

## THE UNIVERSITY OF EDINBURGH

### **BUSINESS FOR MEETING OF THE UNIVERSITY COURT to be held in Seminar Room 1, Chaplaincy Centre on Monday 20 December 2010 2.00 p.m.**

A buffet lunch will be available in the Auditorium, Chaplaincy Centre  
from 1.00 p.m.

This meeting of Court will be preceded by a presentation by the Principal, the Director of Planning and Deputy Secretary, and the Director of Finance entitled 'University's Financial Position'.

#### **A FORMAL BUSINESS**

1. Minute of the meeting held on 8 November 2010 **A1**

#### **B PRINCIPAL'S BUSINESS**

1. Principal's Communications **B1**

#### **C SUBSTANTIVE ITEMS**

1. Report of the Finance and General Purposes Committee
  - .1 Comments on the Report of the Central Management Group **C1.1**
  - .2 Report on Other Items **C1.2**
2. Risk Management Committee end of year report **C2**
3. Risk Management - Post Year End Assurance Statement **C3**
4. Audit Committee Annual Report **C4**
5. Reports and Financial Statements
  - .1 Reports and Financial Statements for the year ended 31 July 2010 **C5.1**
  - .2 Letter of Representation **C5.2**
  - .3 Review of 2009/2010 Outturn Versus Forecast **C5.3**
6. Edinburgh College of Art **C6**
7. Commissioners' Ordinance – Employment Policies **C7**
8. Performance Monitoring
  - .1 Strategic Plan 2008-2012 Targets – Annual Progress Report **C8.1**
9. Appointment of Tribunal **C9**
10. Report from Knowledge Strategy Committee **C10**
11. Remuneration Committee Annual Report **C11**
12. Corporate HR Restructuring **C12**

#### **D ITEMS FOR FORMAL APPROVAL OR NOTE**

1. University Representative on UHI **D1**
2. Donations and Legacies **D2**
3. Use of the Seal

**MINUTE OF A MEETING** of the University Court of the University of Edinburgh held in Seminar Room 2, Out Patient Department, Medical Education Centre, Western General Hospital on Monday, 8 November 2010.

**Present:**

- The Rector (in chair)
- The Principal
- The Rt Hon Lord Cameron of Lochbroom
- Professor A M Smyth
- Mrs M Tait
- Professor J Ansell
- Professor D Finnegan
- Professor L Yellowlees
- The Rt Hon G Grubb, Lord Provost of the City of Edinburgh
- Dr J Markland, Vice-Convener
- Mr P Budd
- Mr M Murray
- Professor S Monro
- Ms A Richards
- Ms G Stewart
- Mr D Brook
- Ms L Rawlings, President Students' Representative Council

**In attendance:**

- Vice-Principal Professor N Brown
- Vice-Principal Professor J Haywood
- Vice-Principal Professor A McMahon
- Vice-Principal Professor D Miell
- Dr K Waldron, University Secretary
- Mr N Paul, Director of Corporate Services
- Dr I Conn, Director of Communications and Marketing
- Dr A Cornish, Deputy University Secretary and Director of Planning
- Mr A Currie, Director of Estates and Buildings
- Mr J Gorringe, Director of Finance
- Ms S Gupta, Director of HR
- Ms F Boyd, Principal's Policy and Executive Officer
- Dr K J Novosel, Head of Court Services

**Apologies:**

- Mr D A Connell
- Dr M Aliotta
- Professor J Barbour
- Mr D Workman
- Ms S Wise, Vice-President Students' Representative Council
- Ms S Beattie-Smith, Rector's Assessor

The Court received a presentation from Professor David Porteous entitled 'Research Activities at the Western General Hospital'.

## **A FORMAL BUSINESS**

### **1 MINUTE OF THE MEETING HELD ON 27 SEPTEMBER 2010**

**Paper A1**

The Minute of the meeting held on the 27 September 2010 was approved as a correct record.

**2 NOTE OF THE SEMINAR HELD ON 27 SEPTEMBER 2010 Paper A2**

Court approved the note of the Seminar held on 27 September 2010.

**3 CITY OF EDINBURGH ASSESSOR Paper A3**

The extension by one year of the Lord Provost's nomination as the City of Edinburgh Assessor on Court was noted.

**B PRINCIPAL'S BUSINESS**

**1 PRINCIPAL'S COMMUNICATIONS Paper B1**

Court noted the items within the Principal's report and the additional information on: the successful visit to India, the educational partnership discussions and the events around the Commonwealth Games; the opening at the University of the first Russkiy Mir Foundation supported Russian Centre at a British University; the success of the Global Academy; the continuing support of Santander and Scottish Power; the Browne Report and its potential impact in Scotland; the outcome of the Comprehensive Spending Review; continuing concern on UK Border issues; discussion and recent developments on a Scottish solution to university funding; the current position in respect of the proposed merger with the Edinburgh College of Art; and the success of the EUCLID project. Court asked if further consideration could be given on providing information to members between meetings or in advance of media announcements where this was possible.

**2 VICE-PRINCIPAL PROFESSOR DAVID FERGUSSON Paper B2**

Court approved the proposal to extend Professor Fergusson's role as Vice-Principal on a part-time basis until the 31 July 2011 to continue to take forward the work on the proposed merger with the Edinburgh College of Art.

**C SUBSTANTIVE ITEMS**

**1 REPORT OF THE FINANCE AND GENERAL PURPOSES COMMITTEE**

Dr Markland presented the papers previously circulated.

Report from Central Management meeting of 13 October 2010 **Paper C1.1**

The Fair Trade Policy and the Transport and Travel Planning Policy were approved by Court.

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

Court noted the position in respect of the MRC Human Reproductive Sciences Unit and progress to date in respect of the Institute for Genetics and Molecular Medicine (IGMM). The intention to reconvene the Pensions' Working Party to consider the USS proposals was endorsed and it was noted that information would be available at the next meeting of Court on the proposed response from the University as an employer to these changes. Court further endorsed the proposal to establish a University of Edinburgh Venture Fund and the proposed governance arrangements including the monitoring role of the Finance and General Purposes Committee and that the Committee would be considering the investment policy.

Court approved the final arrangements for the merger of the Roslin Institute into the University. In particular this included: the proposal to exercise the option within the Option Agreement to purchase the completed building from Roslin Development

Limited; the lease arrangement with the Scottish Agricultural College (SAC) as set out in the Agreement to Lease; and to conclude a 38 year Lease with SAC to secure payment from SAC to be utilised as part of the purchase arrangements.

**2 VICE-CONVENER OF COURT**

**Paper C2**

The response to the agreed process to identify a successor to Dr Markland as Vice-Convener having been noted, Court was pleased to unanimously elect Professor Stuart Monro with effect from 1 September 2011. Court further approved the extension of Professor Monro's co-opted membership of Court by one year to the end of the 2013/2014 academic thus allowing Professor Monro to serve a full three year period of office as Vice-Convener of Court.

**3 COURT EFFECTIVENESS REVIEW - UPDATE**

**Paper C3**

Court noted the satisfactory progress to date in taking forward the recommendations and suggestions of the approved Report of the Court Effectiveness Review Group. It was agreed that, while recognising the actions in place to raise the profile of Court and its activities, there was merit in further consideration of drafting a short summary on the discussions of Court following each meeting.

**4 REPORT FROM AUDIT COMMITTEE**

**Paper C4**

The draft Minute of the meeting of the Audit Committee held on 29 September 2010 was noted. Court approved the proposal to exercise the option in the current contractual arrangements with KPMG and to appoint KPMG to undertake the 2011/2012 and 2012/2013 audits with fee uplifts amended to be linked with CPI rather than RPI as currently. Court further approved the minor amendment to the Terms of Reference of the Committee. The satisfactory appraisal of the work of the Internal Audit Service was noted and Court further confirmed its high regard of the University's Internal Audit Service.

**5 REPORT FROM NOMINATIONS COMMITTEE**

**Paper C5**

On the recommendations of the Nominations Committee, Court approved the following appointments:

Investment Committee

Mr Alan MacFarlane to be appointed Convener with effect from 1 April 2011 until 31 December 2012.

Staff Committee

Extension by one year of the two current external members on this Committee until the end of the 2010/2011 academic session.

SBS Trustees

Mr John Carson to be re-appointed for a further four years until 31 December 2014.

Mr Malcolm Murray to be appointed with effect from 1 January 2011 until 1 September 2012.

Dr Kim Waldron to be appointed with immediate effect for an initial period of four years.

Curators of Patronage

Vice-Principal Professor Dorothy Miell to be appointed with effect from 1 September 2011 for a period of three years.

Professor Stuart Monro to be appointed with effect from 1 September 2011 for a period of three years.

To note the extension by one year of the three City of Edinburgh Council appointees.

Court further noted and endorsed the approach to identify, through an external recruitment process, new external members of the Court, the Audit Committee and the Staff Committee and that the approach would be similar to the satisfactory recruitment for external members of the Investment Committee undertaken in 2009.

Court approved the general statement on membership of Court to be circulated to all those outside bodies electing or appointing members of Court to assist those bodies in their recruitment processes. It was noted that this statement would also be helpful in taking forward the recruitment process to identify two new external co-opted members of Court. Court further approved the performance pro-forma to assist in the appraisal process of Court members and the actions which would be taken by the Nominations Committee in bringing forward to Court recommendations on Committee membership to ensure an appropriate rotation of members. The view of the Committee that it was appropriate for the Vice-Convener of Court to be an ex officio member and Convener of the current list of Court Committees was accepted by Court.

**6 DRAFT CORPORATE GOVERNANCE STATEMENT**

**Paper C6**

Court approved the draft Corporate Governance Statement noting the changes from the 2009/2010 Statement which were mainly to reflect the outcome of the Court Effectiveness Review subject to: further consideration of the list of Court Committees; a consistent approach regarding those Committees able to meet electronically or by correspondence; and inclusion at item 5 of the intention to recruit co-opted members to Court through an external advertisement process.

**7 ANNUAL REVIEW**

**Paper C7**

The change in emphasis in the 2009/2010 Annual Review to focusing on the impact of research on the community and the achievements of the University as a whole rather than on individual endeavour was welcomed by Court. Court approved the articles subject to any further comments from Members.

**8 COMMISSIONERS' ORDINANCE**

**Paper C8**

Court welcomed Privy Council approval of University of Edinburgh Ordinance No. 208: Employment of Academic Staff and determined that this Ordinance should come into force with effect from 9 November 2010. Court noted that as from 9 November 2010 in accordance with Ordinance 208, the Ordinance of the University Commissioners (Academic Staff) inserted by the University Commissioners (Statute Modifications) (University of Edinburgh) Order 1992 (S.I. 1992/2700) was revoked. Court further resolved to confirm adoption from 9 November 2010 of the existing employment procedures until such time as it had approved new employment policies and procedures currently covered by the Commissioners' Ordinance. It was anticipated that revised policies and procedures covering discipline, grievance, capability, absence management, the avoidance of redundancy and the associated appeals processes would be available for consideration by Court at its next meeting for approval in principle subject to a ballot of union members.

**9 REGULATION OF FOUNDATIONS, MORTIFICATIONS, GIFTS, ENDOWMENTS AND BURSARIES**

**Paper C9**

It was noted that the University was unable to access funds held in a number of endowments as the University was unable for various reasons to meet the exact requirements of the donor. There had been detailed discussion on how best to enable access to these dormant or partially dormant endowments and fulfil the wishes of the donor to provide funds for activities within the University including support for students. Having taken legal advice, an Ordinance had been drafted with the aim of empowering

the University Court to alter the terms of these dormant and partially dormant endowments with a number of checks and balances to ensure that the wishes of the donor were not compromised.

Court approved the approach noting the proposed mechanisms to seek the views of donors and approved the initiation of an eight week consultation period on draft Ordinance 209. Any observations received would be considered by Court prior to any final Ordinance being submitted to the Privy Council for approval.

## **D ITEMS FOR FORMAL APPROVAL OR NOTE**

### **1 ACADEMIC REPORT**

**Paper D1**

Court noted the report of the Senate meeting held on 6 October 2010 and the business dealt with by the electronic Senate of 14-22 September 2010. In particular Court noted the discussions on e-Learning and on the National Student Survey.

### **2 RESOLUTIONS**

**Paper D2**

Court approved the following Resolutions noting the incorporation of an amendment to Resolution 55/2010:

- Resolution No. 55/2010: Appeals Against Dismissal
- Resolution No. 56/2010: Alteration of the title of the Personal Chair of Quantitative Criminology
- Resolution No. 57/2010: Foundation of the Jeanne Marchig Chair of Animal Welfare Education
- Resolution No. 58/2010: Foundation of a Chair of Pregnancy Research
- Resolution No. 59/2010: Foundation of a Chair of Health in Social Science
- Resolution No. 60/2010: Foundation of a Personal Chair of Distributed Wireless Computation

### **3 DONATIONS AND LEGACIES**

**Paper D3**

Court was pleased to note the donations and legacies to be notified received by the University of Edinburgh Development Trust between 1 September and 27 October 2010.

### **4 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.

The University of Edinburgh

The University Court

20 December 2010

**Principal's Report**

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

**International**

**India**

Plans to formally open the University of Edinburgh India office in Mumbai in 2011 are well underway including academic workshops and formal receptions in Mumbai, New Delhi and Bangalore.

**China**

The School of Social and Political Science visited Peking University's School of Government in November to develop a proposal for a joint MSc programme.

Vice-Principal International visited Tianjin University to further institutional links with one of China's oldest universities.

**Europe**

The University and the Edinburgh University Brussels Society hosted the second European Alumni Dinner in Brussels. More than 80 guests attended, including alumni from Belgium, the Netherlands, Luxembourg, France, Italy, Germany, Sweden and Switzerland. The event gave alumni the chance to keep in touch with the University's continuing evolution, tighten bonds with their fellow graduates and learn how to best collaborate for Edinburgh's long-term benefit. Professor Andy Kerr updated guests on the University's engagement with the global climate change agenda.

The Principal and Vice-Principal International visited l'Université libre de Bruxelles to discuss institutional collaboration focusing on postgraduate training in national and international governance and common interests in Africa.

**South Africa**

Edinburgh signed a Memorandum of Understanding with the University of KwaZulu-Natal, one of South Africa's leading academic institutions. The Deputy VC Research, and Associate Dean (Students) of UKZN visited in November. The memorandum commits the two universities to future joint research into HIV/AIDS, tuberculosis and other health problems, as well as work on the environment, bio-diversity, agriculture, energy and technology to promote sustainable development. The collaboration will include Edinburgh researchers working at UKZN, as well as the joint supervision of doctoral candidates. Non-academic staff from UKZN will also visit Edinburgh to learn about student support services and potential links between the Students' Associations and Disability Offices are also under discussion.

## **Global Horizons**

Another very successful Global Horizons Festival was held from 15-19 November, highlighting and celebrating Edinburgh's global student body.

## **EUSA Global**

The student community is embracing the concept of internationalisation and has performed an internationalisation audit. The goal was to gauge EUSA's service provision to international students and offer recommendations for both short-term and long-term programming. The findings will contribute to EUSA's internationalisation and greater organisational strategy. The areas of assessment included democracy and participation, representation, student involvement, events, support and induction, commercial services, communications, officer and staff development, and partnership.

## **Visits**

During November and December there were several high level visits to the University:

- Tianjin University of Science and Technology
- University of Connecticut
- University of KwaZulu Natal
- Nara Institute of Science and Technology (NAIST)
- Seoul National University
- Hong Kong University

## **Recent International Travel**

In early December I travelled to Singapore to sign partnership agreements for Moray House with respect to teacher training. This was followed by a visit to China for the Hanban Governing Body in Beijing and then Wuxi Province to negotiate the new 'Wilmot Stem Cell Research Institute' with partners from Wuxi and Peking University. This could be on the same scale as our Scottish Centre for Regenerative Medicine.

Somewhat closer to home I participated in the very successful events in Brussels and in early December travelled to Germany as part of my participation in the German Initiative for Excellence "Excellenzinitiative".

## **UK**

### **Higher Education in England**

As I am sure you are well aware the coalition government's proposals for the future of Higher Education funding were passed by a reduced majority of 21 on the 9 December. As institutions in England can now charge up to £9,000 a year in fees there will undoubtedly be major implications for the Scottish Solution.

### **Migration**

There has been some recognition by the Government of the arguments put forward against plans to significantly reduce immigration routes to the UK. The Government has recognised a new route for migrants of exceptional talent in "sciences, academia and the arts". That said the detail of the arrangements and the number of certificates available is still causing some concern and lobbying will continue.

The Government has also just published its consultation on Tier 4, the international student entry route to the UK. Again the proposals contain a number of areas of concern and a University response will be collated and submitted.

### **National Pay Negotiations**

National pay negotiations and if applicable dispute resolution procedures are still on going with those unions involved and it is not anticipated that agreement on the current round will be reached by the end of the year.

### **Scotland**

#### **Scottish Solution**

The Green Paper on higher education is anticipated on 16 December and is expected to consult on a wide range of possibilities some of which may be mutually exclusive and are likely to invite diverse reactions from stakeholders and politicians alike.

Work also continues to progress discussions around the expert group which will consider the financial implications of a Scottish Solution. The aim of all current negotiations is of course to be in a position that a solution can be taken forward quickly by whatever government is formed after the May election.

#### **Scottish Budget**

The draft Scottish Budget was announced in late November covering plans for just one year. The proposals are tough for Universities representing a cash cut in recurrent funding of 5% and it is clear that there is still much work to be done before a financially sustainable future for Scottish Universities is in place. Myself and colleagues continue to work on achieving the best possible outcome for Edinburgh.

#### **Pension consultation**

The consultation period on the USS reforms is due to end on 22 December. There have been a number of responses from University staff and as agreed by Court the Pensions' Working Party will respond to the consultation on behalf of the University.

#### **Merger with Edinburgh College of Art**

As we have an item included on the agenda I will update Court on the current position at the appropriate point in the meeting.

#### **Student Demonstrations**

Along with students in many other parts of the UK students from the University took part in the recent demonstrations against the proposed changes to Higher Education funding in England. A number also continued their protest by occupying a lecture theatre in Appleton Tower for nine days. Both the University Secretary and myself met the protesters to discuss their concerns and the University released a statement on the issues. The occupation was good natured and broke up before the rooms were needed for exam use.

#### **Related meetings**

I have been involved in a number of Higher Education Summit meetings hosted by Universities Scotland and involving the education spokespeople for the main political parties. In addition there

have been a number of regular meetings and discussion with Cabinet Secretary Russell and representatives from the Scottish Government.

I took part in the annual Scotland International forum at Gleneagles in early December.

### University News

**Nurses' Roll of Honour**, was presented to the Royal College of Nursing in London on 10 November 2010 at a special event in London attended by Secretary of State for Health Andrew Lansley MP and Director Army Nursing Services and Matron-in-Chief (Army) Colonel Wendy Spencer. The tribute, naming nurses who died while serving in the British Armed forces during WWII including over 1000 women, has been compiled over the last 10 years using archives from the Royal College of Nursing, Imperial War Museum and the Red Cross by Yvonne McEwen, a Research Fellow of the University of Edinburgh's Centre for the Study of The Two World Wars.

**Six-figure pledge**, has been made to support research into fragile X syndrome – the leading cause of inherited learning disabilities and autism. Gus Alusi and Reem Waines, whose son Kenz has fragile X syndrome are supporting The Patrick Wild Centre for Research into Autism, Fragile X Syndrome and Intellectual Disabilities and their gift will help researchers focus on understanding the brain processes that underlie these conditions with the hope of developing more effective treatment for patients. The Centre was named in memory of Patrick Wild who was severely autistic and as a tribute to his parents who looked after him; Dr Alfred Wild a graduate of the University strongly supported the Centre. It is the first Centre of its kind in the UK, bringing together scientists and specialist doctors, and also establishing a research-led clinic where patients can participate in clinical trials.

**The Deaf Achievement Scotland initiative** asks deaf people aged 18 to 28 to share their experiences of education and the workplace in a bid to improve the opportunities available to them by means of an online survey. Led by the School of Education, the study will help to build a better understanding of the impact of the ways in which schools and employers can work more effectively with young deaf people throughout their education and adult life.

**Scholarship** launched to mark the 70<sup>th</sup> anniversary of the Polish School of Medicine. It will support a PhD student to research the history of the School which was established at the University in 1941 to allow Polish medical students to continue their studies during the War including cataloguing and recording of the Polish School of Medicine Historical Collection. The 70<sup>th</sup> anniversary project, starting in September 2011, will be based in the School of History, Classics and Archaeology and will be funded by the School, the College of Medicine and Veterinary Medicine and the Polish School of Medicine Historical Collection Fund.

**Global deal for engineering spin-out**, Artemis created at the University has been bought by a subsidiary of the Japanese giant Mitsubishi which intends to further develop and utilise the technology created by Artemis in wind turbines, power generation and rail and ship applications. Under its new ownership, Artemis will become a wholly-owned subsidiary of Mitsubishi Power Systems Europe.

**The Scottish Financial Risk Academy (SFRA)** is a new initiative which brings together researchers, students and finance companies to enable the sharing of expertise and insights. The SFRA is led by the Maxwell Institute for Mathematical Sciences, a joint research and teaching initiative between the University of Edinburgh and Heriot-Watt University. The three main activities of the academy involve: twice-yearly seminars and workshops with experts from universities and the financial sector, aiming to develop financial risk expertise in Scotland; student-focused activities, including placements for postgraduate students in financial service companies, allowing students first-hand experience and enabling companies to explore the benefits of university research collaborations; and Industry-taught courses within MSc programmes, which will seek to attract top students and create a

talent pool for the financial sector. The SFRA has been established with support from the Scottish Funding Council.

**Winter Graduation** ceremonies were held between Wednesday 24 and Friday 26 November 2010. Those receiving honorary awards were: Jeanne Marchig, the founder of the Marchig Animal Welfare Trust; Iain Mattaj, Director General of European Molecular Biology Laboratories; Martti Ahtisaari, former President of Finland and Nobel Peace Prize Winner; Sir Nicholas Grimshaw, President of the Royal Academy of Arts; and Dorothy Armstrong, Programme Director with NHS Education Scotland and Clinical Nurse Advisor to the Scottish Public Services Ombudsman.

**University Christmas lecture by Tam Dalyell Prize winner** took place on the 8 December 2010. Professor Jose Torero examined how fire can provide welcome warmth in everyday life but, on a bigger scale, the unpredictability of fire can be terrifying. Professor Torero has been head of the BRE Centre for Fire Safety Engineering at the University since 2004, and is committed to addressing the public perception of science behind fire safety.

**Scholarship scheme to benefit PhD students:** the University is offering over 120 PhD scholarships for new postgraduate research. Three different programs are on offer: the Principal's Career Development PhD Scholarships; the Overseas Research Scholarships; and China Scholarships Council / University of Edinburgh Scholarships. Applications are invited for the schemes, which are open to students taking research degrees in any field of study, starting in 2011-2012 with a closing date for applications of 1 February 2011.

#### **Research in the news:**

- Researchers at the School of Philosophy, Psychology and Language Sciences have determined that genes hold the key to how well coalitions work. How successful an individual operates in a group is as much down to having the right genetic make-up as it is to having common cultural ties with fellow group members. This has been determined following assessing nearly 1000 pairs of adult twins.
- An international team of researchers has uncovered several DNA changes associated with the electrical impulses that make the heart beat. The research was led by the University of Washington and involved more than 100 scientists in the UK, Europe and USA, including teams at the Universities of Edinburgh, Leicester and Glasgow. The study was based on genetic information from over 50,000 individuals and researchers were able to identify genetic associations with cardiac ventricular conduction in 22 regions of the genome.
- A major study has shown that a new drug could significantly reduce the risk of strokes and blood clots in patients with irregular heartbeats. Researchers found that a new drug rivaroxaban cut the risk of blood clots and strokes by one-fifth compared with the most popular existing treatment, warfarin. The study by the University and Duke University in North Carolina was carried out in 45 countries and involved 14,000 patients.
- Fires in homes and offices could be tackled more efficiently using technology that predicts how a blaze will spread. The new technique is able to feed data taken from sensors located in burning buildings into computer models so that rescue services can predict how fires will spread. The technology could save firefighters valuable time by giving several minutes of warning on how a fire will develop, helping them to contain the blaze and minimise its impact.
- Damage caused by multiple sclerosis could be reversed by activating stem cells that can repair injury in the central nervous system. Researchers from the Universities of Cambridge and Edinburgh have identified a mechanism essential for regenerating insulating layers –

known as myelin sheaths – that protect nerve fibres in the brain. In multiple sclerosis, loss of myelin leads to the nerve fibres in the brain becoming damaged. The scientists believe that this research will help in identifying drugs to encourage myelin repair in multiple sclerosis patients.

- University researchers are collaboration with IBM on the design of the world's most energy-efficient supercomputer. A team of physicists from Edinburgh and Columbia Universities have worked with IBM over the past three years on the chip design of IBM's next generation BlueGene prototype computer. The prototype has been judged the world's most energy-efficient supercomputer. It is ranked in first place on the Supercomputing 'Green500 List' for November 2010.

#### **External Recognition:**

- Dr Francesco Colella of the University's BRE Centre for Fire Safety Engineering has been awarded the Technological Risk Prize in the inaugural Lloyd's Science of Risk Prize for his paper 'A novel multiscale methodology for simulating tunnel ventilation flows during fires'. Medicine's Craig Poland, postgraduate fellow was awarded Best Runner-up for his paper 'Carbon nanotubes introduced into the abdominal cavity of mice show asbestos-like pathogenicity.'
- Five University of Edinburgh scientists were honoured in the 2010 Nexxus Life Sciences Awards: Professors Ken and Noreen Murray; Dr Ben Panter; Professor Alan Heavens; and Dr Asier Unciti-Broceta. The annual awards celebrate Scottish excellence in the life sciences and reward outstanding contributions to the sector.
- The University and the Royal College of Surgeons of Edinburgh were together awarded gold in the 2010 E-learning Awards. The prize was given for the MSc in Surgical Sciences, which is offered jointly by both institutions.

The University of Edinburgh

The University Court

20 December 2010

**Report of the Finance and General Purposes Committee  
(Comments on the Report of the Central Management Group's meeting of 23 November 2010)**

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 29 November 2010 from the Central Management Group of its meeting of 23 November 2010. Comments made by the F&GP Committee are incorporated in boxes within the report at relevant points.

Action requested

The Court is invited to note the report with comments as it considers appropriate.

Resource implications

As outlined in the paper.

Risk Assessment

As outlined in the paper.

Equality and Diversity

As outlined where appropriate in the paper.

Freedom of information

Can this paper be included in open business? Yes except for those items marked closed.

Originators of the paper

Dr Alexis Cornish  
Dr Katherine Novosel  
November 2010

## Central Management Group

23 November 2010

**1 2010/11 STUDENT INTAKE AND SFC HOME/EU UNDERGRADUATE POPULATION CONTROL (CLOSED)**

**2 REPORT FROM SPACE MANAGEMENT GROUP**

The revised NPRAS rates for space including utilities to be used as part of the 2011/2012 planning round were endorsed by CMG and the intention to initiate an extensive review of this NPRAS mechanism for space costs was welcomed. CMG further approved the proposed revisions to the remits and reporting lines of the Space Management Group (SMG) and the Learning and Teaching Spaces Advisory Group (LTSAG): SMG would now report to the Estates Committee and LTSAG to SMG.

The on-going work of the Space Management Group was noted and the new governance arrangements were endorsed.

**3 HEALTH AND SAFETY QUARTERLY REPORT FOR JULY-SEPTEMBER 2010 (Appendix 1)**

The routine report from the Health and Safety Committee was noted and the actions taken in respect of the reportable incidents. CMG welcomed the discussion on international travel arrangements and congratulated the Health and Safety Department's achievement of gaining Investors in People accreditation.

**4 FEES STRATEGY GROUP**

CMG approved the increases to fees for 2010/2011 and 2011/2012 in respect of: MSc Integrated Service Improvement: Health and Social Care; various Business School programmes; the Parliamentary Programme; MSc Applied Psychology (Healthcare) for Children and Young People; MSc in Geoscience for Subsurface Exploration Appraisal and Development; MSc in Financial Modelling and Optimization; MSc in Financial Mathematics; and the four and five year BVM&S programmes. CMG further approved: the initiation of a project to develop a strategic pricing policy; revised adjustments to NPRAS for 2010/2011 to ensure no double funding in respect of Marie Currie PhD funded students; and amendments to the policy on fees for visiting postgraduate students.

**5 SETTING STUDENT RENTS**

CMG approved the proposals for student rents for 2011/2012 which included a base increase of 1.5% and additional increases related to catering costs at Pollock and noted indicative rent increases for 2012/2013 and 2013/2014. CMG further approved a cross subsidy of £1.831m from commercial surplus to support student rents and that this value should continue at the same level for at least the next two years. CMG endorsed the three week increase to the lease length at Pollock and the associated rent increases.

## **6 DATA PROTECTION RISKS (Appendix 2)**

CMG noted the change in the powers of the Information Commissioner, endorsed the proposals to raise awareness of data protection issues across the University and the actions to mitigate risk particularly in respect of sensitive and large volume data.

## **REPORT FROM THE MEETING OF THE UNIVERSITY HEALTH AND SAFETY COMMITTEE, HELD ON THURSDAY, 7TH OCTOBER 2010**

### **1. INTERNATIONAL TRAVEL**

Consideration will be given to further improvements in managing the arrangements for the safety of staff and students undertaking University-related international travel in consultation with the Director of the International Office. Issues under review will include the provision of adequate information to the individual relating to both general travel advice and to specific advice on their intended area of travel; information from the individual such as fitness to travel, emergency contacts and details of their schedule and work plan; and access to a number of online travel information resources.

### **2. REVIEW OF THE EFFECTIVENESS OF THE COMMITTEE**

A review of the effectiveness of the University Health and Safety Committee was carried out earlier this year and a number of issues highlighted by this review have been taken forward. A report based on the results from this exercise will be completed and sent to Dr Katherine Novosel, Head of Court Services.

### **3. AON PARTNERSHIP AUDITING PROGRAMME**

The next phase of the partnership auditing programme is well underway with 17 Schools and Support Units visited so far. The Health and Safety Compliance Audit programme, which visits all Schools and Support Units, seeks to verify whether the structures and systems described at the time of the Management Audit carried out 2/3 years previously have been effectively disseminated to the “coal face” in individual laboratories, workshops and other places of work and study within the University.

A Senior Management audit, to assess the University’s policies and arrangements for health and safety at a strategic level, has been completed for the first time and the Auditor’s report was very positive.

In addition, combined Management and Compliance audits of the Edinburgh College of Art and the MRC Human Genetics Unit will be carried out as part of the due diligence process for the proposed mergers.

### **4. NEEDLESTICK POLICY FOR VETERINARY CLINICAL AREAS**

The Royal (Dick) School of Veterinary Studies is to implement a policy ‘Hypodermic Needles: Preventing Needlestick Injuries in the Veterinary Environment’ which addresses the range of risks associated with the use of needles in a veterinary setting.

### **5. HEALTH PROMOTION**

The University was successful in achieving the Bronze, Silver and Gold levels of the Healthy Working Lives (HWL) award scheme and was formally presented with the Gold level award by NHS Lothian on 4th October.

The University's Health and Wellbeing website, which acts as a focus for the health and wellbeing information, policies etc which are available within the University's many existing websites has been published and has been publicised to staff in the Autumn edition of the University's Staff Bulletin.

## **6. HEALTH AND SAFETY PLAN**

The Health and Safety Department plans which are formulated each year in consultation with the Heads of each Unit within the Health and Safety Department and which dovetail with the Corporate Services Group Strategic Plan, and with the University's overarching Strategic Plan for 2008-2012 were discussed by the Committee and will be published more widely within the University.

## **7. PROPOSED MERGERS – HGU / ECA DUE DILIGENCE**

As part of the due diligence processes relating to these proposed mergers with the University of Edinburgh and (1) the Medical Research Council (MRC) Human Genetics Unit (HGU) and (2) the Edinburgh College of Art (ECA), information relating to occupational safety and health has been exchanged. These exchanges of information have been entirely satisfactory and have indicated no significant occupational safety and health issues.

In both instances, Aon partnership audits of ECA and MRC HGU are an integral part of the due diligence process and audits of both organisations will take place shortly.

## **8. INVESTORS IN PEOPLE**

The Health and Safety Department was successful in achieving Investors in People (IiP) accreditation following an assessment exercise in August this year. The Health and Safety Department is assisting their Corporate Service Group colleagues who are still to go through the IiP assessment process in sharing our experience with them.

Karen Darling  
Deputy Director of Health and Safety

## Health and Safety Quarterly Report 2009/2010

Quarterly reporting period: 1<sup>st</sup> July 2010 – 30<sup>th</sup> September 2010

### Accidents and Incidents

Type of Accident/Incident	Qtr 1 Jul '10 – 30 Sept '10	Qtr 1 Jul '09 – 30 Sept '09	Year to Date 1 Oct '09 – 30 Sept '10	Year to Date 1 Oct '08 – 30 Sept '09
Fatality	0	0	0	0
Specified Major Injury	0	0	1	2
> 3 day Absence	3	4	16	21
Public to Hospital	7	4	18	13
Reportable Dangerous Occurrences	0	0	0	0
<b>Total Reportable Accidents / Incidents</b>	<b>10</b>	<b>8</b>	<b>35</b>	<b>36</b>
<b>Total Non-Reportable Accidents / Incidents</b>	<b>95</b>	<b>69</b>	<b>364</b>	<b>351</b>
<b>Total Accidents / Incidents</b>	<b>105</b>	<b>77</b>	<b>399</b>	<b>387</b>

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

*The incidents reported to the Enforcing Authorities during the quarter comprise:*

- Undergraduate and colleague were moving a metal locker which tipped and a sharp metal edge came into contact with the IP's right wrist cutting the artery. The IP was taken to hospital where stitches were applied. *(Public to Hospital)*.
- Undergraduate undertaking practical 'tag' chasing game during class induction changed direction and face impacted with another student's shoulder, sustaining cuts to face and mouth. The rules of the game have been altered to minimise the risk of similar collisions. *(Public to Hospital)*.
- Undergraduate wearing a lab coat splashed small amount of heated chemical during transfer operation on chest. The IP was taken to hospital as a precaution however no treatment required. Risk assessments for process have been reviewed. *(Public to Hospital)*.
- Visitor received superficial burns to their leg from hot water when their own rubber shower attachment to bath slipped off the taps. *(Public to Hospital)*.
- Employee strained back when bending down to remove a plug from a wall socket. *(>3 day injury)*.
- Visitor tripped over vehicle speed bump sustaining cuts and bruises to hands and elbows. Speed bumps are identifiable as painted yellow. *(Public to Hospital)*.
- Visitor (child) was seen on CCTV to have sustained an injury to the leg by a metal retractable parking bollard. Child could not be found to ascertain exact circumstances or injuries. Metal bollard was found to be unsecured in upright position – instructions issued to relevant staff to ensure bollard is padlocked in upright position when not in use. *(Public to Hospital)*.
- Undergraduate scratched on right hand and arm when examining a cat. IP was sent to hospital due to potential for risk of infection. The animal was known to be aggressive and the requirement to highlight this on both paper and electronic notes has been when re-iterated. *(Public to Hospital)*.

- Employee tripped on a raised pavement slab, twisting their ankle. The slab has been repaired. (*>3 day injury*).
- Employee reached up to remove a blanket from a wardrobe. The IP stepped back and fell over the desk chair landing heavily on shoulder. (*>3 day injury*).

