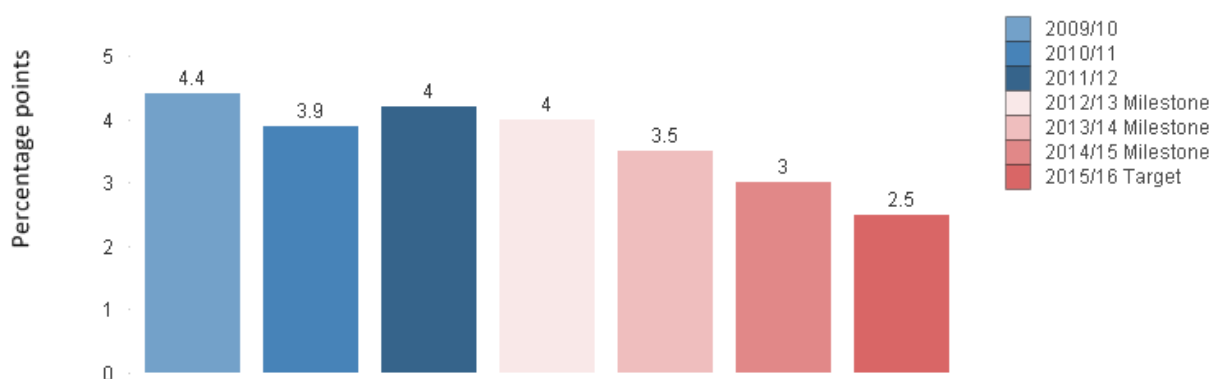
% entrants from state schools and colleges	2009/10	2010/11	2011/12
Russell Group (weighted average)*	75.2%	74.6%	74.6%
Scotland (weighted average)*	86.8%	88.3%	87.9%

*weighted by population

Target 12.1b Converge on our low social classes participation benchmark (2011/12 data)

Status: further work required

Entrants from low social classes: difference between performance and benchmark



Note on performance

The University's absolute number of entrants from low social classes has increased. However, the proportion of the entry

cohort from low social classes has fallen back to the level published two years ago from 17.1% to 16.5% and the Scottish average has also fallen. The difference between the University's performance and the benchmark has therefore increased slightly by 0.3.

% entrants from low social classes	2009/10	2010/11	2011/12
University of Edinburgh	16.5%	17.1%	16.5%
Benchmark (University of Edinburgh)	20.9%	21.0%	20.7%

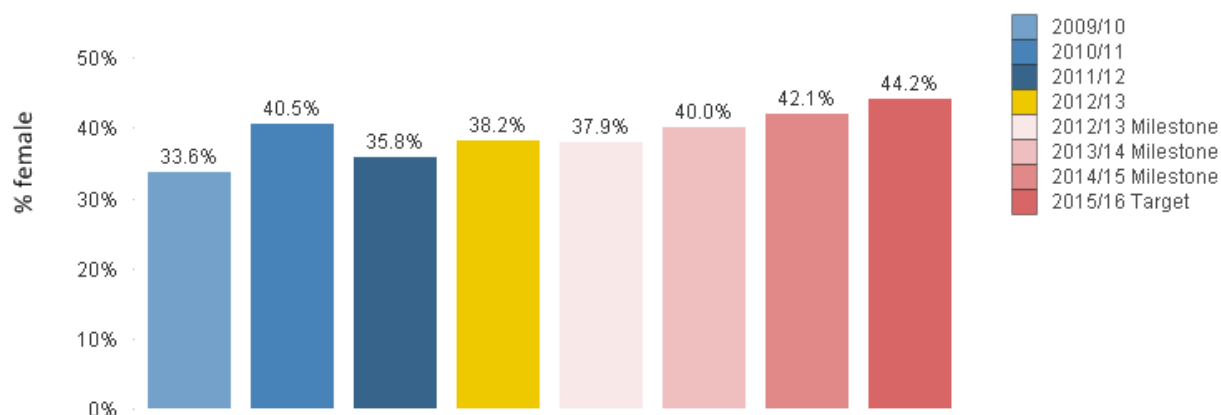
% entrants from state schools and colleges	2009/10	2010/11	2011/12
Russell Group (weighted average)*	19.3%	19.3%	18.9%
Scotland (weighted average)*	25.8%	27.2%	26.6%

*weighted by population

Target 12.2a: Increase the proportion of female academic staff appointed and promoted to lecturer, senior lecturer, reader and professor levels, and reduce the gender pay gap for University staff.

Status: on track

Increase proportion of female academic staff appointed and promoted



Note: this applies to appointments and promotions to lecturer, senior lecturer, reader and professor levels.

Note on performance

In 2012/13, the proportion of female academic staff appointed and promoted⁶ to lecturer, senior lecturer, reader and professor levels was 38.2%. This is 2.4 percentage points higher than in 2011/12 and above this year's milestone figure of 37.9%. This figure reflects an increase in the appointment/promotion rate for women at all levels in 2012/13: a modest rise at Lecturer level, and a substantial rise at senior lecturer/reader and professorial level, as a result of sustained focus and efforts to promote equality within recruitment processes.

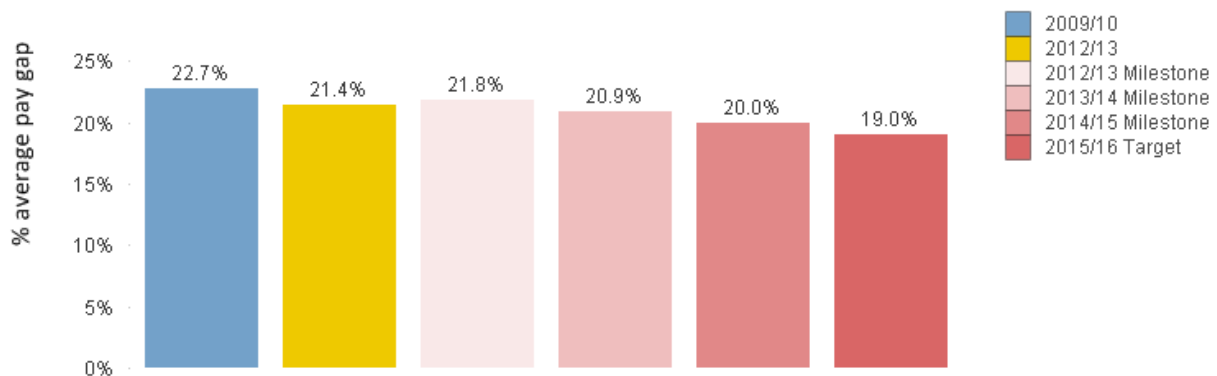
The overall proportion of total female academic staff (excludes research only) in the University has also risen in 2012/13, from 34.4% to 38.8%. This reflects an increase from 18.4% of professors being women in 2011/12 to 24.2% in 2012/13 and a modest increase to the proportion of lecturers, senior lecturers and readers.

⁶ These figures include promotion decisions taken during 2012/13, which took effect on 1 August 2013.

Target 12.2b: Reduce the gender pay gap for University staff

Status: on track

12.2b Reduce gender pay gap for University staff



Note on performance

The average gender pay gap is based on staff data from 31 August 2013 (to account for promotion decisions that were made during 2012/13) and has decreased since 2009/10 by 1.3 percentage points. The average gender pay gap for the University is less than the Scottish sector average for 2011/12 which is 22%. The gender pay gap has increased slightly (0.4%) from the University's published Equal Pay Audit 2013 which used 31 March 2013 data. This needs to be considered in the context of significant professorial recruitment and retention pressure in the previous 24 months in anticipation of the REF submission deadline of October 2013. That the pay gap level has improved since 2009/10 is, in part, as a result of substantial monitoring and action taken in regards to improving gender equality.

