

THE UNIVERSITY OF EDINBURGH

BUSINESS FOR MEETING OF THE UNIVERSITY COURT to be held in the Dining Room, Teviot Row House, Bristo Square on Monday 10 December 2012 at 2.00 p.m.

A buffet lunch will be available in the Loft Bar, Teviot Row House, Bristo Square
from 1.00 p.m.

This meeting of Court will be preceded by a presentation from Mr James McAsh, EUSA President
entitled 'EUSA Volunteering: Helping our Community'.

A FORMAL BUSINESS

1. Minute of the meeting held on 5 November 2012 **A1**

B PRINCIPAL'S BUSINESS

1. Principal's Communications **B1**
2. Vice-Principal-extension of term of office **B2**

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. EUSA President's Communications **C2**
3. Risk Management Committee year end report **C3**
4. Risk Management – post year end Assurance Statement **C4**
5. Audit Committee Annual Report **C5**
6. Reports and Financial Statements
 - .1 Reports and Financial Statements for year ended 31 July 2012 **C6.1**
 - .2 Letter of Representation **C6.2**
 - .3 Review of 2011/2012 Outturn versus Forecast **C6.3**
 - .4 Draft US GAAP Accounts **C6.4**
7. Strategic Plan 2008/2012 – Progress Report **C7**
8. Widening Participation - update **C8**
9. Student Experience - update **C9**
10. ECA Review **C10**
11. Report from Remuneration Committee **C11**
12. Report from Nominations Committee **C12**
13. Report from Knowledge Strategy Committee **C13**
14. Annual Review 2011-2012 **C14**
15. Election of Non-Teaching Staff Assessor **C15**

D ITEMS FOR FORMAL APPROVAL OR NOTE

1. University of Edinburgh Cross and Salmon Trust **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 the Lecture Theatre, Royal Observatory, Blackford Hill, Edinburgh on Monday 5 November 2012.

Present: Rector (in chair)
The Principal
Sheriff Principal E Bowen
Mr A Johnston
Mrs M Tait
Dr M Aliotta
Professor J Ansell
Professor D Finnegan
Professor A Harmar
Professor S Monro, Vice-Convener
Mr D Bentley
Dr R Black
Dr C Masters
Mrs E Noad
Ms A Richards
Mr J McAsh, President Students' Representative Council
Mr A Burnie, Vice-President Students' Representative Council

In attendance: Ms S Beattie-Smith, Rector's Assessor
Senior Vice-Principal Professor M Bownes
Vice-Principal Professor J Haywood
Vice-Principal D Hounsell
Vice-Principal J Seckl
Vice-Principal Professor L Yellowlees
Professor J Peacock
Dr K Waldron, University Secretary
Vice-Principal Mr N Paul, Director of Corporate Services
Dr I Conn, Director Communications and Marketing
Dr A Cornish, Deputy University Secretary and Director of Planning
Mr A Currie, Director of Estates and Buildings
Mr P McNaull, Director of Finance
Ms F Boyd, Head of Stakeholder Relations and Senior Executive Officer
Dr K J Novosel, Head of Court Services

Apologies: Professor A M Smyth
The Rt Hon D Wilson, Lord Provost of the City of Edinburgh
Mr P Budd
Mr L Matheson
Mr D Brook

Court received a presentation from Professor John Peacock, Head of the Institute of Astronomy on 'The Royal Observatory and Astronomy in the University of Edinburgh'.

A FORMAL BUSINESS

1 MINUTE OF THE MEETING HELD ON 11 SEPTEMBER 2012

Paper A1

The Minute of the meeting held on 11 September 2012 was approved as a correct record.

2 NOTE OF THE SEMINAR HELD ON 11 SEPTEMBER 2012 Paper A2

The informal note of the Seminar held on 11 September 2012 was approved as a correct record.

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 assistance provided by the International Office in supporting international students obtain visas to study at the University and the on-going process to ensure that the University meets UKBA requirements; the successful visit by the Principal and the Director of Development & Alumni to New York, Washington and Toronto and the fundraising meeting with the US Development Trust; the encouraging registration of interest in attending open days for 2013/2014 entry and the student recruitment figures for 2012/2013; the actions being taken in respect of the widening participation agenda; the current position on pay negotiations and possible union action; the progress in taking forward the 2013/2014 outcome agreement with the SFC; and that information on the outcome of the ECA review would be presented to the next meeting of Court.

C SUBSTANTIVE ITEMS

1 REPORT OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

Professor Monro presented the papers previously circulated.

Report of the Central Management Group meetings of 10 October 2012 **Paper C1.1**

Court approved, in principle, the Equality Impact Assessment Policy Statement subject to further consultation and finalisation and approved the amendments to coversheets of papers presented to Court, Senate and Committees in light of this Statement. Court further commended the excellent work of EUSA in taking forward volunteering opportunities and for participation in the Edinburgh Students' Charities Appeal.

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

The revised Investment Strategy was approved by Court and the proposals in respect of automatic pension enrolment were endorsed. There was discussion on the level of reserves being held by Colleges and Support Groups and Court welcomed the actions being taken to appropriately phase the utilisation of these funds through future planning rounds. The other items in the report were noted including the review of the remit of the post review group.

2 EUSA PRESIDENT'S COMMUNICATIONS Paper C2

Court welcomed this first Student President's Report and noted the items and the additional information on: recent EUSA referenda and by-election results; the well-received training offered to student class representatives; the extension of volunteering opportunities to staff; various current student campaign activities and national actions; and security issues raised as a result of a recent guest speaker. Court welcomed the actions being taken to work with the University Chaplaincy to create a mediation process to assist in preventing a reoccurrence of this type of incident and the intention of EUSA to develop a protocol/guidance in respect of guest speakers at student organised events. Court was assured of the appropriate actions taken by University security staff and on the agreed procedures for handling such incidents. It was further

confirmed that the Fees Strategy Group was considering the level of fees paid by international undergraduate students during the course of their programme of study to provide students with more certainty on total tuition fee costs.

3 STRATEGIC RELATIONSHIP WITH HERIOT-WATT UNIVERSITY

Paper C3

As a result of approval of previous proposals further discussions had taken place between Senior Officers from Heriot-Watt University and this University and the attached Strategic Alliance had been drafted for consideration by the Court of both Institutions. Court welcomed and approved the proposed Strategic Alliance between Heriot-Watt University and the University of Edinburgh which formalised the already close relationship and working arrangements between the two institutions which included proposed joint submissions to REF2014. Going forward the Alliance would offer further liaison opportunities in a range of teaching, academic, student and support areas. The Court of Heriot-Watt University would be considering the proposal at its meeting on 12 November 2012 and if it also approved the Alliance a joint statement would then be issued. It was noted that the Alliance was for an initial period of three years with the intention of annual progress reports to be prepared for both institutions based on a set of agreed performance indicators.

4 DRAFT CORPORATE GOVERNANCE STATEMENT

Paper C4

Court considered the draft Statement and noted the revisions from that approved for the 2010/2011 Accounts. It was further noted that the information in the Statement reflected the governance arrangements operating during 2011/2012 and it was agreed that it would be helpful for the Nominations Committee to consider future membership of Committees and other related issues in the context of the current review of governance within the sector being undertaken at the behest of the Scottish Government. It was suggested that further consideration should be given to the information on the General Council within the Statement and that the number of lay members of Court and a reference to the Rector's Assessor should also be included. Court noted that an amended Statement would be included in the Reports and Financial Statements 2011/2012 presented to the next meeting of Court.

5 WIDENING PARTICIPATION - UPDATE

Paper C5

The additional funding being made available in 2013/2014 by the Scottish Funding Council (SFC) to recruit and retain students from the most deprived neighbourhoods in Scotland was noted and the University's current approach to increase the number of students from under-represented groups as set out in the 2012/2013 Outcome Agreement with the SFC. Court was supportive of the proposals to further increase financial and academic support to Scottish students through access and accommodation bursaries and a range of other initiatives including support prior to arrival at the University. It was noted that further costed information would be presented to a future meeting.

6 PROGRESS IN ADDRESSING FEEDBACK SCORES IN NSS

Paper C6

The work being progressed within the specifically identified areas/work strands as previously reported to Court was noted. There was particular discussion on the actions being taken to better understand students' views on feedback, on the University commissioning external assistance, on obtaining benchmarking information, and on sharing good practice across the University. Court welcomed the intention for update reports to be routinely provided at future meetings.

7 REPORT FROM ESTATES COMMITTEE Paper C7

The various recommendations as set out in the paper were approved by Court. In particular the adjustments to the funding for the approved programme in respect of the Deaconess House development was noted and for the McEwan Hall. The consultation undertaken in respect of the proposed nursery provision at King's Buildings was also noted. Court welcomed progress on taking forward the 2025 estates study and the opportunities around the potential acquisition of Murchison House.

8 REPORT FROM AUDIT COMMITTEE Paper C8

Court noted the draft Minute of the last meeting of the Audit Committee. In particular the tendering exercise underway to identify external audit provision for the 2013/2014 accounts onwards, and the discussions around IT security and the Anti-Bribery and Corruption Policy were noted.

9 REPORT FROM NOMINATIONS COMMITTEE Paper C9

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

Membership of Committees

Audit Committee

Ms Anne Richards' term of office and Convenership to be extended until 31 July 2014.

Finance and General Purposes Committee

Dr Marialuisa Aliotta's term of office to be extended by three years until 31 July 2016.

Knowledge Strategy Committee

Professor Stuart Monro's term of office to be extended by one year until 31 July 2014.

Professor Ann Smyth's term of office to be extended by two years until 31 July 2015.

Nominations Committee

Mr Alan Johnston to be appointed from 1 August 2013 for two years until 31 July 2015.

Remuneration Committee

Ms Anne Richards' term of office to be extended by one year until 31 July 2014.

Library Committee

Professor David Finnegan's term of office to be extended by one year until 31 July 2014.

Vice-Principal Dr Sue Rigby to be appointed with immediate effect until 31 July 2015.

University Collections Advisory Committee

Sheriff Principal Edward Bowen to be appointed from 1 August 2013 for two years until 31 July 2015.

Curators of Patronage

Vice-Principal Professor Seckl to be appointed a Curator of Patronage with effect from 1 September 2013 until 31 July 2016.

Dr Margaret Stewart Bequest

Dr Magdalena Midgley to be appointed with immediate effect until 31 July 2014.

Dr Robert Black to be appointed with immediate effect until 31 July 2015.

10 ANNUAL ENHANCEMENT REPORT FOR COURT Paper C10

This second Annual Enhancement Report was welcomed by Court and the detailed information it contained on the four areas of employability, assessment and feedback, student guidance and support, and enhancement infrastructure within the context of the University's approved Learning, Teaching and Enhancement Strategy. Court commended in particular the positive impact of the Institute of Academic Development and the initiatives to promote and recognise excellence in teaching.

11 SUPPORT FOR COURT MEMBERS AND THE OPERATION OF COURT: OUTCOMES OF DISCUSSIONS WITH COURT MEMBERS OVER THE SUMMER Paper C11

Court noted the paper and that several specific operational observations will be taken forward by the Court secretariat.

D ITEMS FOR FORMAL APPROVAL OR NOTE

1 ACADEMIC REPORT Paper D1

Court noted the report from the Senate meeting and on the business conducted by the electronic Senate.

2 DRAFT RESOLUTION Paper D2

Court approved the following draft Resolution:

Draft Resolution No. 1/2013: Degree of Master of Divinity

and requested its transmission to the General Council and Senatus Academicus for observations.