**Alastair Reid**  
**Director of Health and Safety**

## Accidents & Incidents

Quarterly period: 01/07/2010-30/09/2010

Year to Date Period: 01/10/2009 – 30/09/2010

(FourthQuarter)

COLLEGE / GROUP	REPORTABLE (TO HSE) ACCIDENTS / INCIDENTS														TOTAL Non-Reportable Accidents / Incidents		TOTAL ACCIDENTS / INCIDENTS	
	Fatality		Specified Major Injury		>3 day absence		Public to Hospital		Dangerous Occurrences		Reportable Fires		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	1	2	-	-	-	-	1	3	3	34	4	37
Science & Engineering	-	-	-	1	-	2	-	4	-	-	-	-	0	7	19	64	19	71
Medicine & Veterinary Med.	-	-	-	-	-	-	3	7	-	-	-	-	3	7	29	104	32	111
SASG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1
Corporate Services Group	-	-	-	-	3	11	3	5	-	-	-	-	6	16	40	144	46	160
ISG	-	-	-	-	-	2	-	-	-	-	-	-	-	2	1	12	1	14
Other Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	5	2	5
<b>UNIVERSITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>16</b>	<b>7</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>35</b>	<b>95</b>	<b>364</b>	<b>105</b>	<b>399</b>

\* Units noted below taken from organisational hierarchy report 09/10 - [http://www.planning.ed.ac.uk/edin/orghier/versions/Version12\\_0.xls](http://www.planning.ed.ac.uk/edin/orghier/versions/Version12_0.xls)

SASG: Student and Academic Services Group: Academic Services, Records Management, Biological Services, Careers Service, Chaplaincy, Communications and Marketing, Development and Alumni, Disability Office, EUCLID, General Council, Governance and Strategic Planning, International Office, Pharmacy, Principal's Office, Registry, SASG Business Unit, Student Counselling Service, Student Recruitment and Admissions, University Health Service.

ISG: Information Services Group: Applications, EDINA and Data Library, DCC, Information Services Corporate, Library and Collections, Infrastructure, User Services Division.

CSG: Corporate Services Group: Accommodation Services (incl Festivals Office), Centre for Sport & Exercise, Day Nursery, Edinburgh Research & Innovation (ERI), Edinburgh Technopole, Edinburgh University Press, Estates and Buildings, Finance, Health and Safety, Human Resources, Internal Audit, Joint Consultative and Advisory Committee on Purchasing, Procurement Office (inc Printing Services).

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

## Data Protection: Risks to the University

### Legal Requirements

- 1 As of 1 April 2010, the Information Commissioner has had the power to impose a penalty of up to £500,000 for breaches of the Data Protection Act.
- 2 The Commissioner may impose a fine on the University if it seriously contravenes the data protection principles and the contravention was of a kind likely to cause substantial damage or substantial distress. In addition the contravention must either have been deliberate or the University must have known or ought to have known that there was a risk that a contravention would occur and failed to take reasonable steps to prevent it.
- 3 The Commissioner is more likely to consider that we have taken reasonable steps if any of the following apply:
  - There was a risk assessment or other evidence (such as appropriate policies, procedures, practices or processes in place) that the we had recognised the risk and had taken steps to address them;
  - The existence of good governance or audit arrangements in this area;
  - Relevant official guidance or codes of practice were implemented.
- 4 In addition to the risk of incurring a fine or enforcement action, breaches of the Data Protection Act could lead to the University being sued or expose the University, its staff or students to risks including fraud, identity theft and distress. It could also cause significant damage to the University's reputation and its relationship with stakeholders, including research funders.

### Risk Areas

- 5 The Information Commissioner's Office has identified the following themes in recent enforcement cases:
  - Use of mobile computing and portable storage media without encryption;
  - Use of data processors, that is, organisations carrying out work on personal data on our behalf, such as IT systems maintenance or data cleansing, without appropriate contracts and audit procedures;
  - Retaining data for longer than is necessary;
  - Insecure disposal of PCs, files and data storage devices.
- 6 These risks are all potentially relevant to the University, either because measures are not currently in place to manage them or because the University's devolved structure means that available solutions may not be implemented consistently.
- 7 The table in Appendix A gives more information about these risks and recommendations for addressing them, including:
  - Ensuring that the University's policies on data protection issues are comprehensive and up to date;
  - Promoting these to all relevant staff;
  - Incorporating data protection requirements into the standard practices of business areas, such as Procurement and Information Services;
  - Ensuring that staff at all levels are aware of their responsibilities under the Data Protection Act.

The table does not include an assessment of the impact of the risk, as this will depend on the quantity and nature of the data involved. For example, the loss of one thousand name and address records would be serious, but the loss of fifty pieces of clinical data about identifiable research subjects would be equally so.

- 8 Addressing these risks requires the alignment of policy, processes and technology throughout the University. While the Records Management Section can co-ordinate work and provide training, advice and guidance to manage this risk, other parts of the University must take action to help prevent a breach of the Data Protection Act.

## **Background**

- 9 The Data Protection Act 1998 sets out how organisations can use personal data. The definition of “personal data” is complex, but for day-to-day purposes it is advisable to treat all information about living, identifiable individuals as “personal data”. The Information Commissioner regulates compliance with this legislation.
- 10 Since HM Revenue and Customs lost two CDs containing details of 25 million Child Benefit recipients in November 2007, data protection has become an increasingly high profile issue. The Information Commissioner has taken more enforcement action since 2006 than he had in the previous 22 years of his Office’s existence.
- 11 The University was the subject of negative publicity in February 2008 regarding the loss of a laptop in October 2005 containing NHS patient details. NHS Lothian was the data controller for this material, but the University owned the laptop.

## Key Data Protection Risk Areas

<b>Risk</b>	<b>Likelihood</b>	<b>Current mitigating activities</b>	<b>Additional recommendations</b>	<b>Affected areas (not in priority order)</b>
Loss of personal data on laptops, Blackberries, portable storage media or in hard copy, or while working with personal data in any format at home (eg on paper, memory sticks or privately owned PC)	Possible <sup>1</sup>	The University has in place a policy on the storage, transmission and use of personal data and sensitive business information and a working at home checklist. The ISG website contains advice on encryption. The IT Security Group is working on further guidance on encryption.	Continue the work on encryption guidance. Records Management Section publicise policy and guidance to all relevant staff.	<i>Records Management Section; ISG; all business areas and staff that store personal data on laptops, portable storage media or use personal data, in any format, at home.</i>
Use of data processors without appropriate contract clauses in place	Probable	The required contract clauses are available for use on the Records Management Section website. Procurement and the Records Management Section are working to incorporate use of the clauses in procurement processes. University Information Security Policy includes requirements in this area.	Records Management Section to promote the use these clauses and to liaise with other relevant areas. University to review existing relevant and significant contracts to incorporate requirements in them if necessary.	<i>Records Management Section; Procurement; relevant business areas.</i>
Retaining data for longer than is necessary	Probable	Records Management Section has developed retention schedules for some University records.	Many University databases do not have the ability to delete information, leading to the retention of unnecessary personal data. Relevant business areas should consider implementing deletion arrangements.	<i>Records Management Section; ISG; business areas responsible for databases holding personal data.</i>

<sup>1</sup> Ranked first because of potential impact if large quantities of personal data or clinical personal data are involved.

## Appendix A

<b>Risk</b>	<b>Likelihood</b>	<b>Current mitigating activities</b>	<b>Additional recommendations</b>	<b>Affected areas (not in priority order)</b>
Inappropriate sharing of personal data	Possible	The University has in place a policy on the disclosure of personal data about students. Disclosures of information are included in the template for system codes of practice prepared under the University's Information Security policy. Significant University databases make confidentiality part of the terms of access to the database (eg Finance, Registry).	Records Management Section to approach HR and Development and Alumni about putting policies in place about the disclosure of personal data. Records Management Section to publicise policies to all relevant staff. Local database operating procedures should include clear instructions as to what disclosures are permissible and what requires higher authorisation.	<i>Records Management Section; HR; all areas that are responsible for or have access to substantial databases of personal data.</i>
Use of personal computing equipment to process personal data	Possible	The University has facilities available so that staff can access their data remotely, without the need to download it onto personal computing equipment.	Promote the use of remote access facilities. Provide advice on how to avoid saving personal data onto personal equipment inadvertently.	<i>Records Management Section; ISG</i>
Insecure disposal of PCs, tapes, paper etc	Rare	<i>The University has in place measures to dispose of such material securely.</i>	<i>Remind relevant staff of the need to use such facilities.</i>	<i>ISG; Records Management Section</i>

# C1.2

The University of Edinburgh

The University Court

20 December 2010

## **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 29 November 2010 covering items other than the CMG report. Detailed papers not included in the appendices are available from Dr Novosel.

### Action requested

The Court is invited to approve the Subsidiary Companies Financial Statements 2009/2010 as set out at item 4 and the letter to the Chairman of USS as set out at item 11 and 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 2-12

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

### Originator of the paper

Dr Katherine Novosel  
December 2010

**University Court, Meeting on 20 December 2010**

**Report of the Finance and General Purposes Committee  
29 November 2010**

**(Report on Other Items)**

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

The increase in the value of research awards and the number of applications compared to the same period last year was welcomed by the Committee as was the increase in research income particularly given the current economic climate. The level of commercial activity was also noted as remaining strong. The Committee further noted the pro-active initiatives being taken forward in respect of the Bioquarter and acknowledged the briefing note on the impact of the Comprehensive Spending Review on the Research Councils and the challenges and implications for future years.

## **1. RESEARCH APPLICATIONS AND AWARDS**

### **1.1 Introduction**

While one should never put too much weight on the first quarter figures, the dataset being comparatively small, the year has opened with positive variances for award value and application number, compared to last year.

Encouragingly, for the College of Humanities and Social Science (CHSS), significant positive variances have been reported for all 4 performance indicators (number and value of awards, number and value of applications), which *may* possibly denote the end of the period of awards' decline this College has encountered since February 2009. The degree to which this may dip again will not be known, however, until the New Year, when the Research Councils will report on their budget allocations.

### **1.2 Applications**

#### **1.2.1 Number**

In the first three months of this academic year, the University submitted 602 applications, 27 more (5%) than for Q1 last year.

The largest variance, of 39%, was for CHSS which saw an increase of 37 applications, bringing the College's total for the year to date to 131. Of particular note is a significant surge in activity in History, Classics and Archaeology (HCA) (14 applications compared to 3 for Q1 2009/10), although four other Schools are showing application numbers ahead of the same period last year. During the course of October, 42 applications for the British Academy's Postdoctoral Fellowship scheme were submitted. This is an annual scheme; however, last year the deadline was in November, so it may be that the Q2 application figures for this year dip proportionate to the Q1 increase.

At 174 applications, the College of Medicine and Veterinary Medicine (CMVM) is on a par with last year for Q1. Molecular and Clinical Medicine (MCM) and the Royal (Dick) School of Veterinary Studies (R(D)SVS) have seen Q1 growth in application activity by some 32% and 11% respectively.

With some 289 applications submitted during the first quarter, the College of Science and Engineering (CS&E) is very slightly behind its 2008/09 Q1 position (-5%), but we do not consider this to be statistically significant. Physics (+30%), Biological Sciences (+19%) and Mathematics (+62%) have all had a strong start to the year, recording application numbers well in excess of Q1 last year.

#### **1.2.2 Value**

The total value of applications submitted for the quarter-end was £240.2m, 4% behind the same period last year (£251.2m). This percentage figure masks some significant variance, however, with CHSS recording application values some 74% greater than last year (£21.9m compared to £12.6m for Q1 2009/10). All Schools record application values in excess of the same period last year, the most significant increase in cash terms encountered in Social and

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**3 MONTHS TO 31 OCTOBER 2010**

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Political Sciences (SPS) (£6.4m compared to £3.1m for Q1 2009/10), although in percentage terms, HCA saw a positive variance of 1979%, equating to a more modest £1.9m increase in cash terms.

CMVM and CS&E both report application values 9% behind the same period last year. This percentage is not significant, however, as the previous two months have shown application values ahead of, or on a par with, previous years for both Colleges.

Applications for CS&E stand at £158.3m for the quarter (c.f. £173.1m for 2009/10). Of particular note are Geosciences and Mathematics, showing growth of some 64% and 74% respectively, with more modest growth in Biological Sciences (6%) and Physics (1%). For those Schools showing negative growth, however, we consider that all should be capable of comfortably meeting or exceeding their total application values of last year.

For CMVM, the total application value for Q1 stands at £59.3m as against £65.2m last year. For each month this quarter, MCM has exceeded its total application value compared to last year's equivalent, ending Q1 some 59% ahead of last year. While the other Schools show negative variances, these have in previous months been positive. The only School that has shown negative variance for each month this quarter is R(D)SVS, but this percentage has significantly improved month on month.

### **1.3 Awards**

#### **1.3.1 Number**

While the number of awards for the University generally are some 8% behind Q1 2009/10, it should be noted that this represents an improving picture since the start of this academic year (August: -29%; September: -12%). The University has secured 194 awards so far this year, compared to 212 for Q1 2009/10.

CHSS ends the quarter some 16% ahead of the same period last year. In terms of number of awards (36 compared to 31 for Q1 2009/10), this is a small increase, but it is an increase none the less, although one should probably not jump to conclusions this early in the year that a recovery is underway. No Schools show significant enough variances at this stage for meaningful comment.

At 82 awards secured, CMVM is just 5% behind this time last year (86 awards). This difference of just 4 awards across the College masks some significant success in Clinical Sciences and Community Health (CSCH) which at 43 awards has secured some 14 more than the same period last year. While MCM and R(D)SVS are currently recording fewer awards than last year, they report a steadily improving position since the start of the year and in numbers terms, we don't consider the variance to be statistically that significant.

CS&E reports a variance of -21%, which manifests itself as 20 fewer awards than for Q1 last year (74 for 2010/11 compared to 94 for 2009/10). This percentage variance has steadily improved since the start of the year and we would urge against reading too much into this figure so early in the year, particularly as the year to date award value for this College exceeds that of last year. With the possible exception of Geosciences (-63%), the award numbers do not show significant variance for meaningful comment so early in the year.

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**3 MONTHS TO 31 OCTOBER 2010**

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### **1.3.2 Value**

The month of October alone witnessed awards totalling £14.6m, an increase of 91% on October 2009, resulting in a healthy Quarter end. For the year to date, then, the University has secured awards worth £38.7m, an increase of 4% over the same period last year.

CHSS reports the largest percentage increase at 33%, a significant uplift of £0.5m over the same period last year, closing the Quarter at just over £2m (c.f. £1.5m for Q1 2009/10). SPS, Philosophy, Psychology and Language Sciences, and the Business School all report award values in excess of the same period last year.

Despite fewer awards in number, CS&E saw their total award value increase by some 7% to £20.1m (c.f. £18.8m for 2009/10). Biological Sciences in particular has had a strong start to the year, some 65% (or £4.2m) up on Q1 last year. Informatics too has secured awards worth £1.8m more than last year, with more modest increases for Engineering and Mathematics.

While the total award value for CMVM at £16.4m is slightly less than the same period last year (£16.7m), this is not statistically significant given the sums involved. CSCH has had an excellent start to the year, securing £7.7m of awards, some 50% up on Q1 of last year. While Biomedical Sciences and R(D)SVS show variances of -45% and -33%, in actual cash terms these are not that significant and we believe potentially recoverable during the course of the year.

### **1.4 Sponsor type profile**

This time last year, we reported on a noticeable reduction in application activity to the Research Councils compared to Q1 of 2008/09 (31% down in number, 26% down in value). The situation appears to be changing this year, with a 14% increase in number and 5% in value. Charity applications are slightly up in number (2%) but down in value (-14%), with Government (non Research Council) bids identical to last year in terms of number, but 34% ahead in value.

For awards, sponsor type profiles are plotted for the University as a whole and for each College in Appendix 1. These depict awards by sector type, comparing the Q1 award values with last year's total year figures. Assuming 2009/10's total year figures as this year's rudimentary targets, the tables show the percentage of 'target' achieved. The pie charts show the percentage share for each sponsor type proportionate to the whole, comparing Q1 2010/11 with full year 2009/10.

UK charities (68 awards worth £15.6M) have made a significant impact in Q1 (an increase of 136% in value over Q1 last year), and depending on which variable selected, match or exceed Research Council grants for the same period (49 awards worth £15.7M). This is probably chiefly down to timing, with a number of Research Councils delaying the announcement of awards until the outcome of the Comprehensive Spending Review is known. We anticipate that this situation should reverse itself in Q2 and Q3, although it is encouraging to note our charity awards on the increase again. Although a small slice of the funder 'cake', it is important to note the increase in industry funding (164%, £1.9M).

Interestingly, the 3 College pie charts show significant variance, particularly with regard to the Research Council and charity segments. Charity funding is certainly noticeable by its presence, most significantly for CMVM, but also surprisingly for CS&E. EU, on the other

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**3 MONTHS TO 31 OCTOBER 2010**

---

hand, is conspicuous by its low profile, but we would expect more presence later in the year when the next tranche of awards are made.

An absence of Government and EU funding for CHSS as opposed to a surfeit of Research Council funding has resulted in a significantly distended pie chart for this College; this we would expect to be temporary and over the course of the year, we would anticipate pie charts that more resemble the 2009/10 distributions.

## **1.5 Country Analysis**

Appendix 2 plots award value by sponsor country, comparing the first quarter of this year with the previous year's total year figures. Rather than list every sponsor country, which would make for a somewhat confusing chart, we have selected the 4 largest sponsor countries – UK (excluding Scottish funders), 'European Commission', Scotland and USA. All other countries have been grouped together but collectively they represent a very small percentage as the charts show.

As a consequence of there being few EU awards this quarter, there is unsurprisingly a greater presence of UK funders than we would expect. We would anticipate the EU segment to increase over the course of the year.

## **1.6 The Outcome of the Comprehensive Spending Review**

**1.6.1** The following paper was prepared by Derek Waddell and Hamish Macandrew and presented for discussion to the Principal's Strategy Group. This has fostered a follow-up paper for more general readership across the University which is currently being prepared by VP April McMahon. This will discuss the current situation, identify where the opportunities for research funding lie, inform as to how the University is engaging with our major sponsors and emphasise the need to continue to submit high quality applications to a broad range of funders.

### **1.6.2 ERI Briefing note on the impact of the CSR on Research Councils**

In the Comprehensive Spending Review (CSR) released on 20 October 2010, it was announced that the Science Budget would be frozen for the next four years at £4.6BN per annum. In real terms, this is a cut of c.9%, but this is a better deal than some in the sector were expecting. Note however, that it is unlikely that Universities will be told how much Research Council funding is available much before February 2011, with the Councils themselves only hearing from BIS just before Christmas 2010.

We now know that:

- MRC's budget will be maintained in real terms (this is likely to be at the expense of the other Research Councils, meaning that their real terms cut will be greater than 9%)
- STFC capital projects (which comprise a large proportion of their budget) are not included in the science 'ring-fence', and there are some doubts over the Large Hadron Collider and the European Southern Observatory as DBIS has been told to cut its capital budget by 44% over the period
- The Diamond Synchrotron, the MRC Laboratory of Molecular Biology in Cambridge and the new UK Centre for Medical Research and Innovation are secure
- £200M has been set aside for the new Technology Innovation Centres

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**3 MONTHS TO 31 OCTOBER 2010**

---

The Research Councils will be required to cut their administration and organisational budgets by 33% over the period of the Review. The relatively expensive nature of running small grants schemes means that their removal is being looked at as a way of helping to meet these reductions.

It is highly likely that some research areas will lose out in favour of those seen to be most strategically important. Research Councils are likely to focus on supporting research from which the UK has the potential to benefit economically.

Faced with making cuts, Research Councils will almost certainly retrench to the 7 cross-Council Research Programme and the research priorities featured in each of their Strategic Plans. (Government has hinted that priority areas for funding are likely to include research that results in wealth creation, the delivery of a low carbon economy, green energy and transport). Such a thematic focus is likely to manifest itself in the form of more directed mode, and fewer responsive mode opportunities.

There are concerns from some quarters as to how the reduction in public funding affects the many schemes that require match funding from private sponsors, business and industry, such as Knowledge Transfer Partnerships schemes and the myriad of follow-on and Knowledge Exchange (K.E.) funds. That said, those schemes deliver ‘impact’ and may be protected.

In order to support a reasonable number of new projects over the next few years, the Research Councils were considering withdrawing some offers that have already been made, with budgets of existing projects being rescinded. The research settlement in the CSR is thought to make this option slightly less likely but the situation will need careful monitoring by the sector. Note also, the Wakeham Review’s recommendation that institutions should reduce their overheads remains. This would mean that projects will make less of a contribution to indirect costs recovery, and this will almost certainly have significant impact on the College sustainability pots, and therefore future investment plans reliant on these sources of funds. The 5% savings, if Wakeham’s proposals were implemented, were factored into the CSR- so very likely to happen. Savings are likely to hit the estates element more than indirect costs.

Following the Wellcome Trust’s decision to favour fellowships over projects, and the Government’s interest in “concentrating” funding, the Research Councils have similarly shown an interest in focussing their funds on fewer research groupings that have critical mass and proven excellence, and investing in already successful investigators. A strategy of more Framework agreements (along EPSRC lines) is likely to be followed. Demand management by the Research Councils and transference of peer review responsibility from the sponsor to the University are also likely strategies. The University will therefore have to take even greater responsibility for its decisions to invest in particular individuals, and selecting one academic over another has clear HR implications and this is will require careful consultation with HR colleagues (both corporate and College-based)

Further information has emerged from the MoD in their Strategic Defence and Security Review, published on 19 October 2010 which indicated that it will focus its R&D budget on autonomous systems, sensors, new materials and space. The MoD also plans to fund long term research in cyber-crime in association with the Research Councils.

In summary, some of the possible impacts of budget reductions on Research Council projects are:

- Reducing administration costs by 33% will prompt a re-think of the viability of small grants and encourage a move to simplification of the funding mechanisms.

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**3 MONTHS TO 31 OCTOBER 2010**

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- Focus on Framework agendas – likely to move to giving lump sums to Framework universities to allow them to then manage.
- Re-visiting agreed budgets on non-strategic projects and recovering some unspent monies perhaps less likely now, but still needs monitoring.
- Councils will push hard on Impact agenda and not cut everything – likely that there will still be some responsive mode opportunities.

## **2. RESEARCH DEVELOPMENT ACTIVITIES**

### **2.1 Introduction**

This report summarises key activities undertaken by ERI's Research Support & Development Group for the last quarter.

### **2.2 Events**

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

- 16<sup>th</sup> September 2010: Introduction for Research Funding for CMVM – information session research funding
- 24<sup>th</sup> September 2010: Framework 7 Proposal Writing Workshop
- 30<sup>th</sup> September 2010: Leverhulme Research Programmes - workshop to identify projects and encourage cross college working
- 4<sup>th</sup> October 2010: German Academic Exchange Programme – information session on funding opportunities
- 5<sup>th</sup> October 2010: Participation at the Research Staff Induction Day – information session of research support at the University
- 12<sup>th</sup> October 2010: Introduction for Research Funding for School of Chemistry – information session research funding
- 27<sup>th</sup> October 2010: Science Innovation Network 'China' – workshop presented by SIN China on support they can offer to the University
- 2<sup>nd</sup> November 2010: Introduction for Research Funding for CHSS– information session research funding
- 2<sup>nd</sup> November 2010: Attendance at the University's Service Day
- 9<sup>th</sup> November 2010: Presentation to Information Services Group – information session on funding opportunities
- 11<sup>th</sup> November 2010: 'Women in Science' workshop for CMVM Postdoctoral Society – information session on funding opportunities

### **2.3 Programme of Funder Visits**

As part of the rolling programme of funder visits, several sponsors visited Edinburgh, holding high-level meetings with Deans of Research, open learning lunches to all staff summarising the opportunities available for funding, individual surgeries and meetings with ERI/School research support staff.

Visits from the following funders took place:

- 23<sup>rd</sup> September 2010: The Leverhulme Trust
- 24<sup>th</sup> September 2010: The Royal Society of Edinburgh
- 27<sup>th</sup> September 2010: The Wellcome Trust
- 13<sup>th</sup> September 2010: The British Academy

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**3 MONTHS TO 31 OCTOBER 2010**

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252 staff benefited from attending the funder briefing sessions on funding opportunities, and 47 signed up for individual surgeries.

During October, visits to The Royal Society and Cancer Research UK were undertaken to discuss current priorities, funding opportunities and a visit to Edinburgh during next quarter.

## **2.4 International Activities**

Efforts to support the University's Internationalisation Strategy continue. We have attended, and spoken at, the Regional Focus Group for Asia, providing intelligence on funding opportunities that will support international collaborative research activity.

Working with colleagues from the Global Health Academy, a visit to Washington D.C. took place in mid November. Meetings were arranged with the National Institute of Health (Fogarty Centre), The World Bank, Science Innovation Network, Yale and Georgetown Universities. The main purpose of the trip was to identify funding sources that can support research activity with Yale University and collaborators in Africa (Uganda).

A mission will be undertaken to India, to attend the Indo-Global Education Summit 2010, being held in Hyderabad from 3rd to 7th December: and the Research Impact event in Delhi, being organised by the British Council and the Science Innovation Network. Satellite meetings have also been arranged, with key funders and companies interested in research collaborations.

## **2.5 Activities going forward for Quarter 2, 2010/11**

### **2.5.1 Specific events and activities**

We have arranged visits during the next quarter from Cancer Research UK, the Science and Technology Facilities Council (STFC), the Arts, Humanities Research Council (AHRC), The Royal Society and the Nuffield Foundation.

### **2.5.2 Workshops, learning lunches**

The following workshops and learning lunches have been arranged:

- 16<sup>th</sup> November 2010: RSE Arts and Humanities Briefing
- 17<sup>th</sup> November 2010: History, Classics and Archaeology School Forum: funding for large collaborative projects
- 18<sup>th</sup> November 2010: Funding Workshop for Business and Management
- 18<sup>th</sup> November 2010: Introduction for Research Funding for School of Biological Sciences
- 29<sup>th</sup> November 2010: Learning Lunch: Theology and Therapy – a project
- 6<sup>th</sup> December 2010: AHRC closed meeting with senior staff members
- 18<sup>th</sup> December 2010: ERC Advanced Grants – briefing for serious applicants

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**3 MONTHS TO 31 OCTOBER 2010**

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**3. UNIVERSITY RESEARCH INCOME**

The University was in receipt of £40.6m during Q1, an increase of 1% on the same period last year.

Income for CS&E grew 3% year on year, amounting to £18.4m. Income for CMVM was £17.7m, 1% ahead of last year (£17.6m). As a result of a number of months of reduced award value, CHSS saw their research income reduce 7% compared to Q1 last year, ending the quarter on £3.9m (c.f. Q1 2009/10: £4.2m)

**4. INVENTION DISCLOSURES**

In the 3 months to 31 October 2010, 30 disclosures were made compared to 43 for the same period last year.

**5. PATENT FILINGS**

In the 3 months to 31 October 2010 29 patents were filed on technologies compared to 16 for the same period last year.

**6. LICENCES**

In the 3 months to 31 October 2010, 13 licence deals were signed compared to 15 for the same period last year.

**7. COMPANY FORMATION**

In the 3 months to 31 October 2010, 2 spin-out (py 2) and 9 start-up (py 7) companies have been recorded.

**8. CONSULTANCY**

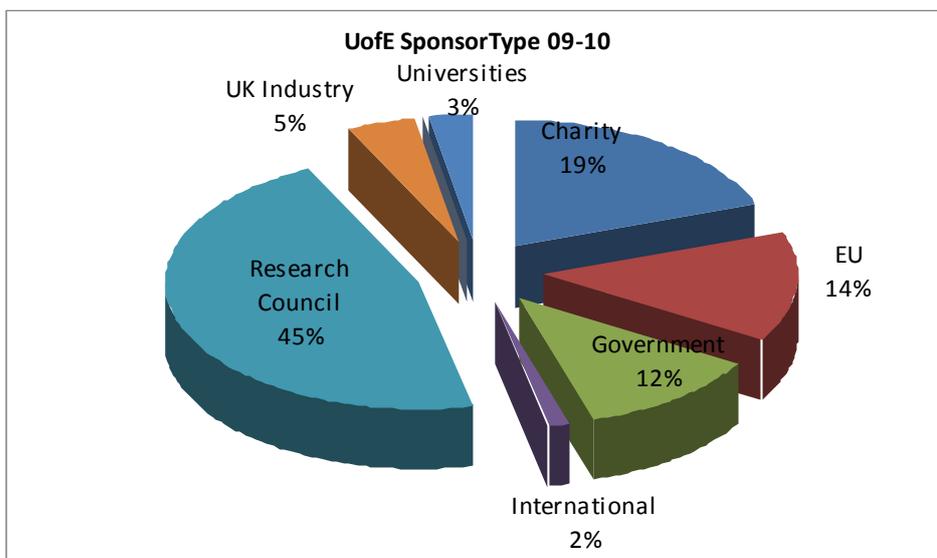
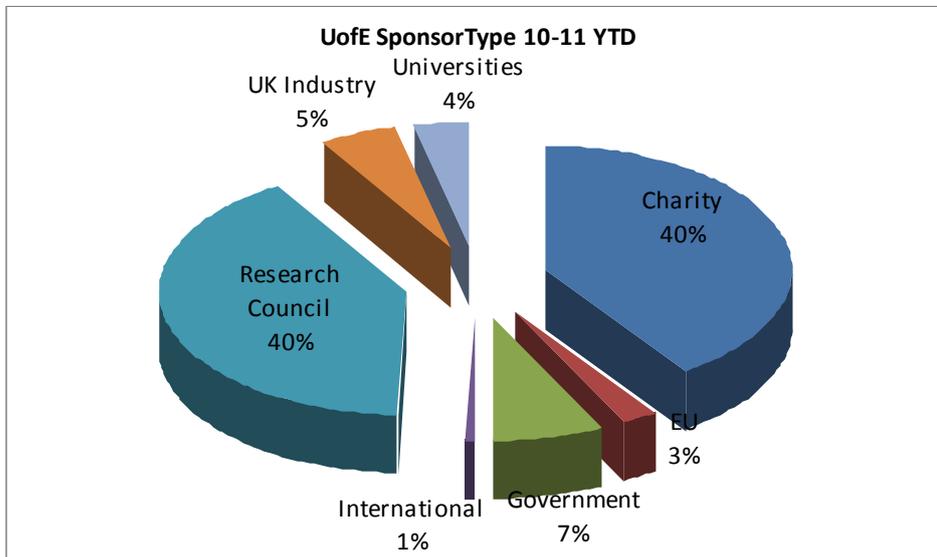
In the 3 months to 31 October 2010, consultancy income processed through ERI was £1.3m compared to £1.1m for the same period last year, a rise of 19%.

## Appendix 1

### Analysis of Awards by Sponsor Type, comparing Q1 20010/11 with full year 2009/10

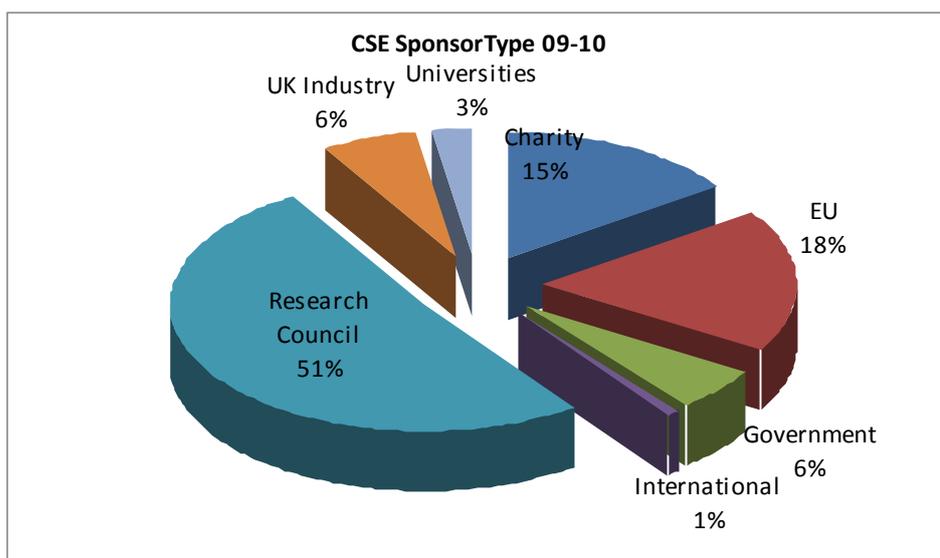
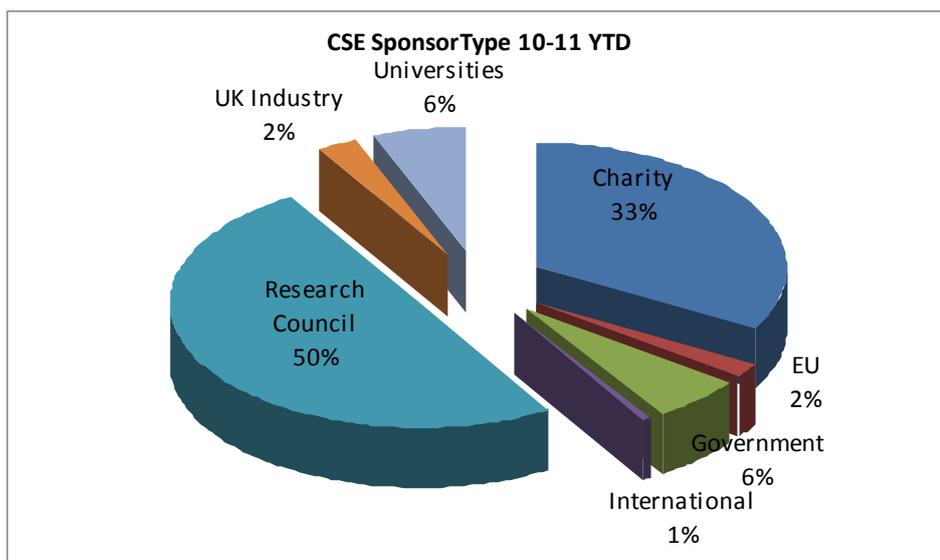
#### University of Edinburgh

	YTD	09-10	% of Target
Charity	£15,632,450	£40,639,850	38%
EU	£974,708	£29,477,055	3%
Government	£2,770,778	£24,252,614	11%
International	£242,965	£3,192,224	8%
Research Council	£15,776,945	£95,761,278	16%
UK Industry	£1,975,354	£9,564,504	21%
Universities	£1,407,850	£5,566,948	25%



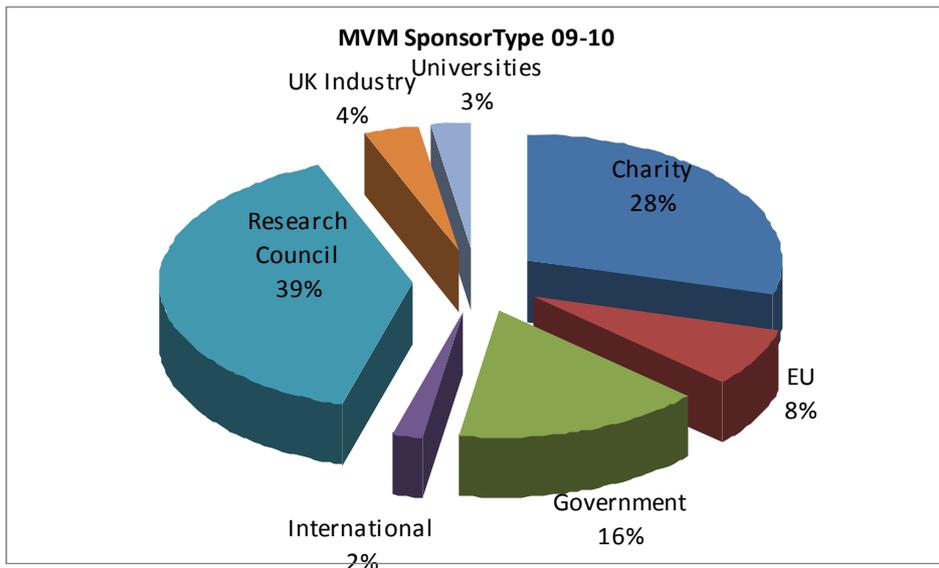
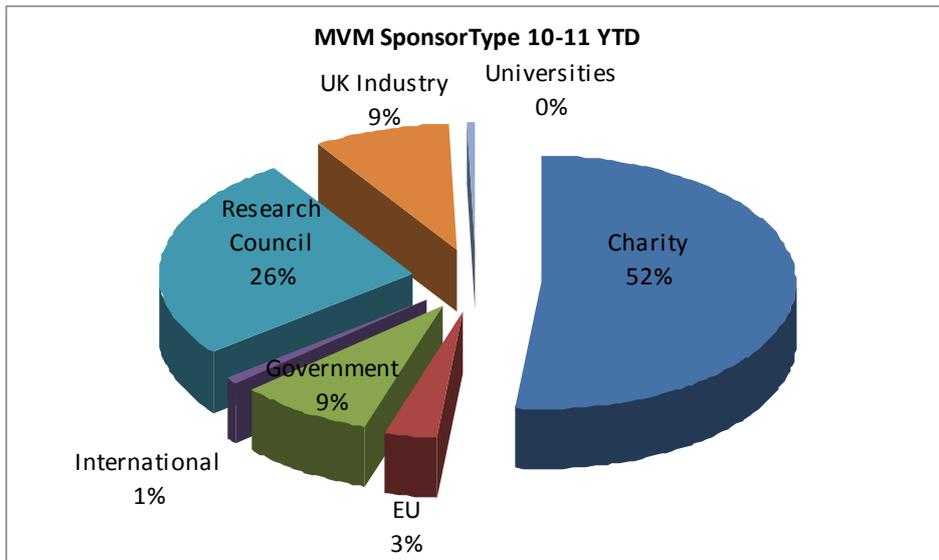
### College of Science and Engineering

