



RISK MANAGEMENT COMMITTEE

4 May 2015

Minute

Present: Mr H Edmiston, Director of Corporate Services (Convener)
Professor J Ansell
Mr T Weir, IT Infrastructure
Dr B Nelson, College Registrar, CSE
Dr C Martin, College Registrar, CHSS
Assistant Principal Dr T Harrison

In attendance: Mr D Kyles, Chief Internal Auditor
Mr J Nisbet on behalf of Dr C Elliott
Ms T Slaven on behalf of Mr G Douglas
Ms L Welch on behalf of Mr P McNaull
Ms K Graham, Deputy Head of Court Services

Apologies: Dr R Black

1 Minute

Paper A

The Minute of the meeting held on 23 March 2015 was approved as a correct record.

2 Convener's Business

Verbal

The Director of Corporate Services noted the ongoing intention to enhance the risk management process and in particular to reduce the volume of paperwork.

SUBSTANTIVE ITEMS

3 Review of University's Strategic Risks 2014/15

Paper B

The Committee considered the University's Risk Register and noted the ongoing work in relation to mitigating risk 18, changes to UK immigration policies and practice.

The following risk reviews had been received:

Risk 4: Failure to provide a high quality student experience

The length of the risk review document was noted and the need for a summary document to identify any emerging themes. It may be appropriate for the new Vice-Principal appointment in this area to have oversight of the risk review to identify the major risks.

Risk 5 – Insufficient growth in on-campus and distance learning student recruitment

The focus and length of this document was commended and the work to mitigate the risks was clearly articulated. The focus was on central recruitment activity and it may be beneficial to include some comment on the work in Schools to mitigate this risk.

Risk 17 – Maintenance of financial stability & sustainability

The need for more accurate forecasting to support risk monitoring was noted, particularly in the light of Policy and Resources Committee's agreement to a reduced surplus requirement. Court would expect a greater level of comfort in forecasting to achieve the agreed surplus.

Risk 21 – Failure to meet statutory carbon reduction targets

The Committee noted the University had published an ambitious Carbon Action Plan in 2010 with challenging targets to reduce absolute emissions and it is extremely unlikely the targets will be met, despite a considerable range of activity. The work of the Fossil Fuels Review Group was noted as the University was seeking to positively influence carbon usage.

4 Updates to College and support group risk registers

Paper C

Each College and Support Group maintains a risk register which should be formally reviewed annually. The Committee considered the updated risks registers and brief summaries were given of the changes.

College of Medicine & Veterinary Medicine

The updated risk register had one new item relating to failure to manage key collaborations, precipitated by the joint programme with Zhejiang University. There had been some minor changes to scoring and updates to key mitigating actions.

The main risks related to a reduction in research funding; insufficient student numbers; and the student experience which mapped onto the University's key strategic risks.

College of Science and Engineering

In updating the risk register there had been two changes in scoring, with an increased likelihood for the risk of insufficient resources available to implement plans and decreased likelihood for inability to maintain, develop and upgrade the estate. Two new risks had been added: increasing regulatory and administrative burdens and failure to address the impact agenda sufficiently for the 2020 REF.

College of Humanities & Social Science

The principle risks were noted to be failure to diversify income streams and change in policy on RUK- domiciled students and/or Home Office restrictions on recruitment of non-EU students.

University Secretaries Group

It was noted that it would be useful to see the direction of travel of risks from last year as the risk of failure to maintain Home Office licence relating to recruitment and retention of international students and staff seemed high given the mitigating actions that had taken place and there was consideration as to whether this had reduced from last year.

Corporate Services Group

The high number of risks were noted and it may be beneficial to consider whether they were all current key risks and whether any could be removed or merged to reduce the number to enable greater focus.

Information Services Group

The updating of the risk register was a useful exercise for the Group, so it was noted that the level of detail for some risks was quite operational and not necessary for the Committee to review.

Development & Alumni

There was consideration of whether it was necessary for the Development & Alumni risk register to be considered by the Committee and it was noted this could be part of a wider discussion around the process of reviewing subsidiary company risk registers.

Through general discussion it was noted that it was useful information to have the direction of travel of risks from the previous year included in risk registers and that a standardised template for risk registers based on the University Risk Register would support the oversight of risk.

5 Movement of risks 2013/14 to 2014/15

Paper D

There was consideration of the movement of risks over the life of the Risk Register. The University Risk Register had moved from a 4 point to a 5 point scale for 2013/14 and 2014/15, therefore the graph showing the movement of risks for the past 2 years was the most useful point of reference.

The Committee noted the increase in the number of risks to 31, largely as a result of a number of projects being brought onto the Risk Register. This could lead to a lack of focus on the key strategic risks and there was agreement that the number of projects to be included on the Risk Register should be reduced.

There was consideration as to whether risks that consistently had a low residual risk and likelihood score should continue to be on the Risk Register. There was discussion of the basis for scoring and the ability to place confidence in it and also the need for qualitative as well as quantitative assessment of what required to be monitored at an institutional level.

6 Update of University Risk Register 2015/16

Paper E

Following the previous discussion, the Committee considered the draft University Risk Register 2015/16 and noted the proposed changes.

It was agreed all the projects could be removed, with the exception of SRUC and Turing, for the time being, to be kept under review. New risks were agreed relating to procurement and potentially excellence in innovation and it was agreed to retain a risk relating to the Research Excellence Framework.

The Committee noted the revised draft would be forwarded to Central Management Group for further discussion prior to consideration by Audit and Risk Committee for recommendation to Court for approval.

7 Education Sector Risk Profile 2015

Paper F

The Committee considered an education sector risk benchmarking report prepared by PwC and noted that it may be helpful to consider assigning a methodology to the impact & likelihood scores for the Risk Register, in line with best practice.

A proposed methodology was considered and it was noted that while the financial metrics proposed would be suitable for the University Risk Register it would not be so useful for the College and Support Groups. It was agreed to consider a percentage methodology rather than absolute numbers.

ITEMS FOR FORMAL APPROVAL/NOTING

8 Update to Risk Assurance Map

Paper G

The Committee considered that the Risk Assurance Map was a restating of information that was captured as part of the ongoing risk management process and did not provide any additional useful reassurances. On that basis, it would recommend to Audit and Risk Committee that it was not retained as part of the risk oversight process.

9 Annual Year End Questionnaire

Paper H

The questionnaire was agreed for circulation to the Colleges and Support Groups.

10 Date of next meeting

The next meeting will be held on Thursday, 15 October 2015 at 2.30pm in the Elder Room, Old College.

There will be a joint meeting with the Audit & Risk Committee on Thursday, 24 September 2015 in the Raeburn room, Old College.