*Deborah Cook & Tracey Slaven
Governance and Strategic Planning
18 November 2013*

The University of Edinburgh

The University Court

9 December 2013

Annual Review 2012/13

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

This paper comprises the final draft of the articles to be compiled in the University's Annual Review 2012/13. The Annual Review will be published and available on the University website from January 2014.

Action requested

Court is invited to provide final approval of the Annual Review articles.

Resource implications

Resources have already been allocated.

Risk assessment

No

Equality and diversity

No

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Ian Conn
Director of Communications and Marketing
25 November 2013

Education for everyone: broadening the appeal of higher education

In January 2013 the University of Edinburgh became the first university in the UK to offer Massive Open Online Courses (MOOCs). The University's Vice Principal Knowledge Management, Professor Jeff Haywood believes the development of MOOCs is a step change for the University.

"MOOCs are helping us to find new ways to design courses and to teach them, especially at large scale, which will help to transform our on-campus and online education," he explains. "They give us a great opportunity to extend our community outreach, and to ensure that the University of Edinburgh is more meaningful for more people around the world."

The University has long been committed to developing and investing in online learning. This mode has directly increased the numbers of learners from socially and economically challenging backgrounds, as well as learners from overseas. Through its Distance Education Initiative the University offers 50 online masters degrees, with the expectation to expand enrolment to 10,000 students in the next few years, equalling that of on-campus postgraduate teaching.

MOOCs differ significantly from online degrees in that they require no application process, prerequisite qualifications or fee, but just as with traditional online learning at Edinburgh, they offer access to world-leading academic teaching.

The University's Dr Jo-Anne Murray, Senior Lecturer in Animal Nutrition and Husbandry, and one of the academics involved in teaching the first round of MOOCs says: "MOOCs complement degree programmes by allowing people to take a free course in a subject and decide if that's really what they want to study for their degree."

At five to seven weeks in duration, requiring input from students of between two and four hours a week, the courses are time-friendly. They also take full advantage of the latest developments in online video, slideshows, forums, quizzes and social interaction.

Each of the University's three academic Colleges offered two MOOCs in 2013: *Introduction to Philosophy; E-learning and Digital Cultures; Equine Nutrition; Critical Thinking in Global Challenges; Artificial Intelligence Planning; and Astrobiology and the Search for Life on Other Planets*. More than 309,000 learners signed up for these subjects, and as well as the UK, came from all over the world including Australia, Brazil, Canada, the Czech Republic, Germany, Greece, India, Russia, Spain, and the US.

The University's Dr Siân Bayne, based in Moray House School of Education, is an early adopter of online learning, and has also been involved in teaching the first set of MOOCs. Having taught the E-Learning and Digital Cultures MOOC, she sees many advantages.

“We were one of the first universities in the UK to commit to MOOCs so it has been a priority for us to share what we know with the rest of the sector,” she explains. “We’ve been doing research on our MOOCs and openly publishing our user statistics, and the Edinburgh MOOCs teams have been accepting offers to speak at events all over the UK, Europe and the US. Feedback has been excellent, people are really receptive and interested to learn about what we’ve achieved.”

Dr Murray agrees that the experience has been a positive one. “I greatly enjoyed running the Equine Nutrition MOOC and it has raised my profile across the University and in the equine nutrition sector world-wide,” she explains. “I feel I have really learned how to engage with people from a variety of academic backgrounds.”

MOOCs have brought advantages to current on-campus students too. The University’s postgraduate students were encouraged to get involved as Teaching Assistants (TAs) and found it gave them an opportunity to add new, IT-based, supervisory skills to their CVs.

Joan Kulifay, a postgraduate student at the University, contacted Dr Murray, to volunteer as a TA on the Equine Nutrition MOOC. “Having studied MOOCs myself, I knew as a student that one of the biggest problems was lack of feedback and comments, so I wanted to participate and address this,” Ms Kulifay explains. “I was prepared for the depth and breadth of questions that we experienced.”

Recognising the differences between online and traditional classroom-based learning Ms Kulifay adds, “The video design, designing the teaching pages and exams, and participating in forums, can make it time consuming to develop and service a MOOC but its a rich learning experience.”

Perhaps the greatest advantage of MOOCs however, is their ecumenical nature. As MOOCs Project Coordinator Amy Woodgate explains: “MOOCs offer anyone, anywhere in the world, the opportunity to engage with a treasure trove of knowledge in the form of academics who they might not ordinarily get a chance to interact with.”

This was brought home to the MOOCs teams by the actions of Daniel Bergman, a severely autistic 17 year-old from New York, for whom learning in a traditional classroom setting is extremely challenging. He undertook the Philosophy and Critical Thinking MOOC and, so enthused by his experience, he undertook to visit the University with his parents in the summer of 2013, so that he could meet and thank the people behind the online course.

“MOOCs initially enabled my parents to teach me things they did not know,” Mr Bergman says, “but the real treasure for me has been the real-time contact with my professors and online interaction with other students.”

MOOCs continue to develop. Professor Haywood estimates that by the end of 2014

Edinburgh will be running 24 MOOCs across a wide range of subject areas, allowing the University to offer even more to learners around the globe in future.

Winners at Edinburgh College of Art: leading the way in the arts industry

In February 2013 Will Anderson and Ainslie Henderson took to the stage of London's Royal Opera House to accept a BAFTA for their film *The Making of Longbird*. With matching kilts and smiles the first thanks they offered were not to an individual, but to an institution.

"I'd like to say a big thank you to Edinburgh College of Art, where this film was made," said Mr Anderson, clutching the award for best short animation. Several months later their victory remains "pretty surreal", but the sentiment remains the same: "I couldn't have done it without ECA," he says.

Since the film debuted at ECA's degree show in 2011 it has won awards at more than 20 film festivals around the world. Mr Anderson ascribes his BAFTA and subsequent commercial success (he has since created adverts for the TV Licence and won backing from Creative Scotland) to the flexibility ECA offered him.

"It's not a film school, it's an art school, and at art school you have much more freedom. That's what makes ECA stand out: their attention to helping you find your voice, their real attention to story."

The story of ECA in recent years is similar to Mr Anderson's. In the past 12 months students, recent graduates and staff have amassed an extraordinary amount of awards and recognition.

June 2013 saw fourth-year fashion student Lauren Smith hailed a rising star by *The New York Times* and *Vogue* magazine. Ms Smith had just won the Gold Award at Graduate Fashion Week, the top prize at the world's biggest showcase of emerging fashion talent. Lauren Smith was not alone: ECA students swept the boards. Shauni Douglas and Olivia Creber won the best menswear award and Morwenna Darwell was runner-up in the textile category.

"We are the ones to watch," says Ms Smith. Since winning the £20,000 prize, she has designed a collection for George, the in-house label of retailer Asda, and worked with Swiss chocolatiers Lindt.

"When you tell anyone in the fashion industry you studied at ECA they now immediately recognise it. They know to expect something unusual from an ECA student," she says. "Every student is allowed to be different. It means there is no 'ECA look', but ironically that is its look. If you can't see a school's stamp on it, it means it must be from ECA."

Owen Normand graduated from ECA in 2008. He now lives in Berlin. Last year he painted his girlfriend's portrait, sitting in her bedroom, the light throwing stark, dramatic shadows across her downturned face. In June 2013 this image, Dar Berliner Zimmer, helped Mr Normand win the BP Young Artist Award, one of the world's most

prestigious prizes for portraiture.

Like Will Anderson and Lauren Smith, Mr Normand sees a direct link between his time in Edinburgh and his success. "ECA exposed me to new ideas and art from which I still take inspiration," he explains. "Taking weekly life- drawing classes for four years really helped me to develop as a figurative artist. Illustration taught me about narrative in images, working to briefs, and problem-solving, all of which I was able to apply to my painting."