	YTD	09/10	% of Target
Charity	£6,656,512	£17,155,237	39%
EU	£375,929	£20,791,051	2%
Government	£1,210,597	£6,328,937	19%
International	£122,402	£1,072,831	11%
Research Council	£10,072,632	£58,140,590	17%
UK Industry	£486,899	£6,930,125	7%
Universities	£1,239,777	£2,843,314	44%



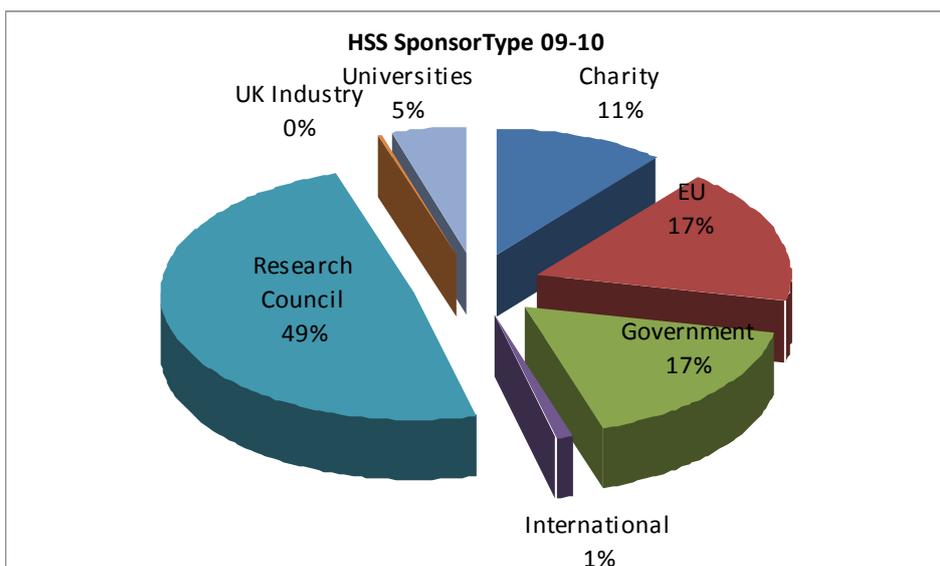
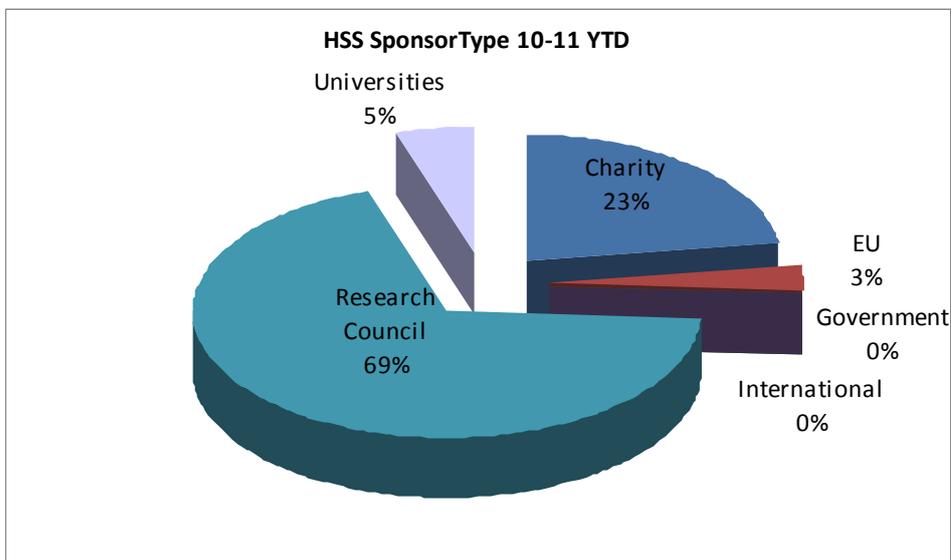
### College of Medicine and Veterinary Medicine

	YTD	09-10	% of Target
Charity	£8,531,940	£21,558,933	40%
EU	£539,592	£5,609,103	10%
Government	£1,417,675	£11,675,209	12%
International	£119,573	£1,447,438	8%
Research Council	£4,348,755	£29,328,851	15%
UK Industry	£1,442,301	£2,621,995	55%
Universities	£72,281	£1,909,805	4%



## College of Humanities and Social Science

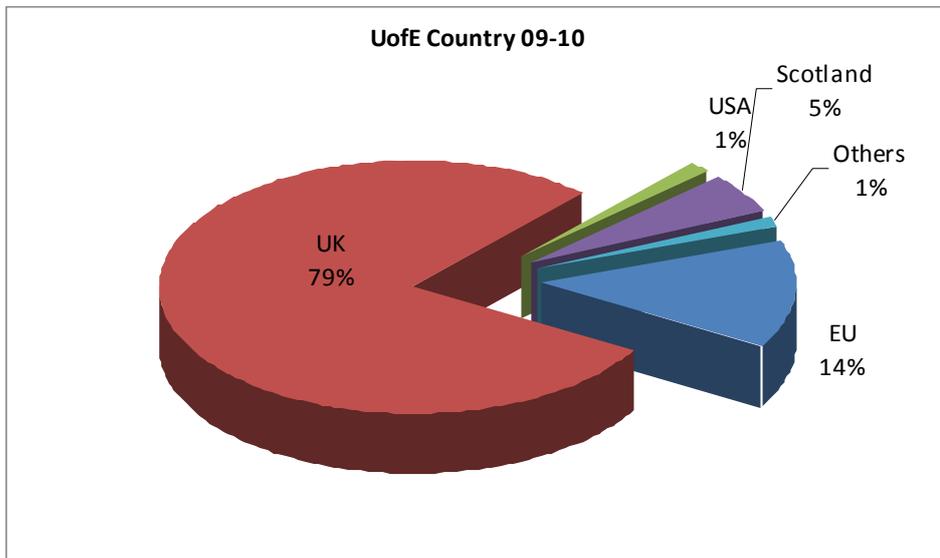
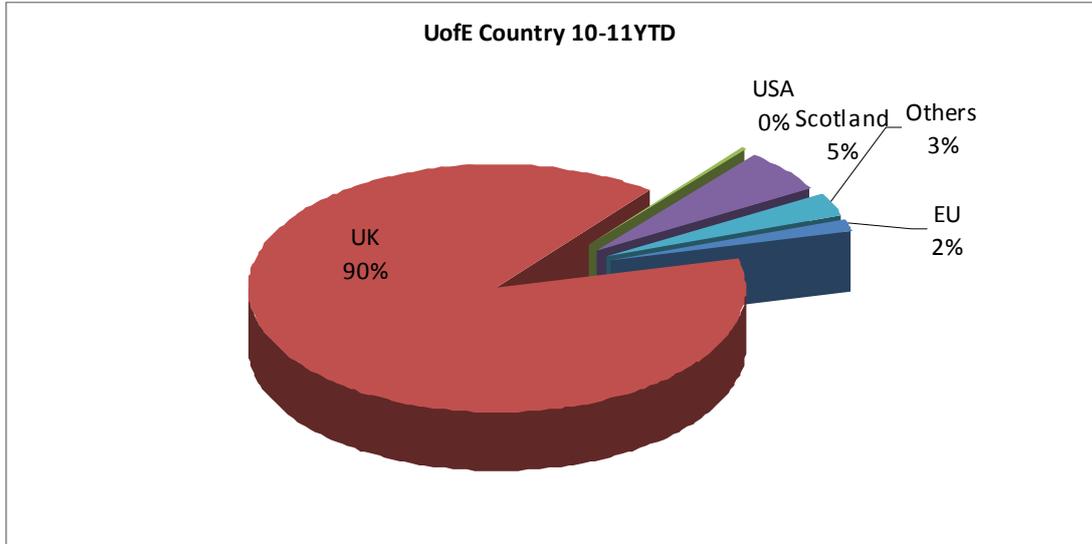
	YTD	09-10	% of Target
Charity	£443,581	£1,846,245	24%
EU	£59,187	£2,931,688	2%
Government	£0	£2,824,437	0%
International	£990	£165,434	1%
Research Council	£1,355,558	£8,274,042	16%
Universities	£95,792	£813,829	12%



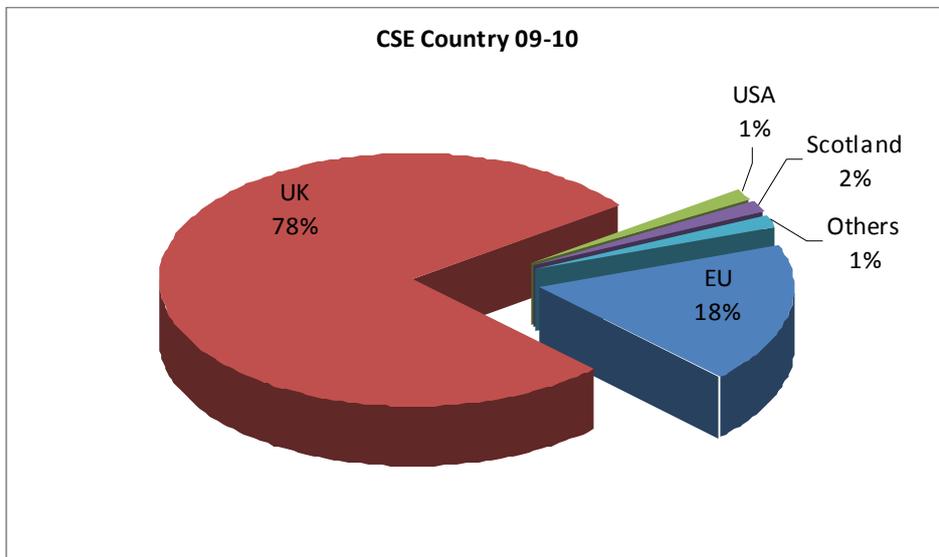
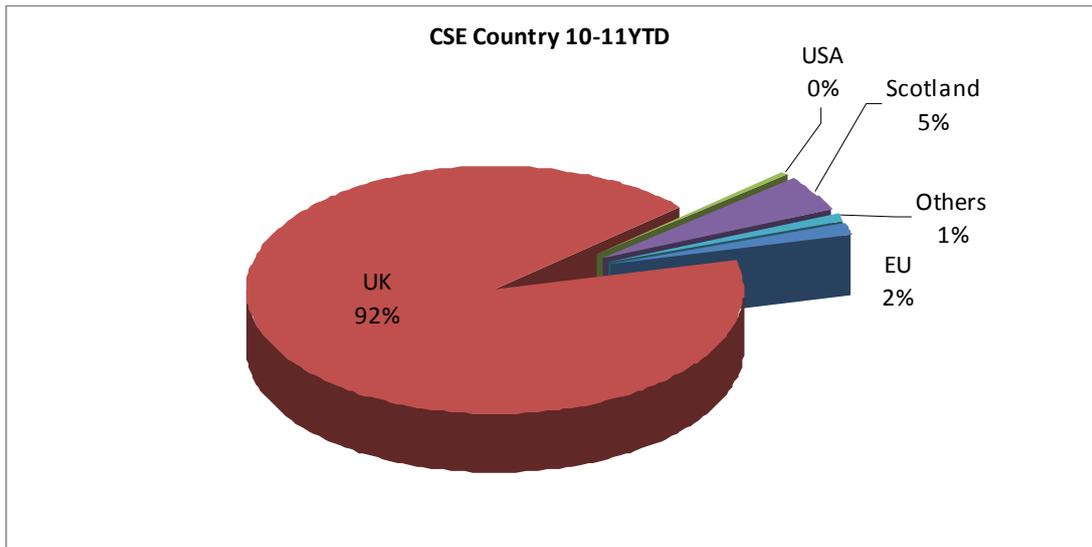
**Appendix 2**

**Analysis of Awards by Country, comparing Q1 2010/11 with full year 2009/10**

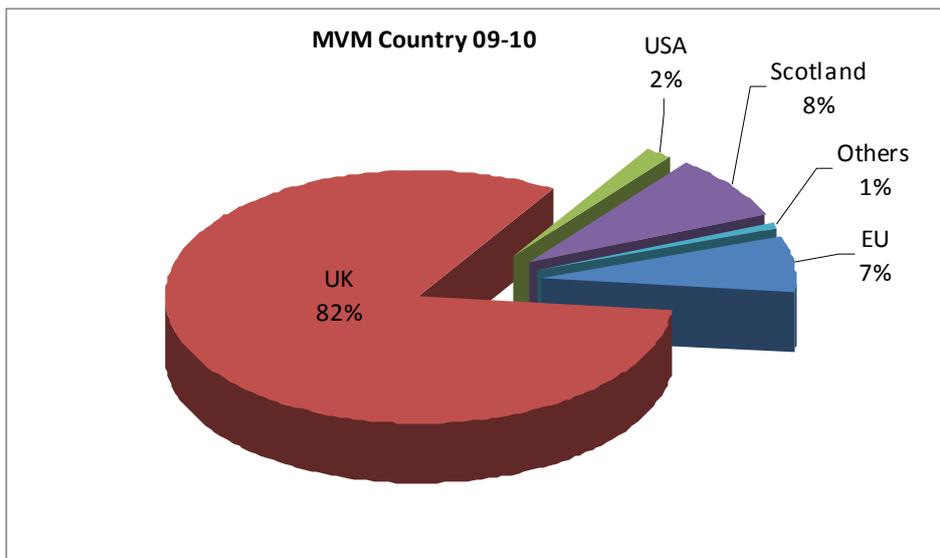
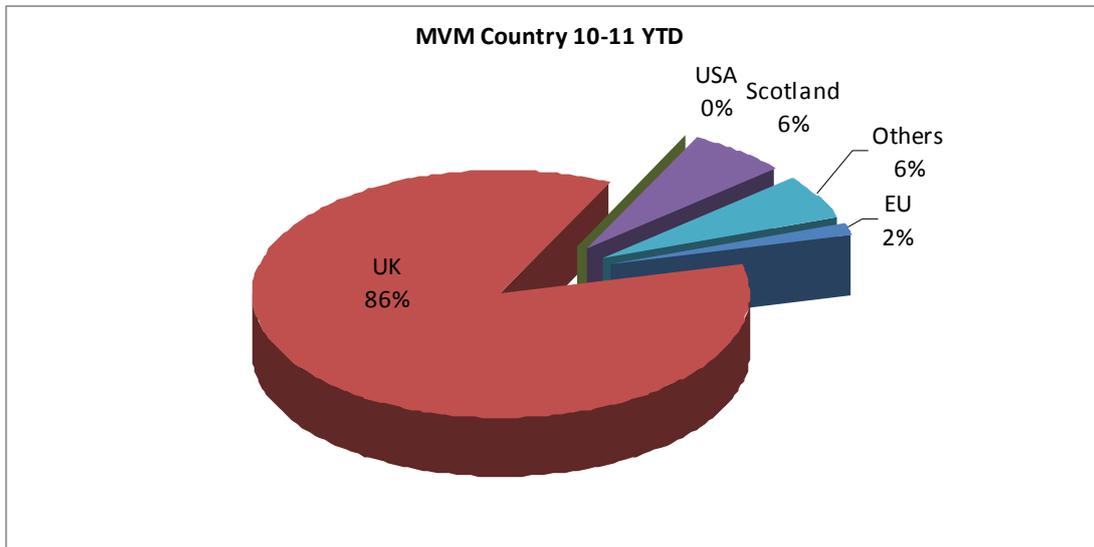
**University of Edinburgh**



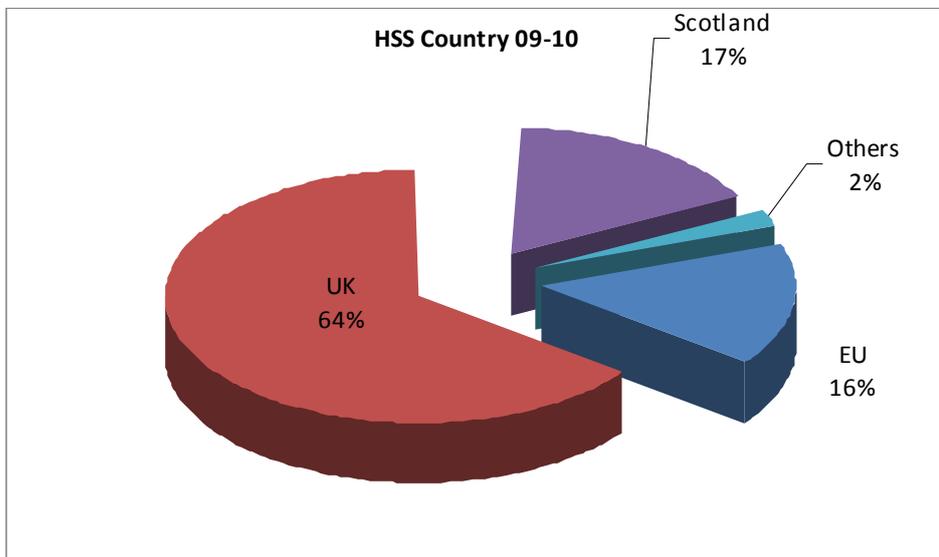
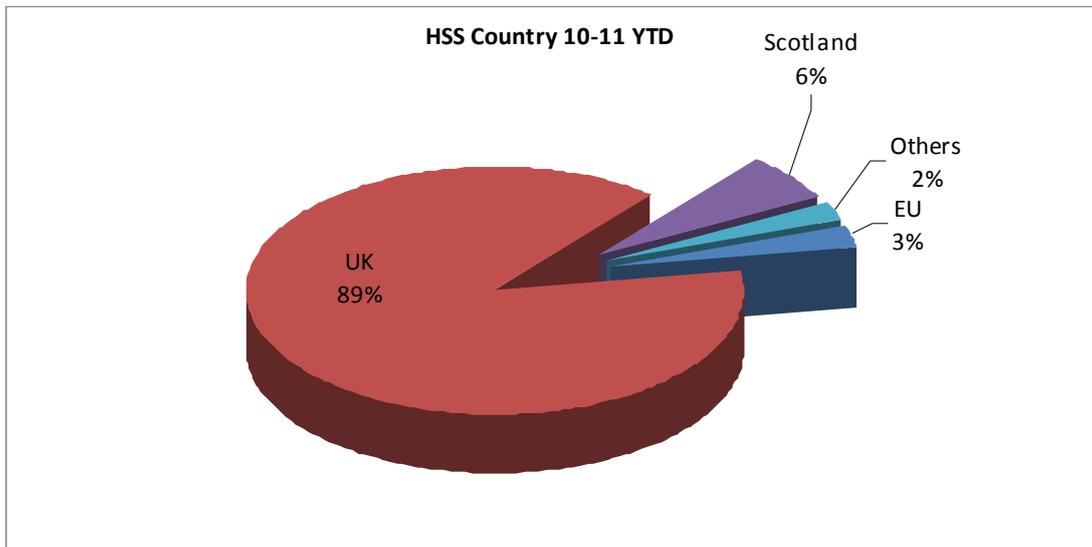
## College of Science and Engineering



# College of Medicine and Veterinary Medicine



## College of Humanities and Social Science



**EDINBURGH RESEARCH AND INNOVATION LIMITED  
RESEARCH AND COMMERCIALISATION REPORT  
FOR THE 3 MONTHS TO 31 OCTOBER 2010**

**TABLE 1  
RESEARCH APPLICATIONS, AWARDS AND INCOME BY COLLEGE**

RESEARCH ACTIVITY	Current Year		Previous Year			Variance	
	Month	YTD	Month	YTD	Full Year	Month	YTD
<b>All Research Applications - number</b>							
CHSS	69	131	50	94	604	38%	39%
CMVM	70	174	58	174	785	21%	0%
CS&E	113	289	104	303	929	9%	(5%)
Support Services (ISG etc)	2	8	2	4	12	0%	100%
<b>Total - number</b>	<b>254</b>	<b>602</b>	<b>214</b>	<b>575</b>	<b>2,330</b>	<b>19%</b>	<b>5%</b>
<b>All Research Applications - value - 100% PROJECT VALUE</b>							
CHSS	13,437	21,985	6,288	12,632	94,981	114%	74%
CMVM	19,514	59,346	24,179	65,286	298,792	(19%)	(9%)
CS&E	42,347	158,313	63,687	173,157	452,746	(34%)	(9%)
Support Services (ISG etc)	26	637	75	166	678	(65%)	284%
<b>Total - value £'000</b>	<b>75,324</b>	<b>240,281</b>	<b>94,229</b>	<b>251,241</b>	<b>847,197</b>	<b>(20%)</b>	<b>(4%)</b>
<b>All Research Awards - number</b>							
CHSS	9	36	14	31	203	(36%)	16%
CMVM	24	82	16	86	348	50%	(5%)
CS&E	30	74	32	94	424	(6%)	(21%)
Support Services (ISG etc)	-	2	1	1	10	(100%)	100%
<b>Total - number</b>	<b>63</b>	<b>194</b>	<b>63</b>	<b>212</b>	<b>985</b>	<b>0%</b>	<b>(8%)</b>
<b>All Research Awards - value - 100% PROJECT VALUE</b>							
CHSS	237	2,001	606	1,502	16,868	(61%)	33%
CMVM	4,346	16,472	3,737	16,753	74,151	16%	(2%)
CS&E	10,037	20,165	3,240	18,836	113,769	210%	7%
Support Services (ISG etc)	-	143	60	60	3,666	(100%)	138%
<b>Total - value £'000</b>	<b>14,620</b>	<b>38,781</b>	<b>7,643</b>	<b>37,151</b>	<b>208,454</b>	<b>91%</b>	<b>4%</b>
<b>All Research Awards - value - SPONSOR CONTRIBUTION</b>							
CHSS	217	1,733	576	1,362	14,651	(62%)	27%
CMVM	4,050	15,567	3,431	15,262	67,772	18%	2%
CS&E	9,174	17,759	2,944	16,527	100,454	212%	7%
Support Services (ISG etc)	-	100	60	60	3,053	(100%)	67%
<b>Total - value £'000</b>	<b>13,441</b>	<b>35,159</b>	<b>7,011</b>	<b>33,211</b>	<b>185,930</b>	<b>92%</b>	<b>6%</b>
<b>Industrial Research Applications - number</b>	<b>15</b>	<b>23</b>	<b>8</b>	<b>19</b>	<b>79</b>	<b>88%</b>	<b>21%</b>
<b>Industrial Research Applications - value £'000 (100%)</b>	<b>572</b>	<b>1,655</b>	<b>448</b>	<b>1,028</b>	<b>10,821</b>	<b>28%</b>	<b>61%</b>
<b>Industrial Research Awards - number</b>	<b>14</b>	<b>26</b>	<b>8</b>	<b>15</b>	<b>89</b>	<b>75%</b>	<b>73%</b>
<b>Industrial Research Awards - value £'000 (100%)</b>	<b>847</b>	<b>1,984</b>	<b>385</b>	<b>845</b>	<b>10,037</b>	<b>120%</b>	<b>135%</b>
<b>Research Income £'000</b>							
CHSS	1,450	3,990	1,336	4,290	16,965	9%	(7%)
CMVM	6,335	17,777	6,817	17,600	81,609	(7%)	1%
CS&E	6,467	18,472	7,933	17,907	79,338	(18%)	3%
Support Services (ISG etc)	183	410	197	510	2,661	(7%)	(19%)
<b>Total - value £'000</b>	<b>14,435</b>	<b>40,649</b>	<b>16,283</b>	<b>40,307</b>	<b>180,573</b>	<b>(11%)</b>	<b>1%</b>

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**FOR THE 3 MONTHS TO 31 OCTOBER 2010**

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

APPLICATIONS	Current Year				Previous Year						YTD Variance	
	Month		YTD		Month		YTD		Full Year		Number	Value
	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000		
EU - Government	23	18,561	44	22,159	37	27,934	70	33,141	200	105,699	(37%)	(33%)
EU - Industry	1	44	1	44	4	224	4	224	12	1,371	(75%)	(80%)
EU - Other	-	-	4	456	-	-	6	19,372	22	20,959	(33%)	(98%)
Overseas - Charities	5	684	8	930	1	126	2	131	22	3,947	300%	610%
Overseas - Government	1	105	8	859	-	-	1	193	8	3,478	700%	345%
Overseas - Industry	3	275	3	275	-	-	-	-	3	235	-	-
Overseas - Other	2	123	6	2,437	1	2	1	2	12	630	500%	121750%
Overseas - Universities etc.	1	39	1	39	1	22	3	83	7	498	(67%)	(53%)
UK - Charity	53	12,639	125	29,456	41	13,694	123	34,148	679	172,998	2%	(14%)
UK - Government	21	3,784	86	27,479	27	2,490	86	20,577	291	48,402	0%	34%
UK - Health Authorities	2	1,888	5	4,021	2	1,094	10	4,142	48	27,095	(50%)	(3%)
UK - Industry	11	253	19	1,335	4	225	15	804	64	9,214	27%	66%
UK - Research Council	122	36,034	267	144,240	90	47,924	234	137,463	860	440,345	14%	5%
UK - Universities etc.	9	895	25	6,551	6	494	20	961	102	12,326	25%	582%
	<b>254</b>	<b>75,324</b>	<b>602</b>	<b>240,281</b>	<b>214</b>	<b>94,229</b>	<b>575</b>	<b>251,241</b>	<b>2,330</b>	<b>847,197</b>	<b>5%</b>	<b>(4%)</b>

AWARDS	Current Year				Previous Year						YTD Variance	
	Month		YTD		Month		YTD		Full Year		Number	Value
	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000		
EU - Government	-	-	5	649	9	1,693	20	6,350	95	28,177	(75%)	(90%)
EU - Industry	-	-	-	-	1	96	1	96	8	413	(100%)	(100%)
EU - Other	2	166	5	325	-	-	2	369	11	887	150%	(12%)
Overseas - Charities	1	1	3	59	-	-	-	-	8	1,643	-	-
Overseas - Government	-	-	1	6	-	-	-	-	5	705	-	-
Overseas - Industry	1	39	1	39	-	-	-	-	2	59	-	-
Overseas - Other	1	77	3	123	2	58	2	58	16	592	50%	112%
Overseas - Universities etc.	-	-	1	15	2	50	4	139	7	192	(75%)	(89%)
UK - Charity	13	6,164	68	15,632	16	798	65	6,632	254	40,640	5%	136%
UK - Government	4	389	15	2,314	11	2,537	30	3,761	148	18,985	(50%)	(38%)
UK - Health Authorities	-	-	6	457	-	-	3	814	14	5,268	100%	(44%)
UK - Industry	14	838	26	1,975	7	289	14	749	79	9,565	86%	164%
UK - Research Council	21	6,621	49	15,779	11	2,027	55	17,469	271	95,761	(11%)	(10%)
UK - Universities etc.	6	325	11	1,408	4	95	16	714	67	5,567	(31%)	97%
	<b>63</b>	<b>14,620</b>	<b>194</b>	<b>38,781</b>	<b>63</b>	<b>7,643</b>	<b>212</b>	<b>37,151</b>	<b>985</b>	<b>208,454</b>	<b>(8%)</b>	<b>4%</b>

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**FOR THE 3 MONTHS TO 31 OCTOBER 2010**

**TABLE 3**  
**RESEARCH APPLICATIONS AND AWARDS BY SCHOOL (100% PROJECT VALUE)**

APPLICATIONS	Current Year				Previous Year						YTD Variance	
	Month		YTD		Month		YTD		Full Year		Number	Value
	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000		
Arts, Culture and Environment	7	1,404	14	2,299	2	1,036	5	1,697	33	4,581	180%	35%
Business School	2	102	5	433	5	114	6	340	30	3,401	(17%)	27%
Divinity	2	547	4	551	-	-	-	-	20	2,452	-	-
Economics	1	100	1	100	-	-	-	-	2	129	-	-
Health in Social Science	5	1,302	7	1,448	2	233	7	945	28	5,988	0%	53%
History, Classics and Archaeology	11	1,932	14	2,037	3	98	3	98	51	3,884	367%	1979%
Law	2	334	6	1,098	2	191	6	500	32	3,443	0%	120%
Literatures, Languages and Cultures	7	634	11	1,517	8	744	13	1,073	86	9,793	(15%)	41%
Moray House School of Education	2	227	12	1,272	3	197	8	603	79	9,675	50%	111%
Philosophy, Psychology and Language Sciences	8	1,922	23	4,743	11	1,820	17	4,199	104	24,875	35%	13%
Social and Political Science	22	4,933	34	6,487	14	1,855	29	3,177	139	26,760	17%	104%
<b>TOTAL CHSS</b>	<b>69</b>	<b>13,437</b>	<b>131</b>	<b>21,985</b>	<b>50</b>	<b>6,288</b>	<b>94</b>	<b>12,632</b>	<b>604</b>	<b>94,981</b>	<b>39%</b>	<b>74%</b>
Biomedical Sciences	8	3,674	27	9,157	15	4,579	31	11,658	128	56,990	(13%)	(21%)
Clinical Sciences and Community Health	30	7,492	79	29,620	23	11,600	87	32,980	357	130,571	(9%)	(10%)
Molecular and Clinical Medicine	13	2,951	37	13,044	12	3,758	28	8,209	175	68,421	32%	59%
Royal (Dick) School of Veterinary Studies	19	5,397	31	7,525	8	4,242	28	12,439	125	42,810	11%	(40%)
<b>TOTAL CMVM</b>	<b>70</b>	<b>19,514</b>	<b>174</b>	<b>59,346</b>	<b>58</b>	<b>24,179</b>	<b>174</b>	<b>65,286</b>	<b>785</b>	<b>298,792</b>	<b>0%</b>	<b>(9%)</b>
Biological Sciences	30	11,944	68	39,242	22	15,348	57	37,121	214	118,946	19%	6%
Chemistry	6	2,103	24	11,215	9	7,500	50	22,163	108	41,775	(52%)	(49%)
Engineering	17	5,236	37	25,402	13	8,762	40	32,170	139	67,856	(8%)	(21%)
Geosciences	10	4,191	34	7,946	13	701	39	4,843	173	56,359	(13%)	64%
Informatics	16	6,841	45	38,004	19	10,819	58	43,928	140	100,089	(22%)	(13%)
Mathematics	8	3,577	21	7,721	3	2,148	13	4,439	32	9,019	62%	74%
College General	-	-	-	-	-	-	-	-	1	177	-	-
Physics	26	8,455	60	28,783	25	18,409	46	28,493	122	58,525	30%	1%
<b>TOTAL CSE</b>	<b>113</b>	<b>42,347</b>	<b>289</b>	<b>158,313</b>	<b>104</b>	<b>63,687</b>	<b>303</b>	<b>173,157</b>	<b>929</b>	<b>452,746</b>	<b>(5%)</b>	<b>(9%)</b>
Support Services	2	26	8	637	2	75	4	166	12	678	100%	284%
<b>Grand Total</b>	<b>254</b>	<b>75,324</b>	<b>602</b>	<b>240,281</b>	<b>214</b>	<b>94,229</b>	<b>575</b>	<b>251,241</b>	<b>2,330</b>	<b>847,197</b>	<b>5%</b>	<b>(4%)</b>

AWARDS	Current Year				Previous Year						YTD Variance	
	Month		YTD		Month		YTD		Full Year		Number	Value
	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000		
Arts, Culture and Environment	1	5	3	13	1	19	2	25	13	707	50%	(48%)
Business School	-	-	3	150	2	-	1	90	15	901	200%	67%
Divinity	-	-	3	69	-	-	-	-	3	289	-	-
Economics	-	-	-	-	-	-	-	-	-	-	-	-
Health in Social Science	-	-	-	-	-	-	1	9	6	256	(100%)	(100%)
History, Classics and Archaeology	5	112	6	129	1	2	3	144	16	646	100%	(10%)
Law	-	-	1	15	2	20	3	74	15	724	(67%)	(80%)
Literatures, Languages and Cultures	-	-	3	98	4	109	7	153	32	353	(57%)	(36%)
Moray House School of Education	1	5	6	81	1	143	2	161	30	2,193	200%	(50%)
Philosophy, Psychology and Language Sciences	2	-	7	353	1	151	2	152	24	2,830	250%	132%
Social and Political Science	2	115	4	1,093	4	162	10	694	49	7,969	(60%)	57%
<b>TOTAL CHSS</b>	<b>9</b>	<b>237</b>	<b>36</b>	<b>2,001</b>	<b>14</b>	<b>606</b>	<b>31</b>	<b>1,502</b>	<b>203</b>	<b>16,868</b>	<b>16%</b>	<b>33%</b>
Biomedical Sciences	1	77	8	1,225	1	138	8	2,241	36	9,524	0%	(45%)
Clinical Sciences and Community Health	8	1,800	43	7,775	7	638	29	5,175	139	25,283	48%	50%
Molecular and Clinical Medicine	9	1,295	18	3,812	5	991	30	3,838	85	22,781	(40%)	(1%)
Royal (Dick) School of Veterinary Studies	6	1,174	13	3,660	3	1,970	19	5,499	88	16,563	(32%)	(33%)
<b>TOTAL CMVM</b>	<b>24</b>	<b>4,346</b>	<b>82</b>	<b>16,472</b>	<b>16</b>	<b>3,737</b>	<b>86</b>	<b>16,753</b>	<b>348</b>	<b>74,151</b>	<b>(5%)</b>	<b>(2%)</b>
Biological Sciences	7	5,495	19	10,875	7	1,297	22	6,579	101	39,383	(14%)	65%
Chemistry	5	651	13	1,648	8	2,993	44	14,086	44	14,086	63%	(45%)
Engineering	8	1,445	12	1,579	2	441	9	1,158	65	14,187	33%	36%
Geosciences	3	79	11	1,713	14	552	30	2,573	102	11,017	(63%)	(33%)
Informatics	4	1,699	10	3,152	4	684	12	1,305	49	9,795	(17%)	142%
Mathematics	2	651	5	716	1	76	3	79	10	429	67%	806%
College General	-	-	-	-	-	-	-	-	1	177	-	-
Physics	1	17	4	482	4	190	10	4,149	52	24,695	(60%)	(88%)
<b>TOTAL CSE</b>	<b>30</b>	<b>10,037</b>	<b>74</b>	<b>20,165</b>	<b>32</b>	<b>3,240</b>	<b>94</b>	<b>18,836</b>	<b>424</b>	<b>113,769</b>	<b>(21%)</b>	<b>7%</b>
Support Services	-	-	2	143	1	60	1	60	10	3,666	100%	138%
<b>Grand Total</b>	<b>63</b>	<b>14,620</b>	<b>194</b>	<b>38,781</b>	<b>63</b>	<b>7,643</b>	<b>212</b>	<b>37,151</b>	<b>985</b>	<b>208,454</b>	<b>(8%)</b>	<b>4%</b>

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**FOR THE 3 MONTHS TO 31 OCTOBER 2010**