3 RESOLUTIONS Paper D3

Court approved the following Resolutions:

Resolution No. 59/2012:	Foundation of a Chair of History of Art
Resolution No. 60/2012:	Foundation of a Chair of Geochemistry
Resolution No. 61/2012:	Alteration of the title of the Chair of Child Protection
Resolution No. 62/2012:	Alteration of the title of the Personal Chair of Children's Social Inclusion
Resolution No. 63/2012:	Foundation of a Personal Chair of Strategy
Resolution No. 64/2012:	Foundation of a NES Personal Chair of Clinical Ophthalmology
Resolution No. 65/2012:	Foundation of a Personal Chair of Chromatin Biology
Resolution No. 66/2012:	Foundation of a Personal Chair of Political Science
Resolution No. 67/2012:	Foundation of a Higgs Chair of Theoretical Physics
Resolution No. 68/2012:	Foundation of a Personal Chair of Health and Social Science
Resolution No. 70/2012:	Foundation of a Personal Chair of Theoretical Astrophysics
Resolution No. 71/2012:	Foundation of a Personal Chair of Sociology and Social Statistics
Resolution No. 72/2012:	Foundation of a Personal Chair of Molecular Haematology

Principal's Report

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

International

Korea

Vice Principal International and Deputy Vice Principal International visited Korea University, Yonsei University, Seoul National University, University of Seoul, Hankuk University of Foreign Studies and EWha Womans University to follow up and sign agreements developed since the British Council Higher Education Mission in March 2012.

A meeting was also held with the UK Ambassador in Seoul, to explain University strategy for engagement with South Korea.

China

Dr Dorothy Watson, International Strategy & Partnerships, visited Donghua University Shanghai with Alan Murray and Dr Juliette MacDonald of Edinburgh College of Art to discuss the establishment of a new collaborative Shanghai College of Fashion. As well as Edinburgh, the collaborative venture would include top fashion institutions in Tokyo, London, New York and Shanghai. Donghua University will make a return visit to Edinburgh in December 2012.

Dean International, College of Medicine & Veterinary Medicine, was invited to be an assessor on the Transnational Education China 2012 review at Ningbo, looking at institutional procedures for the management of academic quality and standards and the way they are operated.

India

Vice Principal International visited Delhi University to discuss various aspects of the developing partnership including links in particle physics, mathematics and education.

A Namaste welcome was held for all new students from India in the Playfair Library.

Europe

Dean International, Europe, attended the LERU Rectors' Meeting in Freiburg.

Edinburgh International City of Learning

The International Office hosted the John Byrne Awards 2012 on 28 November in the Informatics Forum. The John Byrne Award encourages sixth-year school pupils to think about values and express those values through a painting, a poem, a play - or any other creative output of their choosing. This year's theme was 'Letter From America'.

Related meetings

There were a number of events to mark US election night and I spoke at a noisy and good natured election night party in Teviot hosted by the North American Students Society. I was also very pleased to see so many people, including the Cabinet Secretary Culture and External Affairs Fiona Hyslop, at the more formal Election Breakfast in the Playfair Library co-hosted by the University and the Principal Officer at the US Consulate General Edinburgh. I also briefly joined the breakfast event hosted by Lloyds TSB.

I was pleased to welcome the European Commissioner for Employment, Social Affairs and Inclusion Mr Laszlo Andor to the University in early November as he delivered a well-received lecture on “Investing in a job-rich recovery for Europe.”

I also met with the Ambassador of Russia prior to his attending the Cross Party Group on Russia AGM which was hosted at the Princess Dashkova Centre.

I have just returned from a very successful visit to Taiwan hosted by the Ministry of Education where I undertook a series of informative meetings with a number of Universities and hosted a very positive event for local alumni.

UK

HE Pay Negotiations 2012-13

The final formal position from the unions on the 1% offer for the 2012-2013 pay negotiations is imminent and is likely to be received in time for implementation in the December payroll.

Jisc as a registered charity

I was particularly pleased, in my role as Chair of Jisc, to note progress on their move to becoming a separate legal entity. A major step towards this has been achieved as Jisc recently became a registered charity with a new board of non-executive directors and trustees.

Scotland

Student Support and Bursaries

A number of initiatives have come together in the last month that show the University's commitment to enhancing our support for students. The new Personal Tutor system is now fully operational and offers a more formal contract between tutor and tutee to ensure that our students are well supported and get the most out of their time at University.

A new bursary scheme to help students from across Scotland with the costs of living away from home has also been launched. As the scheme is linked to those students who are eligible for Scottish Government bursaries they will automatically qualify for accommodation support from the University throughout their degree course. There is no limit to the number of students who may qualify for the scheme which will begin for undergraduates starting in 2013. This scheme is a helpful addition to the range of support that is aimed at widening access, of which you will hear more later.

Lloyds Scholars Programme.

I was delighted to welcome Lady Susan Rice, Lloyds Banking Group Managing Director, to an event to mark the first Lloyds Scholars at the University. Fifteen Edinburgh students are participating in the Lloyds Scholars Programme which is designed to support and encourage students from lower income households to study at leading academic and research universities. The Lloyds programme, launched

as a pilot last year, offers access to a unique package of financial support. Edinburgh is the first Scottish university to take part in the scheme.

Chancellor

We were very pleased to enjoy such a positive visit from the Chancellor and Vice Admiral Sir Timothy Laurence, a few weeks ago. The Chancellor opened the Katherine Grainger Gym at the Centre for Sport and Exercise in the afternoon and later that evening presented our three award winners Dr Eve Hepburn, Professor Igor Rudan and Professor Jamie Davis with their Chancellor's Awards.

Research Income

Recent figures have confirmed the very successful rise in income from the research councils that Edinburgh has enjoyed. In 2011-12 Edinburgh experienced a rise of 17% representing a figure of £66 million. This places us in third position behind Imperial and UCL but ahead of Oxford and Cambridge.

Governance Review Update

Further information has been received on the Governance Review meetings that Mr Kevin Clarke will be undertaking with University of Edinburgh representatives. Suggested discussion topics have been circulated to those involved and the meetings will take place in January 2013.

Campaign Close

Many of you would have attended the event in November to formally mark the successful closure of the Edinburgh Campaign. Meeting the target of £350m is a tremendous achievement which has only been possible by great generosity and the hard work of everyone involved.

Related meetings

Together with Professor David Hume I had a successful meeting with the First Minister in mid-November to discuss Professor Hume's development plans for the Easter Bush campus.

It was also a great pleasure to welcome Professor Mary Robinson who gave the final Enlightenment Lecture in the "Our Changing World" series about placing human rights at the heart of the response to climate change. This was a very well attended event with 1,200 people gathering in the McEwan Hall - indeed the entire series has been very successful with over 9,000 people attending the free lectures over the course of the three year series.

I hosted a most informative visit to the Little France campus by Mr Jim Eadie MSP for Edinburgh Southern and took part in an excellent Scotland International Forum in early December.

I was also delighted to host the Carlyle Circle Tea Party at Heriot Row earlier this month to thank those who have pledged a legacy to the University.

University News

Innogen marks 10 years. Innogen, the University-based ESRC Centre for Social and Economic Research on Innovation in Genomics, celebrated its 10th anniversary with an event at the Playfair Library. The event featured presentations from leaders in science and innovation, offering their thoughts on Scotland's scientific future. It was chaired by Professor Andrew Morris, Scotland's Chief Scientist for Health. Innogen is a partnership between the University of Edinburgh and the Open University.

Wave tank moving forward. A new deal means the University is set to help marine energy developers make waves. FloWave TT, the University subsidiary that is building the world's most advanced wave tank, has signed a data-sharing agreement with the European Marine Energy Centre (EMEC). The deal will allow FloWave to recreate sea conditions from EMEC's wave and tidal test sites in the Orkney Isles at its £9.5 million test facility at Edinburgh. As a result, companies developing new marine energy devices will be able to hone their marine energy ideas and concepts at a smaller scale, before deploying their devices in the sea.

The **University rugby team** has won the Scottish Varsity Match for the second year in a row. Around 800 graduates braved sub-zero temperatures to watch the game, which was hosted by London Scottish Rugby Club. The Edinburgh team defeated their St Andrews counterparts 28-8 after a hard-fought contest. The Scottish Varsity Match between Edinburgh and St Andrews is the world's oldest inter-University rugby fixture. The 2012 match is the second time the fixture has been played in London. It was preceded by a dinner attended by her Royal Highness Princess Anne, University Chancellor and patron to London Scottish, at the Caledonian Club in London.

University Events. The University marked Remembrance Sunday with the traditional poignant service and Senior Vice Principal Bownes represented the University at the annual St Andrews Day celebration concert in St Cecilia's Hall. Winter Graduations were again very well organised and attended this year proving very successful for all involved.

Research in the News:

- **Scientists pinpoint origin of intelligence.** Scientists have discovered for the first time how humans - and other mammals - have evolved to have intelligence. Researchers have identified the moment in history when the genes that enabled us to think and reason evolved. This point 500 million years ago provided our ability to learn complex skills, analyse situations and have flexibility in the way in which we think.
- **Facebook stress.** A large number of friends on Facebook may appear impressive but, according to a new report, the more social circles a person is linked to online the more likely social media will be a source of stress. A report from the University of Edinburgh Business School, co-authored with the University of Bath, has found that the more groups of people in someone's Facebook friends, the greater potential to cause offence. In particular, adding employers or parents resulted in the greatest increase in anxiety. Some 55 per cent of parents follow their children on Facebook. Likewise, more than half of employers claim not to have hired someone based on their Facebook page.
- **New brain gene.** Scientists have taken a step forward in helping to solve one of life's greatest mysteries - what makes us human? An international team of researchers have discovered a new gene that helps explain how humans evolved from apes. Scientists say the gene - called miR-941 - appears to have played a crucial role in human brain development and may shed light on how we learned to use tools and language.
- **Gene study could aid pig health.** Insights into the genetic code of pigs that reveal how the species evolved could improve the health of animals in future. University researchers compared the genome or genetic make-up of domestic pigs with those of wild boars - from which domestic pigs are descended. The study, involving researchers from The Roslin Institute, found significant genetic differences between wild boars from Asia and Europe, which split from a common ancestor around a million years ago.

External Recognition:

- Edinburgh Law School's Professor Emeritus Sir David Edward has been recognised with two of France's most prestigious honours. Sir David, who has sat as judge at some of Europe's highest courts, has been made an Officier de l'Ordre de la Légion d'Honneur, the highest honour conferred by France. He was also made Chevalier de l'Ordre des Arts et des Lettres, which is awarded in recognition of a significant contribution to arts and literature.
- Professor Eve Johnstone has been presented with the Lifetime Achievement Award at the Royal College of Psychiatrists Annual Awards Ceremony. This is a great honour and deservedly recognises Professor Johnstone's outstanding contribution.

The University of Edinburgh

University Court

10 December 2012

Vice Principal Extension

B2

Vice Principal Equality and Diversity - Extension

Professor Lorraine Waterhouse continues to provide exemplary support in her role as Vice Principal Equality and Diversity and I wish to extend her term of office until 31 July 2013.

I seek Court's approval for this proposal.

TMMO'S
December 2012

The University of Edinburgh

The University Court

10 December 2012

C1.1

**Report of the Finance and General Purposes Committee
(Comments on the Report from the Central Management Group meeting of 12 November 2012)**

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 19 November 2012 from the Central Management Group of its meetings of 12 November 2012. The item on Enhancement of University-Wide IT Security is now included in the Knowledge Strategy Committee Report to Court. Comments made by the F&GP Committee are incorporated in boxes within the report at relevant points.

Action requested

The Court is invited to approve the revised Terms of Reference for the Staff Committee and note the outcome of the appeals against dismissal at item 3 and to note the remaining items with comments as it considers appropriate.

Resource implications

As outlined in the paper.

Risk Assessment

As outlined in the paper.

Equality and Diversity

As outlined where appropriate in the paper.

Freedom of information

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

Originators of the paper

Dr Alexis Cornish
Dr Katherine Novosel
December 2012

Central Management Group

12 November 2012

1 PLANNING GUIDANCE 2013/2014 (CLOSED)

2 PRINCIPAL'S CAREER DEVELOPMENT PhD SCHOLARSHIPS

CMG fully supported the continuation of this successful scheme in 2013/2014.