In February 2013 *The Guardian* University Awards recognised an ECA project as the best in the UK at preparing students for work in a difficult employment market.

The Design Agency Project in ECA began in earnest five years ago. At the start of each academic year, groups of students form their own agencies. Every graphic design undergraduate is involved, from fourth-years taking on the role of creative directors through to first-years positioned as interns. Designers from professional agencies mentor the students, who hire, fire, pitch, design and operate like a real agency. The results have been hugely satisfying for Zoe Patterson, Director of Undergraduate Studies in the School of Design.

"All our students are 100 per cent employable," she says. *The Guardian* University Awards panel agreed, awarding the project first prize in the Employability Initiative category.

"It's a project we're passionate about at ECA," says Ms Patterson. "To be told by professionals that we are doing a good job has added a lot of vitality to the project. To get an award for how we teach is pretty special."

Elsewhere in ECA, Edinburgh School of Architecture and Landscape Architecture lecturers, Mr Liam Ross and Mr Tolulope Onabolu were invited to take part in the 2013 Venice International Architectural Biennale, one of the foremost gatherings of architects.

Dr Angela Dimitrakaki, Senior Lecturer in Contemporary Art History and Theory, curated *Economy*, a critically acclaimed exhibition split between the Centre for Contemporary Art in Glasgow and the Stills Gallery in Edinburgh. Exploring how economic relations define us, it was widely praised.

Lecturer Dee Isaacs was awarded the Principal's Medal for the impact her Music in the Community programme has on her students and the communities they work with. Fuelled by the belief that art and music can change and empower, Ms Isaacs, who has run the programme for 13 years, has enabled her students to work with school pupils in Scotland and rural Gambia. The growth in a child's confidence that comes with learning to sing, or play a musical instrument, has a great impact, not only on the children but their parents too. Like every other discipline within ECA, the merger between the

college and the University has provided new opportunities.

“We have great potential to reach out across the institution and beyond,” says Ms Isaacs. “Looking towards other art forms as partners in social engagement is a wonderful opportunity, which will no doubt create broader and more sustainable collaborative partnerships in the future.”

Cancer patients set to benefit: developing treatments by interdisciplinary research

An interdisciplinary team of University academics is advancing research that could result in radical changes to the treatment of cancer. The Implantable Microsystems for Personalised Anti-Cancer Therapy (IMPACT) project is developing an implant roughly the size of a grain of rice, that is designed to target, track, and help to destroy cancer cells in tumours.

IMPACT is a five-year, £5.2m project, which has been backed by a grant from the Engineering and Physical Sciences Research Council (EPSRC). It officially started at the University in May 2013, aiming to begin clinical trials in three years, and a marketable product by approximately 2018.

Central to the project is the creation of wireless sensor chips, produced by the Scottish Microelectronics Centre, based in the University's School of Engineering. These silicon chips will be implanted into patients' tumours to locate and target radiotherapy, to treat cancer cells at the optimum time and place. Understanding the behaviour of cells in solid cancers was a key starting point for the project.

Professor Alan Murray, the School of Engineering's project lead, explains: "Cancerous cells in tumours survive in micro-environments - clusters of normal cells, molecules and blood vessels. The blood supply of a tumour is chaotic and when it develops rapidly it can outgrow its oxygen supplies."

The oxygen-starved cancer cells that result from this are still deadly, but are resistant to both radio- and chemotherapy. In addition these areas of cells in the body can change and move, making them more difficult to 'hit' in treatment.

IMPACT's miniature sensors will identify the treatment-resistant tumour regions and relay the information to a radiotherapist. Appropriate doses of radiotherapy would then be 'fired' at the most stubborn cancer cells to cause maximum damage. The sensors would be able to measure not just oxygen levels but more detailed biomarkers that indicate the status of the tumour and the success of the precisely localised radiotherapy. Professor Murray believes the implications for treatment are profound.

"We'll be able to offer personalised therapy for a particular tumour biology in a particular person at a particular time – and that's exciting," he says. "It means that if your tumour indicates 8pm on a Tuesday is when it's most vulnerable to radiotherapy, that's when you should be getting your radiotherapy, not at 4pm on a Thursday when you have an appointment. If it's as successful as we want it to be, it will issue a big challenge to the management of radiotherapy and how it's delivered."

The development would make therapy "very dynamic", he says. "Not only will we

choose the time and the place according to what the sensors tell us, we'll be able to administer a dose of radiotherapy, then power down the radiotherapy machine, interrogate the sensors to measure the level of cancer- cell kill, and then repeat until we're satisfied that session has been as successful as it could be."

The potential clinical use of IMPACT has been carefully weighed from the outset. Professor Ian Kunkler of the Edinburgh Cancer Centre is a central figure in the cross-disciplinary team, who agrees that the project's proposal for highly targeted doses of radiotherapy could mean a complete re-think of patients' treatment regimes, and potentially lead to future improvements in cancer survival rates.

"Currently we give the same dose of radiation to the cancer each day during a course of radiotherapy over several weeks," Professor Kunkler explains. "IMPACT could enable us to adapt the total dose and distribution of dose on a daily basis. This would be a great advance in personalised medicine."

Although the core of IMPACT'S research challenge is in engineering and chemistry, its driving force is medical. Professor Murray believes the reason that a project of such breadth was funded is testament both to its scientific quality and the ethos of the University.

"Edinburgh is quite unusual in having a structure that means there are absolutely no significant institutional barriers to collaborating across Colleges and Schools," says Professor Murray. "It's very easy to put together a proposal relevant to a wide number of our Schools, because we're in an environment where interdisciplinary working is encouraged by the University's mission. We can do this and very few other universities can. We have all the components for putting it together and strong encouragement from senior management to do exactly this kind of thing. So we don't work in isolated bunkers."

Alongside Professor Murray, Professor Anthony Walton, Dr Stewart Smith, Dr Brian Flynn and Dr Martin Reekie represent the School of Engineering in the IMPACT team. IMPACT also includes the School of Chemistry's Professor Mark Bradley and Professor Andy Mount, the Royal (Dick) School of Veterinary Studies' Professor David Argyle and the Clinical Research Imaging Centre's Professor Edwin Van Beek. Professor Joyce Tait and Dr Gill Haddow of the ESRC Centre for Social and Economic Research on Innovation in Genomics (INNOGEN) join them. Alongside Professor Kunkler, the NHS and medical field is represented by clinical oncologist Dr Duncan McLaren and oncology physicist Dr Bill Nailon.

Professor Murray believes research funding, particularly within EPSRC, is becoming more receptive to the multidisciplinary approaches that emerge at an academic level, and is hopeful of long-term funding for the project.

"We would like to develop IMPACT to track moving tumours and administer

chemotherapy, as well as radiotherapy. Ultimately this is all about improving the rate of cancer cure – that’s what we want to achieve.”

Students add to their academic skills: enhancing career opportunities

The University has a long-held commitment to preparing its students for the transition from education to employment, and the last year has seen a range of new activities supporting this initiative. One project, backed by the Scottish Funding Council and conducted in partnership with the universities of Aberdeen and Stirling, aims to increase collaboration between employers and universities by providing work place experiences for postgraduates. The Making the Most of Masters project at Edinburgh encompassed everything from theatre performance to geosciences.

Within the University’s Advanced Sustainable Design postgraduate degree, where students learn how to design environmentally responsive spaces, under the auspices of Making the Most of Masters, this year they undertook the Leith Interventions project, working with local residents to identify potential uses for buildings and landscape on sites in the Leith area of Edinburgh. Through dialogue and creative design work the students produced fresh visions for a more sustainable Leith.

One student, Elena Pana explains: “The aim was to create an area that really welcomes non-Leith residents and locals alike. We suggested landscape reclamation that revitalised the river and we designed a winding, soft-edge path to try to give walkers the opportunity to be closer to nature.”