**TABLE 4**  
**COMMERCIALISATION ACTIVITY**

	Current Year		Previous Year			Variance	
	Month	YTD	Month	YTD	Full Year	Month	YTD
<b>Disclosure Interviews</b>							
CHSS	-	-			3	-	-
CMVM	4	17	6	16	55	(33%)	6%
CS&E	4	13	11	27	92	(64%)	(52%)
<b>Total - number</b>	<b>8</b>	<b>30</b>	<b>17</b>	<b>43</b>	<b>150</b>	<b>(53%)</b>	<b>(30%)</b>
<b>Patents filed on Technologies - by College</b>							
CHSS	-	-	-	-	3	-	-
CMVM	5	9	2	7	60	150%	29%
CS&E	8	20	5	9	48	60%	122%
<b>Total - number</b>	<b>13</b>	<b>29</b>	<b>7</b>	<b>16</b>	<b>111</b>	<b>86%</b>	<b>81%</b>
<b>Patents filed on Technologies - by Type of filing</b>							
Priority Filings	4	10	3	4	40	33%	150%
PCT Filings	2	6	1	4	27	100%	50%
Other/National Filings	7	13	3	8	44	133%	63%
<b>Total - number</b>	<b>13</b>	<b>29</b>	<b>7</b>	<b>16</b>	<b>111</b>	<b>86%</b>	<b>81%</b>
<b>Licences signed</b>							
CHSS	-	-	-	1	2	-	(100%)
CMVM	-	8	1	3	22	(100%)	167%
CS&E	3	5	6	11	51	(50%)	(55%)
<b>Total - number</b>	<b>3</b>	<b>13</b>	<b>7</b>	<b>15</b>	<b>75</b>	<b>(57%)</b>	<b>(13%)</b>
<b>Spin-out companies created</b>							
- Number	2	2	1	2	8	100%	0%
<b>Start-up companies created (inc EPIS companies)</b>							
- Number	8	9	3	7	32	167%	29%

**TABLE 5**  
**CONSULTANCY**

	Current Year		Previous Year			Variance	
	Month	YTD	Month	YTD	Full Year	Month	YTD
<b>By Business Type - Invoiced value £'000</b>							
Scotland - Commerce	17	81	65	155	473	(74%)	(48%)
Scotland - Government	94	249	151	322	858	(38%)	(23%)
Rest of UK - Commerce	42	111	37	117	978	14%	(5%)
Rest of UK - Government	253	304	15	97	799	1587%	213%
International - Commerce	115	481	230	390	1,705	(50%)	23%
International - Government	79	91	17	25	169	365%	264%
<b>Total - value £'000</b>	<b>600</b>	<b>1,317</b>	<b>515</b>	<b>1,106</b>	<b>4,982</b>	<b>17%</b>	<b>19%</b>
<b>By College - Invoiced value £'000</b>							
CHSS	120	223	134	196	816	(10%)	14%
CMVM	275	556	248	458	2,381	11%	21%
CS&E	205	535	132	448	1,698	55%	19%
Support Services (CSG, ISG etc)	-	3	1	4	87	(100%)	(25%)
<b>Total - value £'000</b>	<b>600</b>	<b>1,317</b>	<b>515</b>	<b>1,106</b>	<b>4,982</b>	<b>17%</b>	<b>19%</b>

**EDINBURGH RESEARCH AND INNOVATION LIMITED  
RESEARCH AND COMMERCIALISATION REPORT  
FOR THE 3 MONTHS TO 31 OCTOBER 2010**

**TABLE 6  
CONSULTANCY INCOME BY SCHOOL**

	CURRENT YEAR		PREVIOUS YEAR			YTD Variance %
	Month	YTD	Month	YTD	Full Year	
	Value £	Value £	Value £	Value £	Value £	
Arts, Culture and Environment	-	-	-	-	-	-
Business School	800	18,225	21,075	29,144	283,855	(37%)
Divinity	1,650	3,950	-	-	6,425	-
Economics	-	-	-	-	-	-
Health in Social Science	-	8,402	3,200	3,200	80,212	163%
History, Classics And Archaeology	330	330	-	-	-	-
Law	14,901	18,210	8,973	14,054	56,959	30%
Literatures, Languages and Cultures	-	-	-	-	5,366	-
Moray House School of Education	3,432	9,647	7,184	20,559	133,835	(53%)
Philosophy, Psychology and Language Sciences	-	360	9	5,907	7,357	(94%)
Social and Political Science	98,951	126,608	93,854	123,175	241,579	3%
College Central	-	36,879	-	-	-	-
<b>TOTAL CHSS</b>	<b>120,064</b>	<b>222,610</b>	<b>134,295</b>	<b>196,039</b>	<b>815,588</b>	<b>14%</b>
Biomedical Sciences	216,481	319,479	173,744	233,169	945,383	37%
Clinical Sciences and Community Health	12,884	128,012	14,553	105,162	596,317	22%
Molecular and Clinical Medicine	40,983	89,133	47,212	100,650	791,411	(11%)
Royal (Dick) School of Veterinary Studies	880	5,120	2,061	9,111	37,849	(44%)
College Central	4,000	14,000	10,000	10,000	10,000	40%
<b>TOTAL CMVM</b>	<b>275,228</b>	<b>555,744</b>	<b>247,571</b>	<b>458,093</b>	<b>2,380,960</b>	<b>21%</b>
Biological Sciences	46,498	95,943	35,184	48,608	190,612	97%
Chemistry	25,986	29,951	1,550	11,613	82,615	158%
Engineering	68,022	180,648	26,043	73,601	425,781	145%
Geosciences	21,569	105,435	27,166	98,036	488,278	8%
Informatics	38,300	103,231	41,103	210,321	418,883	(51%)
Mathematics	3,110	7,910	-	-	7,200	-
Physics	1,700	11,932	802	5,482	84,132	118%
College Central	-	-	-	-	-	-
<b>TOTAL CSE</b>	<b>205,185</b>	<b>535,051</b>	<b>131,848</b>	<b>447,660</b>	<b>1,697,500</b>	<b>20%</b>
Support Services	-	3,310	1,120	4,370	86,612	(24%)
<b>Grand Total</b>	<b>600,476</b>	<b>1,316,715</b>	<b>514,834</b>	<b>1,106,163</b>	<b>4,980,660</b>	<b>19%</b>

**EDINBURGH RESEARCH AND INNOVATION LIMITED**  
**RESEARCH AND COMMERCIALISATION REPORT**  
**FOR THE 3 MONTHS TO 31 OCTOBER 2010**

**TABLE 7**  
**DISCLOSURE INTERVIEWS BY SCHOOL**

	CURRENT YEAR		PREVIOUS YEAR			YTD Variance %
	Month	YTD	Month	YTD	Full Year	
	No	No	No	No	No	
Arts, Culture and Environment	-	-	-	-	-	-
Business School	-	-	-	-	-	-
Divinity	-	-	-	-	-	-
Economics	-	-	-	-	-	-
Health in Social Science	-	-	-	-	-	-
History, Classics And Archaeology	-	-	-	-	-	-
Law	-	-	-	-	-	-
Literatures, Languages and Cultures	-	-	-	-	-	-
Moray House School of Education	-	-	-	-	1	-
Philosophy, Psychology and Language Sciences	-	-	-	-	2	-
Social and Political Science	-	-	-	-	-	-
College Central	-	-	-	-	-	-
<b>TOTAL CHSS</b>	-	-	-	-	<b>3</b>	-
Biomedical Sciences	-	1	2	3	6	(67%)
Clinical Sciences and Community Health	1	6	1	2	19	200%
Molecular and Clinical Medicine	-	3	-	3	4	0%
Royal (Dick) School of Veterinary Studies	-	1	-	-	2	-
R(D)VS - Roslin Institute	3	6	3	8	24	(25%)
College Central	-	-	-	-	-	-
<b>TOTAL CMVM</b>	<b>4</b>	<b>17</b>	<b>6</b>	<b>16</b>	<b>55</b>	<b>6%</b>
Biological Sciences	2	4	2	8	22	(50%)
Chemistry	1	1	3	5	9	(80%)
Engineering	1	5	3	7	24	(29%)
Geosciences	-	2	-	3	4	(33%)
Informatics	-	-	1	2	27	(100%)
Mathematics	-	-	-	-	-	-
Physics	-	1	2	2	6	(50%)
College Central	-	-	-	-	-	-
<b>TOTAL CSE</b>	<b>4</b>	<b>13</b>	<b>11</b>	<b>27</b>	<b>92</b>	<b>(52%)</b>
Support Services	-	-	-	-	-	-
<b>Grand Total</b>	<b>8</b>	<b>30</b>	<b>17</b>	<b>43</b>	<b>150</b>	<b>(30%)</b>

**EDINBURGH RESEARCH AND INNOVATION LIMITED  
RESEARCH AND COMMERCIALISATION REPORT  
FOR THE 3 MONTHS TO 31 OCTOBER 2010**

**TABLE 8  
PATENT FILINGS BY SCHOOL**

	CURRENT YEAR								PREVIOUS YEAR												YTD Variance %
	Month				YTD				Month				YTD				FULL YEAR				
	Priority	PCT	Other	Total	Priority	PCT	Other	Total	Priority	PCT	Other	Total	Priority	PCT	Other	Total	Priority	PCT	Other	Total	
Arts, Culture and Environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	3	-
Business School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Divinity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CHSS</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	3	-
Biomedical Sciences	-	-	-	-	-	-	1	1	-	-	-	1	1	2	-	1	2	-	1	3	0%
Clinical Sciences and Community Health	-	-	-	-	-	-	-	1	-	-	-	1	1	2	1	4	13	10	9	32	(75%)
Molecular and Clinical Medicine	2	1	2	5	2	2	3	7	1	-	-	1	1	1	1	3	5	3	6	14	250%
Royal (Dick) School of Veterinary Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2	2	5	-
R(D)VS - Roslin Institute	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	2	1	6	-
<b>TOTAL CMVM</b>	2	1	2	5	2	3	4	9	1	-	1	2	2	2	3	7	24	17	19	60	29%
Biological Sciences	1	-	1	2	2	-	1	3	1	-	-	1	1	1	-	2	2	1	9	12	50%
Chemistry	-	-	1	1	-	-	1	1	-	1	-	1	-	1	-	1	2	2	3	7	0%
Engineering	1	1	-	2	5	1	4	10	1	-	1	2	1	-	2	3	7	2	5	14	233%
Geosciences	-	-	2	2	1	2	2	5	-	-	-	-	-	2	2	4	1	-	3	4	150%
Informatics	-	-	1	1	-	-	1	1	-	-	1	1	-	-	1	1	3	4	3	10	0%
Mathematics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Physics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-
<b>TOTAL CSE</b>	2	1	5	8	8	3	9	20	2	1	2	5	2	2	5	9	15	9	24	48	122%
<b>Support Services</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	4	2	7	13	10	6	13	29	3	1	3	7	4	4	8	16	40	27	44	111	81%

**EDINBURGH RESEARCH AND INNOVATION LIMITED  
RESEARCH AND COMMERCIALISATION REPORT  
FOR THE 3 MONTHS TO 31 OCTOBER 2010**

**TABLE 9  
LICENCES SIGNED BY SCHOOL**

	CURRENT YEAR		PREVIOUS YEAR			YTD Variance %
	Month	YTD	Month	YTD	Full Year	
	No	No	No	No	No	
Arts, Culture and Environment	-	-	-	-	1	-
Business School	-	-	-	-	-	-
Divinity	-	-	-	-	-	-
Economics	-	-	-	-	-	-
Health in Social Science	-	-	-	-	-	-
History, Classics And Archaeology	-	-	-	-	-	-
Law	-	-	-	-	-	-
Literatures, Languages and Cultures	-	-	-	1	1	(100%)
Moray House School of Education	-	-	-	-	-	-
Philosophy, Psychology and Language Sciences	-	-	-	-	-	-
Social and Political Science	-	-	-	-	-	-
<b>TOTAL CHSS</b>	-	-	-	<b>1</b>	<b>2</b>	<b>(100%)</b>
Biomedical Sciences	-	2	-	-	2	-
Clinical Sciences and Community Health	-	1	-	-	3	-
Molecular and Clinical Medicine	-	2	1	2	11	0%
Royal (Dick) School of Veterinary Studies	-	-	-	-	1	-
R(D)VS - Roslin Institute	-	3	-	1	5	200%
<b>TOTAL CMVM</b>	-	<b>8</b>	<b>1</b>	<b>3</b>	<b>22</b>	<b>167%</b>
Biological Sciences	-	1	2	4	13	(75%)
Chemistry	-	-	1	2	5	(100%)
Engineering	1	2	1	1	6	100%
Geosciences	1	1	-	-	1	-
Informatics	1	1	1	3	7	(67%)
Mathematics	-	-	1	1	1	(100%)
Physics	-	-	-	-	18	-
<b>TOTAL CSE</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>51</b>	<b>(55%)</b>
<b>Support Services</b>	-	-	-	-	-	-
<b>Grand Total</b>	<b>3</b>	<b>13</b>	<b>7</b>	<b>15</b>	<b>75</b>	<b>(13%)</b>
	-	-	-	-	-	

The University of Edinburgh

The University Court

20 December 2010

**Risk Management Committee  
Report for Year Ended 31 July 2010**

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 2010, and its views on the exposure and management of risk in the University. Its purpose is to support the deliberations of the Audit Committee and Court in respect of the reporting on Risk Management and Internal Control in the Annual Accounts. This paper has been considered by the CMG meeting of 13 October, the Audit Committee meeting of 25 November and the F&GPC meeting of 29 November 2010.

A detailed cross-referencing of the University Strategic Plan to the risk register is provided in the risk assurance map which is included in appendix 2, part 2.

Action requested

For discussion and approval.

Resource implications

Does the paper have resource implications? No

Risk Assessment

Does the paper include a risk analysis? Yes

Equality and Diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Nigel A.L. Paul, Convener of the Risk Management Committee  
Helen Stocks, Secretary to the Risk Management Committee  
9 December 2010



## **RISK MANAGEMENT COMMITTEE**

### **REPORT FOR YEAR ENDED 31 JULY 2010**

Prepared by N.A.L. Paul      Convenor  
H Stocks                      Secretary

Date: 28 September 2010

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#### **Introduction**

This report summarises the activities of the Risk Management Committee during the year ended 31 July 2010, and its views on the exposure and management of risk in the University. Its purpose is to support the deliberations of Central Management Group, Finance & General Purposes Committee, Audit Committee and Court in respect of the reporting on Risk Management and Internal Control in the Annual Financial Statements.

#### **Background**

Over many years, the University has operated an internal control environment that has successfully managed operational risk, and has had in place insurance arrangements to mitigate the financial impact of key exposures. The Risk Management Committee was formally instituted as a Committee of Court in 2002 and a structured framework for risk management has operated since then.

#### **Governance, Risk Management and Internal Control Framework in the University**

The main elements of the governance, risk management and internal control framework can be described as follows:

- Structure of Court and its committees;
- Regular reporting of the University's financial and operational performance to Finance and General Purposes Committee (F&GPC) and Court;
- Reports of key management meetings i.e. CMG and the Principal's Strategy Group, reviewed by F&GPC;
- Planning and Budgetary control framework in place. Insurance cover in place;
- Delegated authority and financial control framework in place;
- Management Structure and reporting in Colleges and Support Groups;
- Academic quality monitored by Senate sub-committees and validated externally through periodic Research Assessment Exercises, Quality Assurance Agency reviews and professional bodies' accreditations;

- Specific departments lead the management of specific risks e.g. Health and Safety Department, Communication and Marketing, etc, whilst departments such as Finance, HR, Estates, Procurement etc maintain and enforce policies and procedures relating to their own professional areas and ensure that legislative and professional compliance is maintained;
- Policies and procedures established to manage specific risks e.g. animal facilities, control of chemicals, medical risk, etc;
- Risk Management Committee and processes in place, including:
  - o risk management policy agreed by Court;
  - o registers of key University, College and Support Group, and Subsidiary Company risks;
  - o reviews of key University risks;
  - o risk assessments incorporated into Committee papers as appropriate;
  - o risk assessments incorporated into College and Support Group annual planning documents;
  - o project risk registers;
  - o annual risk assurance questionnaire and reports;
  - o risk assurance map.
- Induction for new Heads of School and senior managers in University Risk Management processes
- Assurances on adequacy of operational controls etc provided through activities of Internal Audit Department and overviewed by Audit Committee;
- External assurance provided by the University's auditors, KPMG.

The activities and controls in place to manage the University's key risks are summarised in the University Overview Risk Register, and backed up by more detailed review papers.

### **Risk Management Committee Activities 2009/10**

The key activities of the Risk Management Committee during 2009/10 can be summarised as:

- Update of University Risk Register – the outcome of the 2009/10 review was approved by the University Court at its meeting on 21 June 2010. The main risks to the University in the immediate future relate to meeting the challenges of the changing financial environment and were identified as:
  - o Insufficient funding to maintain and develop the University due to:
    - Government funding policies in Scotland and the rest of the UK
    - Economic recession and its impact on government, corporate and charity funded activities, and philanthropic giving;
  - o Staff dissatisfaction and possible disruption to business continuity consequent upon the need to operate within funding constraints or arising from pressures for changes in staff terms and conditions (including pension funds);
  - o Challenge of managing activities to ensure income streams exceed costs.
- Updates of College, Support Group and Subsidiary Company Risk Registers;
- A review of each risk identified in the University Risk Register was undertaken by the relevant risk owner and the outcomes of the reviews were discussed and ratified by the Risk Management

Committee. Copies of the reviews are available on the University Risk Management Committee website;

- An ‘in year’ log of risks/incidents was maintained, and the risks identified in the College and Support Group planning submissions were reviewed.
- The main new risks recognised during the year related to:
  - The tight budgetary regime and expected reductions in public funding as a result of the Comprehensive Spending Review being undertaken by the UK Coalition Government, and the consequential decisions of the Scottish Government.
  - The potentially damaging implications for overseas student and staff recruitment as a result of the operation of the UK Borders Agency and the coalition government’s pronouncements on tightening immigration
  - The risk to University activities resulting from the possibility of UCU industrial action and the processes established in the University to manage the situation.
  - The proposals for changes to the USS pension fund to manage the significant shortfall at its last valuation were announced during the year. These are subject to member consultation. The opposition of UCU and the threat of industrial action was noted. The Finance Director and a subgroup of Court are acting for the University in addressing the USS issues. It was noted that the process for consultation and amendment of the Staff Benefit Scheme had been successful and the revised scheme was being implemented. It was also noted that the UK government have undertaken a consultation with regard to the taxation of pension contributions, which if carried through into legislation, could have a significant impact on pension funds and pensions arrangements for particularly senior staff.
  - The risks relating to the mergers of eca and the MRC Human Genetics Unit into the University.
  - The importance of the preparation for the next Enhancement Led Institutional Review due to take place in 2011 was noted.
- The risks related to delivery of the College and Support Group annual plans were reviewed;
- A review took place of the sources of assurance that are available at a corporate level to enable a view to be taken on the University’s management of its key risks. These are recorded in the assurance map;
- The committee received report from the Director of Finance on the implications for the university of changes in taxation and fiscal regimes.

It should also be noted that Internal Audit plans have been developed in cognisance of the University and College/Support Group risk registers.

### **Adequacy of Management of Risk in the University 2009/10**

The adequacy of the University’s management of risk can be assessed by reference to the following:

## **1. University Risk Register, Risk Reviews, Assurance Map and Annual Risk Questionnaires and Reports, College and Support Group Risk Registers.**

During the past year, the Risk Management Committee has reviewed all of the risks in the University Risk Register and has satisfied itself that adequate control mechanisms are in place to manage the key risks. Areas of improvement have been identified and actions are taking place appropriately to implement improvements. The major risks for the University are shown above as are the major new risks that were considered during the year.

Reviews of College, Support Group, Development and Alumni and subsidiary company risk registers coupled with reviews of the risks highlighted in planning submissions, indicates that these areas are recognising and managing their key operational risks.

A year-end questionnaire was completed by each College and Support Group (summary attached as Appendix 1). No major issues were identified which indicated any inadequacy of the University's management of risk. The issues highlighted were subject to management processes and appropriate actions are taking place to implement improvements identified.

Annual reports were received from the relevant Directors, related to Health and Safety, IT and Procurement risks. These provide assurance that the risks in those areas are being adequately managed.

Appendix 2 shows, for each risk, the sources of assurance that the Risk Management Committee has noted. This provides further assurance related to the adequacy of the management of the risks by the University. The sources of assurances include the risk reviews undertaken, periodic update reports, relevant Balanced Scorecard information, internal audit reports etc. The table also shows that many of the key risk issues have been discussed in the senior management and academic committees of the University.

## **2. Internal Control Questionnaire**

Finance Department, in conjunction with KPMG, have issued a self-assessment Internal Control Questionnaire for completion by budget managers. Finance has reviewed the responses and has provided a summary to the Risk Management Committee. Whilst there are a few issues to be followed up, no major issues have been highlighted as a result of the Internal Control Questionnaire.

## **3. Law and Regulation Return**

Finance Department have sought a Law and Regulation return from each of Head of School and Head of Support Group relating to breaches in law and regulation and in particular those which might have a financial impact of over £50,000. Responses have been received from each area, and all respondents have confirmed that they are not aware of any such breaches.

## **4. Procurement assurances**

The CUC Guidance for Members of Higher Education Governing Bodies in the UK indicates that Governing Bodies should assure themselves, via the Risk Management processes, that *“Value for Money is achieved through obtaining assurances that: adequate procurement policies and procedures are in place, and that policies and procedures are consistently applied and there is compliance with the relevant legislation”*.

The Risk Management Committee has received a report from the Director of Procurement and is satisfied that a procurement strategy is in place, as are procurement policies and authorisation policy. The policies were updated and approved by CMG in June 2009 to reflect the publication of the Scottish Government Public Procurement Policy Handbook, and updated delegated authorities, including procurement, were approved in June 2010. All procurement over EU limits requires the notification to, and the involvement of the Director of Procurement or her staff.

The EU Remedies Directive was enacted into Scottish Law in December 2009, which provides much greater opportunity for unsuccessful bidders for contracts to challenge or disrupt the procurement process. The risk of a challenge to University procurement processes has therefore increased, however the updated policies adopted by CMG in June 2009 anticipated this legislation and established a framework within which the risk can be adequately managed.

During the year the University was assessed as part of the Scottish Government Procurement Capability Assessment process. The University was rated as “superior” - the top category, and was the only University to achieve this rating. The University was also short-listed for the Times Higher Education award for excellence in leadership and management of procurement.

The University has now adopted the Best Practice Indicators which are being promoted for all public sector bodies (including Universities and Colleges) in Scotland. This has had the effect of rebasing the measurement of procurement benefit that the University had previously reported. Whilst not yet finalised, under the new BPI's, the benefits to the University will be in the order of £7.5m for 2009/10. This includes benefits delivered through APUC Ltd, the sector's collaborative procurement body established as a result of the McClelland Review, and Procurement Scotland who undertake certain procurements across the whole of the public sector.

Responses to questions on Procurement in the Annual Risk Questionnaire and the Internal Control Questionnaire indicate that there were no incidents of failure to comply with procurement legislation and University/funding body requirements.

The Risk Management Committee can therefore assure Court that adequate procurement policies and procedures are in place, and that policies and procedures are consistently applied for all major procurement and most minor procurement, and that there is compliance with the relevant legislation.

## **5. Fraud**

The University will provide written representations to the external auditors as part of its year end processes as follows (2009 year end wording)

*The Court:*

- (a) understands that the term “fraud” includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization;*
- (b) acknowledges responsibility for the design and implementation of internal control to prevent and detect fraud and error;*
- (c) confirms that there have been no instances of fraud or suspected fraud affecting the University involving*
  - management and those charged with governance;*

- *employees who have significant roles in internal control; or*
  - *others where the fraud could have a material effect on the financial statements.*
- (d) confirms that there have been no allegations of fraud, or suspected fraud, affecting the University's financial statements communicated by employees, former employees, analysts, regulators or others; and*
- (e) has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.*

With regard to points (c) and (d), the Annual Risk questionnaire formally sought information regarding fraud from each College and Support Group, and the Internal Control Questionnaire also sought assurances on fraud. There were no reported incidents of fraud in either questionnaire. There were also no allegations of fraud or suspected fraud affecting the University's financial statement.

## **6. Internal Audit**

The reporting of Internal Audit activities and its review by the Audit Committee provides a further view of the status of the control environment in the University. As part of their activities, Internal Audit reports on the adequacy and effectiveness of risk management processes. The conclusions from the Audit Committee are reported separately.

## **Conclusion**

The overall view of the Risk Management Committee on the adequacy of the management of risk in the University is that, on the basis of the activities described above, the University has been satisfactorily managing its key risks during the year ended 31 July 2010. Further assurances on the adequacy of the internal control environment and its effectiveness in controlling operational risks, will be provided by Internal Audit, and by KPMG's audit work.

A further assurance relating to post year end risk management and controls will be provided to the University Court prior to sign off of the financial statements in December.

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## APPENDIX 1: Year end questionnaire

### University of Edinburgh Risk Management Annual Return For the period 1 August 2009 to 31 July 2010

#### University Key Risks

		Yes	No	If YES, provide details <sup>1</sup>
1	Has student recruitment significantly <sup>2</sup> fallen short of College targets/plans with respect to overseas student growth, postgraduate student growth, widening participation or home undergraduate numbers?		√	
2	Has there been a major breach of academic or ethical standards?		√	
3	Has there been any loss of accreditation for courses, or major issues raised by accrediting authorities, which are regarded as potentially significantly damaging to the College's reputation?		√	
4	Has there been any failure to meet appropriate Quality Assurance standards?		√	
5	Have there been any major issues related to academic or other collaborations that have given, or could potentially give rise to, a damaging breakdown or failure to deliver the expected benefits to the University?		√	
6	Has there been any significant breakdown in the relationships with students or student representatives?	√		A student in dispute with the University regarding progress towards her PhD in MVM, has refused the support offered by the University and instead is conducting a 'cyber campaign' maligning researchers, students and senior members of staff, without substantiation. The University now believes a resolution of the dispute is not possible, but is pursuing various means to support staff and students and minimize potential damage to them and

<sup>1</sup> Please attach further details on supplementary pages if necessary. If the question has no relevance to a particular area, then please indicate "Not Applicable" (for instance: support groups are unlikely to be able to respond to the question related to course structures)

<sup>2</sup> "Significant" where used throughout the document, implies a level of disruption, which goes beyond that normally regarded as acceptable either in terms of magnitude or time. Many disruptions are resolved or recovered over a short period or time and hence, whilst inconvenient, do not cause damage to relationships, reputations, or operations. However some disruptions either because of the time at which they occur, their magnitude, or their extended period, do cause damage to relationships, reputation or operations. These are regarded as significant and should be noted

		Yes	No	the University. If YES, provide details
7	Have there been any instances of serious breach in regulations with regard to students, which have been or are being dealt with under the Code of Student Discipline?		√	
8	Have there been any issues with regard to the adequacy of student support services and facilities which have had a significant detrimental impact on the quality of the student experience, or the recruitment and retention of students?		√	
9	Taking both recruitment and departures into account, has there been a net loss or failure to recruit academic or support staff, which has or will potentially lead to ongoing impairment of research, teaching or operational capability?	√		MVM has experienced difficulty in recruiting academic psychiatrists, faced with a series of retirements in 2008/09-2009/10, and a Chair in clinical paediatric neuroscience. Steps have been taken to ensure that research and teaching commitments are covered whilst recruitment efforts continue
10	Have there been any instances of dismissal, retirement, resignation, formal disciplinary proceedings or formal verbal warnings of a member of staff as a result of fraud, theft, misappropriation of assets, inaccurate false or misleading records, or non-compliance with policies?	√		CHSS have initiated disciplinary proceedings with four members of staff for non-compliance with University policies
11	Have there been any instances of whistle-blowing under the University's whistle-blowing policy? <sup>3</sup>		√	
12	Have there been any instances of fraud or suspected fraud affecting the University including involving <ul style="list-style-type: none"> <li>- management and those charged with governance</li> <li>- employees who have significant roles in internal control</li> <li>- other where the fraud could have a material effect on the financial statements</li> <li>- academic fraud</li> </ul>	√		MVM - falsification of attendance records by an individual resulted in disciplinary procedure being invoked and written warning issued.
13	Have there been any allegations of fraud or suspected fraud communicated by employees, former employees, regulators, or others?		√	

<sup>3</sup> The University Audit Committee wishes to be aware of instances of whistle-blowing

		Yes	No	If YES, provide details
14	Has there been any safety, health or environmental incidents or releases, which have resulted in serious injury, death, reputational damage, or imposition of restrictions?	√		Improper use of imaging equipment. Disciplinary procedures invoked; final outcome not yet confirmed. Matter investigated by University Radiation Protection Advisor (RPA) as well as School and College management: (a) separate report from RPA (b) instruction developed by School/College on proper and authorised, only, use of equipment and clear definition of prohibited use.
15	Have there been any instances of procurement activity that have failed to comply with University/funding body requirements (e.g. by failing to tender for procurement packages valued over £25k) or failing to use OJEU procedures for procurement of goods/services (above £150k over 4 years) or works (estimate over £3.8m)?		√	
16	Have there been any instances of failure, loss or inadequate operation of IT systems, infrastructure or controls that resulted in significant disruption to College / Support Group activities?		√	
17	Have there been any occurrences of inadequate security over, or loss of personal data from the University e.g. loss of electronic equipment, memory devices etc containing personal data, unauthorised downloading from or access to electronic systems/files or and manual records containing personal data etc,		√	
18	Have deficiencies in the state of the University's properties led to any of the following? <ul style="list-style-type: none"> <li>- inability or serious disruption in conducting research, teaching, administrative or other University activities,</li> <li>- loss of research project funding,</li> <li>- damage to reputation,</li> <li>- failure to recruit or retain students or staff</li> <li>- prosecution for legal non-compliance</li> </ul>		√	

		Yes	No	If YES, provide details
19	Has there been significant damage to property or equipment as a result of fire, explosion, malicious damage or any other reason which has resulted in financial loss for the University or significant disruption of the conduct of 'normal business' in Colleges / Schools / Support Groups/Subsidiaries?		√	
20	Have there been any instances of change activities (projects, new developments, new systems and processes etc) failing or likely to fail to achieve their goals, or overrunning by more than 10% on time or cost against plans?	√		Easter Bush Infrastructure – there are a number of ongoing risks associated with the planning and business continuity at Easter Bush. The current approved expenditure is £9.3m. In addition, a risk allowance of £2.7m has been reported to EPAG (May 2009).
21	Have there been instances of inadequate financial control (managerially or operationally) which resulted in, or potentially could have resulted in significant financial loss or loss of reputation?	√		A School in Science and Engineering has run up a significant deficit as a result of mismanagement of EPSRC postgraduate scholarships funding, and a more general lack of appropriate financial control. The College as a whole is in surplus, and will manage the short-term problems from College reserves. The College Accountant is providing substantial support to the School to establish improved financial control mechanisms, with support from experienced staff in another School. Internal Audit is currently investigating the circumstances, and will make recommendations for any necessary further change.
22	Have there been any instances of significant contractual breach by the University or a subcontractor of the University, which has exposed the university to the potential of serious litigation or financial liabilities?		√	
23	Have any legal actions been brought against the University (whether settled or pending)?	√		Cramond – court action raised by AMA against UoE a number of years ago. The hearing is now schedule for Oct & Nov 2011. Regular reports have been provided to F&GP and University Court, and a Court subgroup is overseeing and advising on the way forward.