3 REPORT FROM STAFF COMMITTEE (CLOSED) (Appendix 1)

4 CHANCELLOR'S FELLOWSHIPS – UPDATE

The Group noted the current position and that negotiations were on-going to confirm some offers of appointment. It was agreed that where there were any areas of under recruitment further advertisements should be placed to ensure all agreed positions were filled by the end of this academic year. CMG welcomed the high calibre of those appointed to these posts and noted the gender balance. It was confirmed that ERI and IAD were working closely to provide support and induction for new Chancellor's Fellows. CMG endorsed this and asked that they ensure that there was no duplication of effort.

5 REPORT FROM FEES STRATEGY GROUP (CLOSED)

6 ROUTINE FEES (CLOSED)

7 NPRAS SPACE RATES 2013/2014

CMG approved the revised NPRAS space rates for 2013/2014.

8 SECURITY ADVISORY GROUP ANNUAL REPORT

The Annual Report of the Security Advisory Group was welcomed. In particular CMG noted the actions taken to contain post exam celebrations and the continuing challenges, commended the work of security staff in dealing with sensitive high profile events and the need to consider health and safety issues and fully endorsed the proposal to support the development by EUSA of a guidance document for students and societies on the conduct of meetings with visiting speakers. CMG further re-affirmed its full support on encouraging all staff to wear and display their ID card.

9 CLIMATE ACTION PLAN UPDATE 2012

CMG noted the Annual Report 2011/2012 on the Climate Action Plan and progress to date in areas such as waste and transport management. The increase in the estate and University activities continued to impact on the University achieving absolute reductions in carbon emissions and progress to take forward the devolution of energy budgets and other measures were noted.

10 HEALTH AND SAFETY REPORT (Appendix 2)

CMG noted the minute of the last meeting of the Health and Safety Committee including the emergency telephone numbers arrangements and the quarterly report on accidents and incidents. The number of reportable incidents was noted and that consideration was being given on how to tackle awareness raising on personal safety issues.

Health and Safety Quarterly Report 2011/2012

Quarterly reporting period: 1st July – 30th September 2012

Accidents and Incidents

Type of Accident/Incident	Quarter 4 July-Sept 2012	Quarter 4 July-Sept 2011	Year to Date 1 Oct 2011 – 30 Sept 2012	Year to Date 1 Oct 2010 – 30 Sept 2011
Fatality	0	0	0	0
Specified Major Injury	2	0	5	6
> 3 day/ >7 day Absence (7 day injury)	3	5	12	16
Public to Hospital	6	5	26	15
Reportable Dangerous Occurrences	1	0	1	1
Disease	0	1	0	2
Total Reportable Accidents / Incidents	12	11	44	40
Total Non-Reportable Accidents / Incidents	94	96	412	388
Total Accidents / Incidents	106	107	456	428

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

Incidents reported to the Enforcing Authorities during the quarter:

- The IP fell outside Lee House, on steel drainage runners, onto her hands and knees. She attended hospital where she was found to have torn ligaments in her left knee. The IP was signed off from work from 02/07 for 3 weeks. (**> 7 day injury**).*
- The IP was vacuuming in Abden House when his back suddenly seized and he felt pain and tingling in legs. The IP returned to work on 27/08/2012. Training is provided on using vacuum equipment. (**> 7 day injury**).*
- The IP was carrying a small rodent cage into a procedure room and tripped over the rodent barrier. She struck her head on a sink, bruising both knees, back, and arm, and pulling muscle in arm. Following a holiday, she was signed off work for 2 weeks. An additional trolley has been made available to assist with the transport of cages. (**> 7 day injury**).*
- An E&B Heating Engineer reported that a gas boiler was unsafe. He erroneously reported the situation to HSE. Senior E&B and H&S managers re-instated boiler operations, as a result of a balanced risk assessment. HSE visited the site and confirmed that they had no concerns regarding the installation. (**Dangerous Occurrence**).
- A sedated horse was having a sling fitted around it's abdomen. The IP was holding a halter on the horse's head, when the horse unexpectedly tossed it's head. The IP's hand made contact with the wall of the recovery box resulting in pain and swelling to her finger. The IP was taken to hospital as a precaution. Investigations indicated that sedation levels were correct, staff numbers/support were appropriate, and that procedures were being followed. (**Public to Hospital**).

Incidents reported to the Enforcing Authorities during the quarter (cont.)

- While filling up tubes with diluted formaldehyde from a container located on the work bench, one of the tubes dropped causing the solution to splash into the eye. The eye was immediately rinsed using the eyewash station and the IP taken to hospital as precaution. The risk assessment has been reviewed to include wearing eye protection and the location of the dispensing unit has been relocated to a more convenient position to facilitate safe handling. ***(Public to Hospital)***.
- The IP, a visitor on an internship, received a splash of liquid into her eye, whilst opening a cryotube which contained a serum sample which has been removed from the freezer and thawed. The eye was washed immediately and the IP attended hospital as a precaution. Appropriate prophylactic treatment was given as a further precaution and the serum sample was retrospectively analysed for relevant human pathogens; no pathogens were present. The relevant risk assessment has been reviewed to take account of the potential eye contamination. ***(Public to Hospital)***.
- The IP, who has mobility issues, fell as she was exiting the shower cabinet. She grabbed the towel rail, which could not support her weight, and gave way, striking her on the face. The IP attended hospital where she received a stitch to her lip. The shower has non-slip flooring, but will be further monitored. ***(Public to Hospital)***.
- The IP, a student at the Summer School 5-day clay modelling course, stepped backwards to observe her piece of clay work. As she did so, her trousers caught a small tightening screw on the foot of the modelling stand, causing her to become unbalanced, and she fell backwards. She put out both hands to break her fall. The IP indicated that she had hurt her wrists and sat for the remainder of the class. She sustained fractures to both wrists. ***(Public to Hospital)***.
- The IP was cooking, using a pan of oil, which overheated and caught fire. The contents of the pan spilled over, causing burns to her hands. IP was taken to hospital - skin grafts to be performed. ***(Public to Hospital)***.
- The IP was on the 2nd-from-top step on an A frame step ladder. He twisted and over-reached to access an item on the wall, and fell approx. 1.5m, landing heavily on his back, sustaining a compressed fracture to the front, and a hairline fracture to the rear, of one vertebra. He was taken to hospital and has been signed off work for 4 weeks. This activity was not part of the IP's duties. The ladders were in good condition and were being held at the bottom by a colleague. ***(Specified Major Injury)***.
- As the IP was cleaning up a spillage he slipped. He put his hand out to save himself and as he fell he sustained a chipped bone in his wrist, and was taken to hospital. The IP attended health and safety refresher training in February 2012. ***(Specified Major Injury)***.

REPORT TO CMG FROM THE MEETING OF THE UNIVERSITY HEALTH AND SAFETY COMMITTEE, HELD IN THE CUILLIN ROOM, CHARLES STEWART HOUSE ON WEDNESDAY, 3RD OCTOBER 2012

1. UNIVERSITY EMERGENCY TELEPHONE NUMBERS

The University's emergency number is to be changed to 999, to ensure consistency across campuses, and to enable staff or students to speak to the emergency operator directly, which is of particular importance in a casualty situation. This should then be followed up by a call to University Security to ensure that the University is aware of emergency incidents involving staff, students or visitors on our premises, and can offer assistance as appropriate.

University Security will remain the main contact for non-emergency incidents. A new national non-emergency number is to be introduced on 1st April next year. This will be accompanied by a public awareness campaign, and the University's revised emergency arrangements will be implemented to coincide with changes to the national system for responding to incidents. There are a number of practical issues to be progressed with the introduction of a new emergency procedure, such as signage across all buildings, signage on telephones, and general awareness amongst staff and students

2. REVIEW OF THE UNIVERSITY HEALTH AND SAFETY POLICY

A comprehensive review of the University Health and Safety Policy is underway, with a view to producing a new, more concise Policy document, together with clearly defined and properly ordered supporting guidance. Donald Blue MBE, formerly CHASTE Project Co-ordinator, is providing expert external input, with experience of drafting health and safety policies within the Scottish Higher Education sector. Re-drafting of the current Keynote Guide, and the separation of policy and arrangements elements from guidance elements, in the current 10 part Policy, is in progress with the new Policy expected to be ready for publication Spring 2013. The revised Emergency Procedure arrangements will be included in the new Policy.

3. BEHAVIOURAL SAFETY TRAINING PROGRAMME

A pilot 2-day behavioural safety course will be held in November, in conjunction with the Edinburgh-based Keil Centre, a team of respected occupational psychologists. The course will initially be attended by corporate Health and Safety staff and full time professional Health and Safety Managers etc., in the Colleges and Schools. Following this pilot course, consideration will be given to the possible approaches to cascading this type of learning within the University, taking costs into account.

4. HEALTH AND SAFETY EXECUTIVE FEES

The Health and Safety Executive (HSE) introduced a charging scheme called Fee For Intervention (FFI) on 1st October. The scheme sets out to recover all of the

HEALTH AND SAFETY EXECUTIVE FEES (Cont.)

costs of an inspection / investigation and taking enforcement action, where a material breach of health and safety law is identified by the HSE.

The HSE currently intends to charge £124 per hour for the duration of the entire visit, not simply from when a breach is identified, through to the breach being resolved, or when the HSE hand the case to the Procurator Fiscal. No fee will be charged for trivial breaches. If following a visit, the HSE issue a prohibition or enforcement notice, a formal letter, or send an email, then the organisation are liable for all relevant costs. Biological activities, and licensed asbestos work, are currently exempted from the fee scheme.

In due course, should any such fees be charged by HSE to the University, these will be met by either the School, College, or corporately, depending on the circumstances surrounding the breach. A decision on which budget code such fees will be paid from will therefore be taken on a case-by-case basis by the Director of Corporate Services, in consultation with the Central Management Group.

5. PERSONAL EMERGENCY EVACUATION PLANS (PEEPS)

A number of issues relating to the wider aspects of staff and student disability are being dealt through the Timetable Project and Central Management Group, and also through discussions on the staff disability provision in general which have taken place between the Director of Corporate Services, the Director of Health and Safety, University Human Resource Services and Student and Academic Services Group, involving the University Secretary. In addition, Estates and Buildings Design Office have an ongoing programme looking at access issues across the University's estate.

6. OCCUPATIONAL HEALTH UNIT ANNUAL REPORT 2010/2011 – STATISTICAL UPDATE

The Occupational Health Manager (OHM) presented a statistical update to the Occupational Health Unit (OHU) Annual Report Interim Summary 2010/2011, which was presented at the last meeting of the committee. The majority of activities within the OHU can be split into 3 main categories - statutory health surveillance (44%), referrals (39%) and immunisations (17%). The majority of referrals come from managers, rather than staff self-referrals, and the vast majority of referrals come from the Support Service areas. Recorded absence levels vary for a number of reasons across the University. The Support Service areas have historically had a high level of recorded sickness absence and therefore good management controls are in place. Absence statistics have not been as accurately recorded within Colleges and work is ongoing to address this.

The main reasons for all referrals to the OHU can be broadly split into the following categories – musculoskeletal disorders (32%), mental health (31%), medical (25%) and surgery (12%). The majority of staff attending the OHU for health surveillance is due to work with animals. The OHU has increased the range of travel immunisations available, including Yellow Fever, and offers a full travel advice and guidance service.

7. RADIATION PROTECTION UNIT ANNUAL REPORT 2011/12

The University Radiation Protection Adviser (URPA) presented the Radiation Protection Unit (RPU) Annual Report 2011/2012.

The Assistant Radiation Protection Adviser has gained accreditation as a RPA under the Ionising Radiation Regulations, and the URPA has received accreditation as a Radioactive Waste Adviser, under the Radioactive Substances Act.

The URPA noted there were no serious incidents during this reporting period. There were no personal doses in excess of the derived maximum permissible limits reported by the personal dosimetry service. A number of routine visits were made by the Scottish Environmental Protection Agency (SEPA). No visits regarding radiation issues were made by the Health and Safety Executive (HSE). One visit was made by the Counter Terrorist Security Adviser from Lothian and Borders Police.