Engagement with local people was fundamental to Ms Pana’s MSc experience. “It was essential to work with community stakeholders to understand the needs of the specific area we were dealing with,” she says. During the year the students ran workshops to brief local groups about their proposals. The work experience culminated with an exhibition of the designs at the capital’s Out of the Blue Arts and Education Trust.

John Brennan, Head of Edinburgh School of Architecture and Landscape Architecture, says the interaction with the local neighbourhood was liberating for his students: “The great thing about this programme is that their experience as students is going out dealing with people living and working in the city. The communication skills they gain helps their academic experience and gets to the heart of what sustainable design is all about.”

Diane Gill, who managed the Edinburgh Making the Most of Masters’ projects from 2011-13, believes Leith Interventions is a good example of how the project works.

“The initial idea was to provide opportunities for taught postgraduates to do work-based dissertations,” she explains. “But the scope became much broader when we realised the many different ways of engaging with outside organisations, and the positive influence this can have on employability.”

Part of the appeal of the Making the Most of Masters initiative was the ease with which it transferred across different disciplines. Ms Gill cites the Theatre Performance MSc, which established internships at venues including the Royal Lyceum in Edinburgh and Oran Mor in Glasgow, as an example of this flexibility. “The students involved talked about going from a purely academic environment to suddenly interacting with 13-16 year olds, and they really got a lot out of that,” she says.

Discussion between academics, students and potential employers is a vital element of the programme. A ‘Dissertation Mixer’ was organised for the School of Geosciences, bringing together students, academics and companies. “For the companies it was about introducing themselves and describing the type of skills they were looking for. For academics it was a chance to articulate the kind of student they were looking to supervise,” says Ms Gill. “It was a very effective networking event.”

Ms Gill believes the programme is already having an impact on student employability. “Employers are very grateful because it has made it easier for them to engage with the University. Building those relationships has been a breakthrough.”

Alongside Making the Most of Masters, the University has created a number of its own initiatives that signal its commitment to graduate employability. Employ.ed on Campus is one such initiative that supports undergraduates looking to gain valuable paid work experience over the summer. In 2013 interns were recruited to work across 20 University departments as part of the scheme. The University’s Careers Service provided a programme of support, bringing participants together for a number of events throughout the summer, alongside a framework to develop their employability goals.

One student to take part in Employ.ed on Campus, Emma Smith, now in her fifth year of a Fine Art MA, worked as an Exhibitions Intern at the University’s Centre for Research Collections. Ms Smith felt the experience had many benefits. “I was able to get to know the University’s Collections on an unprecedented level and it was exactly the sort of work I could see myself doing in the future,” she says. “It really was an invaluable experience.”

The project will soon be expanded by the Careers Service to include Employ.ed in an SME, an initiative focussing on small and medium-sized enterprises, and Employ.ed Overseas, due to be piloted in summer 2014. Jenni Dixon, Internships Coordinator in the Careers Service, explains how Employ.ed Overseas will work: “The intention is to place a number of students on summer internships with organisations outside the UK who have a connection to the University, whether that be via alumni, partnerships or previous recruitment of our students. This will provide our students with fantastic international work experience.”

The University’s commitment to student employability is ongoing, and has received national recognition, in the shape of a Times Higher Education 2013 award nomination, in the category of Outstanding Employer Engagement Initiative. Vice Principal for

Learning and Teaching, Dr Sue Rigby comments: "It is an honour to be shortlisted for this award, and an appropriate recognition for the hard work and expertise shown by our teams, and from our network of employers."

These opportunities to gain experience in the workplace, as part of a degree programme, continue to help our graduates stand out in the global employment market.

A new Global Justice Academy: strengthening international networks

Reflecting the University's ongoing commitment to internationalisation, in 2013 it launched the Global Justice Academy, to explore global justice issues, bring people, centres and networks together, and to develop research that reflects global justice concerns. It complements the University's already established Global Health Academy, combatting global health challenges; its Global Development Academy, harnessing international development teaching, research and partnerships; and its Global Environment and Society Academy, responding to global environmental challenges.

The need for this newest academy was clear, as its Director and Professor of Constitutional Law, Christine Bell, explains: "It is not always apparent what justice is or how to achieve it, and law appears to work within countries rather than globally. But there are structural justice issues that we can all see and recognise. We don't always have the answers, and these problems require multi-disciplinary solutions. So we needed a mutual forum where we can identify broad themes and begin to address them."

These themes cover a vast range of areas from urban justice and the use of cities, to organised crime and regional responses to it, and the role of human rights in times of conflict. The Academy will address what makes a good constitution; whether bankers or government should make economic decisions; issues of human security and citizenship; and social and distributive justice as it seeks to provide an intellectual framework to aid a better understanding of global issues.

"We offer a platform where people can get out of their disciplinary boxes and think about a *global* justice as opposed to just, for example, criminal justice or justice within a particular set of borders," says Professor Bell.

This platform has already enabled the University, in 2013, to host the inaugural meeting of the Global Citizenship Commission, addressed by education activist, Malala Yousafzai and led by former Prime Minister, Gordon Brown to re-examine the 1948 Universal Declaration of Human Rights.

While the Academy brings together academics from a wide range of subject areas across the University - and beyond - there are direct benefits for

Edinburgh Law School. Head of School, Professor Lesley McAra, who is a key advocate of the Academy states: "As well as the applied research underway, there's a pedagogical element to the Academy. In developing grounded solutions to global problems we are able to expand our teaching and evolve our postgraduate programmes accordingly."

That Edinburgh has created a Global Justice Academy is particularly resonant. The city

plays host to the highest civil and criminal courts in Scotland, as well as the administrative source of Scottish legislature. These factors combine to offer law students unique outreach opportunities.

The Law School's Senior Teaching Fellow Rebecca MacKenzie, who last year won the Principal's Medal for her outstanding contribution to the School and the wider community, has been pivotal in creating some of these opportunities in her role as Pro Bono Coordinator. The School's evolving portfolio of pro bono services includes the Free Legal Advice Centre (FLAC) and the Child Advocacy Project.

FLAC, run by students either completing their Diploma in Professional Legal Practice or a masters' degree programme, is a service for members of the public. Supervised by volunteer solicitors, students give advice on a wide range of issues including family and child law, debt management and landlord/tenant disputes, and work closely with external organisations including Shelter Scotland, the Citizen's Advice Bureau, Edinburgh & Lothian Regional Equality Council, Scottish Women's Aid and Victim Support Scotland.

Ms MacKenzie explains: "This provides students with a great opportunity to get involved with the community and, because qualified solicitors oversee everything, their connections with the profession are strengthened. Internship opportunities can arise and their employability is greatly increased."

Graduate Alan Innes, now a trainee solicitor working in commercial property, advised a client on the financial implications of divorce while completing his Diploma in 2012/13. Mr Innes says: "It was very useful to have the opportunity to interview a real client and it gave me more confidence about meeting clients in practice. Researching an area I had not chosen to specialise in was particularly beneficial as it broadened the versatility needed as a lawyer."

Another former student, Lottie Flood, who took on a contract law case with a complicated background of defamation and harassment, comments: "It was valuable to learn how to manage a case, involving research and communication within strict deadlines." Ms Flood, also now a trainee solicitor, adds: "I'm actively looking for opportunities to be involved in pro bono work and, once qualified, I intend to offer assistance to FLAC myself."

The Child Advocacy Project, which works in conjunction with the Scottish Child Law Centre (SCLC), offers graduate LLB students the opportunity to take on real life cases, supporting children caught up in family conflicts. Students are trained by the SCLC and Law School staff to listen to children in vulnerable situations and again benefit from being supervised by – and making connections with – qualified solicitors.