		Yes	No	If YES, provide details
				<p>Employment Tribunal claim raised by one of the members of staff in HSS currently subject to disciplinary proceedings. No date yet set for ET proceedings.</p> <p>A potential claim of £100K has been notified in relation to alleged mis-diagnosis of cystic fibrosis by University staff in the 1990s. No formal legal action has yet been raised against the University, or the NHS. The matter is in the hands of our insurers.</p>
24	<p>Have there been any incidents, occurrences or activities which have resulted in or potentially could result in</p> <ul style="list-style-type: none"> <li>a) legal action against the University</li> <li>b) prosecution or formal disciplinary proceedings either within the University or by professional bodies against staff or students?</li> </ul>	√		<p>See 14 above - previous case law indicates that this could have led to prosecution of the university and/or the individual concerned;</p>
25	<p>Have there been any incidents or adverse publicity that have caused serious damage to the reputation and image of the University in the eyes of other academic institutions/colleagues; the media; national, regional or city politicians; key influencers; national and local businesses; or the local community?</p>	√		<p>See 6 above – that actions of the student could have raised doubts in the minds of some about the reputation and status of the University</p>
26	<p>Are actual or potential changes in public policy and legislation having or likely to have a significant detrimental impact on college/support group activities?</p>	√		<p>Funding reductions following the 2010 Comprehensive Spending Review will have significant impact.</p> <p>New UK biosafety and biosecurity legislation in 2011 will impact upon workloads, but will be managed without detrimental impact.</p> <p>The new cap on immigration will inhibit the University's ability to recruit and retain international staff. Potential caps or changes in processes by Government/UKBA regarding overseas students could have a major impact</p>

		Yes	No	If YES, provide details
				<p>Implementation of the Scots Law on Remedies Directive on Dec 19<sup>th</sup> 2009 increases legal risk of challenge of non compliance with procurement law and serious reputational, contract and financial risks. Training and updated policies and guidance put in place to mitigate risk.</p> <p>Changes in policy from the Coalition Government or a changed Scottish administration following the Holyrood elections in 2011, could have an impact on the University</p>
27	Are there any areas of existing, new, or changed legislation where implementation has not been or will not be completed in the required timescale		√	
28	Are there any significant new or emerging risks that have not been captured in the University Overview Risk Register, which could put the survival or goals of the University, College or Support Group in jeopardy?	√		<p>There are increasing difficulties in attracting experienced research staff, largely as a result of the perceptions of the UK research funding environment compared with other parts of the world</p> <p>The merger of eca and HGU into the University will present a range of operational challenges and risks</p>
29	Are there any risks in the University or College/Support Group risks registers that you consider are not being adequately managed, and are exposing the University to undesirable risk?		√	

NALP  
Sept 2010

## Appendix 2: Assurance map 2009/10 version: relating to University Risk Register version 7

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

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

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
<p>1. Insufficient funding to maintain and develop the University due to:</p> <ul style="list-style-type: none"> <li>- Government funding policies in Scotland and the rest of the UK</li> <li>- Economic recession and its impact on government, corporate and charity funded activities, and philanthropic giving</li> </ul>	<p>Lobbying, directly and via US/UUK</p> <p>Input to SFC on their strategic plans and funding issues/reviews</p> <p>University planning process including monitoring of student demand and intakes</p> <p>Internal pressure within Colleges and ERI to maintain focus on grant applications</p> <p>Review of student intake and applications for first years of divergent fee regimes</p>	<p>Excellence in research</p> <p>Excellence in commercialisation and knowledge exchange</p> <p>Quality services</p> <p>Quality infrastructure</p> <p>Stimulating alumni relations and philanthropic giving</p>	<ul style="list-style-type: none"> <li>• Ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources</li> <li>• Continuing to win competitive bids to host new research centres and major national facilities</li> <li>• Working together with major research funders and other external bodies internationally and in the UK</li> <li>• Ensuring that commercialisation agreements provide for a reasonable financial return both to the University and to the inventors</li> <li>• Investing in improvements which show a clear return on investment, for example by reduction in direct costs or reduced opportunity cost of staff time</li> <li>• Securing investment from external sponsors</li> <li>• Continue to fundraise on a sustainable, professional and efficient platform</li> <li>• Increasing funds raised from private individuals and private and charitable trusts</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>University planning process including monitoring of student demand and intakes</p> <p>Monitoring of relevant Balanced Scorecard indicators</p> <p>Monitoring of comparative financial data against Russell Group Peers</p> <p>Responses from Risk Management Annual Return</p>	<p>Director of Planning</p> <p>Director of Planning</p> <p>Director of Planning</p> <p>Director of Finance</p>	<p>[Review URL]</p> <p>Court: 14.12.09, 15.2.10, 21.6.10</p> <p>PSG: 8.9.09, 7.10.09, 18.11.09, 1.12.09, 27.5.10</p> <p>FGPC: 1.2.10</p> <p>CMG: 23.9.09, 18.11.09, 17.3.10, 21.4.10, 19.5.10</p> <p>AC: 1.10.09, 3.6.10</p> <p>RMC: 27.5.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
2. Pressure for changes in staff terms and conditions (including pension funds) arising from government, sector, or unions	<p>Maintenance of relationships with local union representatives</p> <p>Input to national pay negotiations and discussions on Pension Funds</p> <p>University financial forecasting / budgeting processes</p>	<p>Excellence in research</p> <p>Excellence in commercialisation and knowledge exchange</p> <p>Quality people</p>	<ul style="list-style-type: none"> <li>• Recruiting and retaining excellent researchers</li> <li>• Supporting the professional and career development of staff engaged in research</li> <li>• Ensuring that commercialisation agreements provide for a reasonable financial return both to the University and to the inventors</li> <li>• Continuing to review and improve recruitment and retention strategies, systems and processes</li> <li>• Recognising and rewarding excellence through the effective use of our Contribution Reward policy and promotion process, and the development of a Total Reward Strategy</li> <li>• Promoting health, wellbeing and a positive working environment supported by good management practices and clearly defined roles and responsibilities</li> <li>• Improving ways of informing and involving staff in decisions and changes which affect them</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>Operation of Staff Committee, JULC, Pensions Sub-committee and Consultative Committee on Redundancy Avoidance (SCCRA)</p> <p>Responses from Risk Management Annual Return</p>	Director of HR	<p><i>[Review URL]</i></p> <p>Court: 19.10.09, 15.2.10, 21.6.10</p> <p>FGPC: 5.10.09, 30.11.09, 1.2.10, 7.6.10</p> <p>CMG: 17.3.10, 21.4.10, 16.6.10</p> <p>AC: 1.10.09, 23.11.09</p> <p>RMC: 11.1.10</p>
3. Challenge of managing activities to ensure some income streams exceed costs	<p>Financial strategy &amp; financial planning and budgetary/forecasting processes, including F&amp;GPC/Court oversight</p> <p>Fees Strategy Group</p>	<p>Excellence in research</p> <p>Quality services</p>	<ul style="list-style-type: none"> <li>• ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources</li> <li>• Generating surpluses for reinvestment</li> <li>• investing in improvements which show a clear return on investment, for example, by reduction in direct costs or reduced opportunity cost of staff time</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>Level of university annual surplus/deficit and cash flow position</p> <p>Measure of growth in key</p>	<p>Director of Finance</p> <p>Director of Finance</p> <p>Director of Finance</p>	<p><i>[Review URL]</i></p> <p>Court: 14.12.09, 24.5.10</p> <p>PSG: 18.3.10, 14.4.10, 27.5.10, 6.7.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
	Financial scenario planning Post Review Group ER/VS activity SUMS review of support services Benchmarking against other comparable institutions Internationalisation strategy implementation Various college based academic developments Development of FEC to teaching High level reporting of research applications and award trends Drives to improve the utilisation of the University's estate	Quality infrastructure	<ul style="list-style-type: none"> <li>developing and regenerating our estate through the implementation of our Estate Development Masterplans</li> <li>promoting a culture of space awareness and flexible approaches to the use of space across the University</li> <li>providing excellent project management and appropriate cost control for capital development projects</li> <li>continuing our maintenance and compliance work programme</li> <li>finding new ways to share space, facilities, services and expertise within the sector and with other organisations</li> <li>generating surpluses for reinvestment</li> <li>securing investment from external sponsors</li> </ul>	income streams Measuring cost increases in staff and non-staff costs Comparison with competition on key performance measures Financial control of capital building programme Responses from Risk Management Annual Return	& VP Dev & Alumni Director of Finance Director of Finance Director of Finance	FGPC: 5.10.09, 30.11.09, 1.2.10, 7.6.10 CMG: 23.9.09, 18.11.09, 20.1.10, 17.3.10, 16.6.10 AC: 1.10.09, 4.3.10, 3.6.10 RMC: 11.1.10, 27.5.10
4. Growth of the University falls behind UK and international competitors	Strategic plan priorities and targets, and its implementation	Excellence in learning and teaching	<ul style="list-style-type: none"> <li>responding to recommendations identified through quality enhancement activities</li> <li>expanding access to taught postgraduate and continuing professional development provision</li> </ul>	Review of effectiveness of controls by lead risk manager	Director of Planning	<i>[Review URL]</i>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
e.g. in areas such as: a) size (turnover/assets); b) research funding c) international students; d) PGR/PGT student numbers;	International Strategy, steering group and development plans  International Office and Marketing activities  Development of international linkages and MoUs  Focus on maintaining and growing research funding  Opportunities to merging / embedding “Institutes” from research funders into the University (e.g. Roslin)  Student number monitoring	Excellence in research  Quality services  Quality infrastructure  Advancing internationalisation	through e-learning  <ul style="list-style-type: none"> <li>• increasing numbers of postgraduate research students</li> <li>• embedding the use of performance indicators</li> <li>• generating surpluses for reinvestment</li> <li>• continuing to attract more, and a diverse range of, international students and staff</li> </ul>	Monitoring of annual accounts and comparative sector data from HESA  Monitoring of share of SFC grants  Balanced Scorecard indicators  Student intake number setting, analysis and reporting  Responses from Risk Management Annual Return	Director of Finance and Director of Planning  Director of Planning  Director of Planning  Director of Planning	Court: 19.10.09, 14.12.09, 24.5.10, 21.6.10  PSG: 12.8.09, 2.3.10, 18.3.10, 27.5.10  FGPC: 30.11.09, 8.3.10, 10.5.10, 7.6.10  CMG: 18.11.09, 17.3.10, 21.4.10, 16.6.10  AC: 1.10.09, 23.11.09, 4.3.10, 3.6.10  RMC: 12.4.10

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
<p>5. Rate of maintenance, enhancement and investment in the estate limits the University's ability to support University growth aspirations (research, education and accommodation), provide a satisfactory student experience and provide staff with a satisfactory working environment - e.g. due to:</p> <ul style="list-style-type: none"> <li>o funding constraints</li> <li>o complexity of projects which are funded by multiple partners</li> <li>o city planning constraints</li> <li>o operational complexity</li> <li>o lack of capacity in construction industry</li> <li>o space improvement targets fail to be achieved</li> <li>o tight market for professional staff hence recruitment and retention difficulties</li> <li>o city and regional infrastructure constraints</li> </ul>	<p>Fundraising for new developments</p> <p>College/estates planning and project processes</p> <p>Capital programme development and project management processes</p> <p>Estates Advisory Group (EPAG) / Space Management Group (SMG)</p> <p>Annual backlog and compliance review</p> <p>Ongoing estate activities e.g. building inspections, physical condition and compliance surveys, fire risk assessments</p> <p>Liaison with local authorities and other agencies</p>	<p>Excellence in learning and teaching</p> <p>Excellence in commercialisation and knowledge exchange</p> <p>Quality infrastructure</p> <p>Enhancing our student experience</p>	<ul style="list-style-type: none"> <li>• stimulating new and more flexible ways of learning, teaching and assessing through the use of new technologies and the innovative design of teaching space</li> <li>• creating and extending pre-incubation, incubation and science park facilities through the Edinburgh Pre-Incubation Scheme, the Edinburgh Technology Transfer Centre, the Edinburgh Technopole Science Park, The Informatics Forum, and the Edinburgh BioQuarter</li> <li>• developing and regenerating our estate through the implementation of our Estate Development Masterplans</li> <li>• promoting a culture of space awareness and flexible approaches to the use of space across the University</li> <li>• providing excellent project management and appropriate cost control for capital development projects</li> <li>• continuing our maintenance and compliance work programme</li> <li>• finding new ways to share space, facilities, services and expertise within the sector and with other organisations</li> <li>• securing investment from external sponsors</li> <li>• providing good-quality and well-placed learning and social spaces that support group and individual learning and form stimulating foci for the life of the academic community</li> </ul> <p>preparing a sustainable estate strategy for EUSA to underpin delivery, over time, of the facilities required to support EUSA services</p>	<p>Review of effectiveness of controls by lead risk manager</p> <p>Annual benchmarking against sector</p> <p>Annual condition and legislation compliance backlog survey</p> <p>Building performance assessments (condition and functional suitability)</p> <p>Responses from Risk Management Annual Return</p>	<p>Director of Estates &amp; Buildings</p>	<p>[Review URL]</p> <p>Court: 19.10.09, 15.2.10, 24.5.10, 21.6.10</p> <p>PSG: 2.2.10</p> <p>FGPC: 5.10.09, 1.2.10, 7.6.10</p> <p>CMG: 23.9.09, 20.1.10, 17.3.10, 21.4.10, 16.6.10</p> <p>AC: 3.6.10</p> <p>RMC: 11.1.10, 12.4.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
6. Failure to provide a high quality student experience e.g. in teaching and learning, student services, living and social environment	College and Support Group Annual and Strategic Plans  “Student Experience” a specific goal in the 2008/12 University Strategic Plan	Enhancing our student experience	<ul style="list-style-type: none"> <li>• facilitating the transition to university by being responsive to the range of students’ circumstances, experience, expectations and aptitudes</li> <li>• improving the quality of student induction and departure events</li> <li>• ensuring that information provided to students is comprehensive, accessible, consistent and user friendly</li> <li>• providing coordinated student services that recognise the needs and expectations of students, prospective students and graduates</li> <li>• providing good-quality and well-placed learning and social spaces that support group and individual learning and form stimulating foci for the life of the academic community</li> <li>• strengthening collaboration between academic and student services and EUSA</li> <li>• preparing a sustainable estate strategy for EUSA to underpin delivery, over time, of the facilities required to support EUSA services</li> <li>• supporting our student societies and sports clubs</li> <li>• standardising analysis of, and action taken in response to, internal and external student feedback</li> <li>• ensuring that our graduates are self-confident and possess economically valuable capabilities, expertise and skills</li> <li>• brokering partnerships between specialists and academics to enhance the delivery of transferable skills to all students</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>NSS results</p> <p>Other student experience survey results of e.g. library, IT, teaching quality, course design.</p> <p>International Student Barometer and Postgraduate Research Experience Survey</p> <p>Responses from Risk Management Annual Return</p>	<p>VP Academic Enhancement</p> <p>VP Academic Enhancement</p> <p>VP Academic Enhancement</p> <p>VP Academic Enhancement</p>	<p><i>[Review URL]</i></p> <p>Court: 15.2.10</p> <p>PSG: 12.8.09, 8.9.09, 7.10.09, 18.11.09, 1.12.09, 16.2.10, 27.4.10</p> <p>FGPC: 1.2.10</p> <p>CMG: 17.3.10</p> <p>AC: 23.11.09, 3.6.10</p> <p>RMC: 18.9.09, 27.5.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
<p>7. Inability to retain or attract sufficient key academic staff to meet University / College goals for research and teaching</p>	<p>Ensuring the university remains an attractive working environment</p> <p>Annual review of academic staff (incl salary)</p> <p>Active leadership by Principal and of HoCs</p> <p>Recruitment processes group convened by Human Resources (HR) Director monitoring &amp; dealing with issues</p> <p>Flexible HR strategies to meet needs of different business areas</p>	<p>Excellence in learning and teaching</p> <p>Excellence in research</p> <p>Quality people</p> <p>Advancing internationalisation</p> <p>Promoting equality, diversity, sustainability and social responsibility</p>	<ul style="list-style-type: none"> <li>• Ensuring that staff involved in the delivery of learning and teaching continue to develop their professional capability</li> <li>• Recruiting &amp; retaining excellent researchers</li> <li>• Supporting the professional and career development of staff engaged with research</li> <li>• Continue to review and improve recruitment and retention strategies, systems and processes</li> <li>• Developing and implementing succession planning arrangements</li> <li>• Recognising and rewarding excellence through the effective use of our Contribution Reward policy and promotion process, and the development of a Total Reward Strategy</li> <li>• Establishing a culture of personal and professional development through appraisal and other development processes</li> <li>• Supporting the development of all staff in preparing for, holding, or stepping down from leadership and management roles</li> <li>• Promoting health, wellbeing and a positive working environment supported by good management practices and clearly defined roles and responsibilities</li> <li>• Continuing to attract more, and a diverse range of, international students and staff</li> <li>• Ensuring that students and staff with particular needs have access to appropriate facilities and support services</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>Recruitment and retention monitoring</p> <p>Annual equal pay review</p> <p>Responses from Risk Management Annual Return</p>	<p>Director of HR</p> <p>Director of HR</p> <p>Director of HR</p>	<p><i>[Review URL]</i></p> <p>AC: 1.10.09, 4.3.10</p> <p>RMC: 12.4.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
<p>8. Inadequate management of work priorities and major change projects both individually and as a combined programme of activity. Major projects in progress are:</p> <p>8.1 new student administration processes project (EUCLID);</p> <p>8.2 full economic costing and administration;</p> <p>8.3 web project;</p> <p>8.4 major estates projects e.g. Vet School, SCRM, library central area refurbishment;</p> <p>8.5 adaption of data collection processes/systems to reflect the new metrics related basis for future research assessment</p> <p>8.6 Establishing process to operate the new managed immigration system (affecting staff and students)</p>	<p>Project management steering groups, boards, advisory groups and implementation groups</p> <p>Project management processes (including “Gateway” reviews for EUCLID)</p> <p>“Projects” website</p> <p>Reporting to University committees</p> <p>Communication activities</p> <p>Planning and provision of resource to enable projects</p> <p>For fEC and new metrics on research assessment, UoE involvement at UK level</p>	<p>Quality services</p> <p>Quality infrastructure</p> <p>Building strategic partnerships and collaborations</p> <p>Advancing internationalisation</p>	<ul style="list-style-type: none"> <li>planning major initiatives on a holistic basis</li> <li>developing and regenerating our estate through the implementation of our Estate Development Masterplans</li> <li>providing excellent project management and appropriate cost control for capital development projects</li> <li>continuing to develop a systematic approach to the acquisition, creation, capture, storage, presentation and management of information resources</li> <li>stimulating the development and growth of interdisciplinary research centres across Schools and Colleges and with other organisations</li> <li>continuing to attract more, and a diverse range of international students and staff</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>8.1 Reports to the EUCLID Strategy &amp; QA Group; External Reviews</p> <p>8.2 Monthly reports to monitor progress on grants</p> <p>8.3 Project monitoring by Project Board</p> <p>8.4 Monitoring by Strategic Project Boards of progress, costs, quality, sustainability</p> <p>8.5 Not yet appropriate</p> <p>8.6 Monitoring of attendance, fees arrears and identity information</p> <p>Responses from Risk Management Annual Return</p>	<p>8.1 Director of Registry</p> <p>8.2 Director of Finance</p> <p>8.3 Director Communications &amp; External Affairs</p> <p>8.4 Director of Estates &amp; Bldgs</p> <p>8.5 Director of Planning</p> <p>8.6 SCE College Registrar (students) and Director of HR (staff)</p>	<p>[Review URL]</p> <p>Court: 19.10.09, 14.12.09, 15.2.10, 21.6.10</p> <p>PSG: 7.10.09, 1.12.09</p> <p>FGPC: 1.2.10, 8.3.10, 10.5.10, 7.6.10</p> <p>CMG: 23.9.09, 18.11.09, 20.1.10, 17.3.10, 21.4.10, 19.5.10, 16.6.10</p> <p>AC: 23.11.09, 4.3.10</p> <p>RMC: 18.9.09, 11.1.10, 12.4.10, 27.5.10</p>
<p>9. Failure of IT infrastructure, systems operation, or serious breach of IT security leading to</p>	<p>Ongoing resilience improvement programmes and infrastructure upgrades</p>	<p>Quality infrastructure</p>	<ul style="list-style-type: none"> <li>identifying and planning for major risks and business continuity across all areas of infrastructure</li> <li>Ensuring that we have an agreed rolling</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p>	<p>VP Knowledge Management and CIO</p>	<p>[Review URL]</p> <p>Court: 14.12.09</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
<p>inadequate performance unacceptable loss of service or loss of data</p>	<p>Internal and external audit processes, including external penetration testing</p> <p>Business recovery plans and exercises</p> <p>Oversight by Knowledge Strategy Committee</p> <p>Systems implementation trialling and load testing</p> <p>Annual IT assurance process from VP Knowledge Management and CIO</p>		<p>programme of equipment and IT hardware replacement</p> <ul style="list-style-type: none"> <li>Continuing to develop a systematic approach to the acquisition, creation, capture, storage, presentation and management of information resources</li> </ul>	<p>Constant review by IS</p> <p>Annual IT assurance process</p> <p>Responses from Risk Management Annual Return</p>	<p>VP Knowledge Management and CIO</p> <p>VP Knowledge Management and CIO</p>	<p>CMG: 18.11.09</p> <p>AC: 23.11.09, 4.3.10, 3.6.10</p> <p>RMC: 18.9.09, 12.4.10</p>
<p>10. Major/exceptional health and safety incident occurs including:</p> <ul style="list-style-type: none"> <li>- high profile incident on campus;</li> <li>- pandemic event</li> </ul>	<p>Business continuity and contingency plans, (including pandemic flu plan)</p> <p>H&amp;S policies and guidance</p> <p>Web / MyEd / e-mail / School/Departmental communication processes with students</p>	<p>Quality people</p> <p>Quality infrastructure</p>	<ul style="list-style-type: none"> <li>promoting health, wellbeing and a positive working environment supported by good management practices and clearly defined roles and responsibilities</li> <li>identifying and planning for major risks and business continuity across all areas of infrastructure</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>Year end H&amp;S report to RMC</p> <p>Responses from Risk Management Annual Return</p>	<p>Director of Corporate Services</p> <p>Director of Health &amp; Safety</p>	<p><i>[Review URL]</i></p> <p>Court: 19.10.09, 14.12.09, 15.2.10</p> <p>FGPC: 5.10.09, 1.2.10</p> <p>CMG: 23.9.09, 18.11.09, 20.1.10</p> <p>AC: 4.3.10, 3.6.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
						RMC: 18.9.09, 12.4.10
<p>11. Inadequate engagement with changes in public policy, legislation, and practice affecting Higher Education, e.g.</p> <ul style="list-style-type: none"> <li>o UK Government;</li> <li>o Scottish Executive/Scottish Enterprise/SFC;</li> <li>o City of Edinburgh;</li> <li>o European Union;</li> <li>o Research Councils</li> </ul>	<p>Membership of sector-wide representational bodies</p> <p>Informal liaison, networking and lobbying</p> <p>Monitoring public policy developments</p> <p>Responses to consultations</p>	<p>Excellence in research</p> <p>Excellence in commercialisation and knowledge exchange</p> <p>Quality services</p> <p>Quality infrastructure</p> <p>Engaging with our wider community</p> <p>Promoting equality, diversity, sustainability and social responsibility</p>	<ul style="list-style-type: none"> <li>• Working together with major research funders and other external bodies internationally and in the UK</li> <li>• Enhancing our contribution to public policy formulation</li> <li>• Striving to meet recognised industry and commercial standards</li> <li>• Continuing our maintenance and compliance work programme</li> <li>• Providing expert contributions to public debate, and briefing MSPs, ministers, officials and the media on policy issues</li> <li>• Interacting with key city partners over issues including planning, procurement, transport and relations between the student and resident communities</li> <li>• Developing new, and strengthening existing, relationships with key strategic partners in both the public and private sectors, including Scottish Enterprise, NHSScotland and small and medium-sized enterprises</li> <li>• Exploiting our strengths in environmental and sustainability research to influence policy formulation and implementation</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>Responses from Risk Management Annual Return</p>	<p>Head of Public Policy</p>	<p><i>[Review URL]</i></p> <p>Court: 14.12.09, 15.2.10, 24.5.10, 21.6.10</p> <p>PSG: 18.1.10</p> <p>AC: 1.10.09, 23.11.09, 4.3.10, 3.6.10</p> <p>RMC: 11.1.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
<p>12. Failure to appropriately position and support the University's image and reputation in the UK and worldwide</p>	<p>International strategy development</p> <p>Activities of Communications &amp; Marketing in partnership with all units</p> <p>Media monitoring and management, and relationships building</p> <p>Brand management and market research processes</p> <p>Visitor Centre and Corporate publications</p> <p>Relationship development with Alumni</p> <p>Linkages with international groupings e.g. British Council, SDI, UKFO, Confucius Network, U21 etc</p>	<p>Advancing internationalisation</p> <p>Engaging with our wider community</p>	<ul style="list-style-type: none"> <li>• promoting internationally the strengths of the University and the achievements of our staff and students</li> <li>• increasing and embedding the public engagement work undertaken by staff through the activities of the Edinburgh Beltane Beacon programme</li> <li>• providing expert contributions to public debate, and briefing MSPs, ministers, officials and the media on policy issues</li> <li>• developing and expanding innovative initiatives to encourage pupils in our local schools to consider the University of Edinburgh as their institution of choice</li> <li>• supporting the involvement of University teams and individuals in major sporting events and competitions</li> <li>• interacting with key city partners over issues including planning, procurement, transport and relations between the student and resident communities</li> <li>• developing new, and strengthening existing relationships with key strategic partners in both the public and private sectors, including Scottish Enterprise, NHS Scotland and small- and medium-sized enterprises</li> <li>• implementing our Community Relations Strategy</li> <li>• promoting the University's achievements, emphasising national and international media in our communications activity</li> <li>• fostering recognition through improved physical branding and signage, publications,</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>Monitoring of adverse media coverage</p> <p>Monitoring of fundraising levels</p> <p>Monitoring of number of student applications</p> <p>Responses from Risk Management Annual Return</p>	<p>Director of Communications &amp; External Affairs</p> <p>Director of Communications &amp; External Affairs</p> <p>Director of Development &amp; Alumni</p> <p>Director of SRA</p>	<p><i>[Review URL]</i></p> <p>Court: 24.5.10, 21.6.10</p> <p>PSG: 14.4.10</p> <p>FGPC: 8.3.10, 10.5.10</p> <p>CMG: 17.3.10, 21.4.10</p> <p>RMC: 27.5.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
		Stimulating alumni relations and philanthropic giving	<p>our website and recruitment and advertising strategies</p> <ul style="list-style-type: none"> <li>sustaining and strengthening our relationships with the General Council and with individual alumni</li> </ul>			
13. Significant academic collaborations fail to be effectively managed and do not deliver benefit to the University	<p>Strategic decisions made through PSG/Central Management Group/Finance &amp; General Purposes Committee</p> <p>Memoranda of Agreement</p> <p>Guidelines for staff</p> <p>Separate financial monitoring</p> <p>Quality Assurance Agency Codes of Practice</p> <p>Governance arrangements put in place and clear designation of responsibilities</p>	<p>Advancing internationalisation</p> <p>Building strategic partnerships and collaborations</p>	<ul style="list-style-type: none"> <li>encouraging international collaboration in education, research and knowledge exchange</li> <li>engaging more deeply in strategic alliances and networks with other world-leading institutions</li> <li>developing productive partnerships with other higher education institutions, organisations and businesses</li> <li>leading the development of collaborative research activities internationally and in the UK</li> <li>stimulating the development and growth of interdisciplinary research centres across Schools and Colleges and with other organisations</li> <li>encouraging participation in international networks</li> </ul>	<p>Review of effectiveness of controls by lead risk manager</p> <p>Responses from Risk Management Annual Return</p>	College Registrars	<p>[Review URL]</p> <p>Court: 21.6.10</p> <p>PSG: 2.2.10, 16.2.10, 2.9.10</p> <p>FGPC: 8.3.10, 7.6.10</p> <p>CMG: 17.3.10, 21.4.10</p> <p>AC: 1.10.09, 4.3.10</p> <p>RMC: 12.4.10</p>
14. Widespread damage to property and buildings (fire, explosion, malicious)	<p>Fire/security policies</p> <p>Fire detection systems</p>	Quality infrastructure	<ul style="list-style-type: none"> <li>identifying and planning for major risks and business continuity across all areas of infrastructure</li> </ul>	Review of effectiveness of controls by lead risk manager	Director of Estates & Buildings	<p>[Review URL]</p> <p>AC: 4.3.10</p>

Risk	Current Management Processes and Mitigating Activities	Goals / Enablers / Strategic Themes	2008-12 Strategies (per Strategic Plan)	Assessment of assurance of effectiveness of risk control mechanisms	Assurance providers	Evidence provided
damage etc), including properties adjacent to the University estate	<p>Security staff &amp; procedures</p> <p>Training &amp; awareness</p> <p>Audit of H&amp;S mgt in all units in partnership with insurance brokers</p> <p>Insurance cover</p> <p>Programme of fire risk assessments</p> <p>Business continuity plans</p> <p>Planned preventative maintenance</p>		<ul style="list-style-type: none"> <li>continue our maintenance and compliance work programme</li> </ul>	<p>Reports to EPAG</p> <p>H&amp;S audits carried out by University's insurance brokers</p> <p>Responses from Risk Management Annual Return</p>	<p>Director of Estates &amp; Buildings</p> <p>Director of Estates &amp; Buildings</p>	<p>RMC: 11.1.10, 12.4.10</p>

The University of Edinburgh

The University Court

20 December 2010

**Report and Financial Statements for the Year Ended 31 July 2010  
Risk Management – Post Year End Assurance**

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

Report by the Director of Corporate Services regarding The Financial Statement for the Year ended 31 July 2010 with reference to Risk Management Post Year End Assurances.

Action requested

For noting by Court

Resource implications

Does the paper have resource implications? No

Risk Assessment

Does the paper include a risk analysis? Yes

Equality and Diversity

Does the paper have equality and diversity implications? No

Freedom of Information

Can this paper be included in open business? Yes

Originator of the Paper

Nigel A L Paul  
Director of Corporate Services  
9 December 2010

## **Report and Financial Statements for the Year Ended 31 July 2010**

### **Risk Management - Post Year End Assurance**

The Corporate Governance Statement in the Report and Financial Statements for the year ended 31 July 2010 states that *“By its 20 December 2010 meeting, the Court had received the Audit Committee and Risk Management Committee reports for the year ended 31 July 2010; it had also taken account of relevant events since 31 July 2010.”*

To enable Court to receive assurance that the post 31 July 2010 events have been ‘taken into account’ the Convenor of the Risk Management Committee has asked each College and Support Group to review their responses to the year end risk questionnaire and provide details of any further major events or issues that have arisen since 31 July, or provide assurance that the responses reflect the position to date.

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 2010. The assurances provided in the Risk Management Committee report for the year ended 31 July 2010 therefore remain valid for the post year end period.

It should be noted that since the year end there has been a growing risk of disruption to University activities as a result of student demonstrations/occupations relating to the funding of higher education, which the University has been managing. This does not impact and the Report and Financial Statements for the year ended 31 July 2010.

The University continues to manage the major risks in the University Risk Register as reported to Court in June 2010.

N.A.L. Paul  
Director of Corporate Services  
9 December 2010

The University of Edinburgh

The University Court

20 December 2010

## **Annual Report of the Audit Committee to Court, for year ended 31 July 2010**

### 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 2009/2010 to which is attached the Internal Audit Report 2009/2010 and Value for Money Report. The draft Minute of the Audit Committee meeting held on 25 November 2010 is also attached for information.

### Action requested

The University Court is invited to note the content of the Annual Report of the Audit Committee 2009/2010 and note the content of the draft Minute of the Audit Committee meeting held on 25 November 2010.

### 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 2009/2010 describes the activities of the Audit Committee which included receipt of papers on the University's risk management controls during 2009/2010 and internal audit reports prepared using a risk-based approach.

### Equality and Diversity

Does the paper have equality and diversity implications? No.

### Freedom of Information

Can this paper be included in open business? Yes.

### Any other relevant information

The paper will be presented by Ms Gill Stewart, Convener of the Audit Committee.

### Originator of the paper

Dr Katherine Novosel  
14 December 2010

## **Annual Report of the Audit Committee to Court for the year ended 31 July 2010**

### **1 Membership and Frequency of Meetings 2009/2010**

Membership of the Committee for 2009/2010 was as follows:

Ms G Stewart (Convener) (Co-opted member of Court)  
Mr D Bentley (External member)  
Mr M Sinclair (External member)  
Professor S Monro (Co-opted member of Court)  
Ms A Richards (Co-opted member of Court)  
Professor A M Smyth (General Council Assessor on Court)

The University Secretary is Secretary to the Committee and its Executive Secretary is the Head of Court Services. Routinely in attendance at meetings of the Committee during the year were: the Director of Corporate Services, the Director of Finance, the Chief Internal Auditor, the Assistant Director of Finance responsible for Financial Accounting, the University Secretary and the Executive Secretary of the Committee, and representatives of the University's External Auditor's KPMG. The Principal attended the meeting of the Audit Committee held on 23 November 2009 at which the Committee considered the Draft Reports and Financial Statements for year ended 31 July 2009 and associated reports.

The term of office of Mr D Bentley was extended during 2009/2010 to 31 December 2010 so that he could be involved in considering the Draft Reports and Financial Statements for year ended 31 July 2010 and associated reports. The Committee noted that in accordance with the new processes to appoint external members to Court Committees a recruitment procedure involving external advertisements would be undertaken in 2010 to identify a new external member for the Committee.

The Committee met on four occasions during the course of 2009/2010 in order to fulfil its remit. As agreed during 2006/2007 all members of the Audit Committee were invited to attend private meetings with External Audit and with Internal Audit without the presence of officers of the University. These meetings allowed Internal and External Audit the opportunity to raise any issues of concern with members of the Audit Committee: no matters were reported back to the Audit Committee as requiring further consideration.

During 2009/2010, the Audit Committee operated in accordance with its terms of reference as approved by Court on 20 October 2008.

### **2 Internal Audit**

#### Annual Report of the Internal Auditors 2009/2010

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 2009/2010 and findings reported as well as an assessment of the adequacy and effectiveness of the University's risk management process. This was used to help substantiate the conclusion in the Chief Internal Auditor's annual statement on the overall internal control environment in the University, which is endorsed by the Audit Committee:

On the basis of the work carried out during 2009-2010, I am able to confirm that there is a strategy with supporting policies in place for identifying, evaluating and managing the University's significant risks and for maintaining effective controls. Where control weaknesses were identified, these are being addressed and there is sufficient evidence of controls and procedures that are functioning to provide reasonable assurance that the overall control and governance arrangements are adequate in the University. Management has established satisfactory arrangements to achieve VFM and these arrangements are in harmony with the directives of the Scottish Funding Council.

## Internal Audit Plans

At its meeting on 21 June 2010, Court, on the recommendation of the Audit Committee, approved the Strategic Internal Audit Plan for 2010/2013 and the Annual Internal Audit Plan for 2010/2011. The Chief Internal Auditor prepared the plans in consultation with senior management, including the Principal as Chief Accountable Officer.

## Internal Audit Performance and Resourcing (2009/2010)

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 although it was agreed that in future the Internal Audit Quality Assurance Benchmarking Exercise which involved a reciprocal peer review group should only be undertaken every four years; this was more in line with the Institute of Internal Auditors' international framework of standards and practice which advocated that this form of assessment need only be undertaken once every five years. The next benchmarking exercise will be undertaken in respect of the academic year 2013/2014 and be considered at the first meeting of the Audit Committee in the academic session 2014/2015.

The Committee agreed that in undertaking the 2009/2010 review it would consider information obtained from the following:

- Internal Audit Quality Assurance Benchmarking Exercise - a voluntary reciprocal peer review arrangement using an evidence-based self assessment tool-kit supported by the Funding Council in England;
- 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 be prepared by the University Secretary, the Director of Corporate Services and the Director of Finance based on the guidance contained within the CUC Handbook for Members of Audit Committees in Higher Education Institutions which had been published in February 2008.

At its meeting on 29 September 2010, the Committee reviewed these three documents and also taking cognisance the verbal opinion of External Audit concluded that it remained very satisfied with the overall performance of the Internal Audit Service. The Principal, as the designated Accountable Officer has expressed his satisfaction with the performance of the Internal Audit Service within the Reports and Financial Statements and Court at its meeting on 8 November 2010 further confirmed its high regard of the University's Internal Audit Service.

At its meeting on 3 June 2010, the Committee considered information on the resourcing of the Internal Audit Service based on data available from the BUFDG (British Universities Finance Directors' Group) 2010 Audit Survey (based on 2008/2009 accounts) and was satisfied that the University continued to benefit from value for money in respect of its Internal Audit Service. It was further noted that no concerns had been raised on the resources available to Internal Audit to undertake its agreed Annual Audit Plan; the Audit Committee would continue to monitor the position.

## **3 External Audit**

### Appointment and Remuneration of External Auditor

KPMG was initially appointed in July 2001 and the contract extended thereafter with the decision taken at the start of the financial year 2005/2006 (fifth audit) that KPMG be asked to identify a new partner to take forward the 2006/2007 and 2007/2008 audits with a view to the University undertaking a full tendering exercise during 2007/2008 for external audit services for the 2008/2009 audit onwards. Court at its meeting on 12 May 2008, on the recommendations of the Audit Committee re-appointed KPMG to undertake the 2008/2009 to 2010/2011 audits with the option for this appointment to be extended for a further two audit years.

At its meeting on 3 June 2010, the Audit Committee reviewed and was satisfied with External Auditor's Planning Memorandum for the year ending 31 July 2010. The Audit Committee reported to the Court meeting on 21 June 2010 that the proposed external fee for the University and Subsidiary Companies for the 2009/2010 external audit was £82,500 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. The Audit Committee further reported that the fee to undertake the external audit of the additional subsidiary company, SSTRIC Limited, was yet to be determined: a fee of £2,500 has now been agreed.

#### External Audit Performance (2009/2010)

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 2008/2009. 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 3 June 2010, the Audit Committee considered the report and was fully supportive of the opinions in the report on the satisfactory performance of External Audit. It was however noted that there remained one outstanding item from the previous review and KPMG confirmed that this would be addressed following completion of the 2009/2010 external audit: the matter related to KPMG seeking feedback on the quality of its service to be resolved through a formal client service review meeting between representatives of KPMG and representatives of the University including members of the Audit Committee.

#### Management Letter and Highlights Memorandum for the year ended 31 July 2010

KPMG presented its Management Letter and Highlights Memorandum for the year ended 31 July 2010 to the Audit Committee meeting on 25 November 2010. KPMG confirmed that, while various matters required the attention of management, it contained nothing to impact on their ability to give a clean audit report on the accounts for the year. The Management Letter and Highlights Memorandum for the year ended 31 July 2010 will be forwarded to the Scottish Funding Council.

### **4 Value for Money**

A Value for Money Strategy was approved by Court in February 2006. Under this Strategy the Central Management Group requires to present to the Audit Committee on an annual basis a Report of the value for money activities undertaken by the University. The Audit Committee at its meeting on 29 September 2010 considered the 2009/2010 Value for Money Report attached at Annex 2 and based on the content of this Report is satisfied that arrangements were in place to improve and promote economy, efficiency and effectiveness within the University during 2009/2010. The Committee further noted, particularly given the current financial environment, that there was robust scrutiny of activities at all levels within the University to ensure that value for money opportunities were identified and taken forward.

### **5 Risk Management**

The Audit Committee received and considered the Annual Report from the Risk Management Committee for the year ended 31 July 2010 including the summary of responses from Colleges and Support Groups to the annual risk management questionnaire and assurances map providing evidence on the actions being taken to mitigate identified risks. The overall view of the Risk Management Committee as stated in its Annual Report was that the University had satisfactorily managed its key risks during the year ended 31 July 2010. The Audit Committee also considered and endorsed the revised University Risk Register (version 8).

## **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 2009/2010 contains a statement confirming that there were no reported incidents of fraud or suspected fraud, or allegations of fraud or suspected fraud affecting the University's financial statements.

## **7 Reports and Financial Statements for the year ended 31 July 2010**

The Committee received the Reports and Financial Statements for the year ended 31 July 2010, including the Principal's Statement and Corporate Governance Statement, at its meeting on 25 November 2010. The Committee noted the basis of the opinion of KPMG on the accounts and the satisfactory nature of that opinion. The Committee concluded that the audit had been satisfactorily performed and that there were no major issues to give significant cause for concern. The Committee agreed for its part to commend the Reports and Financial Statements to the Court for adoption.

