



RISK MANAGEMENT COMMITTEE

21 March 2016

Minute

Present: Mr Hugh Edmiston, Director of Corporate Services (Convener)
Professor Jake Ansell
Dr Bruce Nelson, College Registrar, CSE
Dr Catherine Martin, College Registrar, CHSS
Mr Tony Weir, Director of IT Infrastructure
Mr Gavin Douglas, Deputy Secretary, Student Experience

In attendance: Mr Jim Nisbet, on behalf of Dr Catherine Elliott, CMVM
Mr Jon Idle, Interim Chief Internal Auditor
Ms Kirstie Graham, Deputy Head of Court Services

Apologies: Professor Tina Harrison
Mr Phil McNaul

1 Minute

Paper A

The Minute of the meeting held on 1 February 2016 was approved as a correct record.

2 Convener's Business

Verbal

The Director of Corporate Services reported on the following: the review of risk management currently underway by PwC; ongoing progress in the Service Excellence and Project Book programmes; the confirmation of the Edinburgh City Deal; industry engagement and JB Equity; Sunergos roll out; the risk of further protest action by People and Planet; the risks associated with the EU referendum.

SUBSTANTIVE ITEMS

3 Review of Risks 2015/16

Paper B

The Committee considered the University's Risk Register and noted Risk 5, in relation to student protest actions; Risk 10, where there was an increased risk of industrial action in relation to pay and pensions; and Risk 16 in relation to finance and the pressure on generating a working surplus.

The Committee considered the following risk reviews:

Risk 2: Perceived breach of generally accepted ethical standards

The Committee commended the clarity of the risk review and the mitigating actions. Members noted that this was a broad risk area across the University with a number of strands. The links to other areas such as ethical investment were discussed and the need to draw a clear distinction between investment policy and research and teaching.

It was noted that the lessons learned from the CHSS Research Ethics Internal Audit review needed to be shared with the other two Colleges and it was reported that this had now been initiated. It was further noted that Internal Audit was currently reviewing the University's Anti-Bribery and Corruption Policy.

In the light of the recent Internal Audit review of research ethics, it was agreed to suggest to the Risk Owner that the Likelihood score may be higher than 1 (very low).

Risk 3: Failure to provide a high quality student experience

The Committee noted that the Risk Owner was now the Senior Vice-Principal Professor Charlie Jeffery and that he had provided a single integrated risk review for across the University. Members agreed this was a helpful approach and commended the presentation, which drew out the range of mitigating activities taking place to address this risk.

In the light of the activity and focus on this area, there was discussion on whether the residual risk score should remain as 5 (very high). Members discussed the variability across the University, the challenge of achieving cultural change and influencing students' perception of their experience. It was further noted that the NSS score was a lagging indicator and mitigating actions take time to produce improvements against this measure.

It was agreed that the risk was being effectively managed and that the Risk Owner should be asked to consider when it may be anticipated the mitigating actions could lead to a reduction in the residual risk score.

Risk 4: Inadequate growth in on-campus and distance learning student recruitment

The growth in Online and Distance Learning (ODL) was discussed as a risk with members noting that 'on campus' recruitment is currently strong, but there needed to be greater focus on ODL now to future proof recruitment. There was also discussion of the IT issues in the uses of different platforms for online delivery and the need for investment in technology to supported blended learning as well as online learning. Members noted that in addition to the mitigating actions outlines in the risk review, there was a range of activity at College and School level to mitigate this risk.

Risk 7 & 8: Inadequate performance in REF 2020 & Failure to grow and diversify the spread and magnitude of Research Awards

The Committee noted that it was a volatile environment to consider this risk, with the continued pressure on Research Council income and growing need to access EU funding, with the implications of the referendum on EU membership increasing risk in this area. The University's reputation was built on its research and it was essential to identify and target new and diverse income streams. The positive impact of the new Chancellor's Fellows' appointments in mitigating this risk was noted.

Risk 14: Inability to successfully implement projects and strategic priorities

Members noted the number of strategic projects and the risk of insufficient focus on key areas and the impact on ongoing activities. The need for due diligence prior to implementing a project and post project assessment of achievement against the planned deliverables was an important discipline for the University and members noted this was being articulated in the development of the Service Excellence Programme. There was discussion of the role of the Programme Management Office in providing strategic oversight of all projects and change programmes in order to support risk mitigation.

Risk 19: Failure to adequately manage the University's international relationships

The Committee noted the mitigating activities undertaken by the International Office. There was discussion of the wording of the risk, with the terminology of 'generating beneficial outcomes' considered too vague. A sharper focus in the risk descriptor would be considered as part of the overall review of the Risk Register, as there were a number of risks that would benefit from tighter terminology.

The recommendation that Internal Audit undertake a review of global partnerships was noted and it was agreed to request further information from the Risk Owner on the background to this request. The Committee

Risk 22: Failure to recruit and retain sufficient widening access students

The recommendations from the Commission on Widening Access were noted, which suggested that this remained a high risk for the University in implementing the recommendations. Members considered that the Risk Review contained a great deal of impressive operational detail, but could benefit from a higher level strategic overview to summarise and assess its effectiveness in mitigating the risk.

4 Internal Audit Report – Risk Register Assurances

Paper C

The Interim Chief Internal Auditor spoke to his report, which considered internal audit activity over the past 12 months and its link to the risk register. In addition, he had reviewed the current internal audit processes and as part of this assurance report identified suggestions for consideration by the incoming Chief Internal Auditor due to start next month.

These included a change to the classification of the assurance level from the output of individual audit reports to provide greater clarity to inform the risk management process. Another area was consideration of including a specific risk in relation to fraud as part of the University Risk Register and this would be considered as part of the review of the current Risk Register to inform the URR 2016-17. The final recommendation related to developing a Risk Assurance Map, which may emerge through the current review of risk processes. Members agreed these were constructive suggestions for further consideration.

5 Annual Review of University Risk Register 2015/16

Paper D

The annual review of the University Risk Register was due, in order to develop a draft document for discussion by CMG and onward approval by Audit and Risk Committee and Court.

Members discussed the inclusion of risks around industry engagement, fraud and surplus generation and the removal of specific risks around ELIR, SRUC and the Alan Turing Institute. There was also discussion of rewording risks to make them clearer and redefining and expanding some risks. It was suggested that the University's Risk Appetite may need to be reconsidered in relation to major change activities.

A draft URR 2016/17 would be forwarded to PSG for comment prior to the next meeting.

ITEMS FOR NOTING OR FORMAL APPROVAL

6 Date of next meeting

The next meeting will be held on Monday, 2 May 2016 at 10.30am in the Elder Room, Old College.