8. HEALTH AND SAFETY PLAN

The Director of Health and Safety outlined the Corporate Health and Safety Annual plan for 2012/13, which was presented to the Committee for information. Annual Health and Safety Plans dovetail with the Corporate Services Group Strategic Plan, and with the University's overarching Strategic Plan for 2012-2016.

9. CHANGES TO ACCIDENT AND INCIDENT REPORTING REQUIREMENTS (RIDDOR consultation)

The HSE is undertaking a consultation exercise on proposals to simplify and clarify the requirements of the Reporting of Injuries, Disease and Dangerous Occurrences Regulations 1995 (RIDDOR). These proposals, if adopted, will result in substantial changes to the types of accidents and incidents which organisations will be required to report, likely resulting in a significant reduction in the number of accidents and incidents which will be reported by the University, particularly in the "non-employee to hospital" category, which would have the effect of making our HSE accident and incident statistics appear more favourable.

Internal procedures within the Health and Safety Department will be reviewed to ensure that statistical data and the learning stemming from significant accidents and incidents is maintained, regardless of the final RIDDOR reporting requirements.

10. NEAR MISS REPORTING

The Committee discussed the importance of reporting and recording details on "near miss" incidents and raised the option of introducing a separate form for "near miss" incidents, but the preference was to maintain a single form for accidents, incidents and dangerous occurrences.

11. “OCCUPATIONAL HEALTH” SERVICES FOR STUDENTS

The current approach to student ‘occupational’ health (OH) services across the organisation lacks cohesion and consistency. Students may require a range of services including, health surveillance, travel consultations, parking permit assessments and self-referrals.

The University’s Occupational Health Unit’s (OHU) formal remit extends to staff occupational health matters only. The OHU have provided limited ‘occupational’ health services to (mainly) postgraduates, for a number of years on a goodwill basis but due to the growing demand, extending this provision would tax the OHU’s limited resources.

The University Health Service (UHS) provides NHS GP services, with the majority of its patient list being made up of University of Edinburgh students, though our students may also obtain GP services through other NHS Practices.

Health and Safety, OHU, UHS and other relevant parties are to meet to give further consideration on how to develop a suitable OH provision for our students.

12. HEALTH AND WELLBEING

The University obtained the Gold level Healthy Working Lives (HWL) award in May 2010 and will be required to undertake a full reassessment exercise after 3 years. During these 3 years we are required to undertake an annual assessment. The University’s latest annual assessment, which took place in August, was very positive. The Healthy Working Lives assessment process is currently being completely reviewed, with a view to more emphasis made on the annual review meetings, and it is hoped that the revised process will be in place by the time the University undertakes this exercise, in May 2013.

Accidents & Incidents

Quarterly period: 01/07/2012 – 30/09/2012

Year to Date Period: 01/10/2011 – 30/09/2012

(Fourth Quarter)

COLLEGE / GROUP	REPORTABLE (TO HSE) ACCIDENTS / INCIDENTS														TOTAL Non-Reportable Accidents / Incidents		TOTAL ACCIDENTS / INCIDENTS	
	Fatality		Specified Major Injury		>3 day / >7 day absence		Public to Hospital		Dangerous Occurrences		Diseases		TOTAL Reportable Acc / Inc		Qtr	Ytd	Qtr	Ytd
	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd				
Humanities & Social Science	-	-	-	-	-	1	1	9	-	-	-	-	1	10	7	27	8	37
Science & Engineering	-	-	-	-	1	2	1	7	-	-	-	-	2	9	16	97	18	106
Medicine & Veterinary Med.	-	-	1	2	-	2	2	4	-	-	-	-	3	8	21	107	24	115
SASG	-	-	-	-	-	-	-	1	-	-	-	-	-	1	2	4	2	5
Corporate Services Group	-	-	1	3	2	7	2	5	1	1	-	-	6	16	45	168	51	184
ISG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	6	1	6
Other Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	3	2	3
UNIVERSITY	-	-	2	5	3	12	6	26	1	1	-	-	12	44	94	412	106	456

* Units noted below taken from organisational hierarchy report 03/08/11 - <http://www.ed.ac.uk/schools-departments/governance-strategic-planning/organisational-hierarchy/current-org-hierarchy>

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

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

CSG: Corporate Services Group: Accommodation Services, Centre for sport and Exercise, Corporate Services Group, Edinburgh Research and Innovation, Edinburgh University Press, Estates and Buildings, Finance, Human Resources, Internal Audit, Procurement Office (inc. Printing Services)

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

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

C1.2

The University of Edinburgh

The University Court

10 December 2012

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 19 November 2012 covering items other than the CMG report. Detailed papers not included in the appendices are available at:

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

Action requested

The Court is invited to approve the proposal that the University becomes a signatory of the UN Principles of Responsible Investment at item 2, approve the Subsidiary Companies Financial Statements at item 3, 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 3-8

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

Originator of the paper

Dr Katherine Novosel
December 2012

University Court, Meeting on 10 December 2012
Report of the Finance and General Purposes Committee
19 November 2012
(Report on Other Items)

1 SUMMARY RESEARCH AND COMMERCIALISATION REPORT FOR 3 MONTHS TO 31 OCTOBER 2012 **Appendix 1**

This first quarter report for the new financial year was very encouraging in respect of applications, awards secured, and commercialisation activities and the Committee commended the efforts of all those involved.

2 UN PRINCIPLES OF RESPONSIBLE INVESTMENT **Appendix 2**

The proposal that the University becomes a signatory of the UN Principles of Responsible Investment was strongly supported by the Committee noting that this approach would provide a positive framework in which to take forward the University's investment strategy and enhance the University's current Socially Responsible Investment Policy. The Committee approved the costs of taking this forward and that the University would initiate actions with a view to submitting its first annual survey in March 2014 for the year 2013/2014.

**EDINBURGH RESEARCH AND INNOVATION
RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2012**

1. RESEARCH APPLICATIONS AND AWARDS

1.1 Introduction

The first quarter results denote an excellent start to the year for the University, particularly in the College of Medicine and Veterinary Medicine (CMVM) which received a £59.7m award resulting from the quinquennial review of the MRC Human Genetics Unit. Even allowing for the effects of this, however, all three Colleges have seen award values in excess of the same period last year, with application performance also strong.

1.2 Applications

1.2.1 Overall picture

In the first three months of this session, 532 applications worth £216m were submitted across the University, representing a slight reduction in number (8%) but a slight increase in value (2%).

1.2.2 College picture

In the first quarter, the College of Humanities and Social Science (CHSS) submitted 164 applications with an aggregate value of £38.9m – the same number as for Q1 last year but 13% down in value (c.f. Q1 2011/12 £44.7m). This time last year saw a few high-value applications being submitted from Law and Social and Political Science (SPS) which substantially increased the applications total for the College. This year, Health in Social Science, Edinburgh College of Art, and History, Classics and Archaeology all report applications values significantly ahead of Q1 last year.

CMVM reports the submission of 190 applications worth £80.2m for the first quarter, just 5% and 3% respectively behind last year's totals (c.f. Q1 2011/12: 201 applications worth £83.1m). Molecular, Genetic and Population Health Sciences and the Royal (Dick) School of Veterinary Studies report application values up, 15% and 30% respectively, on the same period last year

The College of Science and Engineering (CS&E) has seen a good start to their year, up 16% in value over Q1 last year. Two very large applications were submitted in October, one of £17.1m to the Scottish Funding Council for an Innovation Centre bid in the area of digital health, the other to the Engineering and Physical Sciences Research Council for £11.2m for optical sensing and imaging. The number of applications submitted by the College is down 18% on Q1 last year (177 as compared with 215 for Q1 2011/12).

1.2.3 Funder picture

Research Council income comprises approximately half of the University's total research funding so it is positive to note an, albeit modest, increase in both number and value of applications to this sector (219 applications worth £116.5m). European funding is now very comfortably our second largest funder type and Q1 figures report a year-on-year increase of 41% and 46% in number and value respectively, recording 72 applications worth £41.7m. Charity applications have dropped substantially, on the other hand, down 14% (number) and 52% (value) on the same period last year; the reason for this requires some investigation as, while some of the smaller charities are encountering some fund-raising difficulties, most of our charity funding comes from the larger end of the sector, such as the Wellcome and

**EDINBURGH RESEARCH AND INNOVATION
RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2012**

Leverhulme Trusts, which have remained financially stable. Applications to Government-non-Research Council, funds are also on the increase, up 13% in value to £27.2m.

1.3 Awards

1.3.1 Overall Picture

As previously reported, the £59.7m infrastructure award to the Human Genetics Unit has set the University off to an excellent start this year. Even if one were to put that aside, however, the research awards total for the year to date still remains around £20m ahead of Q1 last year. The number of award letters received/ contracts secured stands at 185 compared to 190 for Q1 last year, with awards pledged valued at £116.9M, some 211% up on last year (Q1 2011/12: £37.6m).

1.3.2 College Picture

Not unexpectedly, the HGU award has created somewhat of a spike for the College of Medicine and Veterinary Medicine, such that, at £90.6m, it has at the end of Q1 already secured 97% of its total award value for the whole of last year. Comparing more of a like-for-like situation, then, by putting this award to one side, the College reports awards with an aggregate value of c. £30.9m, still approximately double its Q1 total award value of last year (c.f £15.4m). All four Schools show Q1 award value growth, with a number of awards secured in excess of £1M, including one of £7.6M from BBSRC for continuation core funding for the Roslin Institute.

CHSS has started the year on a strong note with 38 award letters/ contracts secured worth £4.5m, just one contract ahead in number but 35% up in value (c.f 2011/12 £3.3m). The main year-on-year growth so far has been in SPS, Philosophy, Psychology and Language Sciences and Law.

The College of Science and Engineering reports 64 awards worth £20.1M, just four less than for Q1 last year but some 8% ahead in value (c.f. 2011/12: £18.6m). Schools showing year-on-year growth this quarter are Physics, Engineering and Chemistry.

1.3.3 Funder Picture

Aided by, by not dependent on, the large MRC quinquennial grant for the Human Genetics Unit, Research Council awards continue to show good growth compared to the same period last year. 63 awards have been received from the Research Councils with an aggregate value of £90.4m (c.f. Q1 2011/12: 50 awards worth £17.6m). EU funding too continues to grow strongly, with 14 contracts received so far this year worth £9m (c.f. 2011/12 6 worth £1.7m). The continuing slide in charity funding continues, down 28% in value compared to Q1 last year and now our third largest funder type with awards so far this year valued at £6.7m. (c.f. 2011/12 £9.3m). While relatively small in value, growth has also been seen this quarter in industry, collaborations with other universities and health authorities.

**EDINBURGH RESEARCH AND INNOVATION
RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2012**

2. RESEARCH DEVELOPMENT

2.1 Research development activity in CS&E and CMVM

As part of our on-going plan to devolve research development activity to the three College teams from a formerly-centralised operation, Gordon Marshall and Val Renton have now acquired responsibility for leading ERI research development activity for CSE and CMVM respectively. Following Sarah Anderson's departure, we have appointed Catherine Burns as Research Development Advisor for CHSS. A new Research Development Group comprising these individuals, our Research Development Administrator, Kenzo Wang (who has replaced Emma Gliori now on maternity leave) and chaired by Hamish Macandrew, has been formed to oversee cross-College activity, coordinate communications and share good practice.

2.2 Funder Visits and funder awareness

During the first quarter, ERI hosted visits from Mark Llewellyn, Director of Research at the Arts and Humanities Research Council and the Medical Humanities team at the Wellcome Trust. In addition to open presentations, a series of meetings were arranged with senior management, principal investigators and prospective applicants.

We also welcomed Jennifer Edmund, Executive Director of Trinity College Dublin's arts and humanities research institute who talked about accessing European Funding for the arts.

ERI Research Support staff presented briefings on British Academy opportunities, ERC Starting Grants and we hosted the last of the current series of 'Show and Tells on Low Carbon Energy – Brazil.'