## **8 Internal Control Environment**

Based on the results of the work of the Internal Audit Service as reported in the Internal Audit Annual Report; the External Audit's opinion on the financial statements and its Management Letter and Highlights Memorandum for the year ended 31 July 2010; the Risk Management Committee's Report for year ended 31 July 2010; the Central Management Group's Value for Money Report 2009/2010 and direct comments from relevant members of staff of the University, the Audit Committee considered that:

The University's internal control systems during 2009/2010 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 Other Committee Business**

Other issues considered by the Audit Committee during 2009/2010 included: the University's Corporate Governance Statement; voluntary severance payments; and Finance follow up of External Audit reports. At its meeting on the 1 October 2009, the Committee approved revised terms of reference for the Internal Audit Service which took account of the changes implemented in 2008 to the guidance on audit arrangements issued by the Scottish Funding Council and the replacement of the previous Code of Audit Practice with a statement within the mandatory requirements of the Financial Memorandum. Court approved these revised terms of reference at its meeting on 19 October 2009.

Dr Katherine Novosel  
Head of Court Services  
November 2010

## Internal Audit Annual Report 2009-2010

### A Introduction

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

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

The SFC Financial Memorandum<sup>1</sup> states that institutions will find it useful to take account of the CUC<sup>2</sup> Handbook. This reaffirms that, to help the University accomplish its objectives, the annual report of internal audit should include the internal auditor's opinion of the adequacy and effectiveness of the institution's arrangements for risk management, control and governance.

The SFC Financial Memorandum requires the institution to have a strategy for systematically reviewing management's arrangements for securing value for money, and Internal Audit is required to appraise these arrangements. The CUC Handbook reaffirms that, to help the University accomplish its objectives, the annual report of internal audit should include the internal auditor's opinion of the adequacy and effectiveness of the institution's arrangements for economy, efficiency and effectiveness. Therefore our annual report includes a section on Value for Money (section F).

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

### B Internal Audit Function

#### Coverage

Appendix A1 lists the 31 assignments completed during the year (32 in 2008-09) in the order that reports were presented to the Audit Committee. Appendix A2 provides a list of follow-up reviews carried out during the year. Appendix B summarises the main findings of the audit assignments. The original audit plan was designed to accommodate additional assignments arising during the year and any unforeseen staff absences without disrupting the scheduled assignments, by setting aside time to cover such eventualities. This has once again worked well. Three additional assignments to the original plan were accommodated during the year (see Appendix A), one of which is still underway. Based on the resources required to complete the audit plan, it is 94% completed. Work is continuing on 7 assignments. IT and other audit specialists were engaged to provide support on specific assignments, funded by revenue arising from services provided to our commercial clients.

#### Performance Monitoring

The CUC Handbook states that the Head of Internal Audit should "monitor internal audit's performance annually against agreed performance measures." Appendix C1 includes a selection of key performance indicators (KPI's), and Appendix C2 provides a summary of responses to the performance questionnaires received from management, following an audit in their area.

#### Quality Assurance

The IIA International Standards<sup>3</sup> 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." In order to encourage other universities to participate, for the

<sup>1</sup> Scottish Funding Council Financial memorandum, effective from 1 January 2006.

[http://www.sfc.ac.uk/effective\\_institutions/financialmemorandum/mandatory\\_requirements.aspx](http://www.sfc.ac.uk/effective_institutions/financialmemorandum/mandatory_requirements.aspx)

<sup>2</sup> 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/](http://www.hefce.ac.uk/pubs/hefce/2008/08_06/)

<sup>3</sup> Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing, revised in January 2009.

fourth consecutive year the University underwent an evidence-based independent assessment by qualified audit staff from three other universities which concluded again that the University of Edinburgh Internal Audit Service operates substantially in accordance with professional standards. This has been reported on separately. The Service was assessed as achieving best or good practice for each of the six themes evaluated.

The Internal Audit Service achieved IIP (Investors in People) accreditation.

#### Continuing Professional Development (CPD)

During 2009-10, one auditor achieved PIIA status and the other has completed all examinations required for the full IIA qualification (MIIA). The Internal Audit team attended the annual conference of the Council of Higher Education Internal Auditors (CHEIA), and a variety of other continuing professional development events. Relevant work experience and years with relevant professional qualifications for the team members and the main specialist contractors utilised this year were as follows.

<u>Position as at July 2010</u>	<u>CIA</u>	<u>Senior Auditor</u>	<u>Auditor 1</u>	<u>Auditor 2</u>	<u>Contractor 1</u>	<u>Contractor 2</u>	<u>Contractor 3</u>
Years in Internal Audit	25	16	8	2	13	6	9
Years in HE/FE	11	12	5	11	6	6	2
Years in Public Services	37	18	5	14	13	22	7
Years with relevant auditing / accounting / IT qualification	24	12	30	16	22	28	8

#### External Professional Engagement

Our team has once again played a part in the extended profession of internal auditing. As members of Council for HE Internal Auditors (CHEIA) and of the IIA, we have responded to the invitation from the Chartered Institute of Public Finance and Accountancy (CIPFA) to comment upon the role of the head of internal audit in public service organisations. We also provided comment on the planned revisions to IIA's Internal Audit international standards and submitted our comments revisions via CHEIA.

The Chief Internal Auditor has been re-elected for a further term to the global Council of his professional accountancy body, ACCA, and remains on the executive committee of CHEIA.

## **C Risk Management**

The Committee of Sponsoring Organisations (COSO) defines enterprise risk management as “a process, effected by an entity’s board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.”

Internal Audit planning makes use of the University’s risk management process and uses risk assessment to identify auditable units and select areas for review in the internal audit plan. This is in accordance with the 2009 IIA Practice Advisory 2010-2 on *Using the Risk Management Process in Internal Audit Planning* guidance.

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

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

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

The Annual Report of the RMC will be considered by the University's Audit Committee on 25th November and will be presented to the Finance and General Purposes Committee and then to Court. The report will support the Audit Committee and Court in their assessment of the effectiveness of the overall framework of internal control, and will inform the production of the Corporate Governance Statement for inclusion in the Annual Report and Accounts.

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

## D Control

The IIA International Standards define control as:

*“any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.”*

The IIA International Standards state that

*“internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations, and information systems regarding the:*

- *reliability and integrity of financial and operational information;*
- *effectiveness and efficiency of operations;*
- *safeguarding of assets; and*
- *compliance with laws, regulations, and contracts.”*

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

The University has undertaken to comply with the Combined Code 2008 on corporate governance. Furthermore, the Turnbull Committee Report on Internal Control emphasised that it was an essential part of the Main Board's/Governing Body's (Court's) responsibility to review the effectiveness of internal control. In coming to a view, members are expected to seek input from the Audit Committee, other constitutional committees, senior management, and external and internal audit.

A summary of each audit report is set out in Appendix B. The more significant **control weaknesses** and **control assurances** identified are set out in the table in Appendix E. Based on our findings during the year, Table 1 highlights examples of assignments where the controls required enhancement.

**Table 1: Significant examples of how and where the controls could be enhanced**

<b>Control Enhancement Required</b>	<b>Assignments identifying the need for significant control enhancement</b>
<b>Better Segregation of Duties</b>	Edinburgh University Students' Association
<b>Improved Organisational Controls</b>	Mobile Working, New Managed Immigration Systems (staff and students), Edinburgh Postgraduate Dental Institute
<b>Improved Authorisation and Approval Controls</b>	School of History, Classics & Archaeology, Office of Lifelong Learning, Asbestos Policy, Financial Forecasting & Reporting

<b>Improved Physical Controls</b>	Downloading Personal Data to any Device, Asbestos Policy
<b>More Effective Supervision</b>	Edinburgh Postgraduate Dental Institute
<b>Improved Personnel Controls</b>	Downloading Personal Data to any Device
<b>Improved Arithmetic and Accounting Controls</b>	New Managed Immigration Systems (staff), Office of Lifelong Learning
<b>Improved Management</b>	Full Business Continuity: Operational Readiness in Key IT Risk Areas, External IT Penetration Test

Following an internal audit assignment on Financial Forecasting and Reporting, the University is completely revising the Finance Manual, and Internal Audit has contributed to the new version. We further observe that the University has updated its Fraud Policy.

Examples of Positive Assurances being given

- School of Mathematics
- HESA Data
- Corporate Governance
- Main Library Redevelopment Project: Continuity of Service
- 2008-09 TRAC Return Process
- TRAC Teaching Return Process
- Payroll Deductions

**89%** (93% in 2008-09) of recommendations from a programme of follow up reviews were found to have been implemented in full as agreed.

## **E Governance**

Our work covered the arrangements to ensure effective maintenance and enforcement of University policies. In 2009-10 we conducted a review of the University's Corporate Governance arrangements; contributed to the University's Delegated Authorisation Schedule which was refreshed in the course of the year; we reviewed the processes supporting the allocation of costs to teaching and research (TRAC); reviewed the management of major capital projects; and considered the more localised governance arrangements in the location-based audits.

The SFC *Accounts Direction for Scotland's Colleges and Universities* requires Court to include a statement in the annual financial statements on corporate governance, indicating how the University has complied with good practice in this area. A separate paper is presented on the Draft Corporate Governance Statement giving advice to members on the Statement of Internal Control. Internal Audit is invited to contribute to the compilation of that statement and we carried out various reviews involving governance issues which can support this statement. Court also periodically assesses the effectiveness of the committee structure.

Our review of Project Boards has led to revised governance arrangements for Estates & Buildings 'strategic' projects.

## **F Value for Money (VFM)**

The SFC Financial Memorandum requires the institution to have a strategy for systematically reviewing management's arrangements for securing value for money, and Internal Audit is required to appraise these arrangements. The CUC Handbook states that the "the annual report of the audit committee must include its opinion on the institution's arrangements for economy, efficiency and effectiveness, i.e. value for money." The Audit Committee's Terms of Reference require the Committee to "monitor and be satisfied that

appropriate arrangements are in place to promote economy, efficiency and effectiveness and to receive an annual report from management on such activities to enable it to offer Court an opinion on these matters annually". The outcome of Internal Audit's work is intended to support the Audit Committee in forming their opinion.

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

Internal Audit has sought throughout the year to provide assurance that value for money is being promoted and achieved, and to identify any value for money opportunities in its reviews of specific activities. In addition to our appraisal of the strategy to review management arrangements for securing value for money, 9 out of 31 audit assignments carried out in 2009-10, highlighted potential value for money opportunities for the University. These are listed in Appendix E and included Funding for Capital Projects, Office of Lifelong Learning, School of Molecular and Clinical Medicine, Additional Payments Made via Payroll and Procurement.

## **G Internal Audit Opinion**

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

**On the basis of the work carried out during 2009-10, I am able to confirm that there is a strategy with supporting policies in place for identifying, evaluating and managing the University's significant risks and for maintaining effective controls. Where control weaknesses were identified, these are being addressed and there is sufficient evidence of controls and procedures that are functioning to provide reasonable assurance that the overall control and governance arrangements are adequate in the University. Management has established satisfactory arrangements to achieve VFM and these arrangements are in harmony with the directives of the Scottish Funding Council.**

It is important to note that:

- The annual statement is based upon the work performed during the year as summarised in Appendix B;
- Internal control can provide only reasonable and not absolute assurance to management and Court regarding achievement of the University's objectives. Internal Audit assignments have a reasonable chance of detecting significant control weaknesses but cannot guarantee that fraud, error or non-compliance will be detected;
- It is management's responsibility to maintain effective systems of risk management, governance, internal control and for the detection of fraud, error or non-compliance;
- Internal Audit forms part of the overall system of internal control.

Hamish McKay  
Chief Internal Auditor

**Internal Audit Annual Report - List of Assignments****Appendix A1**

	<b><u>Completed audit assignments</u></b>	<b><u>Date Final Report Issued</u></b>	<b><u>Date to Audit Committee</u></b>	<b><u>Comment</u></b>
1	Main Library Redevelopment Project: Continuity of Service	2/10/2009	23/11/2009	2008 assignment
2	IT Security	8/10/2009	23/11/2009	2008 assignment
3	Full Business Continuity: Operational Readiness in Key IT Risk Areas	12/10/2009	23/11/2009	2008 assignment
4	Downloading Personal Data to any Device	20/10/2009	23/11/2009	2008 assignment
5	Mobile Working	29/10/2009	23/11/2009	2008 assignment
6	EUCLID	17/12/2009	4/3/2010	
7	Payroll Deductions	18/12/2010	4/3/2010	
8	Full Business Continuity Operational Readiness in Key Risk Areas - Non-IT Related	7/1/2010	4/3/2010	2008 assignment
9	2008-09 TRAC Return Process	8/1/2010	4/3/2010	
10	School of History, Classics and Archaeology	18/1/2010	4/3/2010	
11	New Managed Immigration Systems - Students	8/2/2010	4/3/2010	
12	Edinburgh Postgraduate Dental Institute	15/2/2010	4/3/2010	
13	New Managed Immigration Systems - Staff	22/2/2010	4/3/2010	
14	External IT Penetration Test	22/2/2010	4/3/2010	
15	Funding from Development and Alumni to Support Capital Projects	11/3/2010	3/6/2010	2008 assignment
16	Office of Lifelong Learning (OLL)	14/4/2010	3/6/2010	
17	Asbestos Policy	16/4/2010	3/6/2010	
18	Edinburgh University Students Association (EUSA)	10/5/2010	3/6/2010	
19	Software Updates	21/5/2010	3/6/2010	
20	TRAC Teaching Return Process	21/5/2010	3/6/2010	added to programme
21	Corporate Governance	25/5/2010	3/6/2010	
22	School of Molecular & Clinical Medicine	25/5/2010	3/6/2010	
23	Financial Forecasting and Reporting	26/5/2010	3/6/2010	
24	Managed Desktop Support	18/6/2010	29/9/2010	
25	Additional Payments Made via the Payroll	23/6/2010	29/9/2010	
26	School of Chemistry	28/6/2010	29/9/2010	
27	Project Boards	5/7/2010	29/9/2010	
28	HESA Data	20/7/2010	29/9/2010	
29	School of Mathematics	27/7/2010	29/9/2010	
30	Procurement	31/8/2010	29/9/2010	
31	Delegated Authorisation Schedule - Update	No report	3/6/2010	added to programme
	<b>Continuing audit assignments (7)</b>			
	<ul style="list-style-type: none"> <li>• IT Firewalls</li> <li>• Financial Planning of Capital Projects</li> <li>• School of Arts Culture and Environment</li> <li>• Research Grant Management</li> <li>• Asset Management &amp; Insurance Cover</li> <li>• Estates &amp; Buildings – Payment of Contractor Claims on Capital Projects</li> <li>• Estates &amp; Buildings – Handover Procedures for Capital Projects (added to 2009-10 programme)</li> </ul>			

## Appendix A2

<b><u>Follow Up Reviews (23)</u></b>	<b><u>Date to Audit Committee</u></b>	<b><u>Recommendations agreed</u></b>	<b><u>Recommendations implemented</u></b>
Research Pooling Initiatives - EaSTCHEM	23/11/2009	9	9
School of Social and Political Science	23/11/2009	6	3
School of Engineering	23/11/2009	3	3
School of Informatics	23/11/2009	5	4
Business Continuity – Contingency Planning	4/3/2010	1	1
Estates and Buildings Interface with Accommodation Services	4/3/2010	6	6
Accommodation Services – Kinetics	4/3/2010	8	7
School of Biological Sciences	4/3/2010	2	1
Centre for Research Collections	4/3/2010	13	12
Animal Hospitals – Charging Procedures	4/3/2010	19	17
Pay Modernisation	3/6/2010	1	1
HR Database	3/6/2010	5	5
Overtime Payments	3/6/2010	1	-
Research Pooling Initiatives – SUPA	29/9/2010	12	12
Research Pooling Initiatives – Pan-University	29/9/2010	2	2
SICSA	29/9/2010	7	7
School of Physics and Astronomy	29/9/2010	5	5
Selected Internal Interdisciplinary Research Centres associated with the College of Science and Engineering	29/9/2010	2	2
Payroll Deductions	29/9/2010	2	2
EUCLID	29/9/2010	3	2
School of History Classics and Archaeology	29/9/2010	3	3
Staff on-call arrangements	29/9/2010	4	2
Funding from D&A to support capital projects	29/9/2010	3	3
		<b>122</b>	<b>109</b>
			<b>89%</b>

## Appendix B

**SUMMARY FROM AUDIT ASSIGNMENTS DURING  
2009-2010**

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

**1. Main Library Redevelopment Project: Continuity of Service**

The project had been divided into discrete sections which are undertaken only as the funding situation permits. This incremental approach has mitigated the overall financial exposure, while offering some assurance that the library will maintain continuity of its service provision. Significant effort has therefore gone into maintaining continuity of library service while the redevelopment project is underway. This effort has been additional to primary librarian duties, and with the inconvenience of working from temporary accommodation. The 2009 National Student Survey showed a rise in overall satisfaction with the library resources and services. Complaints have been received, but user surveys indicated positive feedback to the work already completed.

*No recommendations.*

**2. IT Security**

Any breach of IT Security by any part of the University will reflect adversely on the University as a whole. Any breach of the Data Protection Act involving personal or medical data will generate significant reputational risk. Considerable progress had been made with respect to IT Security. Impending approval of an IT Security Policy by Court reflected the recognition of this fundamental aspect of IT Security. There was a need to reappraise the risks associated with breaches in IT Security and the related exposure.

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

**3. Full Business Continuity: Operational Readiness in Key IT Risk Areas**

Information Services demonstrated the adoption of pockets of good practice in their approach to the IT aspects of Business Continuity where the underlying technology permitted. However the disparity between the treatment of UNIX and Windows based systems should be accurately reflected in the risk register. We identified potential opportunities to improve the project management of the IT disaster recovery project, for which action has now been taken by Information Services.

*6 recommendations, 2 of which we regarded as higher priority, all agreed.*

**4. Downloading Personal Data to any Device**

The exposure to reputational risk, following any public disclosure involving the compromise of personal data, is inherently significant and set to rise. The financial and operational impacts of having to implement the corrective actions currently required by the Information Commissioner are significant. Relevant senior staff were aware of the risks and communicated that our work has raised the profile of this issue and helped identify actions that should mitigate the risks associated with the downloading of personal data. The IT Security Working Group was formulating a policy for data encryption as per the IT Security Policy which was awaiting approval by Court (see IT Security above).

*3 recommendations, all agreed.*

## 5. Mobile Working

Mobile working had implications for security compromise and legal exposure. Addressing these implications required collaborative action across a number of areas such as Human Resources (HR), Information Services (IS) and Health & Safety. There was a need for a Code of Practice for use of IT and a Human Resources policy for working off-campus. While the Code of Practice for IT will be actioned by the year end, the Human Resources Policy was not an immediate priority for HR but they committed to devise a Human Resources Policy by the end of 2010-11.

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

## 6. EUCLID

There was a major change in the governance arrangements for EUCLID in 08/09 when the previous Project Board was replaced by the Strategy and Quality Assurance Group (SQAG). We reviewed the governance arrangements; especially whether the roles and responsibilities of the 'Senior Responsible Officer', 'Senior User' and 'Senior Supplier' were clear within the new structure. The new Group had a published remit and there was an unequivocal line of authority underpinning the Group with the Group Convenor reporting directly to the Principal. But there were no formal definitions of the roles and responsibilities of the above three key positions and this represents a risk. A subsequent paper to the Finance and General Purposes Committee from the Vice Principal, Knowledge Management and Chief Information Officer, and the Director of Corporate Services on project governance acknowledged such potential problems can arise. Our main finding was the need to secure funding and introduce a governing body for EUCLID beyond the (then) project end date of July 2010. Funding has now been agreed to December 2010 and existing governance arrangements will continue until then. Consideration is being given as to what arrangements will be applicable from 1<sup>st</sup> January 2011.

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

## 7. Payroll Deductions

Assurance was provided that processes were in place to ensure that deductions from the payroll were made correctly and the totals of sums deducted were transferred to the appropriate bodies. Of the few deductions which had to be calculated manually, testing indicated that the majority were made correctly. The impact to the University of any manual calculation made in error was negligible and was constrained by a number of complementary controls.

*2 recommendations, both agreed.*

## 8. Full Business Continuity Operational Readiness in Key Risk Areas - Non-IT Related

We conducted a gap analysis that considered our appraisal of the current University position against the British Standard 25999 Business Continuity Management (BS 25999) requirements. Emergency Procedures, and in particular, contingency planning for the risk of a flu pandemic, were well advanced at corporate level, and feedback received during this audit showed that the desktop scenarios for pandemic flu had been successful in raising awareness of the need for contingency planning. A Business Continuity Management Policy and a clear scope and objectives, programme and strategy for implementation of a University-wide Business Continuity Management System (BCMS) should be developed. Roles and responsibilities of relevant staff should be made clearer and there should be a programme of active awareness raising of the BCMS to all staff.

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

## 9. 2008-09 TRAC Return Process

Internal Audit and the 2008 Research Council Quality Assurance and Validation Exercise have highlighted that the University should review the software used for the TRAC return. This was to minimise the risks associated with loss of data integrity, ineffective access and physical controls, and the need for manual adjustments when processing data. In 2008-09 specialist TRAC software was used to prepare the TRAC return, replacing the previous Excel spreadsheet. We reviewed progress on meeting the transparency review requirements and identified no issues to suggest that the University had not applied the TRAC methods on a robust basis.

*No recommendations.*

#### **10. School of History, Classics and Archaeology**

There were arrangements in place to ensure that budgetary control overall was generally effective. The audit made recommendations to harmonise and improve processes for making grant payments from School funds and for receiving income. The School's policy of requiring receipts to support use of grant money was not being observed throughout.

*3 recommendations, all agreed.*

#### **11. New Managed Immigration Systems - Students**

Full implementation of a new points-based immigration system (PBIS) for students was scheduled for February 2010. The University would then use a new UKBA sponsorship management system to ensure that sponsored students comply with the terms of their visa and would keep records of passports, visas and current contact details. We identified an opportunity to improve the project management practices for the remaining stages of the project, in particular to ensure clear responsibilities for project planning, implementation and monitoring as the UKBA sponsorship management system was introduced. Processes needed to be put in place to ensure that sponsored students are not allowed to register unless they have valid and correct documentation as required by UKBA. More robust procedures for obtaining student contact details at registration have been recommended.

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

#### **12. Edinburgh Postgraduate Dental Institute**

At the time of the audit, the Institute, which is relatively small, was looking to expand its undergraduate tuition programme and this enhanced the need for effective control and governance arrangements. A need was identified to formally integrate the Institute into the College of Medicine and Veterinary Medicine's governance arrangements. We recommended that this should be facilitated by the School of Clinical Sciences and Community Health taking responsibility for creating and maintaining an adequate control environment in and around the Institute. A lack of effective controls was also noted relating to budget setting and monitoring as well as some areas of governance and oversight (including strategic planning and risk management).

*6 recommendations, all agreed.*

#### **13. New Managed Immigration Systems – Staff**

The UKBA points-based immigration system (PBIS) for worker immigration was already operational. University processes, procedures and associated documentation were developed by HR as the PBIS was introduced. These were found to be adequate and consistent with the main UKBA criteria (at the time of the review) however, going forward, we identified a need to ensure up-to-date contact details for migrant workers are maintained. It is now important that all processes and documentation are reviewed in the light of changes in UKBA requirements and the actual practices of School and HR Team staff responsible for implementing and operating them to ensure consistent practices across all HR Teams. The roles and responsibilities of staff in Corporate HR and in devolved HR Teams needed to be clarified to ensure that agreed solutions to PBIS system queries were developed. Issues were also raised regarding the processes for regular monitoring of migrant worker permission to remain and work in the UK and regarding the integrity of data relating to migrant workers held on the Oracle database.

*13 recommendations, 5 of which we regarded as high priority, all agreed.*

#### **14. External IT Penetration Test**

IT security is a recognised high priority business risk in the University. We commissioned a specialist external firm to conduct an external IT penetration test on behalf of Information Services, and to offer an opinion. Many

examples of good practice were identified and specific recommendations were presented for consideration. These covered critical threat issues through to good practice issues. The vast majority of the 91 recommendations relate to the implementation of more up to date versions of the underlying software by the application of 'patches'. IS determines a balance between disrupting the service to apply patches and delaying the implementation of updating the security. The length of time between a patch being made available and its implementation is the period of risk. As the identified risk owner, the Vice Principal, Knowledge Management and Chief Information Officer, confirmed that having considered the balance between actual and potential impact of the detailed recommendations, he concluded that the actions already taken and the speed of implementing those in hand following the Test are appropriate. He accepted the residual risk identified through the exercise and will review his decision at regular intervals.

*91 recommendations, 22 of which were completed immediately, 45 were scheduled, and 24 were not agreed.*

## **15. Funding from Development and Alumni to Support Capital Projects**

The number one risk on the University Risk Register refers to "economic recession and its impact on government, corporate and charity funded activities, and philanthropic giving." The Estates Committee's remit includes making recommendations on funding support for capital projects. Various monitoring and other mechanisms were confirmed to be in place across the University to mitigate the risk of not achieving the projected level of Development and Alumni fundraising for capital projects. However there was potential to enhance existing arrangements to further reduce exposure. These included making more rigorous vetting of projected fundraising targets, and more formal procedures for the reporting of progress toward fundraising targets for large capital projects. Such improvements could potentially be incorporated into the existing "Gateway Process" (an assurance process designed to support significant procurement projects and supported by the Office of Government Commerce).

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

## **16. Office of Lifelong Learning (OLL)**

This review was scheduled due to management's awareness of potential operational efficiencies available, principally relating to limitations with the database systems in use. Consequently, the two main outputs from the review were a table of significant internal control weaknesses/opportunities and a summary of the recommended medium to long term options available (in terms of systems) to improve operational efficiency and effectiveness. In particular, it was recommended that the access databases used in EFL (English as a Foreign Language) should be replaced as they are not formally supported by Information Services. Such improvements to EFL systems would also improve data accuracy and operational efficiency. We also recommended that further (on-line) methods of receiving income across OLL should be investigated. A single recommendation was raised stressing the need for both short and long term solutions to be devised. Shortly after the report was finalised, management informed us that they were taking steps to remediate the more immediate weaknesses.

*1 overall recommendation, agreed.*

## **17. Asbestos Policy**

A new "duty to manage" asbestos was introduced by the Control of Asbestos at Work Regulations 2002 and Estates & Buildings appointed a dedicated Asbestos Supervising Officer (ASO) in 2006 to consolidate and develop existing control arrangements within the framework of an Asbestos Management System (AMS) which includes a Policy, Plan and Procedures. An important element of the AMS is the availability of a complete and reliable "Type 2" baseline asbestos survey of all University buildings, used to provide an electronic database of survey information accessible electronically by staff and contractors. Unfortunately, the contract to carry out the Type 2 survey had been recently terminated as it was found the work carried out by the contractor responsible was not reliable, leading to interim operational arrangements being put in place to work around the lack of reliable electronic data. It was recommended that the interim procedures needed to be fully reflected in the AMS and communicated to all relevant staff and contractors. Recommendations were also made regarding the operation of Access Permit (contractors) and Asbestos Permit Systems in relation to Works Division Trades Staff and to ensure that health and safety, risk assessment and training procedures and information were up to date and complementary to the Asbestos Management Plan.

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

## 18. Edinburgh University Students Association (EUSA)

The Student Association is a separate legal entity from the University and is not directly subject to their management oversight. However the University provides significant funding to EUSA and also has a statutory responsibility to ensure that the Association "operates in a fair and democratic manner and is accountable for its finances." EUSA's draft planning submission for 2010-11 also highlighted the risk of an overall financial deficit meaning that the need to achieve efficiency savings was also considered. Following the work performed, and given the inherently weak segregation of duties controls in place (due to the nature of EUSA's operations and their resource limitations), it was concluded that a number of additional compensating controls were needed to provide management with further assurance that arrangements are operating as intended. Such control improvements would also further enhance accountability and the efficiency of operations. These included the introduction of limited sample checks to test the extent of compliance with the Working Time Regulations and the appropriateness of additional payments to staff; fully utilising the available stock reordering facilities; and enhancing the arrangements for procedural guidance.

*6 recommendations, all agreed.*

## 19. Software Updates

This audit focused on the governance arrangements for the implementation of software patches at server level - as opposed to individual desktops, the subject of another audit in the 2009/10 programme. The outcome of the external Penetration Test in early autumn 2009 highlighted a number of outstanding software patches. Information Services management were aware of the underlying issues - a paper went to the Information Technology Committee in March 2010. The underlying message is that resources to carry out software patches have to be balanced against development priorities and possible impact on LIVE systems. We recommended that IS management should identify a means of recording and reporting service metrics with respect to patching activities.

*1 recommendation, which we regarded as higher priority, agreed.*

## 20. TRAC Teaching Return Process

As part of the overall Transparent Approach to Costing ('TRAC') project the TRAC Teaching process collects detailed information on expenditure on teaching across Higher Education Statistics Agency (HESA) academic cost centres. The TRAC Teaching Return was mandatory for the first time in 2008-09. In 2008-09 specialist TRAC software was used to prepare the TRAC returns, replacing the previous Excel spreadsheet (see paragraph 9). We reviewed progress on meeting the requirements for the 2008-09 TRAC Teaching return and identified no issues to suggest that the University had not complied with the TRAC teaching guidance.

*No recommendations.*

## 21. Corporate Governance

This review involved assessing compliance with the voluntary code of practice for university governance known as the "CUC Handbook". The full name is the "Guide for Members of Higher Education Governing Bodies in the UK". From this handbook, we identified 70 key criteria and used them as a checklist. We found that the University demonstrably complies with 65 of the criteria; and that the procedures surrounding a further three criteria are also effective, but in a manner appropriate to the circumstances of the University. With regard to the remaining two criteria, we drew attention to arrangements which determine how long Court members can serve in office, and also the application of the formal Register of Interests. We concluded that the University of Edinburgh is able to amply demonstrate compliance with perceived good practice on corporate governance, as set out in the CUC Handbook.

*No recommendations.*

## 22. School of Molecular & Clinical Medicine

The School of Molecular & Clinical Medicine (SMCM) wished to review the current spread of administrative support across Level 5 units within the School, the administrative workloads they handle and the existing sources

of funding for administrative support. SMCM wished to ensure that funds for administrative support were allocated on an equitable basis according to the workload of each Level 5 unit, taking into account the current funding source for administrative staff. After discussions with the Head of School and the School Administrator, it was decided that Internal Audit could assist in this process by generating management statistics that will help SMCM in their decision making process to achieve greater operational efficiency. By providing a consultancy type service to the School, Internal Audit were able to add value by using specialist audit software to interpret data files that were too large for import to Microsoft Excel and were able to merge data from more than one source to provide reports less readily available from existing sources such as Webfirst. The output from our analysis was expected to inform local decisions to achieve improved operational efficiencies.

*No recommendations as such.*

### **23. Financial Forecasting and Reporting**

In this review it was concluded that university staff generally employed a prudent and accurate approach to financial forecasting. It was recognised that mitigating action was being taken to meet the financial challenges facing the University and this also reflected the embedded nature of strong financial management within the University. However, we recommended, as a high priority, that financial accountability would be enhanced by the introduction of a formalised set of Financial Regulations (akin to those in other Russell Group Universities) and that the supporting Finance Manual be revised and updated. These recommendations have been agreed and implementation has commenced. Further recommendations were made relating primarily to improving communications, for example, to enhance financial commentaries made to committees, improve knowledge sharing about forecasting techniques and extend financial forecasting support to some departments.

*18 recommendations, two of which we regarded as high priority, 14 agreed and 2 partly agreed.*

### **24. Managed Desktop Support**

The governance arrangements for the initial Managed Desktops are clearly defined and there was a well documented management regime for the updating of the supported software packages. When the concept of the Managed Desktop was developed, a key design objective was the ability to devolve management control to Schools – in order to ensure its acceptance by as wide a group as possible. As a consequence of this flexibility, there was a lack of clarity as to what software was present on the Desktops and thus, which software was being actively managed for relevant software updates and patches.

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

### **25. Additional Payments Made via the Payroll**

A range of additional payments is made via the payroll, for a variety of reasons. We analysed additional payments totalling around 1% of the annual payroll. Some of these appeared to contravene one policy, but could be validated under another. For example, some payments to staff in grades UoE06 and above appear to contravene the 'Out of hours' policy, but could be validated as 'internal consultancy' payments. And ultimately, because each budget holder has the autonomy to exercise a level of discretion, it could be said that every payment is valid. Unless any such apparent disharmony is clarified, the University is not able to confirm that such additional payments are made consistently. We recommended more accurate definition and coding of payment types, to improve the quality of management information. We highlighted a discrepancy in Oracle reporting and drew attention to a training requirement.

*5 recommendations, 4 of which were agreed and implemented, 1 not agreed.*

### **26. School of Chemistry**

We found that the overall arrangements in place should ensure an adequate level of internal control. We found no evidence of any inappropriate expenditure being incurred. Given the investments made by Chemistry to mitigate the risk associated with the procurement and storage of chemicals, there was potential to enhance access controls to the Stores to ensure that the benefit from this investment was maximised. There was also

potential to enhance the arrangements for the management of equipment assets held in Chemistry to help ensure their use was maximised.

*3 recommendations, all agreed.*

## **27. Project Boards**

This audit review considered the operation of Estates & Buildings (E&B) Project boards during the implementation of the E&B Project Management Procedures and the staged Gateway Approval Process. It was recommended that procedures should provide a clear description of what a "Gateway" is and documentation on how the Gateway Review processes work. Project procedures covering roles and responsibilities relating to new or revised structures had not been fully drafted and as a consequence, had not yet been approved by Court via the Estates Committee. Recommendations have been made that the full suite of Project Process documentation should be reviewed for completeness and consistency, should be approved by Court and that a golden copy of relevant, current documentation should be made available. E&B are currently addressing these issues. The new procedures provided an opportunity to review the role of Court members on project boards and it was understood that Court and E&B had discussed this. It was proposed that Court members attend only project boards for E&B projects classified as "strategic" and that membership of other project boards should be at the Project Convenor's discretion.

*5 recommendations, 2 of which were considered to be high priority, all agreed.*

## **28. HESA Data**

Substantial amounts of funding are referenced back to the HESA data returns. The role of EUCLID in the 2009-10 HESA return has been reduced from what was originally envisaged. We therefore assessed to what extent the 2009-10 data returns were processed robustly by establishing the validation mechanisms for HESA data and the University strategy for assessing the accuracy and completeness of HESA data. We found strong evidence of an integrated management regime to address the demands of the 2009-10 HESA return. However, given that some of the HESA business rules applied to the data are complex, include conditional clauses and refer to external (to HESA) documents, there will always be a risk of misinterpretation. The risks of inaccurate or incomplete data have been recognised and mitigations are in place.

*3 recommendations, all agreed.*

## **29. School of Mathematics**

The School of Mathematics was found to operate high standards of controls around financial budgeting, monitoring and forecasting. Overall, the level of control was considered to be adequate for us to obtain assurance that our objectives were met.

*No recommendations.*

## **30. Procurement**

We carried out a data analysis in order to support Procurement's role in facilitating VfM. We analysed 3 months' worth of purchases in 2009-10, and listed those which appeared to have been raised manually, without using an electronic procurement system. There are a number of valid and accepted reasons for some of these circumstances. However, Procurement highlighted from the list a number of items which in their opinion would merit further investigation; these covered high value purchases, and suppliers with whom the University has an e-Procurement facility. We extracted data accordingly. Procurement responded that they will use this data to target training issues and prioritise supplier enablement. Procurement aims to decrease the level of off-contract buying and hence potentially increase VfM for the University and our work facilitates this aim.

*No recommendations.*

## **31. Delegated Authorisations Schedule - Update**

When Central Management Group received its bi-annual update from Internal Audit in April 2009, a common audit finding identified and reported concerned the varying interpretations, and application, of financial controls. The Committee agreed to take action to address this. One action was to set up a small working group to produce an updated version of the Delegated Authorisation Schedule. The Chief Internal Auditor agreed to be a member of this group. The revised Schedule takes account of pay modernisation and other changes in University practices that have evolved since the original Schedule was agreed by Court in 2003. An updated Schedule was presented to Court in June 2010.