Edinburgh's historic status as a civic university makes current community engagement all the more significant. As Professor McAra points out: "The University is a force for social good and social transformation and has the resources to make changes for the

better, improving lives outside the university, and influencing policy development in terms of services and support for the local community as well as internationally. We want our students to have the best possible experience and education. At the same time we strive not to lose sight of our civic obligations to the community in which we are located. We view global justice as beginning at home.”

A break-through for stroke victims: leading worldwide research

In May 2013 the results of the world's largest trial of a stroke-treatment drug brought new hope for sufferers around the world. Led by the University's Professor Peter Sandercock, the 11-year project, involving more than 3000 patients, found that stroke sufferers are more likely to experience a long- lasting recovery if treated with a clot-busting drug called rt-PA.

The study of the effects of rt-PA, found that, 18 months on from being treated, more stroke survivors were able to look after themselves independently. The research was designed, conceived and led from Edinburgh. Peter Sandercock, Professor of Medical Neurology and Honorary Consultant Neurologist in the University's Division of Clinical Neurosciences has focused on the epidemiology, treatment and prevention of stroke for the past four decades.

"When a person suffers a stroke, an artery in the brain is blocked and the part of the brain that artery supplies stops working," he explains. "It results in loss of speech, loss of vision and paralysis down one side of the body. If the artery is reopened with a drug, the clot causing the blockage can be dissolved and the disability can be markedly reduced or the patient can recover completely."

The drug rt-PA was first tested in the early 1990s, with a small trial of just 600 patients conducted in America, followed by a further small similar-sized trials in in Europe and elsewhere. Both These studies concluded that the drug was promising.

Professor Sandercock's research sought to assess a much larger pool of patients than previous studies, and to test the balance of risk and benefit in extending the drug treatment to the wider population, including people in their 80s and 90s.

"There are 15 million strokes a year worldwide and we felt you couldn't base global treatment policy on the results of just a few hundred patients in clinical trials," he explains.

Funding was secured in 1999 and patients began to be recruited the following year. Recruitment was completed by 2011, with 3000 stroke patients from 12 countries taking part. Half were treated with intravenous rt-PA and half were not.

"The novel thing about this study was that we wanted to produce results that were of the greatest general relevance," says Professor Sandercock. "The trials that had been going on until then had chosen very carefully selected patients, almost all of whom were aged less than 80. We wanted a trial that was of wider relevance that also included older people, because about a third of all strokes are in people aged over 80," he explains.

The results demonstrated that a wider spectrum of people benefits from the drug and, crucially, that treatment needs to be administered rapidly. “If you do that, for every 1000 people you treat, within the first three hours of the stroke, irrespective of age, 90 more will be alive and independent as a result of treatment. That’s a really big effect.”

Previous studies had produced very limited evidence as to whether the benefit of treatment with rt-PA endured, with patient follow-up ending after only three months, but the University’s research was able to show that the reduction in disability persisted for at least 18 months.

Professor Sandercock comments: “When we asked people at 18 months were patients able to do things independently, could they walk without help, did they have any major problems in their every day living, those people who had had treatment 18 months previously reported significantly better health- related quality of life. So again that was a first, showing benefit on things that matter to people in their everyday lives.”

Professor Sandercock summarises the findings about the treatment simply: “Benefit in a wider group of patients, benefit for older patients and benefit that lasts.”

The study, supported by the Medical Research Council, the Stroke Association UK, the Health Foundation UK, the National Institute for Health Research Stroke Research Network and NHS Lothian Health Board, is testament to the University’s ability to attract funding partnerships that can contribute to life- changing scientific discoveries. “The MRC provided one of the main building blocks, which was the staff here in Edinburgh working on the trial,” says Professor Sandercock, who champions the invaluable contribution of his colleagues, including Professor Joanna Wardlaw, who handled all the brain imaging studies that are the key part of the research, as well as Professor Martin Dennis, and Dr William Whiteley.

Professor Sandercock believes the research will have a societal as well as a medical impact, raising awareness of strokes, boosting confidence to use the treatment more widely, and reinforcing efforts to close the gap in time between a stroke occurring and arriving at hospital for treatment.

“People need to know what the symptoms of a stroke are,” he explains. “If your face drops, if your speech is suddenly affected, if there’s weakness in your arm or leg, you must act quickly and get yourself to hospital. We also need to make sure that we gear up hospital systems so that patients who arrive with suspected strokes are treated promptly, given that treatment has to be given ideally within the first hour of arrival at hospital.”

“Ultimately I would like to see more stroke units opening around the world so that more stroke patients can be treated – and Edinburgh has certainly played a significant part in identifying treatments that are important in acute stroke care.”

Community support in the Scottish Highlands: enabling broadband through innovation

The University's School of Informatics has helped to solve a growing problem in an outlying region of Scotland. What began in 2007 as a research project, called Tegola, for the School's Professor Peter Buneman, Dr Giacomo Bernardi and Dr Mahesh Marina, evolved over several years into a community endeavour resulting in superfast broadband being brought to otherwise 'unconnected' parts of the Scottish Highlands.

In October 2012 a series of events on the Hebridean island of Skye were held to celebrate Tegola's significant milestones, and brought together those researchers involved in the project, from the Universities of Edinburgh and the Highlands and Islands, local government and the communities involved.

The project is now backed by the Scottish Government's Community Broadband Scotland initiative. Scottish Government Cabinet Secretary for Infrastructure, Investment and Cities, Nicola Sturgeon states: "Broadband should not be considered a luxury in places like the Highlands and Islands. It is essential to enhance the quality of life of communities and to stimulate the growth of the local economy," says Ms Sturgeon.

The advent of superfast broadband has had a significant impact on businesses, organisations, education and home consumers alike and, with average broadband speeds doubling every 20 months or so, there is an ever-growing range of commerce and communication dependent on high-speed Internet access. Much of rural Scotland is without high quality web access. Many communities are too far from a telephone exchange for high-speed broadband to work, and satellite broadband has been shown to be slow and expensive.

Professor Buneman and Drs Marina and Bernardi's initial research was concerned with the delivery of low-cost, reliable and high-speed broadband in rural areas. They focused on the mainland area of Scotland just north of Fort William, particularly the villages of Arnisdale and Corran, and the southern part of Skye, particularly the village of Isleornsay. Early attempts to establish a connection to the Internet, by using the existing telephone line of an accommodating local resident, found that a broadband connection was possible, although it was not fast enough to support a whole community.

The involvement of the University of the Highlands and Islands was crucial. Their collaboration enabled access to the Joint Academic Network, an educational Internet network, which allowed the remote communities access to a more powerful broadband connection through the Gaelic College, Sabhal Mòr Ostaig on Skye.

There remained a problem of distance between this more powerful server at the College, and the location of rural residents. Professor Buneman explains: "We built relays, through which the wireless broadband could be distributed. These were required

to be built along 'lines of sight' so that each relay could transmit the Internet connection to the next."

"It was at this point that we realised the importance of community involvement in the project," he says. Relays were required to be built across challenging Highland terrain, and whole communities got involved in their construction.

One local farmer in Knoydart, Iain Wilson describes how the project continues to work in practice: "We put up all the relay masts ourselves initially," he says. "And now, occasionally they send me something up from Edinburgh and we go up and rearrange the box up there on the mountain, and we test it and report back."

The project has brought broadband to more than 1,000 homes throughout 12 communities of rural Scotland so far, and new community projects are starting up almost every month.

On the island of Eigg, where various attempts had been made to bring broadband to locals via satellite connections, with an unwavering lack of success, one resident, Simon Helliwell approached the Tegola project for advice, whereupon equipment was made available and a test link quickly erected. The success of this test resulted in the creation of the HebNet initiative, based on the Tegola template, which now sees the Small Isles of Eigg, Rum, Muck and Canna receiving speeds between 30-50 megabits per second, far in excess of what is generally available in most cities. As Professor Buneman points out: "in areas where coverage for other forms of communication such as landlines, televisions and mobiles is poor, people rapidly become dependent on their internet connection and reliability is as important as speed".