2.3 Learning and development activity

ERI Research Support and Development staff have been involved in the Chancellors Fellows induction programme, hosting a table at the CF 'Get Connected' day and presenting our new course 'Building your Research Profile'.

ERI also presented our 'Introduction to Research Funding' awareness days for new and early career staff in CMVM and CSE.

2.4 Communications

Over the summer, we had a UofE intern, Markus Hell, working with us to raise awareness of the new Research Professional interface. In addition to presenting a number of hand-on demonstrations, Markus refreshed our website material on Research Professional and provided some 'how to' guides.

3. COMMERCIALISATION

3.1 Invention disclosures

In the 3 Months to 31 October 2012, 19 disclosures were made compared to 39 for the same period last year.

**EDINBURGH RESEARCH AND INNOVATION
RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2012**

3.2 Patent filings

In the 3 Months to 31 October 2012, 19 patents were filed on technologies compared to 18 for the same period last year.

3.3. Licence deals

In the 3 Months to 31 October 2012, 14 licence deals were signed compared to 10 for the same period last year.

3.4 Company Formation

In the 3 Months to 31 October 2012, 1 spinout (pytd 1) and 5 start-up (pytd 3) companies have been created.

3.5 Consultancy

In the 3 Months to 31 October 2012, consultancy income processed through ERI was £1.2m up from £1.1m for the same period last year.

*Hamish MacAndrew
Ian Lamb*

Edinburgh Research and Innovation Limited
14 November 2012

**EDINBURGH RESEARCH AND INNOVATION
RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2012**

Appendix 1

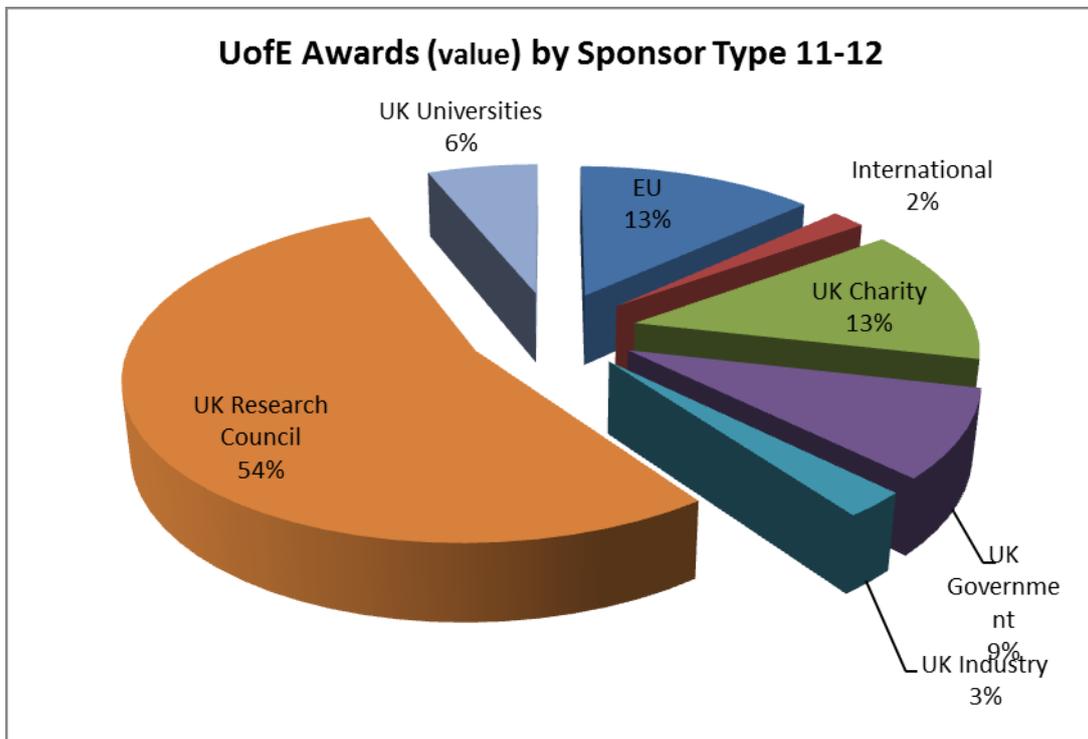
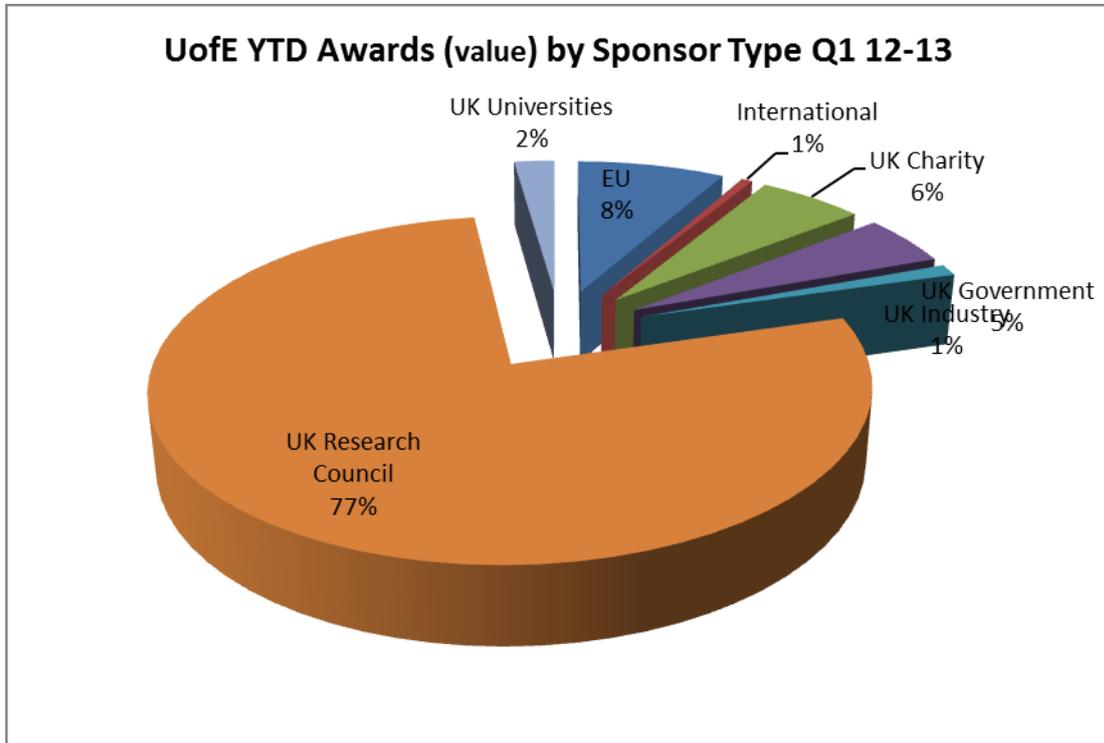
Analysis of Awards by Sponsor Type, comparing Q1 2012/13 with full year 2011/12

Where 'target' is defined as last year's total year awards value for each sector, this table shows the percentage of target achieved for the year to date.

Current Progress: 12-13 YTD vs. 11-12 Full year			
	YTD	11/12	% of Target
EU	£9,425,132	£33,049,260	29%
International	£699,246	£4,725,705	15%
UK Charity	£6,718,214	£33,847,645	20%
UK Government	£5,794,211	£22,044,532	26%
UK Industry	£1,309,338	£6,436,698	20%
UK Research Council	£90,432,749	£135,046,235	67%
UK Universities	£2,586,648	£15,358,168	17%

**EDINBURGH RESEARCH AND INNOVATION
RESEARCH AND COMMERCIALISATION REPORT
3 MONTHS TO 31 OCTOBER 2012**

These pie charts show the percentage share for each sponsor type proportional to the whole, comparing the YTD(first chart) to the full year 2011/12.



EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2012

TABLE 1
RESEARCH APPLICATIONS, AWARDS AND INCOME BY COLLEGE

RESEARCH ACTIVITY	Current Year		Previous Year			Variance	
	Month	YTD	Month	YTD	Full Year	Month	YTD
All Research Applications - number							
CHSS	98	164	81	164	578	21%	0%
CMVM	80	190	87	201	815	(8%)	(5%)
CS&E	66	177	79	215	758	(16%)	(18%)
Support Services (ISG etc)	1	1	1	1	8	0%	0%
Total - number	245	532	248	581	2,159	(1%)	(8%)
All Research Applications - value - 100% PROJECT VALUE							
CHSS	22,814	38,907	33,030	44,734	121,134	(31%)	(13%)
CMVM	35,862	80,251	33,512	83,147	358,226	7%	(3%)
CS&E	58,400	96,689	28,097	83,422	388,840	108%	16%
Support Services (ISG etc)	319	319	1,515	1,515	2,356	(79%)	(79%)
Total - value £'000	117,395	216,166	96,154	212,818	870,556	22%	2%
All Research Awards - number							
(a) Number of awards/contracts received (Note 1)							
CHSS	17	38	5	37	204	240%	3%
CMVM	24	81	41	84	339	(41%)	(4%)
CS&E	27	64	19	68	349	42%	(6%)
Support Services (ISG etc)	2	2	-	1	5	-	100%
Total - number	70	185	65	190	897	8%	(3%)
(b) Awarded to Constituent parties (Note 2)							
CHSS	20	44	5	46	240	300%	(4%)
CMVM	32	100	43	96	495	(26%)	4%
CS&E	29	75	21	80	426	38%	(6%)
Support Services (ISG etc)	2	2	-	2	6	-	0%
Total - number	83	221	69	224	1,167	20%	(1%)
All Research Awards - value - 100% PROJECT VALUE							
CHSS	1,043	4,569	1,142	3,393	22,818	(9%)	35%
CMVM	7,403	90,645	4,402	15,451	93,253	68%	487%
CS&E	12,551	20,118	3,557	18,689	134,096	253%	8%
Support Services (ISG etc)	1,634	1,634	-	124	341	-	1218%
Total - value £'000	22,631	116,966	9,101	37,657	250,508	149%	211%
All Research Awards - value - SPONSOR CONTRIBUTION							
CHSS	889	3,984	1,142	3,208	20,848	(22%)	24%
CMVM	6,782	88,210	4,184	14,146	82,667	62%	524%
CS&E	10,458	17,143	3,104	16,860	117,957	237%	2%
Support Services (ISG etc)	1,296	1,296	-	124	339	-	945%
Total - value £'000	19,425	110,633	8,430	34,338	221,811	130%	222%
Research Income £'000							
CHSS	1,273	3,319	1,227	3,218	16,031	4%	3%
CMVM	7,897	18,971	7,264	17,449	90,823	9%	9%
CS&E	6,004	16,615	6,274	17,664	85,268	(4%)	(6%)
Support Services (ISG etc)	123	422	(1)	304	997	-	39%
Total - value £'000	15,297	39,327	14,764	38,635	193,119	4%	2%

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

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

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

EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2012

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	40	32,990	72	41,771	20	22,849	51	28,629	208	163,683	41%	46%
EU - Industry	2	286	3	364	-	-	1	195	8	1,280	200%	87%
EU - Other	-	-	1	182	2	190	5	691	28	4,319	(80%)	(74%)
Overseas - Charities	3	135	7	330	1	150	6	739	27	4,328	17%	(55%)
Overseas - Government	1	612	5	2,008	1	78	4	390	22	2,558	25%	415%
Overseas - Industry	1	95	2	112	2	104	4	158	13	441	(50%)	(29%)
Overseas - Other	1	-	2	104	1	35	3	205	11	3,952	(33%)	(49%)
Overseas - Universities etc.	-	-	2	307	1	271	1	271	11	712	100%	13%
UK - Charity	63	9,293	119	17,743	50	8,002	138	37,137	616	160,554	(14%)	(52%)
UK - Government	19	17,625	43	27,268	32	1,582	105	24,216	291	66,316	(59%)	13%
UK - Health Authorities	1	972	4	1,374	5	5,271	7	5,514	34	34,190	(43%)	(75%)
UK - Industry	5	746	19	3,253	8	218	19	631	85	7,750	0%	416%
UK - Research Council	95	53,215	219	116,510	114	55,744	213	109,728	620	388,327	3%	6%
UK - Universities etc.	14	1,426	34	4,840	11	1,660	24	4,314	185	32,146	42%	12%
	245	117,395	532	216,166	248	96,154	581	212,818	2,159	870,556	(8%)	2%