*No report, no recommendations as such.*

## 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 2005-06	Year 2006-07	Year 2007-08	Year 2008-09	Year 2009-10
<b>General Performance Indicators</b>					
Annual Cost of Service	£188k	£201k <sup>1</sup>	£215k <sup>1</sup>	£233k <sup>2</sup>	£245k <sup>3</sup>
Direct audit days Available <sup>4</sup>	672	721	645 <sup>5</sup>	692	721
Cost per direct audit day	£280	£279	£333 <sup>6</sup>	£337	£339
Number of Audits	34	34	31	32	31
(+ those to finalise)	7	6	7	7	7
Number of recommendations made	108	128	67	116	109 <sup>7</sup>
Number of follow up reviews	18	25	18	17	23
<b>Performance measures indicating efficiency</b>					
University of Edinburgh income received / Internal Auditor (£M)	£100.25	£109.00	£119.26	£138.83	£147.88
University employees / Internal Auditor	1,923	1,983	2,224	1,984	1,980
% Available time applied to audit work	82%	87%	82%	81%	82%
% Allocated audit time actually spent conducting audit work	97%	102%	97%	95%	96%
% Completion of the annual plan by annual report date	96%	95%	95%	98%	94%
<b>Performance measures indicating effectiveness</b>					
% Audit work undertaken by staff with relevant & full audit / acc’y / IT quals	80%	78%	76%	71%	87%
% Recommendations agreed by management	100%	99%	93%	100%	97% <sup>7</sup>
% Agreed recommendations found to be implemented when followed up	90%	86%	80%	93%	89%
% Audits perceived to add value	89%	92%	90%	96%	94%

<sup>1</sup> Pay Harmonisation Costs.

<sup>2</sup> Includes a deduction of £15,640 to allow for a one-off payment for IT System Penetration Testing carried out by specialist contractors.

<sup>3</sup> Includes a deduction of £23,893 to allow for one-off payments for IT System Firewall testing and for Investors In People application.

<sup>4</sup> Is affected by staff recruitment, staff induction, phasing of annual leave and timing of work done for commercial client.

<sup>5</sup> Staff turnover and resources used on recruitment reduced the days available.

<sup>6</sup> Staff recruitment costs resulted in reduced funds available to employ temporary staff cover.

<sup>7</sup> Excluding exceptional number of recommendations from external contractor regarding External IT Penetration Test.

## Appendix C2

**Internal Audit Performance Questionnaire**

For many years Internal Audit has sought feedback from managers of activities which had been the subject of internal audit. Responses are sent direct to the University Secretary who compiled the consolidated report for the Audit Committee. Attached, for the information of members, is an analysis of responses received during 2009-10.

**Internal Audit Performance Evaluation Questionnaires**

Based upon feedback from 50 returns received for 36 Audit Assignments, (see list below).

	YY	Y	N	NN	NA / Nil response
1. Were you given adequate notification of the audit?	38	12			
2. Were you informed adequately of the audit objectives and scope?	24	14	1		11
3. Were the appropriate staff consulted for the audit area covered?	35	15			
4. Did staff conduct themselves in a professional manner during the audit?	40	8	2		
5. Were you given the opportunity to discuss the report with the auditor prior to finalisation?	32	17	1		
6. Were the recommendations in the report practical and realistic?	16	23	3		8
7. Was the report produced to a professional standard?	31	18			1
8. Do you feel that the audit was worthwhile and has added value to your work?	25	21	1	2	1
<b>Percentage %</b>	<b>60</b>	<b>32</b>	<b>2</b>	<b>1</b>	<b>5</b>

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

**Note:** In practice, the final report is only presented to the final recipients, not necessarily all key staff consulted in the fieldwork. Not all internal audit reports contain recommendations.

**36 Audit Assignments Subjected to Evaluation**

(Note due to timings, they do not reflect all Audits undertaken during this year, and include some audits from previous years)

<b><u>Audits for which Returns received (33 Audits)</u></b>	
Business plans to support capital projects	New Managed Immigration Systems - Students
IT Security	Payroll Deductions
Staff on-call arrangements	Asbestos Policy
Full Business Continuity: Operational Readiness in Key Risk Areas - Non-IT Related	Management and Collection of Student Fees
Full Business Continuity: Operational Readiness in Key IT Risk Areas	Office of Lifelong Learning (OLL)
Funding from Development and Alumni to Support Capital Projects	Edinburgh Postgraduate Dental Institute
Downloading personal data to any device	2008-09 TRAC Return Process
Mobile Working	Expenditure Authorisations
Intellectual property	Additional Payments Made via the Payroll
Integration of the Roslin Institute into the University of Edinburgh	Project Boards
School of Biomedical Sciences	Corporate Governance
Procurement	Managed Desktop Support
EUCLID	Software Updates
External IT Penetration Test	School of Chemistry
New Managed Immigration Systems - Staff	School of Mathematics
	School of Molecular & Clinical Medicine
	Financial Forecasting and Reporting
	Edinburgh University Students Association (EUSA)
<b><u>Audits for which Returns not received (3 Audits)</u></b>	

School of History, Classics and Archaeology  
HESA Data

Main Library Redevelopment Project: Continuity of  
Service

Appendix D

**Assessing the University's risk maturity**

This assessment was made by considering the University's practices, processes and relevant supporting documentation such as the risk management strategy, policy and risk registers. The Chief Internal Auditor attends the Risk Management Committee. Cognisance was also made of earlier Internal Audit work (such as the risk management checklist and risk assessment and management assignments).

**Note:** For the avoidance of doubt, the table on the left is entirely reproduced from the Institute of Internal Auditors UK and Ireland guidance. Internal audit has illustrated its assessment of the University's risk maturity by the inclusion of tick boxes and a column on the far right providing further commentary.

The Institute of Internal Auditors UK and Ireland - An approach to implementing Risk Based Internal Audit - Assessing the Organisations risk maturity						
Risk Maturity	Risk naive	Risk aware	Risk defined	Risk managed	Risk enabled	Sample audit test
<b>Key characteristics.</b>	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.	

**Process**

<b>The organisation's objectives are defined.</b>	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.
<b>Management have been trained to understand what risks are, and their responsibility for them.</b>	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.
<b>A scoring system for assessing risks has been defined.</b>	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.
<b>The risk appetite of the organisation has been defined in terms of the scoring system.</b>	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.

Internal Audit Comment
Our overall assessment of Risk Maturity is unchanged from previous years.

The University's Strategic Plan 2008-12 was refreshed in 2008 and is publicly available.
Not <u>all</u> managers have received training.
In place.
Approach to Risk is stated in the Risk Management Strategy. Risk review process challenges whether the level of residual risk is acceptable.

The Institute of Internal Auditors UK and Ireland - An approach to implementing Risk Based Internal Audit - Assessing the Organisations risk maturity						
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. <input checked="" type="checkbox"/>	Yes	Yes	For risks above the risk appetite, check that the board has been formally informed of their existence.

Internal Audit Comment
Risk Management processes are documented in the Risk Management Strategy.
All risks have not been collated into one list. A series of risk registers exist.
In place for University, College, Support Groups and some Schools and operational areas.
Yes, but may not apply to the whole organisation.
RMC ongoing review process.
RMC review process.
A formal risk review process is in place. Updated risk registers are presented to CMG and Audit Committee annually.

The Institute of Internal Auditors UK and Ireland - An approach to implementing Risk Based Internal Audit - Assessing the Organisations risk maturity						
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. <input checked="" type="checkbox"/>	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 <input checked="" type="checkbox"/>	Audit risk management processes and use management assessment of risk as appropriate.	

Internal Audit Comment
The development of the Gateway process encompasses risk assessment for capital projects. The University uses definitions of projects which facilitate different approaches to risk to be followed as appropriate.
Will be for some defined roles such as project directors / managers.
Some managers.
Some may be assessed informally.
As risk management processes become more embedded, we are able to use management's assessment of risk where appropriate.

## Appendix E

**Internal Controls 2009-2010: 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	Main Library Redevelopment Project: Continuity of Service		✓						✓	
2	IT Security		✓							
3	Full Business Continuity: Operational Readiness in Key IT Risk Areas				✓				X	
4	Downloading Personal Data to any Device		X		X		X		X	
5	Mobile Working		X		X				X	
6	EUCLID		X				✓		✓	
7	Payroll Deductions							✓✓		
8	Full Business Continuity Operational Readiness in Key Risk Areas - Non-IT Related									
9	2008-09 TRAC Return Process				✓			✓		
10	School of History, Classics and Archaeology			X					✓	
11	New Managed Immigration Systems - Students		X	X						
12	Edinburgh Postgraduate Dental Institute		XX			X				Yes
13	New Managed Immigration Systems - Staff		X					X		
14	External IT Penetration Test		✓						X	
15	Funding from Development and Alumni to Support Capital Projects		X						X	Yes
16	Office of Lifelong Learning (OLL)		X	X				X	✓	Yes
17	Asbestos Policy		X	X	X					
18	Edinburgh University Students Association (EUSA)	X	X			X				Yes
19	Software Updates								X	
20	TRAC Teaching Return Process				✓			✓		
21	Corporate Governance		✓✓							
22	School of Molecular & Clinical Medicine									Yes
23	Financial Forecasting and Reporting		X	X				✓	✓	
24	Managed Desktop Support		✓	✓					X	
25	Additional Payments Made via the Payroll		X	✓						Yes
26	School of Chemistry	✓	✓	✓	X					Yes
27	Project Boards		X						✓	
28	HESA data							✓	✓	
29	School of Mathematics		✓	✓			✓	✓✓	✓	
30	Procurement									Yes
31	Delegated Authorisation Schedule - Update									Yes

**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.

## **2009/10 Value for Money Report**

### **1. Introduction**

In January 2006 a Value for Money Policy was agreed by the Audit Committee. On 14 October 2008, the SFC introduced its new mandatory requirements, which universities are obliged to comply with, as set out in paragraph 16 of the Financial Memorandum. These mandatory requirements oblige institutions (a) to have a strategy for systematically reviewing management's arrangements for securing value of money, and (b) to obtain, through their internal audit arrangements, a comprehensive appraisal of management's arrangements for achieving value for money. Audit Committee had included in the policy the giving of prime executive responsibility for this to the Central Management Group. This paper reports on VFM activity for 2009/10, covering both initiatives pursued through CMG, and more locally-focussed work over the last year, so that consideration can be given as to whether sound arrangements are in place to promote economy, efficiency and effectiveness and appropriately activity.

With the impending reductions in public funding for universities, there has been a concerted effort across the University to both increase income and reduce costs. In broad terms, this activity has been reported both to the Scottish Government in response to their efficient government initiative and to Universities Scotland to support our case in the Autumn budget round negotiations.

As in previous year the report on initiatives have been divided into the following categories :

- Specific University wide initiatives.
- Major investments to deliver long-term business enhancement and cost savings
- Estate rationalisation and other initiatives aimed at reducing utility costs and other estate-related expenditure.
- Reviews and reorganisation to deliver improved teaching, research and other support service delivery, including cost reductions.

### **2. Specific University-wide Initiatives**

- The new shared timetabling project is now underway. Academic leadership has been put in place to take this forward.
- Revisions to the University support staff pension scheme have delivered a financially sustainable scheme for the University and its members.
- The arrangement of the procurement of travel, up to £300 is now the responsibility of the member of staff and reclaimed through the e-expense system. This has reduced travel agents fees and aims to make staff more responsible in seeking best value in their travel purchasing.
- Information Services successfully implemented the introduction of Microsoft Exchange as an integrated diary, mail and mobile service for the University. This has delivered a much improved service and reduced support costs.
- The operation of a central post review group along with a continuing early retirement/voluntary severance scheme has resulted in staff costs savings of £9million per annum being achieved. The activities have focussed managers' efforts on finding staff savings by re-organising the delivery of teaching, research and support services.
- A process of lean reviews is being undertaken in the Corporate Services group though they involve activity which spans other areas of the University. Areas that are initially being covered include; a one-stop shop for facilities management for the expanding Easter Bush campus; Human Resources recruitment processes, Estates and Buildings energy usage measurement, research applications processes and new supplier approval processes. These reviews are showing a range of actions that can be taken to improve the way support services

are delivered and reduce costs. These reviews will be concluded and implemented in the coming months. Five further reviews commence in the autumn.

- Continuing work to both comply with OJEC regulations and drive to follow good procurement practices has resulted in procurement activity within the University delivering £7.48million of efficiencies.

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

- The EUCLID project has made steady progress over the last year. The postgraduate applications processing has delivered record numbers of both applications and offers to potential students. The undergraduate system is going live for 2010/11 students. Though there is much still to do, the project is running to its revised timetable and delivering fit for purpose systems for the University.
- The new John MacIntyre conference centre costing £8.8 million opened during the year giving the University a modern attractive facility for events. Although turnover during year one has been less than budgeted due to the economic climate, a good base of new clients has been developed that it is predicted will enable the centre to meet its original business plan targets in the coming years.
- Accommodation Services had replaced the student data and telephone system for students and visitors. This has delivered an enhanced service and cost savings of over £600,000 per annum.
- The University has embarked on two merger projects with the aim of bringing the Medical Research Council's Human Genetic Unit, and the Edinburgh College of Art into the University. If appropriate funding can be negotiated, both mergers have the potential to deliver enhanced academic performance and more efficient delivery of support services.
- E-Procurement tools Sci Quest for lab supplies and PECOS for general supplies continue to be rolled out across the University. There are now 1725 users and a total spend on the systems in 2009/10 of £7.4million. This is a 57% increase from the previous year.

### **4. Estates Rationalisation and activity are to reduce utilities cost**

- An Information Service lead project on green IT is seeing how efficiency gains can be made by modifying future IT purchasing decisions.
- The Main Library redevelopment continued during the last year. This has delivered improved study, research and learning space. This has increased the useability of the Library, with usage up 60% on the previous year. In addition, Accommodation Services took over the running of the extensively refurbished café. Turnover has tripled to £350,000 in the first year and it is now trading on a profitable basis.
- Further work continues on utilities consumption, combined heat and power and contracting with savings delivered from using Procurement Scotland contracts. Taken together the savings from these activities approach £1million.
- Activity continues on trades restructuring. A review of the organisational structure of estates and buildings activities has resulted in staff savings which are being further enhanced by the collocation of staff.
- A range of procurement enhancements have delivered savings in furniture costs which taken together with the recycling of existing stock has resulted in savings of £350,000.
- Space rationalisation continues, the most significant being Chessel's Land and St Mary's Land at Holyrood, which resulted in the 'mothballing' of 6,874 square metres.

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

- The growth in on-line Msc programmes is gaining traction particularly in Law and Medicine. These courses delivered part-time and delivered mainly by existing staff without new demands on the University's estates infrastructure.
- The SASG support group have sought to remove layers of management wherever possible by not replacing a number of senior management costs. This has reduced costs and in some areas reduced service levels.
- Governance and Strategic Planning have invested in Qlikview, a business intelligence tool, which will enable business enhancement and efficiency via improved data cleansing and accuracy.
- The Student Recruitment and Admissions and the International office have collaborated on a range of publications for students and joint working to reduce duplication in the delivery of technical high quality consistent information.
- Work to deliver a centralised design and build workshop for the King's Buildings campus are ongoing delivering cost savings and improved efficiency.
- In the College of Science and Engineering, a comprehensive staff Performance and Development Review project to deliver a scheme that is available to roll-out across the University.
- Information Services are involved in a range of activities, some with external funding in the areas of; data management training resources, the showcasing of digital research output and support for the building of capacity in the use of quantitative methods amongst the social science community in Scotland. These activities are linked to improving services in a constrained funding environment.
- Work is underway to procure and introduce a finance system to bring together the short course billing of the Office of Lifelong Learning, the teaching of English as a Foreign Language and community based Modern Languages. This will deliver a much more efficient system linked, to the main university financial system.

## **Conclusion**

The need to be more efficient and drive down University costs is now becoming as imperative for managers and staff across the University. In the support area, in particular, the need is to do things more efficiently and stop doing what is not necessary.

What is going to become the real challenge in taking this VFM agenda forward is going to be that the University is likely to receive less funding but not a commensurate reduction in activity. This is likely to require some fundamental re-appraisal of how academic and support services are delivered. In the support areas, the concentration is likely to be on activities that are currently being delivered at more than two places in the central and devolved structure.

Overall in 2009/10 the level of activity on VFM within the University has continued to grow.

Jon Gorringe, Director of Finance

26 August 2010

**Minute of the Meeting of the Audit Committee  
held at 5.00 pm on 25 November 2010  
in the Cuillin Room, Charles Stewart House**

**Present:** Ms G Stewart (Convener)  
Mr D Bentley  
Mr P Budd  
Ms A Richards  
Mr M Sinclair  
Professor A Smyth

**In attendance:** The Principal  
Mr J Gorringe, Director of Finance  
Mr N Paul, Director of Corporate Services  
Dr K Waldron, University Secretary  
Mr A Digance, Assistant Director of Finance  
Mr H McKay, Chief Internal Auditor  
Mr M Rowley, KPMG, External Auditor Director  
Mr S Reid, KPMG, Director  
Mr P Gough, Internal Audit  
Dr K Novosel, Head of Court Services

**1 MINUTE OF THE MEETING HELD ON 29 SEPTEMBER 2010**

**Paper A**

The Minute of the meeting held on 29 September 2010 having previously been circulated, was approved as a correct record.

The Committee welcomed Mr Peter Budd to this his first meeting of the Audit Committee.

The Committee further noted that this would be the last meeting to be attended by Mr David Bentley. The Committee warmly thanked Mr Bentley for his service and commitment to the Audit Committee and to the University and wished him well for the future. The Committee further noted that Mr Allan Digance, Assistant Director of Finance was retiring at the end of January 2011 and this would be his last attendance at a meeting of the Audit Committee. The Committee thanked him for all his work and wished him a long and happy retirement.

**2 MATTERS ARISING**

**2.1 External Audit Fees - SSTRIC**

It was confirmed that the process to transfer external audit provision for SSTRIC had now been completed and that KPMG's fee would be £2,500 as previously anticipated.

**2.2 Terms of Reference**

Court, at its meeting on 8 November 2010 had approved the revisions to the Audit Committee's terms of reference.

### **2.3 Appointment of External Auditor**

Court at its meeting on 8 November 2010, on the recommendation of the Audit Committee, agreed to take forward the option to extend the current contract with KPMG by another two audits to cover the years 2011/2012 and 2012/2013 and that the fee uplift for these two additional audit years should be in line with the CPI rather than the RPI.

### **2.4 Regulation of dormant and partially dormant endowments**

**Paper B**

The Committee welcomed this approach and offered no observations on the drafting of the Ordinance.

### **2.5 Membership of Committee**

**Paper C**

It was noted that the recruitment process to identify a new external member of the Committee had commenced with a closing date for receipt of applications of 10 January 2011. The proposed information to be sent to those expressing an interest in joining the Committee was approved and it was agreed that the short listing of applications should be undertaken by the interview panel. It was further agreed that the suggested composition of the interview panel was appropriate and that Mr Sinclair should join the Convener and the Director of Finance as panel members; dates for the short listing and the interviews would be confirmed as soon as possible. The Audit Committee would be informed of the outcome of the deliberations of the panel prior to submission of the nomination/s to the Nominations Committee. It was noted that, if possible, it was the intention to submit nomination/s to the Nominations Committee in late January or early February 2011 with the view to proposals being taken to the February Court meeting; the Audit Committee could however operate with a vacancy. The Committee further emphasised the importance of appropriate criteria at both the short listing and the final selection stages.

### **2.6 Private meetings with External and Internal Auditors**

Members of the Committee had held separate private meetings with Internal and External Auditors; both meetings had been very reassuring regarding internal control arrangements. There had been discussion on a number of matters, including emerging issues such as the Bribery Act and future challenges, but no significant matters of concern had been raised.

## **3 PRINCIPAL'S COMMENTS**

The Principal commented on the following: the achievements in 2009/2010 as stated in the draft Reports and Financial Statements against a worsening financial environment; achievements to date this financial year; the challenges in the next two years particularly those associated with future funding for the sector; Border Agency issues in recruiting staff and students; and the initiatives being taken forward to secure and improve income. The Principal further thanked Internal and External Audit for all their work and the Audit Committee for monitoring the University's control environment.

**FOR DISCUSSION**

**4 DRAFT REPORTS AND FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2010 (CLOSED) Paper D**

The Committee noted that on the advice of British Universities Directors' Group (BUFDG) these Accounts had been prepared in a similar format to last year's but with further information now included in the Reports.

The turnover of £635m was noted and the growth in the various categories which had contributed to the 7% increase in income. As anticipated, income from endowments and investments was less than last year although the position was recovering and it was further noted that certain research pooling arrangements would be coming to an end. Rigorous management of expenditure during the year and actions initiated in anticipation of the increasing financial challenges that the University would face in future years had resulted in an appropriate surplus of £18.3m being achieved which equated to 2.9% of turnover; an historic cost surplus of £26m was recorded which was a much stronger position than in previous years. The Committee noted the continuing tight control of salary expenditure and reductions in other operating areas. The balance sheets confirmed an improved position from the previous year with total net assets including pension liabilities of £1.237b being recorded for the Group. The spend on land and buildings and the significant figure for buildings under construction were noted. It was welcomed that the Group's cash flow statement continued to be very strong.

The Committee considered the draft Reports and Financial Statements in detail, welcomed the External Auditor's Report and unqualified opinion and commended the continuing financial strength of the University. It agreed to recommend to Court the adoption of the Reports and Financial Statements for year ended 31 July 2010 subject to consideration of suggestions made at the meeting including a statement on the satisfactory nature of the process undertaken to initiate changes in SBS and correction of any remaining typographical errors.

**5 EXTERNAL AUDIT HIGHLIGHTS MEMORANDUM 2009-2010 (CLOSED) Paper E**

The External Auditor confirmed the continuing strong financial position of this University within the sector and commended the improvements achieved in refining the financial forecasting process. No significant matters were contained within the action plan and the management responses to the issues and associated recommendations were considered appropriate. The External Auditor, while acknowledging the complex nature of the University's accounts compared to others in the Scottish sector, suggested that it may be appropriate to bring forward the auditing process by 2 to 3 weeks so that the timetable was more in line with the others in the sector. The Audit Committee was of the view that as this would create a number of difficulties for the University and as there would be no particular benefits it would not be appropriate at this time to take forward this suggestion. The Committee noted the corporate governance issues highlighted in respect of the Bribery Act and the disclosure of attendance at Court meetings and at meetings of its main Committees and was content with the actions being proposed to address these matters.

The Committee considered KPMG's Highlights Memorandum for the year ended 31 July 2010 and was content that it represented a balanced view and that any weaknesses identified or suggestions were being effectively taken forward and addressed by the University.

**6 DRAFT LETTER OF REPRESENTATION AND COMMENTARY (CLOSED) Paper F**

The Audit Committee was content with the draft Letter of Representation and

recommended approval of the Letter to Court noting the changes from the previous year.

**7 RISK MANAGEMENT ANNUAL REPORT Paper G**

The Report on the activities undertaken by the Risk Management Committee during the year ended 31 July 2010 was commended by the Audit Committee. In particular the Committee welcomed the assurance provided by the information contained within the year end questionnaire and the assurance map 2009/2010 version; it was noted that a post year end risk management and controls statement would be provided to the next meeting of Court to provide further assurance as part of the process to sign off of the Reports and Financial Statements. The Audit Committee's role in scrutinising this annual report was acknowledged as important in offering further assurances to Court that all areas of significant risk had been identified and appropriate actions initiated.

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

**8 AUDIT COMMITTEE ANNUAL REPORT Paper H**

The Committee approved its annual report for the year ended 31 July 2010 for onward transmission and consideration by Court.

**9 REVIEW OF EFFECTIVENESS OF AUDIT COMMITTEE Paper I**

The paper, which set out the outcome of the questionnaires completed by Audit Committee members and by attendees as agreed at the last meeting of the Committee was approved for onward transmission and consideration by Court at its meeting on 21 February 2011. The Committee in particular noted and endorsed the helpful and timely comments on the inclusion of members with skills in IT and legal issues and the need to improve the induction process for new Committee members given the current recruitment process and that senior staff should be invited to attend meetings as appropriate to inform the Committee on matters under discussion. It was confirmed that appropriate actions would be taken in respect of the issues highlighted within the paper to improve the Committee's overall effectiveness and that a follow up paper would be prepared. KPMG intimated that it would be happy to assist in the induction process for new members as well as offering other development opportunities for all Committee members.

**INTERNAL AUDIT**

**10 INTERNAL AUDIT REPORTS Paper J**

The Audit Committee considered the reports on 4 Internal Audit assignments completed since its last meeting.

Research Council Studentship Funding

In addition to the information contained within the paper the Committee considered the tabled report. The Committee was content with the findings and that the recommendations were being actioned.

Estates and Buildings – Handover Procedures for Capital projects

It was noted that Estates and Buildings was currently finalising a series of new policies and procedures and that all the recommendations had either been satisfactorily addressed or were being actively taken forward.

The Audit Committee noted the findings of the other audit reports which had recorded no significant areas of concern.

**11 INTERNAL AUDIT FOLLOW UP REVIEWS Paper K**

The Committee noted the satisfactory follow up reviews.

**12 INTERNAL AUDIT PROGRESS REPORT Paper L**

It was noted that the 2009/2010 Audit Plan was nearing completion with only 4 outstanding audit assignments and that the 2010/2011 plan was 31% advanced after 14 weeks. Both were satisfactory positions.

**13 VOLUNTARY SEVERANCES (CLOSED) Paper M**

The Committee noted without comment the first 5 cases recorded and asked that further information be provided at its next meeting on the final case including assurances on the processes undertaken.

**FOR INFORMATION/FORMAL APPROVAL**

**14 DATE OF NEXT MEETING**

The next meeting will be held on Thursday, 24 March 2011 at 5.30 pm in the Lord Provost Elder Room, Old College.

The University of Edinburgh

The University Court

20 December 2010

## **Reports and Financial Statements for the Year to 31 July 2010**

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

Reports and Financial Statements for the Year to 31 July 2010.

### Action requested

The draft Reports and Financial Statements were reviewed by the Audit Committee at their meeting of 25 November and were recommended to Court at the meeting of the Finance and General Purposes Committee on 29 November. Court are requested to review the Reports & Financial Statements with a view to adoption following which the Reports & Financial Statements will be signed on behalf of Court. The adopted Financial Statements together with the management letter of representation will be passed to the external auditor in order that their report may also be signed.

A copy of the Financial Statements will be lodged with the Scottish Funding Council by 31 December 2010. A further copy will be filed in due course along with the annual return for 2009-10 with the Office of the Scottish Charity Regulator.

### Resource implications

Does the paper have resource implications? No

### Risk assessment

Does the paper include a risk assessment? No

### Equality and diversity

Does the paper have equality and diversity implications? No

### Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the effective conduct of public affairs

For how long must the paper be withheld? The release of the Reports and Financial Statements is covered by the University publication schedule. The Reports and Financial Statements will be published 30 days after adoption and signature by the Court on 20 December 2010 and the signing of the audit opinion by the external auditor.

### Originator of the paper

Jon Gorringe  
Director of Finance  
15 December 2010

The University of Edinburgh

The University Court

20 December 2010

## **Letter of Representation for the Year ended 31 July 2010**

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

The Letter of Representation in respect of the Reports and Financial statements of The University of Edinburgh for the year ended 31 July 2010 is attached. Following the adoption of the financial statements by Court, the Principal, on behalf of Court signs this letter of representation to the external auditors in support of the financial statements which have been audited. An additional representation this year concerns the treatment of the UK Government's announcement to change future pension increases from RPI to CPI. This results in a change in actuarial assumption about the level of the indexed inflation moving forward. The resultant actuarial gain is included in the Group Statement of Recognised Gains and Losses. Should the final Urgent Issues Task Force Abstract call for a different accounting treatment it may be necessary to reflect any such change in the financial statements for the following year.

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

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 University's resources and the proper conduct of its affairs. Reliance must be placed on a number of checks and balances incorporated into the processes and procedures (internal control system) necessary to effectively manage the University, on the advice of professional advisors and on the professional ethics of the University's academic, research and support staff.

The draft letter was considered at the Audit Committee on 25<sup>th</sup> November 2010 and by the meeting of the Finance and General Purposes Committee on 29<sup>th</sup> November. The letter will be ratified by Court and signed on its behalf at the meeting of 20<sup>th</sup> December.

### Action requested

It is requested that the letter of representation is reviewed and the contents noted and that the draft is ratified by Court in order that the letter may be signed on their behalf by the Principal following the meeting of 20<sup>th</sup> December.

### Resource implications

None

### Risk Assessment

No

### Equality and Diversity

There are no equality and diversity implications.

### Freedom of information

Can this paper be included in open business? No.

The letter is to be agreed by Court on 20th December 2010 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.

### Originator of the paper

Jon Gorringe  
Director of Finance  
13 December 2010

The University of Edinburgh

The University Court

20 December 2010

**Proposed merger with Edinburgh College of Art**

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

This paper updates Court on ECA merger developments since Court's meeting on 27 September 2010.

Action requested

The Committee is invited to note developments regarding the proposed merger with ECA.

Resource implications

Does the paper have resource implications? Yes

The papers submitted to the 27 September 2010 meeting of Court set out the main financial and estates implications of the proposed merger. The attached paper provides further information in relation to the resource implications of the pensions aspect of merger.

Risk assessment

Does the paper include a risk assessment? No

The merger proposal document submitted to the 27 September 2010 meeting of Court includes an assessment of the risks to successful implementation of merger.

Equality and diversity

Does the paper have equality and diversity implications? Yes

The University is committed to equality and diversity for its staff and students, as is ECA. In the event of merger, all ECA staff and students will be covered by the University's E&D strategy and frameworks. The University and ECA commissioned an external consultant to conduct an equality review of the merger proposals. In addition to taking into account the findings of that report, the institutions will provide heads of support services with guidance on how to take account of equality and diversity issues when developing detailed implementation plans for merger.

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the effective conduct of public affairs  
Its disclosure would substantially prejudice the commercial interests of any person or organisation  
Its disclosure would constitute a breach of confidence actionable in court\*

\* The University and ECA entered into a Confidentiality Agreement to cover the disclosure of information shared between the institutions as part of the merger due diligence process. The paper includes pension-related information covered by that Agreement.

For how long must the paper be withheld?

It may be possible to withhold some of the non-disclosable information in the paper once a formal decision has been made on the proposed merger and associated funding negotiations. However, detailed advice would be required from Records Management regarding how long the information provided under the Confidentiality Agreement would need to be withheld.

Originator of the paper

Tom Ward, Project Officer

To be presented by

Principal Prof Sir O'Shea

The University of Edinburgh

The University Court

20 December 2010

**Employment Policies**

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

This paper reports on the development and negotiation of the new, harmonised policies on discipline, grievance, capability, absence management, redundancy and associated appeals processes, including Combined Joint Consultation and Negotiation Committee (CJCNC) approval subject to ballot and Court approval.

Action requested

The Court is invited to approve the new employment policies subject to final approval through the CJCNC following the unions' ballot.

Resource implications

None directly. Resources will be required to implement the new policies. This will be primarily the time involved in briefing/training managers on the new policies.

Risk Assessment

HR has worked in partnership with the Trade Unions in developing the new policies and preparing communication and implementation plans. We will continue to work closely with the Trade Unions around their ballot process, to maximise the prospect of a successful ballot.

Assuming the policies are implemented, they all include a built in review and if any issues arose before then, amendments may be made through the CJCNC arrangements.

Equality and Diversity

An Equality Impact Assessment has been carried out on all the new policies and specific equality aspects have been incorporated into the policies where relevant.

Freedom of Information

Can this paper be included in open business? No, Its disclosure would substantially prejudice the effective conduct of public affairs. The paper should be withheld until after the new employment policies have been implemented.

Originator of the paper

Eilidh K Fraser  
Deputy Director of HR  
13 December 2010

The University of Edinburgh

Court

20 December 2010

## **Strategic Plan 2008-2012 Targets – Annual Progress Report**

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

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

### Action requested

For comment.

### Resource implications

None.

### Risk assessment

Inadequate monitoring of progress against the University's Strategic Plan targets could result in the non-delivery of the plan's objectives and strategies and, ultimately, failure to meet targets.

### Equality and diversity

Targets 10.1 – 10.3 in the 'Promoting equality, diversity, sustainability and social diversity' Strategic Theme of the Strategic Plan have equality and diversity implications.

### Freedom of information

Can this paper be included in open business? Yes

### Any other relevant information

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

### Originator of the paper

Rona Smith, Senior Strategic Planner  
Dr Alexis Cornish, Director of Planning and Deputy Secretary  
Governance and Strategic Planning, 9 December 2010

**Summary**

The following 33 targets are those which appear in the University's Strategic Plan 2008-2012. Colleges and Support Groups also set and monitor their own targets in addition to those listed here.

Forecast achievement statuses indicate that:

- the University is 'on track' to meet 26 out of 33 targets; and
- the remaining 7 targets are assessed as 'further work required' (targets 1.1, 3.1, 4.1, 8.2, 10.2, 10.3 and 12.3).