The Tegola project has been recognised by the Royal Society of Edinburgh, and in 2011 received the Nextgen Challenge Award for community broadband. It has brought new businesses and residents into the area it serves and has improved the efficiency of existing businesses such as Marine Harvest Scotland, who have supported the project. Tegola now serves as a test-bed for High-Speed Universal Broadband for Scotland (HUBS), a new joint enterprise by the Universities of Edinburgh, Highlands and Islands and Stirling, funded by the Carnegie University Trust, which provides infrastructure support and technical expertise to rural communities.

Edinburgh's School of Informatics has a rich history of innovation. Its research projects have impacted on millions of people around the globe, many of whom remain unaware of the origins of, for example, the first automated industrial assembly robots, now used in production lines the world over, or the first miniature digital camera, used by the majority of us everyday, both of which emerged from the School's proactive commitment to innovative research.

Tegola has already proved its potential to join these innovations in touching - and more importantly - improving, the lives of millions. The technology used to provide low-cost,

high-speed, reliable broadband to Scotland's most challenging territories can be used anywhere in the world. HebNet's Simon Helliwell sums it up: "Without good broadband people these days are effectively disenfranchised and un-empowered but what we've achieved here is replicable anywhere."

Innovative Learning Week: opening new doors to learning

A teaching initiative that encourages imaginative approaches to learning is proving to be an enriching experience for the University's students and staff. Innovative Learning Week - a key component of Edinburgh's ongoing commitment to quality teaching - enables students to widen their academic horizons, learn new study skills and prepare for the world of work.

For five days in February 2013, regular timetables were put on hold and replaced with a lively mix of more than 200 creative learning events across the University. Instead of attending lectures, labs and tutorials, students took study options not open to them at other times. Through this atypical learning, they had time to reflect on their academic skills and think about the attributes that might help them compete in the jobs market.

The University's Vice Principal Learning and Teaching, Dr Sue Rigby believes that Innovative Learning Week can help to make study at Edinburgh a more rounded experience.

"We can learn so much by stepping outside of our comfort zone," says Dr Rigby. "Students, quite understandably, are focused on gaining their degree, but Innovative Learning Week gives them an opportunity to take risks and make some unexpected discoveries."

Among other things, students studied Uruguayan poetry, took up Syriac for beginners, created their own entry for a soapbox car race, weighed up the cultural significance of vampires, and discovered the mathematics behind magic tricks. Others left the classroom behind, honing their engineering skills at a steam railway, joining a community project to design a school playground, undertaking a philosophical walking tour of Edinburgh, and enjoying a Japanese tea ceremony at the National Museum of Scotland.

There were also visits during the week from Edinburgh alumna and former head of MI5, Stella Rimmington who talked about her career. Former star of reality television show *The Apprentice*, Margaret Mountford presented students with tips on how to land their dream job.

Students played a leading role too. Edinburgh University Student Association (EUSA) - which already acknowledges classroom innovation through its annual

Teaching Awards - ran a series of popular TEDx events. TEDx is an interactive platform for exchanging ideas that has become a global phenomenon in recent years. Edinburgh students showed their appetite for TEDx when the EUSA events sold out in 15 minutes. EUSA ran an inspiring series of talks on the theme of Global Challenges, Grounded Solutions, tackling a range of issues, including happiness, homelessness and marathon running.

The response to TEDx suggests an appetite among students for inventive ways of learning; staff too have been enthusiastic about the benefits of new approaches.

Edinburgh College of Art's Director of Externality, Robert Gillan helped to organise a successful life-drawing event called Best in Show. Local dog owners brought their pets to the College's Sculpture Court to pose for drawings. Students from a range of disciplines as well as local school pupils and interested members of the wider public took part. Mr Gillan was thrilled by the cross collaboration that Best in Show encouraged and by the event's inclusive approach.

"The event helped open our doors to the wider community," he says. "The place was buzzing and, by focusing on a subject matter that most people can connect with, we showed that everybody can draw if they have the chance to participate in something that's engaging and fun."

The University's Dr Martin Gillie, based in the School of Engineering found that Innovative Learning Week helped students of science-based subjects develop their practical skills. The week saw his students challenged to build bridges with a four-metre span, capable of carrying a one-tonne load, on a budget of £150.

"Ensuring that real-world engineering skills are part of the modern degree programme is a constant challenge," he says. "If left unchecked, the creative and practical aspects of the discipline rapidly become formal and prescribed."

"Our activities were deliberately structured as learning opportunities, rather than taught exercises. There is no substitute for seeing the detail that you have designed fail unexpectedly, or for realising that a design simply cannot be built."

For Social Anthropology lecturer Dr Jamie Cross, time out from regular classes offered fresh perspectives. He and his colleagues organised Anthropology in 100 Objects, an online exhibition that prompted a welcome exchange of ideas between staff and students. Participants were invited to nominate objects that they felt represented their interest in anthropology. Responses ranged from the exquisite – a display of rare butterflies from Madagascar – to the everyday – a Coca Cola can from Istanbul.

"People were keen to get involved," says Dr Cross. "By the end of the process, everyone felt a real sense of ownership."

"The exhibition enabled our students to make links between the content of their courses and the material world. All the objects were nominated anonymously, so people had fun guessing who had donated what. It really helped students to connect with their teachers."

Innovative Learning Week coordinator Alison Treacy says the initiative demonstrates what can be achieved when motivated staff, students and partner organisations work

together. "The quality and breadth of events has been inspiring," she says. "Innovative Learning Week provides a marvellous opportunity for students to enhance their skills and for teachers to explore new ways of facilitating learning."

The University of Edinburgh

The University Court

9 December 2013

Report from the Remuneration Committee

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

This is a report from the Remuneration Committee to Court and provides a summary of the activities of the Remuneration Committee from 1 August 2012 to 30 November 2013.

The report makes reference to the Grade 10 Equal Pay Audit at Appendix A , Summary of Gender Data in Appendix 1 and the Report of External Examiner at Appendix B and within the main report.

Action requested

The Court is asked to note the content of the report and make comments/suggested revision.

Resource implications

Does the paper have resource implications? No

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Has due consideration been given to the equality impact of this paper? Yes

The report makes reference to the Grade 10 Equal Pay Audit at Appendix A and the Report of the External Examiner at Appendix B and within the main report.

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the effective conduct of public affairs

Originator of the paper

Ms Lindsey Miller, Senior Partner University HR Services
On behalf of Professor Stuart Monro, Chair of Remuneration Committee and Ms Sheila Gupta,
Director of Human Resources

To be presented by

Professor Stuart Monro
Chair of Remuneration Committee

The University of Edinburgh

The University Court

9 December 2013

C11

Knowledge Strategy Committee Report

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

The Knowledge Strategy Committee Report to Court on business conducted during the period June 2012 to June 2013.

Action requested

Court members are asked to approve two minor changes to the KSC remit – as outlined on page one of the paper.

The remainder of the paper is for information.

Resource implications

Does the paper have resource implications? Not directly

Risk assessment

Does the paper include a risk analysis? No

Equality and diversity

Has due consideration been given to the equality impact of this paper? Yes. This is a summary of the work of KSC and EqIAs were considered as part of that committee's normal business.

Freedom of information

Can this paper be included in open business? Yes

Any other relevant information

Jeff Haywood (Vice Principal Knowledge Management) will present the paper.

Originator of the paper

Jo Craiglee
Head of Knowledge Management & IS Planning
19 November 2013

University of Edinburgh
Knowledge Strategy Committee
Report to the University Court

This paper presents a summary of the major items concerning Knowledge Strategy Committee (KSC), covering the period of June 2012 to November 2013.