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	7	5,449	14	9,021	-	-	6	1,795	74	31,726	133%	403%
EU - Industry	1	344	1	344	-	-	2	213	7	874	(50%)	62%
EU - Other	-	60	-	60	-	-	-	-	4	449	-	-
Overseas - Charities	1	13	3	251	1	61	3	299	10	1,068	0%	(16%)
Overseas - Government	1	34	2	76	2	78	4	213	13	1,504	(50%)	(64%)
Overseas - Industry	1	72	1	72	1	62	3	116	12	612	(67%)	(38%)
Overseas - Other	-	-	-	-	-	18	2	211	10	1,046	(100%)	(100%)
Overseas - Universities etc.	-	-	1	300	1	26	2	83	9	496	(50%)	261%
UK - Charity	15	2,725	45	6,718	16	2,412	62	9,357	257	33,848	(27%)	(28%)
UK - Government	5	1,748	12	3,331	9	259	20	5,416	95	16,127	(40%)	(38%)
UK - Health Authorities	-	-	3	2,463	1	21	1	21	13	5,918	200%	11629%
UK - Industry	7	787	19	1,309	10	263	19	1,175	77	6,437	0%	11%
UK - Research Council	22	10,477	63	90,434	20	5,593	50	17,688	215	135,045	26%	411%
UK - Universities etc.	10	922	21	2,587	4	308	16	1,070	101	15,358	31%	142%
	70	22,631	185	116,966	65	9,101	190	37,657	897	250,508	(3%)	211%

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

**EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2012**

**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		
Business School	4	590	6	604	-	-	4	714	20	6,816	50%	(15%)
College General	-	-	-	-	-	-	-	-	1	6	-	-
Divinity	10	2,911	12	3,199	11	3,265	12	3,363	24	4,229	0%	(5%)
Economics	-	-	1	867	-	-	-	-	1	21	-	-
Edinburgh College of Art	17	3,415	24	5,494	13	1,613	23	2,203	86	10,727	4%	149%
Health in Social Science	1	10	8	5,067	4	773	13	1,007	32	6,257	(38%)	403%
History, Classics And Archaeology	12	2,526	18	3,282	7	1,209	12	1,258	57	6,203	50%	161%
Law	2	1,350	9	3,015	5	10,251	7	10,470	42	16,809	29%	(71%)
Literatures, Languages and Cultures	19	3,392	22	3,674	13	3,223	17	3,411	57	7,951	29%	8%
Moray House School of Education	6	962	16	2,537	4	1,499	13	2,832	46	11,239	23%	(10%)
Philosophy, Psychology and Language Sciences	18	5,180	28	7,129	12	3,991	24	6,775	90	23,500	17%	5%
Social and Political Science	9	2,478	20	4,039	12	7,206	39	12,701	122	27,376	(49%)	(68%)
TOTAL CHSS	98	22,814	164	38,907	81	33,030	164	44,734	578	121,134	0%	(13%)
Biomedical Sciences	10	1,845	25	7,160	10	3,391	22	8,519	91	26,125	14%	(16%)
Clinical Sciences	37	22,084	77	36,499	36	18,288	85	43,831	381	174,778	(9%)	(17%)
Molecular, Genetic and Population Health Sciences	26	9,915	58	27,050	21	8,276	50	23,478	211	117,433	16%	15%
Royal (Dick) School of Veterinary Studies	7	2,018	30	9,542	20	3,557	44	7,319	132	39,890	(32%)	30%
TOTAL CMVM	80	35,862	190	80,251	87	33,512	201	83,147	815	358,226	(5%)	(3%)
Biological Sciences	16	11,680	47	23,929	13	4,207	53	32,341	165	89,642	(11%)	(26%)
Chemistry	11	17,434	23	20,628	6	125	17	3,791	67	31,426	35%	444%
College General	2	17,970	2	17,970	1	692	1	692	5	4,066	100%	2497%
Engineering	5	418	23	6,854	13	4,362	31	7,772	139	77,483	(26%)	(12%)
Geosciences	10	3,020	20	4,289	8	2,078	31	6,329	138	44,696	(35%)	(32%)
Informatics	7	3,207	21	6,521	16	6,569	34	12,758	111	56,286	(38%)	(49%)
Mathematics	4	1,962	7	2,961	9	5,370	13	6,945	29	11,522	(46%)	(57%)
Physics	11	2,709	34	13,538	13	4,694	35	12,794	104	73,719	(3%)	6%
TOTAL CSE	66	58,400	177	96,689	79	28,097	215	83,422	758	388,840	(18%)	16%
Support Services	1	319	1	319	1	1,515	1	1,515	8	2,356	0%	(79%)
Grand Total	245	117,395	532	216,166	248	96,154	581	212,818	2,159	870,556	(8%)	2%

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		
Business School	2	3	4	17	-	-	1	5	8	65	300%	240%
College General	-	-	-	-	-	-	-	-	-	-	-	-
Divinity	2	4	2	4	-	-	1	50	6	402	100%	(92%)
Economics	-	-	1	867	-	-	-	-	1	70	-	-
Edinburgh College of Art	1	117	3	414	1	8	10	1,331	45	5,336	(70%)	(69%)
Health in Social Science	1	16	2	38	-	-	-	-	10	1,048	-	-
History, Classics And Archaeology	1	3	2	204	-	-	8	252	24	2,643	(75%)	(19%)
Law	-	-	2	535	3	35	4	37	18	577	(50%)	1346%
Literatures, Languages and Cultures	5	111	6	117	-	-	6	115	21	1,732	0%	2%
Moray House School of Education	3	49	5	290	1	1,099	2	1,121	24	2,441	150%	(74%)
Philosophy, Psychology and Language Sciences	1	445	2	501	-	-	6	70	24	1,285	(67%)	616%
Social and Political Science	4	295	15	1,582	-	-	8	412	59	7,219	88%	284%
TOTAL CHSS	20	1,043	44	4,569	5	1,142	46	3,393	240	22,818	(4%)	35%
Biomedical Sciences	3	136	5	724	3	84	5	311	42	6,738	0%	133%
Clinical Sciences	14	4,085	50	14,225	16	2,052	39	6,002	171	37,075	28%	137%
Molecular, Genetic and Population Health Sciences	11	2,986	27	65,102	5	824	19	4,665	204	40,858	42%	1296%
Royal (Dick) School of Veterinary Studies	4	196	18	10,594	19	1,442	33	4,473	78	8,582	(45%)	137%
TOTAL CMVM	32	7,403	100	90,645	43	4,402	96	15,451	495	93,253	4%	487%
Biological Sciences	3	1,262	10	2,735	5	796	23	6,453	97	27,958	(57%)	(58%)
Chemistry	2	276	8	1,276	3	155	5	717	29	3,057	60%	78%
College General	-	-	-	-	1	692	1	692	5	4,064	(100%)	(100%)
Engineering	8	4,189	11	4,245	4	1,125	11	1,804	72	28,006	0%	165%
Geosciences	4	501	20	3,179	6	759	26	5,581	95	14,056	(23%)	(43%)
Informatics	1	27	8	310	1	5	6	1,172	68	15,777	33%	(74%)
Mathematics	3	82	4	191	-	-	-	-	9	1,392	-	-
Physics	8	6,214	14	8,182	1	25	8	2,470	51	39,786	75%	231%
TOTAL CSE	29	12,551	75	20,118	21	3,557	80	18,689	426	134,096	(6%)	8%
Support Services	2	1,634	2	1,634	-	-	2	124	6	341	0%	1218%
Grand Total	83	22,631	221	116,966	69	9,101	224	37,657	1,167	250,508	(1%)	211%

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

EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2012

TABLE 4
COMMERCIALISATION ACTIVITY

	Current Year		Previous Year			Variance	
	Month	YTD	Month	YTD	Full Year	Month	YTD
Disclosure Interviews							
CHSS	-	-	-	1	3	-	(100%)
CMVM	4	9	7	25	129	(43%)	(64%)
CS&E	2	10	2	13	67	0%	(23%)
Total - number	6	19	9	39	199	(33%)	(51%)
Patents filed on Technologies - by College							
CHSS	-	-	-	-	-	-	-
CMVM	5	8	2	6	26	150%	33%
CS&E	6	11	6	12	36	0%	(8%)
Total - number	11	19	8	18	62	38%	6%
Patents filed on Technologies - by Type of filing							
Priority Filings	5	7	3	6	19	67%	17%
PCT Filings	-	1	-	4	15	-	(75%)
Other/National Filings	6	11	5	8	28	20%	38%
Total - number	11	19	8	18	62	38%	6%
Licences signed (excluding non revenue bearing licences)							
CHSS	-	1	-	1	5	-	0%
CMVM	3	6	4	7	20	(25%)	(14%)
CS&E	3	7	1	2	26	200%	250%
Total - number	6	14	5	10	51	20%	40%
Spin-out companies created							
- Number	-	1	1	1	4	(100%)	0%
Start-up companies created							
- Number	5	5	2	3	31	150%	67%

TABLE 5
CONSULTANCY

	Current Year		Previous Year			Variance	
	Month	YTD	Month	YTD	Full Year	Month	YTD
By Business Type - Invoiced value £'000							
Scotland - Commerce	106	299	70	157	914	51%	90%
Scotland - Government	41	126	45	111	532	(9%)	14%
Rest of UK - Commerce	164	270	171	369	1,329	(4%)	(27%)
Rest of UK - Government	17	21	6	19	330	183%	11%
International - Commerce	125	428	54	386	1,794	131%	11%
International - Government	18	54	29	42	232	(38%)	29%
Total - value £'000	471	1,198	375	1,084	5,131	26%	11%
By College - Invoiced value £'000							
CHSS	55	229	14	55	536	293%	316%
CMVM	182	467	161	556	2,080	13%	(16%)
CS&E	234	501	199	466	2,455	18%	8%
Support Services (CSG, ISG etc)	-	1	1	7	60	(100%)	(86%)
Total - value £'000	471	1,198	375	1,084	5,131	26%	11%

SFC OUTCOME AGREEMENT 2012/13
OUTCOME 1 TARGETS

- (1) Sign at least 65 licences in 2012/13
- (2) Achieve at least 120 new companies over the period of the Strategic Plan 2012-2016
- (3) Grow our consultancy income by 5% per annum

**EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2012**

**TABLE 6
CONSULTANCY INCOME BY SCHOOL**

	CURRENT YEAR		PREVIOUS YEAR			YTD Variance %
	Month	YTD	Month	YTD	Full Year	
	Value £	Value £	Value £	Value £	Value £	
Business School	1,167	12,317	5,000	8,750	114,108	41%
College General	7,868	7,868	-	-	6,390	-
Divinity	-	-	-	-	4,050	-
Economics	-	-	-	7,250	7,250	(100%)
Edinburgh College of Art	10,999	10,999	-	3,350	32,590	228%
Health in Social Science	6,826	11,410	-	(4,817)	44,412	-
History, Classics And Archaeology	-	-	300	300	300	(100%)
Law	-	-	23	6,956	19,113	(100%)
Literatures, Languages and Cultures	-	2,583	890	3,830	3,061	(33%)
Moray House School of Education	6,793	48,977	6,500	15,060	192,714	225%
Philosophy, Psychology and Language Sciences	2,943	7,443	838	838	21,710	789%
Social and Political Science	18,045	127,469	-	13,900	90,780	817%
TOTAL CHSS	54,642	229,066	13,550	55,416	536,479	313%
Biomedical Sciences	68,030	195,636	55,074	120,606	455,670	62%
Clinical Sciences	14,271	84,172	22,061	90,399	422,796	(7%)
Molecular, Genetic and Population Health Sciences	62,664	143,458	77,385	333,569	1,094,643	(57%)
Royal (Dick) School of Veterinary Studies	16,684	19,473	914	8,031	86,550	142%
College Central	20,000	24,400	5,500	3,400	19,900	618%
TOTAL CMVM	181,648	467,139	160,935	556,005	2,079,559	(16%)
Biological Sciences	21,254	29,802	51,903	92,197	372,841	(68%)
Chemistry	3,391	67,396	-	20,930	207,639	222%
Engineering	11,665	70,615	32,129	76,227	315,594	(7%)
Geosciences	21,139	115,327	49,201	136,874	762,562	(16%)
Informatics	37,133	76,341	67,164	136,671	530,225	(44%)
Mathematics	-	-	-	-	11,461	-
Physics	140,470	141,820	150	2,870	214,804	4842%
College Central	-	-	-	-	39,969	-
TOTAL CSE	235,051	501,301	200,546	465,768	2,455,094	8%
Support Services	-	640	500	7,220	60,321	(91%)
Grand Total	471,341	1,198,146	375,531	1,084,409	5,131,453	10%

EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2012

TABLE 7
DISCLOSURE INTERVIEWS BY SCHOOL

	CURRENT YEAR		PREVIOUS YEAR			YTD Variance %
	Month	YTD	Month	YTD	Full Year	
	No	No	No	No	No	
Business School	-	-	-	-	-	-
College General	-	-	-	-	-	-
Divinity	-	-	-	-	-	-
Economics	-	-	-	-	-	-
Edinburgh College of Art	-	-	-	-	-	-
Health in Social Science	-	-	-	1	1	(100%)
History, Classics And Archaeology	-	-	-	-	-	-
Law	-	-	-	-	-	-
Literatures, Languages and Cultures	-	-	-	-	-	-
Moray House School of Education	-	-	-	-	1	-
Philosophy, Psychology and Language Sciences	-	-	-	-	1	-
Social and Political Science	-	-	-	-	-	-
TOTAL CHSS	-	-	-	1	3	(100%)
Biomedical Sciences	-	1	-	5	10	(80%)
Clinical Sciences	1	5	5	12	87	(58%)
Molecular, Genetic and Population Health Sciences	1	1	1	1	5	0%
Royal (Dick) School of Veterinary Studies	2	2	1	7	27	(71%)
College Central	-	-	-	-	-	-
TOTAL CMVM	4	9	7	25	129	(64%)
Biological Sciences	1	3	1	5	15	(40%)
Chemistry	1	2	-	1	7	100%
Engineering	-	2	-	4	29	(50%)
Geosciences	-	3	1	1	7	200%
Informatics	-	-	-	2	8	(100%)
Mathematics	-	-	-	-	-	-
Physics	-	-	-	-	1	-
College Central	-	-	-	-	-	-
TOTAL CSE	2	10	2	13	67	(23%)
Support Services	-	-	-	-	-	-
Grand Total	6	19	9	39	199	(51%)
	-	-	-	-	-	-

EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2012

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					
Business School				-				-				-				-				-				-	
Divinity				-				-				-				-				-				-	
Economics				-				-				-				-				-				-	
Edinburgh College of Art				-				-				-				-				-				-	
Health in Social Science				-				-				-				-				-				-	
History, Classics And Archaeology				-				-				-				-				-				-	
Law				-				-				-				-				-				-	
Literatures, Languages and Cultures				-				-				-				-				-				-	
Moray House School of Education				-				-				-				-				-				-	
Philosophy, Psychology and Language Sciences				-				-				-				-				-				-	
Social and Political Science				-				-				-				-				-				-	
TOTAL CHSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biomedical Sciences			-	-			1	1	1			1	1	1	1	4	6								0%
Clinical Sciences			3	3	1		3	4			1	1	1	1	1	5	7								300%
Molecular, Genetic and Population Health Sciences			-	-			-	-			-	-			1	2	2								-
Royal (Dick) School of Veterinary Studies	1		1	2	2		1	3		2	1	3	4	4	4	3	11								0%
TOTAL CMVM	1	-	4	5	3	-	5	8	1	-	1	2	3	1	2	6	6	6	14	26				33%	
Biological Sciences			1	1			1	2	1		1	2	3	3	3	9								(75%)	
Chemistry	1		1	2	1	1	1	3			2	3	5	6	3	5	14								(60%)
Engineering	2		1	3	2		3	5			1	1	2	4	3	4	11								150%
Geosciences			-	-			1	1			-	-			1	1	1								0%
Informatics	1		1	2	1		1	2			-	-			-	-								#DIV/0!	
Mathematics			-	-			-	-			-	-			-	-								-	
Physics			-	-			-	-			-	-			1	1								-	
TOTAL CSE	4	-	2	6	4	1	6	11	2	-	4	6	3	3	6	12	13	9	14	36				(8%)	
Support Services				-				-				-				-				-				-	
Grand Total	5	-	6	11	7	1	11	19	3	-	5	8	6	4	8	18	19	15	28	62				6%	

**EDINBURGH RESEARCH AND INNOVATION LIMITED
RESEARCH AND COMMERCIALISATION REPORT
FOR THE 3 MONTHS TO 31 OCTOBER 2012**

**TABLE 9
LICENCES SIGNED BY SCHOOL (excluding non revenue bearing licences)**

	CURRENT YEAR		PREVIOUS YEAR			YTD Variance %
	Month	YTD	Month	YTD	Full Year	
	No	No	No	No	No	
Business School						-
Divinity						-
Economics						-
Edinburgh College of Art						-
Health in Social Science				1	1	(100%)
History, Classics And Archaeology						-
Law						-
Literatures, Languages and Cultures					1	-
Moray House School of Education		1			3	-
Philosophy, Psychology and Language Sciences						-
Social and Political Science						-
TOTAL CHSS	-	1	-	1	5	0%
Biomedical Sciences				1	1	(100%)
Clinical Sciences	1	2	1	1	2	100%
Molecular, Genetic and Population Health Sciences	2	3	3	5	12	(40%)
Royal (Dick) School of Veterinary Studies					1	-
R(D)VS - Roslin Institute		1			4	-
TOTAL CMVM	3	6	4	7	20	(14%)
Biological Sciences			1	1	8	(100%)
Chemistry		1			7	-
Engineering		3			6	-
Geosciences					1	-
Informatics	2	2		1	4	100%
Mathematics						-
Physics	1	1				-
TOTAL CSE	3	7	1	2	26	250%
Support Services	-		-			-
Grand Total	6	14	5	10	51	40%
	-	-	-	-	-	

Report from the Investment Committee - UN Principles of Responsible Investment

1. The United Nations Principles for Responsible Investment (UNPRI) provides a framework for an organisation to take environmental, social and corporate governance (ESG) considerations into its investment strategies. As such, it meshes well with the University's strategic theme of Social Responsibility and allows the University to show publicly both real progress and leadership amongst the UK university community. The Principles were developed by a group of the world's largest institutional investors together with the United Nations and were launched in 2006 by the UN Secretary-General. The Principles are summarised below and detailed in Appendix A.

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be active owners and incorporate ESG issues into ownership policies and practices.
- Seek appropriate disclosure on ESG issues from the entities invested in.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together to enhance effectiveness in implementing the Principles.
- Report on activities and progress towards implementing the Principles.

2. Signatories of the UNPRI include asset owners, investment managers and professional service partners. Signatories include the Universities Superannuation Scheme, Lothian Pension Fund, Baillie Gifford and Legal & General. Currently no British Universities are shown on the UN website as being signed up to the UNPRI, although some may be working towards this. There are currently 1111 signatories and 266 of these are asset owners like the University.

3. There are no legal or regulatory sanctions associated with adopting the Principles. They are designed to be voluntary and aspirational. However, there may be reputational risks associated with signing up and then failing to take any action at all. Signing up is designed to provide a work in progress and a directional focus, rather than a prescriptive checklist with which to comply. They do not have minimum entry requirements or absolute performance standards for responsible investment.

Scope

4. The UNPRI would apply to all the investment activities of the University. Areas such as the Staff Benefits Scheme or subsidiary activities which are legally separate entities may also wish to consider signing up in the future.

Commitment

5. The minimum commitment is that the University would be required to complete an annual reporting survey and pay an annual membership fee. The annual survey would have to be submitted for the period 2013/14 in March 2014. It is proposed that the University would work with Baillie Gifford in order to complete the survey. The cost of signing up is approximately £660 per annum and is based on the value of assets under management. In addition, a cost of £5,000 in 2013/14 would be incurred to fund the initial work to complete the survey. The University would also work to engage with its fund managers to ensure the principles are fully embedded in its investment decisions.

6. **Action:** F&GPC is asked to formally approve the University's commitment to the Principles set out in the UNPRI and the work/funding needed to adopt them.

Appendix A - The Principles for Responsible Investment¹

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions and asset classes and through time). We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

1. We will incorporate ESG issues into investment analysis and decision-making processes.

Possible actions:

- Address ESG issues in investment policy statements
- Support development of ESG-related tools, metrics and analyses
- Assess the capabilities of internal investment managers to incorporate ESG issues
- Assess the capabilities of external investment managers to incorporate ESG issues
- Ask investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) to integrate ESG factors into evolving research and analysis
- Encourage academic and other research on this theme
- Advocate ESG training for investment professionals

2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

Possible actions:

- Develop and disclose an active ownership policy consistent with the Principles
- Exercise voting rights or monitor compliance with voting policy (if outsourced)
- Develop an engagement capability (either directly or through outsourcing)
- Participate in the development of policy, regulation and standard setting (such as promoting and protecting shareholder rights)
- File shareholder resolutions consistent with long-term ESG considerations
- Engage with companies on ESG issues
- Participate in collaborative engagement initiatives
- Ask investment managers to undertake and report on ESG-related engagement

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Possible actions:

- Ask for standardised reporting on ESG issues (using tools such as the Global Reporting Initiative)
- Ask for ESG issues to be integrated within annual financial reports
- Ask for information from companies regarding adoption of/adherence to relevant norms, standards, codes of conduct or international initiatives (such as the UN Global Compact)
- Support shareholder initiatives and resolutions promoting ESG disclosure

¹ <http://www.unpri.org/principles/>

4. We will promote acceptance and implementation of the Principles within the investment industry.

Possible actions:

- Include Principles-related requirements in requests for proposals (RFPs)
- Align investment mandates, monitoring procedures, performance indicators and incentive structures accordingly (for example, ensure investment management processes reflect long-term time horizons when appropriate)
- Communicate ESG expectations to investment service providers
- Revisit relationships with service providers that fail to meet ESG expectations
- Support the development of tools for benchmarking ESG integration
- Support regulatory or policy developments that enable implementation of the Principles

5. We will work together to enhance our effectiveness in implementing the Principles.

Possible actions:

- Support/participate in networks and information platforms to share tools, pool resources, and make use of investor reporting as a source of learning
- Collectively address relevant emerging issues
- Develop or support appropriate collaborative initiatives

6. We will each report on our activities and progress towards implementing the Principles.

Possible actions:

- Disclose how ESG issues are integrated within investment practices
- Disclose active ownership activities (voting, engagement and/or policy dialogue)
- Disclose what is required from service providers in relation to the Principles
- Communicate with beneficiaries about ESG issues and the Principles
- Report on progress and/or achievements relating to the Principles using a 'Comply or Explain'¹ approach
- Seek to determine the impact of the Principles
- Make use of reporting to raise awareness among a broader group of stakeholders

¹The Comply or Explain approach requires signatories to report on how they implement the Principles or provide an explanation where they do not comply with them.

The Principles for Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General.

In signing the Principles, we as investors publicly commit to adopt and implement them, where consistent with our fiduciary responsibilities. We also commit to evaluate the effectiveness and improve the content of the Principles over time. We believe this will improve our ability to meet commitments to beneficiaries as well as better align our investment activities with the broader interests of society.

