



RISK MANAGEMENT COMMITTEE

1 February 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
Dr Catherine Elliott, College Registrar, CMVM
Professor Tina Harrison, Assistant Principal Academic Standards and Quality Assurance
Mr Phil McNaull, Director of Finance
Mr Tony Weir, Director of IT Infrastructure
- In attendance:** Mr Jon Idle, Interim Chief Internal Auditor
Ms Tracey Slaven, on behalf of Mr Gavin Douglas
Mr Alastair Fenemore, Chief Information Security Officer
Ms Kirstie Graham, Deputy Head of Court Services
- Apologies:** Mr Gavin Douglas, Deputy Secretary, Student Experience

1 Minute

Paper A

The Minute of the meeting held on 15 October 2015 was approved as a correct record.

The Convener welcomed Mr Jon Idle, Acting Chief Internal Auditor and Mr Alastair Fenemore, recently appointed Chief Information Security Officer to the meeting.

2 Convener's Business

Verbal

The Director of Corporate Services reported that following the Committee effectiveness review and feedback from the Audit and Risk Committee that it had a high level of confidence in the executive management of the risk management function, the revised terms of Reference had been approved by Audit and Risk Committee and there was therefore no longer a lay Court member on the Committee.

He contextualised the risk landscape with reference to external pressures in relation to funding and the HE Governance Bill. He noted that funding pressures would require increased focus on effective procedures and processes in order to invest in the University. For the Risk Management Committee, there was a need to grow a culture of risk awareness, with clear and consistent internal

control systems where individuals recognised their accountability within the control framework.

SUBSTANTIVE ITEMS

3 Review of Risk Management Policy Paper B

The Convener reported that he had inherited a robust risk management procure, which he had sought to further streamline and refine. Having worked through the twelve month cycle, it was timely to undertake a more in depth review, with external input to enable benchmarking within and outwith the sector and ensure current best practice. PwC had been commissioned to undertake this review and a further report would return to the Committee in due course.

4 Project Book Paper C

The Director of Finance reported that “Project Book” had been initiated as an integrated plan of work to address, mitigate and remediate the key risk areas of: financial fraud and adequacy of financial and procurement controls. In addition to the culture of risk awareness previously discussed, there need to be a greater fraud awareness across the University.

Members welcomed the joined up approach proposed. There was discussion of the integration of projects across the University and the importance of post implementation reviews to assess the deliverables against the initial plans. There was discussion of linking business ethics to research ethics and ensuring the recognition of risks related to finance commitments and future exposure. Members also discussed mandatory training, noting it was important that this was appropriate and tailored.

The Committee noted that information on the project would be disseminated across the University in due course.

5 Information Security Paper D

The Cyber Security Maturity Assessment carried out by PwC and the recommendations were noted. The Committee noted the new Chief Information Security Officer and information security team would lead on cross University actions to address this risk area.

6 Internal Audit Coverage of the Risk Register Paper E

The risks on the University Risk Register, at the time of the compilation of the Internal Audit Plan for 2015-16, were mapped to the relevant processes along with key strategic themes from the University Strategic Plan. There were widespread linkages across the Internal Audit Plan and University Risk Register, with the small

number of current risks not covered within the Internal Audit Plan identified.

There was discussion of the size of the Internal Audit Plan and the importance of ensuring there was sufficient focus on strategic issues and deliverability in developing the Plan.

7 Updated Programme of Risk Reviews

Paper F

The Committee approved the updated programme of reviews, noting that Risk 6. Failure to achieve a rating of 'effective' in the 2015 Enhancement Led Institutional Review, had now resolved and the University had achieved the 'effective' rating; and that Risks 7 and 8, which both concerned research, could be combined into single review document for this session.

8 Review of University Risk Register 2015/16

Paper G

The Committee considered the University's Risk Register and noted that Risk 15a in relation to SRUC was no longer current, but that it may be useful to reflect on lessons learned from the process.

The Committee considered the following risk reviews:

Risk 1: Developments in government policy/legislation

The continued uncertainty in relation to this risk was noted and the mitigating actions and proposed risk levels endorsed. It was agreed that whilst in general, mitigating actions should reduce risk to a tolerable level, in the case of this risk there were external factors beyond the University's direct control.

Risk 5: Student protest actions

The current mitigating actions were noted, and as a consequence of these it was agreed to suggest that the Risk Owner consider whether the Risk Likelihood may be reduced. It was further agreed that this Risk may need to be extended to include outside parties, as there was a separate risk (Risk 10) for staff or Union industrial action, but nothing to capture actions by other stakeholders and this should be suggested to the Risk Owner.

Risk 9: Inability to retain, attract and develop key staff

The mitigating actions were noted and it was agreed that the issues around Home Office and immigration contributed to the continued level of this Risk.

Risk 10: Staff or Union industrial action

This was noted as an increased Risk in the 2015/16 Risk Register. It was agreed to suggest to the Risk Owner that the likelihood of the Risk may be increased in the light of changes to national insurance and pension contributions.

Risk 11: Rate of investment and enhancement of the estate

External borrowing had provided immediate capacity to advance the University's ambitious capital plans, which may suggest a reduction in the risk score, which was currently amber. It was noted that there continued to be residual risk in relation to maintaining historic assets while ensuring compliance with new legislation.

Risk 16: Maintenance of financial stability and sustainability

The Committee noted that, whilst acknowledging frauds and other issues that may emerge from time to time, the overall control environment and long term financial sustainability was reasonably low risk at this time.

Risk 17: Compliance with procurement legislation

There was discussion of the wording of this risk, which did not sufficiently focus on the consequences of non compliance in order to be able to assess the overall scale of the risk in terms of the potential financial and reputational impact. Members considered that this risk may be broadened to other legislative changes requiring compliance, such as data protection legislation. It was agreed to consider this following the PwC risk policy review.

Risk 18: Changes to UK immigration policies and practice and inadequate implementation

The Committee noted that this remained a high risk area and it would be helpful to more strongly quantify the risk of losing the Home Office licence as part of the risk.

Risk 21: Failure to meet statutory carbon reduction targets

The Committee noted this risk had crystallised and the targets set had not been achievable, however the wording of the risk was ambiguous, as it was setting the targets that was a statutory requirement, not the actual level of the targets. It was agreed this risk should be reframed, to reflect this.

There was overall discussion of the risks considered, with particular focus on the need to reframe and sharpen the wording of some of the risks. It was agreed that this should be considered as part of the overall review of University's risk processes.

ITEMS FOR NOTING OR FORMAL APPROVAL

9 Risk Register Updates – Subsidiary Companies

Paper H

The Committee received and considered the Risk Registers of the following subsidiary companies: UoE HPCx, FloWave TT Ltd, ERI, Research Into Results Ltd and Accommodation Services Ltd. It was highlighted that this Committee's role could only be advisory and that

it was the responsibility of the individual Boards of each company to identify and mitigate risk. However, the University had a responsibility as the major stakeholder for advising and expressing any concerns, as appropriate.

The diverse format of the Risk Registers was noted and it was agreed that following the PwC review of University risk processes, it may be appropriate to request the subsidiary companies adopt a standard framework document for their risk registers.

10 Date of next meeting

The next meeting will be held on Monday, 21 March 2016 at 10.30am in the Elder Room, Old College.