Committee papers are available online at:

<http://www.committee.kmstrategy.ed.ac.uk/index.cfm>

KSC has oversight of the University's knowledge management activities, in particular those areas concerned with Library, Information Technology, Technology Enhanced Learning, Management Information and eAdministration (hereafter described as the University's 'Information Space')¹.

KSC Remit

The Committee Secretary and Convener reviewed the committee's remit in line with the year's business. Given the changes over the last 18 months, there are a number of minor changes that require to be applied to the KSC remit, namely:

1. Intro para, line two:
Delete 'e-Learning' and **replace** with 'technology enhanced learning'.
2. Section 2.2:
Delete 'e-Learning Committee'. This committee's remit has transferred to Learning & Teaching Committee, which has created a Learning Technology Advisory sub-group to focus on this area.

Action: Court members are asked to approve the minor changes to the KSC remit.

1. KSC Sub-Committees Work Plans and Annual Reports:

As part of the governance practices for KSC, it was agreed in 2009 that each sub-committee (including Learning & Teaching Spaces Advisory Group) would provide an annual work plan and report on the outcomes each autumn.

KSC received the Work Plans for 2013/14 in July 2013, and the Annual Reports for 2012/13 activities in October 2013. Additionally, IS Technology Enhanced Learning (TEL) provided an overview of the TEL area for 2014/17. The reports are available to view on the Committee Intranet.

2. Projects:

KSC received regular updates on the following on-going activities:

- **Distance Education Initiative**
 - 11 new projects were funded in 2013 (9 x Option 1, 1 x Option 2, 1 x Support) with 3 in Schools with no previous ODL programmes/provision.

¹ The following committees report to KSC: Library Committee; IT Committee; and University Collections Advisory Committee. Learning & Teaching Spaces Advisory Group retains a dotted line to KSC.

- There have been a total of 26 academic projects funded by the DEI to-date, with ODL provision now present in 16 Schools.
 - Jeff Haywood (VP Knowledge Management) and Amy Woodgate (Project Coordinator – DEI/MOOCs) are meeting with remaining Schools, those who have not yet engaged with the DEI/ODL to identify potential for development of a 2014 funding application – so far, there is indication of interest from a further 2 Schools. These bids will be prioritised in the final funding round in 2014.
 - The ODL staff community has grown rapidly over the last year, more than doubling to over 400 members.
 - We are noticing a significant culture change across the university; although in different ways, all Schools appear genuinely supportive of increased online learning activities, each wishing to develop either fully-online programmes, MOOCs or revise on-campus teaching methods.
- **Massive Open Online Courses (MOOCs)**
 - All wave 1 MOOCs have established a second iteration, with 2 out of 6 currently live and the remaining 4 set to run again in January 2014.
 - A further 7 courses have been announced (6 on Coursera and 1 on FutureLearn MOOC platforms) all of which will go live in early 2014.
 - There are 13 announced Edinburgh MOOCs, 4 in early development and a further 15 course ideas submitted (including external collaboration interest), totalling 32 MOOCs to-date.
 - Since its launch in May 2013, the Edinburgh #1 report has received 4,600 unique direct views, although the true reach is estimated at significantly higher than this. Report #2 – deeper learning analytics research – is in development and will be launched late November/December.
 - All MOOC content (course materials, support documentation, research etc.) is being developed as creative commons and are being populated onto fully open-platforms to maximise reuse and sharing. There has been considerable activity with use of Edinburgh content internationally and have set a sector standard others have commended and wish to follow.
 - In March 2014, Edinburgh will be co-hosting (in London) the Coursera annual conference with the University of London.

- **Business Intelligence / Management Information**

During this reporting period, the BI/MI Programme Board met on 10 January 2013 and 3 September 2013. The next meeting is on 12 December 2013.

The Programme Board:

- Approved in principle the project Initiation Document which can be found on the Project website <https://www.wiki.ed.ac.uk/display/BM>.
- Agreed to the request for 1.5FTE secondments, located in GaSP to support the Project. These posts were advertised in October.
- Approved the creation of a Project Board which will be convened during November/December. The Project proper will commence in January 2014.

- **University Website Project**

The University website design was refreshed and updated during summer 2013, presenting a new look to enhance user experience, all with minimal demands on site-wide publishers' time and energy. This refresh lays the foundations to inform phase 2 – a full redesign planned to take place in 2014-15. The new site will have an improved visitor experience

with an information architecture to meet the needs of the now vastly expanded University web presence. The content management framework will move to Drupal, helping to alleviate development bottlenecks and improve the pace of change by providing the opportunity for more school and college-based developers to contribute functionality. Another key deliverable for phase 2 is a more responsive site, better suited to mobile devices such as tablets and smartphones. Phase 3 of the development programme is greater integration with appropriate content and functionality channels from, for example, MyEd.

3. Policies and Regulations:

KSC approved the updated **University Computing Regulations**, which were revised to enhance the wording on mobile data and the use of passwords. University Court approved the revision in May 2013.

4. Away Day / Presentations:

Over the course of the reporting period, KSC held two away days and had two presentations from non-members.

Away Days

The first away day was held in January 2013, to **review e-learning, online feedback and assessment** at the University of Edinburgh.

The event theme was stimulated by a number of recent changes, both within the wider University and more specifically within the e-learning domain – making the timing of the event a useful reflection point.

The away day presented an overview of those e-learning services currently in use within the UoE. Attendees considered the strategic importance attached to this domain, and speakers highlighted what is currently being done to deliver e-learning services. Particular focus was given to online assessment and feedback, with an explanation of newer practices. The concluding session of the event explained core elements of the Institute for Academic Development's process and plans, together with an overview of Information Services plans for further development of centrally provided e-learning services.

Continuing on from the January away day, a second day on **Futures for Technology-rich Education** was held in November 2013. This event was a joint undertaking with Learning & Teaching Committee. The main topics were **technological futures for on-campus learning and teaching** and **drivers for educational change**. The event involved group discussion where attendees were asked to imagine the way undergraduate and taught postgraduate education may be organised (designed, taught, studies, assessed etc) in 2025. The purpose of this was to identify the steps we need to take now and in the coming years, to ensure we are in a strong position to reach 2025 with confidence that our education is appropriate for likely learners, teachers and supporters and to identify any significant technologies on the horizon that should be explored and piloted.

Presentations

- Barry Neilson (Director of Student, Admissions & Curricula Systems), presented the draft **Student Systems Vision and Roadmap** for comment and feedback. It was agreed that the Governance process should be revisited and KSC updated on how this will be achieved.
- Sue Rigby (VP Learning and Teaching) gave an insightful presentation on **Enhancing Student Support**.

5. Other:

Laptop Based Essay Exams within the Context of Developing Assessment Flexibility:

Mark Wetton (Head of Learning Services, IS User Services Division) prepared a paper for KSC, summarising the issue of laptop exams within a more diverse and strategic context for assessment flexibility. The paper outlined recommendations and next steps for consideration. Overall, KSC was supportive of taking forward a pilot study in this area but stressed that there would need to be significant demand to justify a centrally managed service. Members agreed that a summary for Learning & Teaching Committee should be produced, outlining KSCs responses to the paper and recommended next steps. The follow-up action is in progress.

Jo Craiglee
Head of Knowledge Management and IS Planning
19 November 2013

The University of Edinburgh

The University Court

9 December 2013

Draft Resolutions

The Court is invited to approve the following draft Resolutions and to refer them to the General Council and to the Senatus Academicus for observations:

Draft Resolution No. 2/2014:	Institution of new postgraduate Degree: Master of International Affairs
Draft Resolution No. 3/2014:	Payment of Debts to the University

Dr Katherine Novosel
November 2013

UNIVERSITY OF EDINBURGH

Draft Resolution of the University Court No. 2/2014

Institution of new postgraduate Degree: Master of International Affairs

At Edinburgh, Xxxx of Xxx, Two thousand and fourteen.