Target	Progress to date	Achievement Status
<b>Excellence in learning and teaching</b>		
1.1	increase the level of satisfaction expressed in the <i>Assessment and feedback</i> section of the National Student Survey and enter the upper quartile of institutions surveyed	<ul style="list-style-type: none"> <li>• This target is measuring the percentage of Edinburgh's National Student Survey (NSS) respondents answering 4 (mostly agree) or 5 (definitely agree) to the five questions in the NSS which relate to assessment and feedback. The aim is for the University's percentage figure by 2012 to be at least equal to the upper quartile figure for all non-specialist Universities UK (UUK) members, being the largest relevant group of participating institutions.</li> <li>• In the 2010 NSS, Edinburgh's figure was 51%, up from 46% in 2009 and 45% in 2008. This was again the equal lowest figure of all comparator group institutions. The comparator group upper quartile figure was, however, unchanged at 67%, which means that Edinburgh's figure has converged by 5% year on year, such that the difference is now 16%. The Russell Group upper quartile figure was up 1% to 63% - at 12% higher than Edinburgh's figure, this represents a convergence of 4% year on year.</li> <li>• The actions being taken to bring about a significant improvement in the University's overall score on this measures are two-fold:                         <ul style="list-style-type: none"> <li>• More stringent actions are being required of all Schools where scores fall short of the University's expectations, through monitoring and reporting of feedback turnaround times (initially, in all Honours courses in the Schools concerned), peer review of feedback and intensified action plans.</li> <li>• A set of Feedback Standards and Guiding Principles has been agreed by Senatus and is being implemented from this semester onwards. Efforts to support improvements in feedback are also being supported through the launch in mid-September of a world-class website, (<a href="http://www.tla.ed.ac.uk/feedback/index.html">http://www.tla.ed.ac.uk/feedback/index.html</a>) that outlines 34 strategies for improving feedback, linked to 200+ case examples drawn from across the subject range and globally sourced.</li> </ul> </li> </ul>



Target		Progress to date	Achievement Status
1.2	by September 2009, simplify and standardise assessment procedures and regulations, using common processes except where departures from these are necessary for academic reasons	<p>Given the complexities of this area, and the need to achieve the final outcome through well-considered incremental change, a <b>revised timescale of 'by the end of the Plan period'</b> was agreed when this target was reported last year: that timescale is still recommended. Further work is ongoing in this area:</p> <ul style="list-style-type: none"> <li>• The Curriculum and Student Progression Committee (CSPC) agreed in April 2010 to revise the assessment regulations to reorganise them into policy, regulation and guidance. CSPC has established an Assessment Regulations Task Group (ARTG) to take this work forward.</li> <li>• In October 2010 CSPC agreed a merged set of undergraduate and taught postgraduate assessment regulations which will be used as the template for suggested future amendments.</li> <li>• The ARTG will also make proposals on a number of policies and procedures which need review and revision. CSPC's views will be sought on key policy issues and appropriate taught assessment regulations will be drafted for approval by CSPC, to be adopted for use from academic year 2011/12.</li> <li>• Following adoption of revised taught assessment regulations the research postgraduate assessment regulations will be revised.</li> </ul>	▲
1.3	be one of the first Russell Group universities to implement the use of transcripts for measuring and recording student achievement	<p>The Principal's Strategy Group agreed that the University should issue Higher Education Achievement Reports (HEAR) and the Learning and Teaching Committee (LTC) is overseeing this work:</p> <ul style="list-style-type: none"> <li>• An LTC HEAR Task Group has been established to build on the work of an earlier scoping Task Group and to specify the content and style of the record. Because HEAR is an extended degree transcript, which also includes information on students' non-credit bearing activities, the Task Group is considering what activities the university could sanction and validate. This will build on some of the information that forms part of the European Diploma Supplement.</li> <li>• The current information in the sector is that HEARs will be issued to students who enter degree programmes from the academic year 2011/12 onwards, although this implementation date is still provisional. There is scope for the University to be an early adopter and issue it to students who began their degree programmes before academic year 2011/12.</li> <li>• The practical aspects of delivery of the records are the responsibility of Registry, and key staff are HEAR Task Group members.</li> </ul>	▲
1.4	increase our headcount of taught postgraduate students by 50%	<ul style="list-style-type: none"> <li>• In 2009/10, our headcount of taught postgraduate students was 4,979, which was 30.0% greater than in 2007/08.</li> </ul>	▲

Target		Progress to date	Achievement Status
<b>Excellence in research</b>			
2.1	achieve year-on-year improvement in the quality and quantity of our research as measured by the Research Excellence Framework	<ul style="list-style-type: none"> <li>Guidance on the Research Excellence Framework has not yet been published, however is expected to be available in mid-2011.</li> <li>In the meantime, we have sought to provide an interim indication of research performance on the basis of our most recent Other Activity Indicators (OAI) return to the Scottish Funding Council (SFC), submitted in December 2009.</li> <li>Our aggregated, weighted, OAI (Research Assistant and Postgraduate Research Student FTEs, Charity Income, and Other Research Income) increased by 32% between 2007 and 2009. 36% of the sector's growth in OAI was attributable to the University of Edinburgh. This increase in our OAI contributed, in part, to our 5.6% increase in Research Excellence Grant between 2009/10 and 2010/11. Our share of the Scottish total REG allocation increased from 31.7% to 33.2%.</li> </ul>	▲
2.2	increase our headcount of research postgraduate students at a greater rate than the Russell Group average	<ul style="list-style-type: none"> <li>2009/10 data will not be available until March 2011.</li> <li>Our headcount of research postgraduate students in 2008/09 was 2,635, which was 1.3% higher than in 2007/08, the baseline year. The Russell Group average headcount of research postgraduate students fell by 0.9% year-on-year.</li> </ul>	—
2.3	double the recorded number of skills training and development opportunities taken up by postgraduate research students	<ul style="list-style-type: none"> <li>In 2009/10, the recorded number of skills training and development opportunities taken up by postgraduate research students was 4,452 (provisional data, however expected to increase once finalised). This is an increase of 59% on the 2007/08 baseline of 2,796.</li> </ul>	▲
<b>Excellence in commercialisation and knowledge exchange</b>			
3.1	increase our economic impact by a higher percentage than our growth in income	<ul style="list-style-type: none"> <li>Since the University's Scotland-wide economic impact was first calculated in 2008, our income has increased by £114M, whereas our impact is measured as having increased by £137M. In percentage terms, these increases are 24% and 17%, respectively. Our economic impact is determined using a multi-layered weighted model, which makes a number of assumptions and uses a variety of ratios and drivers. A key driver is the University's income; others include staff numbers, student numbers, commercialisation (employment in spinouts, licenses etc), forecast capital spend, conference delegate numbers and tourism.</li> <li>Key reasons for our economic impact growing less quickly than our income are: <ul style="list-style-type: none"> <li>a marked reduction in forecast capital spend (the updated figures are based on average capital spend figures within Edinburgh over the 7 period 2007-08 to 2013-14; and within Midlothian over the 5 year period 2009-10 to 2013-14); and</li> <li>proportionally smaller increases in all other categories, compared to our increase in income.</li> </ul> </li> </ul>	▼

Target	Progress to date	Achievement Status
<b>Quality people</b>		
4.1	achieve an 85% appraisal completion rate across all staff	<ul style="list-style-type: none"> <li>• This target is measuring the proportion of the University's total staff population who are recorded as having had an appraisal, or 'Performance and Development Review (P&amp;DR)'. The target is aiming for 100% of staff with contracts of 1 year or more.</li> <li>• The target was set in the context of plans to introduce a new P&amp;DR framework across the University. That project is not yet complete due to a number of organisational factors. However, significant progress has been made:                             <ul style="list-style-type: none"> <li>• The Oracle Human Resources database has been developed to record P&amp;DR completion and that facility is currently being piloted in a range of Schools and Departments across the University, with a view to rolling it out across the whole institution early in 2011.</li> <li>• A P&amp;DR Policy is now at an advanced stage of development and significant work has been carried out on associated guidance for managers and staff.</li> </ul> </li> <li>• In the interim, information on appraisal/P&amp;DR completion rates gathered from the College/Support Group HR teams, indicates the following:                             <ul style="list-style-type: none"> <li>• The appraisal completion rate for clinical academic staff is around 98%, due to the well-established joint appraisal mechanisms with the NHS. The Roslin Institute has reported 40% completion and is working positively to improve this.</li> <li>• The College of Humanities and Social Science has achieved its interim target of 65% on average across the schools.</li> <li>• The completion rate for the Student and Academic Services Group is around 75%, and the other Support Groups are at similar level.</li> <li>• The College of Science and Engineering are taking focussed action on P&amp;DR across the College, particularly in the last year, and have taken a lead in developing the policy and guidance for the University. The completion rate as at January 2010 was 35% on average.</li> </ul> </li> <li>• The Directors of Corporate Services and Human Resources are considering options for improving the University's position and are preparing a paper for the Central Management Group with recommendations on future strategies in this area.</li> </ul>
4.2	increase the proportion of Schools achieving the Athena Swan Silver Award for the recruitment and promotion of women in science, to include at least one School in the College of Medicine and Veterinary Medicine and another three Schools in the College of Science and Engineering	<ul style="list-style-type: none"> <li>• In the College of Science and Engineering:                             <ul style="list-style-type: none"> <li>• The School of Chemistry was awarded the Athena Swan Silver award in 2006, prior to this target being set, and is aiming to achieve the Gold Award by 2012.</li> <li>• The Schools of Biological Sciences and Physics are working towards achieving the Silver Award during 2011. The School of Physics has recently achieved 'Juno Practitioner' status from the Institute of Physics, through Project Juno which is a similar programme to Athena SWAN, aiming to address the under-representation of women in university Physics.</li> </ul> </li> <li>• In the College of Medicine and Veterinary Medicine:                             <ul style="list-style-type: none"> <li>• The School of Biomedical Sciences has started work toward achieving the Silver Award during 2011.</li> </ul> </li> </ul>

Target		Progress to date	Achievement Status
4.3	ensure 90% of staff in leadership roles have participated in a leadership development programme or other related activities	<ul style="list-style-type: none"> <li>This target is to be achieved cumulatively over the 4 year period covered by the Strategic Plan. The leadership development initiatives included are only those known to HR.</li> <li>Over 2008/09 and 2009/10, a cumulative total of 46% of academic, clinical and professional services staff in identified leadership roles (grades 9, 10 &amp; equivalent in Head/Director roles with responsibility for others, even if just one other person) participated in a leadership development programme or other related activities.</li> <li>The cumulative totals of academic staff, and professional services staff, participating in a leadership development programme or other related activities over the period are, respectively, 35% and 73%.</li> </ul>	▲
4.4	increase the number of international applications for academic posts	<ul style="list-style-type: none"> <li>This target is measured using applicants' home address data and covers all 'academic' vacancies advertised, including those for research assistant posts. Against a year-on-year decrease between 2008/09 and 2009/10 of 8.8% in academic posts advertised, and a 3.1% decrease in total number of applications, the number of international applications has gone up by 6.5%. The proportion of applications which are from international applicants has also increased, from 33.2% to 36.5%.</li> <li>In 2009/10, 424 academic vacancies were advertised. We received a total of 11,135 applications for these vacancies: 4,064 (36.5%) applications had an international (non-UK) home address and the remaining 7,071 (63.5%) had a UK home address. Of the 4,064 international applications, 1,477 had a home address outwith the UK but within the EU and 2,587 had a non-EU home address.</li> </ul>	▲
<b>Quality services</b>			
5.1	complete the review of the balance and interaction between locally and centrally provided services, and consider and act upon its recommendations	<ul style="list-style-type: none"> <li>The review was completed and its recommendations endorsed by the University Court at its meeting on 24 May 2010. Colleagues are in the process of implementing the recommendations from the review.</li> </ul>	▲
5.2	increase the overall level of satisfaction expressed in the <i>Support services</i> section of the International Student Barometer survey and enter the upper quartile of institutions surveyed	<ul style="list-style-type: none"> <li>The overall level of satisfaction expressed in the Support services section of the Summer 2010 International Student Barometer survey was 91.0%. For this measure, we were ranked 14th out of 59 institutions, which put us in the upper quartile of institutions surveyed internationally. Our figure was 0.2% higher than the 90.8% achieved in the Summer 2009 survey, which was also within the upper quartile.</li> </ul>	▲

Target		Progress to date	Achievement Status
5.3	deliver the EUCLID project in accordance with the agreed plan	<ul style="list-style-type: none"> <li>The EUCLID Project has made excellent progress in the past 12 months. There has been successful delivery of several new components (course and programme admin; online course enrolment; IT infrastructure), and all systems worked well through summer 2010 and the start of the new academic year. Record fee income was gathered, record student applications were handled through use of the EUCLID software. The Satellite Projects (including Timetab; downstream system data feeds; SMART assessment; post-grad database) have all been completed and are fully operational.</li> <li>The Project formally closes on 31 Dec 2010 and handover will take place to new governance, with replacement of EUCLID's Strategy &amp; QA Group (SQAG) with a new representative oversight group. At present, both groups are collaborating on prioritising the on-going work to improve usability and fix minor defects to the end of 2010-11.</li> </ul>	▲
5.4	offer a University website, encompassing all academic and support units, that is rated by key user groups as highly effective	<ul style="list-style-type: none"> <li>Progress has been strong, with 16 out of 22 Schools, plus the Office of Lifelong Learning (OLL) and 2 Research Institutes, using the University website publishing framework and the content management system, Polopoly. Of the Support Services, coverage is close to 100%.</li> <li>A self-assessment tool is available to enable website owners to check their compliance with University standards, and this has been well-received by those areas that do not use Polopoly as well as those that do.</li> <li>For 2010-11, specific strategic areas for development have been agreed (Enhancement-Led Institutional Review (ELIR), Edinburgh Global + Academies, PGT/PGR recruitment, sustainability &amp; social responsibility, the Institute for Academic Development (IAD)) and all are underway, with some close to completion.</li> <li>The critical review of the University's online presence is underway.</li> <li>Evaluation of user experience has continued and will be expanded during 2010-11.</li> </ul>	▲
<b>Quality infrastructure</b>			
6.1	increase income per square metre on a year-on-year basis	<ul style="list-style-type: none"> <li>2009/10 data will not be available until the University's Reports and Financial Statements have been published.</li> <li>In 2008/09, our income per square metre of gross internal area was £1,023, which was £61 per square metre (6%) higher than in 2007/08.</li> </ul>	▲

Target	Progress to date	Achievement Status
<p>6.2 undertake a review of the University's academic timetable and teaching space utilisation with a view to implementing change as appropriate from 2010/11</p>	<ul style="list-style-type: none"> <li>Phase One of the Shared Academic Timetabling Project has proceeded well and will be complete by the end of December 2010. The project was initiated with a 'Green Paper' discussing existing timetabling provision at Edinburgh. That formed the basis of consultation with timetabling teams in all Schools, as well as at College level, and discussions with other internal stakeholders. The project team has visited five HEIs who have implemented similar solutions and has undertaken a full survey of timetabling approaches followed across the UK HE sector.</li> <li>The outcomes of Phase One include a 'White Paper' that puts forward the academic/institutional case for improved timetable planning based on a shared system across Schools and supported by dedicated software. In addition, a full business case has been written, that sets out financial cost-benefits. A Project Board has overseen the operation of the project and has made the firm recommendation that the project should enter a second phase. If accepted, this will involve procurement of appropriate software and implementation within the University's business at School and Central levels. Papers setting out how this can proceed, together with requests for funding in the next cycle, are being prepared.</li> <li>Estates &amp; Buildings staff have been working with colleagues in several schools to include School managed/controlled teaching rooms into the Estates &amp; Buildings Information System (EBIS) room booking system. Staff from 9 schools have been trained to use EBIS to manage bookings. A final push will be made to include all other Schools by the end of February 2011.</li> </ul>	
<p>6.3 increase overall building performance (condition and functional suitability), achieving 90% acceptable standard in two of our three academic zones and 60% for the Central Area (within the constraints of historic buildings)</p>	<ul style="list-style-type: none"> <li>This target is reviewed in line with the timetable for Estate Strategy updates.</li> <li>As at December 2009, the proportion of the University's buildings which were categorised as being of highly satisfactory or reasonable standard, was 89% in the Central Area, 77% in the CMVM Zone, and 86% in the CSCE Zone (up from 31%, 63% and 63% respectively, at the time of the last survey in 2005). This therefore represents good progress, with significant improvement having been made in the Central Area.</li> </ul>	

Target	Progress to date	Achievement Status	
<b>Enhancing our student experience</b>			
7.1	increase the level of satisfaction expressed in the <i>Overall satisfaction</i> question from the National Student Survey and enter the upper quartile of institutions surveyed	<ul style="list-style-type: none"> <li>This target is measuring the percentage of Edinburgh's National Student Survey (NSS) respondents answering 4 (mostly agree) or 5 (definitely agree) to the overarching 'overall satisfaction' question in the NSS. The aim is for the University's percentage figure by 2012 to be at least equal to the upper quartile figure for all non-specialist Universities UK (UUK) members, being the largest relevant group of participating institutions.</li> <li>In the 2010 NSS, Edinburgh's figure was 86%, up from 83% in 2009 and 82% in 2008. This was equal to the upper quartile of all comparator group institutions (which was unchanged year-on-year), and 2% lower than the Russell Group upper quartile figure (which was up by 1% to 88%).</li> <li>See target 1.1 for information on actions being taken to further improve Edinburgh's figure. Note that, although this target is met in 2010, this is against a background where comparator Universities' scores continue to increase; further efforts will therefore be called for to maintain our position in the upper quartile.</li> </ul>	▲
7.2	ensure that all our teaching programmes, undergraduate and postgraduate, incorporate comprehensive development of the skills and attributes that graduates need	<ul style="list-style-type: none"> <li>Efforts over the last 12 months with respect to embedding graduate attributes and employability in curricula have focused on: the Higher Education Achievement Report (HEAR); the current Scottish sector Enhancement Theme 'Graduates for the 21st Century'; activities to take forward and further embed the University's own statement of graduate attributes; and the Employability project based in Careers and funded under SFC's Learning to Work 1 scheme.</li> <li>A new Employability Strategy Group (ESG) is in the process of being set up, to be chaired by the Assistant Principal for Taught Postgraduate Programmes. The theme of Graduate Attributes and Employability is in the process of being adopted as one of the four main planks in the University's evolving Learning and Teaching Enhancement Strategy. Graduate attributes are being more systematically integrated into course and programme documentation through quality assurance procedures; an extended Senatus (June 2010) has been held on the theme of graduate employability; and the new ESG will be exploring the potential for greater involvement of alumni in enhancing students' employability.</li> </ul>	▲
<b>Advancing internationalisation</b>			
8.1	increase our headcount of non-EU international students by a minimum of 1,000	<ul style="list-style-type: none"> <li>In 2009/10, our headcount of non-EU international students was 5,048, an increase of 1,125 on the 2007/08 baseline of 3,923.</li> </ul>	▲

Target		Progress to date	Achievement Status
8.2	increase the proportion of our students attending another international institution by 50%	<ul style="list-style-type: none"> <li>This target is measuring the number of students participating in formally approved student exchange programmes managed by the International Office, including Erasmus exchanges. With this definition, the target of a 50% increase between 2007/08 and 2011/12 requires us to achieve a figure of 699 by the final year.</li> <li>In 2009/10 a total of 500 Edinburgh students participated in formally approved student exchange programmes. This represents an increase of 15.5% on the 2008/09 figure, but as this was lower than the baseline, the overall increase since 2007/08 is only 7.3%. Provisional figures for 2010/11 are, however, indicative of further improvements in the current year.</li> <li>Actions being taken to promote exchange opportunities include: <ul style="list-style-type: none"> <li>Holding an additional exchanges fair – at which stands are manned, and decorated by students returning from exchanges – in February, targeting first year students, to get students thinking about exchanges early.</li> <li>Exploring different forms of communication about exchange opportunities, in recognition that emails can be of limited value, for example placing beer mats promoting exchanges in the Students Unions.</li> <li>Providing input to HEAR academic record project to ensure benefits of, and experience gained through, exchanges is given appropriate recognition.</li> <li>Making increased use of returning students as exchange ambassadors – helping the International Office to promote exchanges, e.g. providing input to promotional materials.</li> </ul> </li> </ul>	▼
8.3	increase the value of our research grant income from EU and other overseas sources so that we remain above the median of the Russell Group	<ul style="list-style-type: none"> <li>2009/10 data will not be available until April 2011.</li> <li>In 2008/09, the value of our research grant income from EU and other overseas sources was £20.7 million which was 19% higher than in 2007/08 and 48% higher than the Russell Group median.</li> </ul>	▲
<b>Engaging with our wider community</b>			
9.1	bid successfully for at least one major international and one major domestic sporting event per year, and one training camp for the 2012 Olympic Games	<ul style="list-style-type: none"> <li>In 2009/10, the Centre for Sports and Exercise staged 3 major international and 4 major domestic sporting events (following the staging of 3 major international and 2 major domestic events in 2008/09). Plans are in place to stage at least 4 major international and 2 major domestic sporting events during 2010/11, with further events planned in future years.</li> <li>The Great Britain Swim Team has confirmed its intention (July 2012) to stage its pre-London training camp in Edinburgh, utilising new conditioning facilities at the Pleasance and pool at St Leonards. In addition, the University is still pursuing other sports/countries ahead of Glasgow 2014.</li> </ul>	▲

Target		Progress to date	Achievement Status
9.2	meet the Edinburgh Beltane Beacon programme target of seconding nine Public Engagement Fellows over three years	<ul style="list-style-type: none"> <li>As at October 2010, six Public Engagement Fellows have completed their secondments, two more have recently commenced their secondments and a ninth is due to commence in January 2011.</li> </ul>	▲
<b>Promoting equality, diversity, sustainability and social responsibility</b>			
10.1	converge on our participation benchmarks for under-represented groups	<ul style="list-style-type: none"> <li>2009/10 data will not be available until June 2011.</li> <li>For the proportion of young entrants from state schools, our performance in 2008/09 was 70.8% compared with a benchmark of 78.7%, representing a difference of 7.9% compared with last year's 10.3%. This therefore represents a convergence of 2.4%.</li> <li>The Higher Education Statistics Agency (HESA), who publish the participation figures, stated this year that the 2008/09 figures for the low social classes indicator are not comparable year-on-year, due to a change in the wording of a question on the UCAS form. The question has now reverted back to its original wording and HESA therefore say that 'it is expected that ... 2009/10 data will be comparable to that published up until 2007/08'.</li> </ul>	▲
10.2	increase the proportion of female academic staff appointed and promoted to the lecturer, senior lecturer, reader and professor levels	<ul style="list-style-type: none"> <li>In 2009/10, the proportion of female academic staff appointed and promoted to grades UE08 or equivalent and higher was 33.6%, which is down from 34.7% in 2008/08 and 38.4% in 2007/08.</li> <li>At each grade (or equivalent), the figures were 39.8% to UE08, 31.3% to UE09, and 21.4% to UE10. At grade UE08, the proportion is slightly higher than in 2008/09, although still lower than in 2007/08. At grades UE09 and UE10, however, the figures are all lower than in 2008/09, continuing a downward trend since 2007/08.</li> <li>Recent monitoring data indicates that our figures compare well with other Russell Group institutions, with the 2nd highest proportion of female academic staff. However, we remain concerned about the under representation of women and the slight downward trend: a number of actions are being taken, including: <ul style="list-style-type: none"> <li>several Schools are working towards Athena SWAN awards, and Physics has achieved a Juno award (see target 4.2);</li> <li>EDMARC (Equality &amp; Diversity Monitoring and Research Committee) has identified promotion/regarding as a 'spotlight' for the next report; and</li> <li>a review of the criteria and guidance for academic promotions is underway, with a particular emphasis on ensuring appropriate recognition of public engagement, teaching and student support roles.</li> </ul> </li> </ul>	▼

Target		Progress to date	Achievement Status
10.3	reduce absolute CO <sub>2</sub> emissions by 40%, against a 1990 baseline	<ul style="list-style-type: none"> <li>To the end of 2009/10 the reduction in absolute CO<sub>2</sub> emissions against the 1990 baseline year was 23%, down from 30% at the end of 2007/08 and 29% at the end of 2008/09, against a very ambitious target. The University has now set a revised target of reducing CO<sub>2</sub> emissions by 29% against a 2007 baseline by 2020. The baseline year has been revised as a result of the Climate Change (Scotland) Act 2009. The University will take a pro-active approach to achieve the new target and has identified considerable opportunities to do so.</li> </ul>	▼
<b>Building strategic partnerships and collaborations</b>			
11.1	establish at least five new international partnerships for the award of joint PhDs	<ul style="list-style-type: none"> <li>University-wide, an agreement has been signed with Macquarie University, Sydney and a Memorandum of Understanding has been signed which allows for jointly awarded PhD degrees between the University of Edinburgh and 13 other Universitas 21 (U21) partners.</li> <li>The College of Humanities and Social Science has signed an agreement with the National University of Singapore. In addition, as part of the ITN EXACT project, the School of Social and Political Science has signed an agreement with the University of Cologne.</li> <li>Finally, as part of the EUROSPIN project, the School of Informatics has signed an agreement with the Royal Institute of Technology, Stockholm, Albert-Ludwigs-Universität, Freiburg, and NCBS, Bangalore.</li> </ul>	▲
<b>Stimulating alumni relations and philanthropic giving</b>			
12.1	meet or exceed the £350 million fundraising target of the Edinburgh Campaign	<ul style="list-style-type: none"> <li>The Campaign total at the end of 2009/10 was £296.25 million.</li> </ul>	—
12.2	raise £35 million through fundraising for scholarships as part of the Edinburgh Campaign	<ul style="list-style-type: none"> <li>Since 1999, the starting point for this target, over £31 million has been raised for scholarships - £18.6 million for undergraduate scholarships and bursaries and £12.4 million for postgraduate scholarships.</li> </ul>	▲
12.3	deliver a threefold increase in the participation rate of alumni who give to the University	<ul style="list-style-type: none"> <li>Our participation rate in 2007/08 was 3.29%, based on 104,000 contactable alumni and 3,436 donors (within the year). Therefore the target, to deliver a threefold increase, means that we are aiming for a participation rate of 9.88% by 2011/12.</li> <li>In 2009/10 we achieved a participation rate of 3.18% based on 3,814 donors from 120,088 contactable alumni. This was a substantial increase on the low point of 2.41% last year.</li> <li>Participation remains a challenge, although there are a number of positives in this area. In 2009/10, we achieved a very significant increase in the number of contactable alumni (from 108,000 to 120,000) via securing more email and address details. Increasing the base obviously has an effect on the percentage of participation. Also, the Annual Fund went through a restructuring process in 2008/09 and we are beginning to see very positive results from the new programme, including over £400k pledged via the student phoning programme.</li> </ul>	▼

The University of Edinburgh

The University Court

20 December 2010

**Disciplinary Tribunal**

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

The Principal requests that Court appoint a Tribunal to hear disciplinary charges brought against a member of the University's academic staff.

Action requested

Court is invited to approve the appointment of the Tribunal.

Resource implications

Does the paper have resource implications? No

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Kim Waldron  
University Secretary

December 2010

The University of Edinburgh

The University Court

20 December 2010

### **Disciplinary Tribunal**

The Principal requests that Court appoint a Tribunal to hear disciplinary charges brought against a member of the University's academic staff. Further information about the case will be presented orally at the Court meeting.

The University's Disciplinary Policy for Academic and Academic-related staff includes the following provisions:

#### **5. INSTITUTION OF CHARGES**

In any case where the Principal has directed that a charge or charges be preferred under paragraph 4.1 he/she shall request the University Court to appoint a Tribunal under Paragraph 6 to hear the charge or charges and to determine whether the conduct or performance of the member of staff concerned constitutes good cause for dismissal, or otherwise constitutes a serious complaint relating to the member of staff's appointment or employment.

Where the Court has been requested to appoint a Tribunal under Paragraph 6 the University Secretary, or if he/she is unable to act, his/her deputy shall take charge of the proceedings.

#### **6. THE TRIBUNAL**

The Tribunal is established as part of the formal disciplinary procedure under Part III of the Ordinance of the University Commissioners which took effect in October 1992.

A Tribunal appointed by the Court shall comprise:

- a Convener; and
- one member of the Court, not being a person employed by the University
- one member of the academic staff nominated by the Senatus Academicus.

Court is asked to appoint the Tribunal as follows:

Convener: Vice Principal Professor Mary Bownes  
Member of Court: Professor Stuart Monro  
Member of Academic Staff: Professor John Iredale

Kim Waldron  
University Secretary

December 2010

The University of Edinburgh

The University Court

20 December 2010

## **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 on business conducted in the first semester of 2010/11.

### Action requested

Court is asked to approve the proposed addition to the Delegated Authorisation Schedule of a new section 6, and the subsequent renumbering of following sections. Court is also asked to approve the minor changes in section 4 (set out in bold) of the KSC terms of reference. These changes are set out in Appendix 1.

### Resource implications

Does the paper have resource implications? No

### Risk assessment

Does the paper include a risk assessment? No

### Equality and diversity

Does the paper have equality and diversity implications? No

### Freedom of information

Can this paper be included in open business? Yes

### Originator of the paper

Jeff Haywood  
Vice Principal Knowledge Management, CIO and Librarian to the University

Jo Craiglee  
Head of Knowledge Management & IS Planning

# Knowledge Strategy Committee Report

## Report to University Court

This paper presents a summary of the major items concerning Knowledge Strategy Committee business from the meeting of 29 October 2010.

Committee papers are available online at:

<http://www.committee.kmstrategy.ed.ac.uk/index.cfm>

Knowledge Strategy Committee (KSC) has oversight of the University's knowledge management activities, in particular those areas concerned with Library, Information Technology, e-Learning, Management Information and e-Administration (hereafter described as the University's 'Information Space')<sup>1</sup>.

### ◆ Knowledge Strategy Committee Delegated Authorisation Schedule

The committee considered and recommends to Court the changes to KSC Terms of Reference; and the committee further proposes that changes be made to the University's Delegated Authorisation Schedule to include a new section 6, referring to Knowledge Strategy Committee. Those sections following this new insert will require to be renumbered appropriately. The proposed changes to KSC Terms of Reference and to the Delegated Authorisation Schedule are set out at Appendix 1. Members welcomed the approach noting that this would provide greater transparency on the acquisition of IT and library materials. It was noted that whilst the vast majority of library materials are acquired through IS, this is not the case for IT purchases. College and Support Group members were reminded that agreement on the IT element of the Schedule applied to all Schools, Colleges and Support Groups, not just the Information Services Group.

### ◆ Shared Academic Timetabling Project

Representatives from the project board presented an update on progress to date. Members were agreed that there were many positive benefits to be gained from the proposal and that a move to phase two was desirable. It was agreed that the next step was for the project to be assessed in line with the project governance framework to ensure its readiness to move to the next phase. The Project Manager was asked to carry out a self assessment of the project using the radar chart, this will then be compared with the radar chart produced by the independent assessor.

### ◆ Distance Education Initiative

Members discussed the new Distance Education Initiative and commented on the governance arrangements thereof. It was noted that the lessons learned from the Principal's e-learning Fund had been taken on board, in particular those concerning the financial aspects of allocation and year to year management.

It was noted that both the timetabling Project and the Distance Education Initiative would report regularly to KSC on their progress.

### ◆ End of the EUCLID Project

Members noted that this project had been drawn to a conclusion and governance of this area now lies with the University Secretary and SASG.

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<sup>1</sup> The following committees report to KSC: Library Committee; IT Committee; e-Learning Committee; and University Collections Advisory Committee

◆ **Creating a Knowledge Strategy for Edinburgh**

It was agreed that, whilst the major change areas are exceptionally important, we must not lose sight of the “business as usual” elements and it is essential that the strategy also encapsulate these areas of activity. This matter will be discussed with Support Groups as part of the annual planning process for 2011/12.

◆ **Knowledge Strategy Committee Away Day**

It was agreed that the forthcoming Away Day would concentrate on the University’s IT Strategy. Representatives from IS Applications and IT-Infrastructure will be present on the day

Following on from the initial change creating KSC as a Court Committee, the terms of reference for the Library Committee are currently under review. It is anticipated that the revised terms of reference will be presented to KSC and then to Court for approval, early in the new year.

Jeff Haywood

Vice Principal of Knowledge Management, CIO and Librarian to the University

Jo Craiglee

Head of Knowledge Management and IS Planning

02 December 2010

## Knowledge Strategy Committee

At its June 2010 meeting, the University Court of the University of Edinburgh approved a Delegated Authorisation Schedule (DAS) in terms of which people or bodies holding positions in the University (referred to as the “Delegated Authority”) were authorised to commit the University to contractual or quasi-contractual arrangements. The University also authorised the Delegated Authorities to approve formal schemes of sub-delegation whereby the authority granted to the Delegated Authority could be sub-delegated and/or the signature arrangements changed.

At that same meeting of Court, the Knowledge Strategy Committee (KSC) was formerly recognised as a Committee of Court and it was therefore not possible to incorporate delegated authorisation to KSC.

The Knowledge Strategy Committee has now considered its remit and the current DAS and wishes to propose to Court that a new section be incorporated into the DAS setting levels of authorisation for this Committee. The new section would cover award of payments and services in relation to Information Technology (IT) and library materials as well as major replacement and development projects concerned with the University’s IT infrastructure and other non-estate IT and library related projects. This section adopts a similar approach as for estate-related issues and it is suggested that this section be inserted as a new section 6 (following sections will require to be renumbered).

### Proposed New Section for DAS

<b>6</b>	<b>Information Technology (IT), Library and Related Projects (non-estates related projects)</b>		
6.1	Award of and payments for all goods and services related to the acquisition of IT hardware, software and library materials. a) transactions up to £1 million  b) transactions over £1 million	a) Knowledge Strategy Committee b) Court	a) Convenor of Knowledge Strategy Committee   e
6.2	Award of and payment for all goods, services and/or works contracts related to non-estates projects. a) transactions up to £1 million  b) transactions over £1 million	a) Knowledge Strategy Committee b) Court	a) Convenor of Knowledge Strategy Committee   e, x

### Proposed New Note

- x. For these purposes, non-estate-related projects are defined as major replacement and development projects concerned with the university’s IT infrastructure and other non-estates IT and library related projects.

If Court considers this proposal acceptable, the current approved terms of reference for the Committee will require to be amended to reflect this decision and appropriate sub-delegation schemes will be developed in consultation with Colleges and Support Groups.

### Terms of Reference

The following insertion is proposed to section 4:

#### **4 Remit**

4.1 To oversee, on behalf of the Court, the University’s knowledge management activities as they apply to the Information Space In particular:

4.1.1 To oversee the University’s major IT-based projects; and advise the Court and the Central Management Group on the proper control and management thereof;

**4.1.2 To oversee the University's strategic IT and Library spends. KSC can approve the following:**

**4.1.2.1 Acquisition of IT hardware/software and library materials with a value of up to £1 million (including VAT where appropriate);**

**4.1.2.2 Award of and payments for all goods, services and/or works contracts for non-estate related projects with a value of up to £1 million (including VAT where appropriate);**

4.1.3 To advise the Court and the Central Management Group (CMG) on any related factors, whether internal or external to the University, which might have a significant effect on the University's information space; and to report to the Court as appropriate;

4.2 To advise on the strategic direction for the University's Information Space, bringing together academic, physical, and financial aspects; further to ensure that priorities are clearly aligned to the University's Strategic Plan and will support the delivery of the core strategic goals; and to monitor progress against agreed targets and in particular:

4.2.2 To advise the Court, as necessary, on the strategic direction for our Information Space,

4.2.3 To monitor the performance and activities of the Library Committee, Information Technology Committee, e-Learning Committee and University Collections Advisory Committee, and report thereon to Court.

4.3 To undertake such other responsibilities as the Court may determine.

Professor Jeff Haywood  
Convenor, Knowledge Strategy Committee

Jo Craiglee  
Head of Knowledge Management and IS Planning

14-December 2010

The University of Edinburgh

The University Court

20 December 2010

## **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 the annual report from the Remuneration Committee to Court and provides a summary of the activities of the Remuneration Committee from October 2009 to September 2010.

### Action requested

The Court is asked to note the report and make comments.

### Resource implications

Does the paper have resource implications? No

### Risk assessment

Does the paper include a risk assessment? No

### Equality and diversity

Does the paper have equality and diversity implications? Yes

The report makes reference to Equal Pay at Appendix A and the Report of the External Examiner at Appendix B.

### 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

Ms Sheila Gupta, Secretary to the Remuneration Committee  
Dr John Markland, Convener of the Remuneration Committee

December 2010

The University of Edinburgh

The University Court

20 December 2010

## **Corporate HR Restructuring**

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

This paper is being presented to Court now for information only.

### Action requested

This paper is therefore for information only at this stage and to respond to any questions that Court members may have.

### Resource implications

As detailed in paper.

### Risk assessment

As detailed in paper.

### Equality and diversity

Equality and diversity implications will be covered in the business case, if any arise.

### Freedom of information

Can this paper be included in open business? No

Its disclosure would constitute a breach of confidence actionable in court

For how long must the paper be withheld? Until the next meeting of Court in February 2011

### Originator of the paper

Sheila Gupta  
Director of HR

The University of Edinburgh

The University Court

20 December 2010

## **University of the Highlands and Islands Millennium Institute Appointment**

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

The articles of association of the UHI Millennium Institute require that a representative from each sponsoring university sit on their Board of Governors. Following Melvyn Cornish's retirement, a new representative is required.

### Action requested

The Court is invited to approve the appointment of Dr Bruce Nelson to membership of the Board of Governors at the UHI Millennium Institute with immediate effect, replacing Melvyn Cornish.

### Resource implications

Does the paper have resource implications? No

### Risk assessment

Does the paper include a risk assessment? No

### Equality and diversity

Does the paper have equality and diversity implications? No

### Freedom of information

Can this paper be included in open business? Yes

### Originator of the paper

Kim Waldron  
December 2010

The University of Edinburgh

The University Court

20 December 2010

**University of the Highlands and Islands Millennium Institute Appointment**

Court is asked to appoint Dr Bruce Nelson to replace Melvyn Cornish as the University of Edinburgh's representative on the Board of Governors (the Court) of the University of the Highlands and Islands Millennium Institute.

The articles of association of the UHIMI require that a representative from each sponsoring university (Aberdeen, Edinburgh and Strathclyde Universities) sit on Court, and that such representatives are selected by the sponsoring university. There are no term limits specified for such UHIMI Court members; length of service is at the discretion of the sponsoring university.

Dr Nelson is the Registrar of the College of Science and Engineering, and has previously held such roles as Director of Planning, Academic Registrar and Deputy University Secretary. He has a deep and broad knowledge of governance and university research, two areas of expertise the University's representative is expected to bring to the role.

**I should be grateful for Court's approval of the above proposal.**

Kim Waldron  
December 2010

The University of Edinburgh

The University Court

20 December 2010

## **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 28 October 2010 to 30 November 2010.

Action requested

For Information

Resource implications

None

Risk Assessment

n/a

Originator of the paper

Mrs Liesl Elder  
Director of Development

Freedom of information

Can this paper be included in open business?

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