WHEREAS the University Court deems it expedient to institute a postgraduate degree of Master of International Affairs (MIA):

THEREFORE the University Court, on the recommendation of the Senatus Academicus and in exercise of the powers conferred upon it by Section 3 of the Universities (Scotland) Act 1966, with special reference to paragraph 2 of Part II of Schedule 2 to that Act, hereby resolves:

1. The University of Edinburgh may confer the degree of Master of International Affairs and those engaged in postgraduate studies by coursework in the University of Edinburgh shall include candidates for the degree of Master of International Affairs.
2. The Senatus Academicus has the power to make Regulations under this Resolution governing the studies undertaken for the degree of Master of International Affairs, and in particular to register candidates for the degree and ensure their satisfactory supervision and to discontinue registration of unsatisfactory candidates.
3. The degree of Master of International Affairs shall not be conferred honoris causa.
4. All candidates for the degree of Master of International Affairs must be registered postgraduate students of the University of Edinburgh. The Regulations made by the Senatus governing registered postgraduate students apply to all candidates.
5. A candidate who has satisfied the conditions prescribed by or under this Resolution shall be entitled to receive the degree of Master of International Affairs.
6. This Resolution shall come into force with effect from the commencement of the 2014/2015 academic year on 1 August 2014.

For and on behalf of the University Court

SARAH SMITH

University Secretary

UNIVERSITY OF EDINBURGH

Draft Resolution of the University Court No. 3/2014

Payment of Debts to the University

At Edinburgh, Xxxx of Xxx, Two thousand and fourteen.

WHEREAS the University Court considers it expedient to regulate the position of any student who may be financially indebted to the University:

THEREFORE the Court, after consultation with the Senatus Academicus and in exercise of the powers conferred upon it by Section 3 of the Universities (Scotland) Act 1966, with particular reference to paragraph 8 of Part II of Schedule 2 to that Act, hereby resolves:

1. A student who owes money to the University on account of any matter relating to academic endeavour including but not confined to tuition fees, bench fees, field trip expenses, loans, or fines shall, notwithstanding any Ordinances, Resolutions, or Regulations under which they may be qualified to graduate or to proceed to further study in the University, be debarred from graduating or from further matriculation until such time as the money due is paid or until a dispensation is granted in accordance with Section 2 hereof.
2. The Principal or their authorised representative may permit any such student to graduate or matriculate if satisfied that a sufficient undertaking of payment has been given by the student, or that undue hardship would be caused if this permission were not granted.
3. For the purpose of this Resolution, graduation shall include receiving any degree, diploma, licence, or other qualification conferred by the University.
4. The Senatus, with the approval of the Court, may from time to time make regulations to implement this Resolution.
5. This Resolution shall come into force with effect from 1 August Two thousand and fourteen, from which date Resolution No 7/1982 shall be repealed.

For and on behalf of the University Court

SARAH SMITH

University Secretary

The University of Edinburgh

The University Court

9 December 2013

Risk Management Committee Terms of Reference

In order to allow more flexibility it is proposed that the Deputy Secretary, Student Experience is able to represent the University Secretary as a member of the Risk Management Committee. The current terms of reference states that the University Secretary is an ex officio member of the Committee. The Court is invited to approve a small change to the Risk Management Committee's Terms of Reference to formalise this arrangement. With immediate effect, it is proposed that section 2.1 be amended to read:

2.1 The Committee shall be comprised as follows:

Ex officio:

The Vice-Principal and Director of Corporate Services (Convener)

The Director of Finance

The University Secretary **or in her absence the Deputy Secretary, Student Experience**

The Director of Quality Assurance

Non-ex officio

A senior officer nominated from each of the three Colleges (Humanities and Social Science, Medicine and Veterinary Medicine, and Science and Engineering)

A senior officer nominated by Information Services Group

A minimum of one academic representative

One lay member of Court

Dr Katherine Novosel

November 2013

The University of Edinburgh

The University Court

9 December 2013

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 19 October 2013 to 20 November 2013, prepared for the Meeting of Court on 9 December 2013.

Action requested

For information.

Resource implications

Does the paper have resource implications? No

Risk assessment

Does the paper include a risk assessment? No, not applicable.

Equality and diversity

Has due consideration been given to the equality impact of this paper? N/A

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the effective conduct of public affairs.

Originator of the paper

Ms Kirsty MacDonald
Executive Director of Development & Alumni Engagement / Secretary, University of Edinburgh
Development Trust

The University of Edinburgh

The University Court

9 December 2013

D4

School of Informatics Robotarium
The Edinburgh Robotic and Autonomous Systems Interaction Research Facility

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

The School of Informatics with the support of the Department of Procurement, request authorisation to purchase one anthropomorphic robot, for the School's, Robotarium, which is an integral part of The Edinburgh Robotic and Autonomous Systems Interaction Research Facility, in collaboration with the University of Heriot-Watt, Edinburgh, funded by the Engineering and Physical Science Research Council (EPSRC).

Action requested

As detailed in the paper.

Resource implications

As detailed in the paper.

Risk assessment

As detailed in the paper.

Equality and diversity

Has due consideration been given to the equality impact of this paper? N/A

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice a programme of research

For how long must the paper be withheld?

12 months minimum – information relates to an ongoing research programme, is intended for future publication and disclosure would substantially prejudice that programme.

Originators of the paper

Dr Elizabeth Elliot
Director of Professional Services

Andy Kordiak
Category Mange

3 December 2013

The University of Edinburgh

The University Court

9 December 2013

D5

Implementation of an integrated multi-dimensional molecular organ imaging facility

The School of Clinical Sciences with the support of the Department of Procurement request permission from the University Court to authorise the release of a sum from secured funds (Medical Research Council grant MR/K015710/1) in order to purchase an intra-vital light microscopy system.

Action requested

Court is invited to approve the placing of a contract and to release the required capital from the MRC grant MRC MR/K015710/1.

Resource implications

The purchase price is a result of the outcome of the above mentioned EU tender (see also quotation enclosed). The School confirms that the intra-vital system is fully funded and will be placed in, operated and maintained by the existing Confocal and Advanced Light Microscopy (CALM) Facility in the QMRI. The purchase price includes full warranty for the period of three years and maintenance costs after this will be met by user charges through a business plan that is in place in the CALM facility.

Risk assessment

No risk assessment is required.

Equality and diversity

Has due consideration been given to the equality impact of this paper?

Equality and diversity policies of the manufacturing companies have been assessed as part of the EU tender process.

Freedom of information

This paper can be included in open business.

Originators of the paper

Dr R U Wiegand
Head of the Confocal and Advanced Light Microscopy Facility

Dr Sharon Hannah
Institute Administrator
Queen's Medical Research Institute

4 December 2013

The University of Edinburgh

The University Court

9 December 2013

D6

Purchase of Research Data Facility for the Advanced Computing Facility

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

Using £5.6M funding from EPSRC, the University established the UK Research Data Facility (UKRDF) at the Advanced Computing Facility (ACF) in March 2012. This provides a data storage service for users of HECToR, BlueGene/Q and ARCHER.

Action requested

The Court is asked to approve the issuing of contracts and purchase orders for the purchase of additional data storage facilities at the Advanced Computing Facility in Edinburgh

Resource implications

Does the paper have resource implications? Yes

Risk assessment

Does the paper include a risk assessment? Yes

The risks are discussed in the Risk Assessment section of the attached paper.

Equality and diversity

Has due consideration been given to the equality impact of this paper?

No, as this paper relates to the purchase of capital equipment, and does not relate to individuals.

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

Prof Arthur Trew, Head of School, Physics and Astronomy. Principal Investigator for this EPSRC Research Grant.