We encourage other investors to adopt the Principles.

The University of Edinburgh

University Court

10 December 2012

**Risk Management Committee
Report for the year ended 31 July 2012**

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 2012, and its views on the exposure and management of risk in the University. Its purpose is to support the deliberations of the CMG, Finance & General Purposes Committee, Audit Committee and Court in respect of the reporting on Risk Management and Internal Control in the Annual Accounts.

Action requested

For discussion and approval.

Resource implications

Does the paper have resource implications? No

Risk Assessment

Does the paper include a risk analysis? Yes

Equality and Diversity

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

N A L Paul / H Stocks
26 November 2012



RISK MANAGEMENT COMMITTEE

REPORT FOR YEAR ENDED 31 JULY 2012

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

Date: 3 October 2012

Introduction

This report summarises the activities of the Risk Management Committee during the year ended 31 July 2012, 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; and Central Management Group (CMG) 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 / Research Excellence Framework, 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, UKBA, 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 2011/12

The key activities of the Risk Management Committee during 2011/12 can be summarised as:

- Update of University Risk Register – the outcome of the 2011/12 review was approved by the University Court at its meeting on 2 July 2012. The main risks to the University in the immediate future relate to meeting the challenges of the changing political and financial environment, and were identified as:
 - o UKBA policies and practice result in inability to achieve international student and staff recruitment aims, and the UK being perceived as an unwelcoming place to study and work
 - o Implementation of divergent fees policies between Scotland and the rest of the UK results in changes to cross border flows of students, legal challenges or operational issues
 - o Changes to university governance structures and processes, (including the introduction of Outcome Agreements) or degree structures result from developments in government policy/legislation
 - o Staff and/or student dissatisfaction leads to disruption to business continuity. This could arise as a result of

- pressures for changes in staff pay, terms and conditions (including pension funds)
 - implementation of RUK student tuition fees
- Updates of College, Support Group and Subsidiary Company Risk Registers;
- A review of each risk identified in the 2011/12 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 risks that emerged and where the Risk Management Committee noted mitigating actions taken by the University, were:
 - the operational, financial and legal risks related to implementation of the fee regime for Rest of UK students
 - the developments of both policy and practice in the UK Borders Agency which have potentially damaging implications for the University attracting overseas staff and students
 - weak results for “feedback” in NSS survey, the consequent reputational risks, and implementation of the new student support system and personal tutors
 - changes within NHS Lothian, and funding for the NHS that have potential risks to student’s medical experience and the progress of capital projects on or adjacent to NHS sites
- The risks related to any change in the balance of powers between that UK Government and Scottish Government in due course were noted. It was recognised that the level of public debate had increased over the past year
- The risks related to delivery of the College and Support Group annual plans were reviewed;
- A report was reviewed on University business continuity / contingency planning. The committee commended the paper as a comprehensive and helpful summary of the activities taking place around contingency and business continuity planning, and their adequacy.
- A report was received on the management of Bribery Act risks, and the work undertaken to establish and implement an Anti-Bribery and Corruption policy for the university and its subsidiaries, carry out training of key staff, and undertake a first set of risk assessments.
- A review of 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 followed the effectiveness review undertaken last year, and progressed the matters related to business continuity and the proposed joint meeting with Audit Committee

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 2011/12

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 in the University Risk Register, approved by Court at its meeting on 2 July 2012.

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 with appropriate actions taking place.

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.

The Annual Institutional Statement to the Scottish Funding Council on Internal Subject Review Activity for 2011/12 was noted.

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 performance monitoring information, internal audit reports etc. The table also shows that many of the key risk issues have been discussed in the Court, 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 report 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.

During the year the University was assessed as part of the Scottish Government Procurement Capability Assessment process. The University was again rated as “superior” - the top category, and was the only University to achieve this rating. Further evidence of the University’s procurement capabilities was provided by Procurement Department winning the Government Opportunities Procurement Team of the Year award in both the Scotland and the UK award ceremonies.

The University has recorded benefits of £11.9m during 2011/12 (£9.8m for 2010/11) from professional and collaborative procurement. 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 material incidents of failure to comply with procurement legislation and University/funding body requirements. Tender processes were put in place for categories of spend where the previous arrangements had grown to exceed EU thresholds .

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 a Letter of Representations to the external auditors as part of its year end processes as follows (2011 year end wording)

The University Court:acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error;

The University Court has disclosed to you the results of the risk that the financial statements may be materially misstated as a result of fraud

The University Court has disclosed to you all information in relation to

a) Fraud or suspected fraud that it is aware of and that affects the Group and the University ns involves

- Management*
- Employees who have significant roles in internal control*
- Others where the fraud could have a material effect on the financial statements*

b) Allegations of fraud or suspected fraud, affecting the Group and the University’s financial statements communicated by employees, former employees, analysts, regulators and others

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets. It is 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 authorisation.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

With regard to the points above regarding disclosure, the Annual Risk Questionnaire (Questions 11-14) formally sought information regarding fraud from each College and Support Group, and the Internal Control Questionnaire also sought assurances on fraud. The external auditors will receive a copy of this reports and attachments which provide an evidence trail of disclosure to support the University Court signing the Letter of Representation.

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 Internal Audit and 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 2012. 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.

NALP/HS

APPENDIX 1: Year end questionnaire

University of Edinburgh – University Summary

Risk Management Annual Return

For the period 1 August 2011 to 31 July 2012

		Yes	No	If YES, provide details ¹
1	Has student recruitment significantly ² fallen short of College targets/plans with respect to overseas student growth, postgraduate student growth, distance learning growth, widening participation or home/RUK 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?		√	
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?		√	

¹ 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)

² "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	If YES, provide details ¹
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?		√	
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?	√		There were 2 members of staff dismissed for non-compliance with policies and standards. There were 4 members of staff given formal written warnings. In addition, 2 members of staff have resigned: one following a disciplinary hearing, and the other whilst still under investigation.
11	Have there been any instances of whistle-blowing under the University's whistle-blowing policy? ³		√	
12	Have there been any instances of fraud or suspected fraud affecting the University including involving <ul style="list-style-type: none"> - management and those charged with governance - employees who have significant roles in internal control - others where the fraud could have a material effect on the financial statements - academic fraud 	√		Allegation by another University that an employee who had transferred employment to the University of Edinburgh was using and publishing data from his previous University fraudulently and without their consent
13	Have there been any allegations of fraud or suspected fraud communicated by employees, former employees, regulators, or others?		√	
14	Have there been any instances of bribery or suspected bribery (as defined in the Bribery Act 2010) affecting the University including involving employees or persons associated with the University making or receiving bribes		√	
15	Has there been any safety, health or environmental incidents or releases, which have resulted in serious injury, death, reputational damage, or imposition of	√		An incident involving a serious injury during an external event in Playfair Library. HSE investigated and

³ The University Audit Committee wishes to be aware of instances of whistle-blowing

		Yes	No	If YES, provide details ¹
	restrictions?			<p>made no recommendations for any action. Civil claim being repudiated by insurers.</p> <p>It should be noted that the University is discussing with NHSL, H&S concerns related to re-routing of traffic at Little France associated with the RHSC project</p>
16	<p>Have there been any instances of procurement activity that has failed to comply with University/funding body requirements e.g.</p> <ul style="list-style-type: none"> - failure to adequately advertise or competitively tender for procurement of goods and services valued over £50k - failure to use OJEU procedures for procurement of goods/services (to 31/12/11 above £156k over 4 years; from 1/1/12: £174k) or works (to 31/12/11 estimate over £3.9m; from 1/1/12: £4.35m)? - failure to obtain required authorisation for entry into purchasing framework agreements as required by the University Delegated Authorities Schedule 	√		<p>There were three historic contracts identified where spending had grown to levels that exceeded EU limits. In two cases the services are being re-procured in accordance with OJEU procedures and in one case (security) it has been decided utilise the in-house team rather than re-procure.</p>
17	<p>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?</p>	√		<p>Failure of Questionmark Perception service which caused 24-hour delay of 5th year honours exam on 23rd May. IS has put measures in place to ensure no repeat of this</p> <p>There were short disruptions in the new Learn (e-learning system) service in Sept 2012 due to student access growth being higher than expected and software bug fixes. These were resolved quickly.</p> <p>After year-end, 2 servers in the University (Schools) and 1 in EUSA have been hacked. The University servers were no longer in use and as such their security was not up to date. No sensitive information has been released.</p>
18	<p>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,</p>	√		<p>A folder of extracts from payroll reports was accidentally left in a café when individual was taking it to City Council to support an ERDF grant</p>

		Yes	No	If YES, provide details ¹
	unauthorised downloading from or access to electronic systems/files or and manual records containing personal data etc,			audit. Folder was found and handed in to Police within 1 hour and subsequently returned. Procedures have been tightened, and individual subject to disciplinary action
19	<p>Have deficiencies in the state of the University's properties led to any of the following?</p> <ul style="list-style-type: none"> - inability or serious disruption in conducting research, teaching, administrative or other University activities, - loss of research project funding, - damage to reputation, - failure to recruit or retain students or staff - prosecution for legal non-compliance 		√	
20	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?		√	
21	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?	√		<p>Implementation of e-Recruitment project has been delayed from Aug to Oct 2012 to resolve technical issues</p> <p>There continued to be delays in implementation of the Infinite Research Grants software, due to a combination of technical issues and user driven changes</p> <p>A significant number of student systems developments and change initiatives have overrun, or have had to be re-planned</p> <p>Poor performance and engagement by the third party supplier of some of the EBIS (Estates) software has led to delays in implementation of new developments</p>
22	Have there been instances of inadequate financial control (managerially or		√	

		Yes	No	If YES, provide details ¹
	operationally) which resulted in, or potentially could have resulted in significant financial loss or loss of reputation?			
23	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?		√	
24	Have any legal actions been brought against the University (whether settled or pending)?	√		<p>Small number of relatively minor civil claims related to health and safety; one significant civil case concerning historical asbestos exposure; one claim by employee related to back damage obtained by slipping on an un-gritted car park at Christmas</p> <p>There have been 2 Employment Tribunal cases</p> <p>One case is in judicial review having been brought by former PhD student</p> <p>The long standing Cramond action raised by AMA against UoE was resolved during the year</p>
25	Have there been any incidents, occurrences or activities which have resulted in or potentially could result in <ul style="list-style-type: none"> a) legal action against the University b) prosecution or formal disciplinary proceedings either within the University or by professional bodies against staff or students? 	√		See 24 above
26	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?		√	
27	Are actual or potential changes in public policy and legislation having or likely to have a significant detrimental impact on	√		Implementation of the Education (Fees) (Scotland) Regulations 2011 and the

		Yes	No	If YES, provide details ¹
	college/support group activities?			<p>Student Fees (Specification) (Scotland) Order 2011 have given rise to legal and operational issues</p> <p>Implementation of immigration legislation and on-going changes to UKBA policy and practice has had a significant impact on the University. Compliance has significant resource and operational implications, whilst failure to comply would have substantial reputational implications particularly in relation to the attraction of students and staff</p> <p>The Equality Act 2010 (Specific Duties Regulations) (Scotland) 2012 have significant resource implications impacting centrally and locally to ensure compliance.</p> <p>Proposed new RIDDOR accident and incident reporting regulations under discussion in HSE/Government</p> <p>New Single Regulatory Framework for biological activities is still awaited</p>
28	Are there any areas of existing, new, or changed legislation where implementation has not been or will not be completed in the required timescale	√		It will be exceeding challenging to meet the government's 2020 targets for absolute carbon reduction
29	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?		√	
30	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?		√	

Appendix 2: Assurance map 2011/12 version: relating to University Risk Register version 9

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 develop the University and maintain its UK and international competitiveness:</p> <ul style="list-style-type: none"> - e.g. due to Government funding policies for universities in Scotland and the rest of the UK - consequential impact of reduced funding or policy changes made by research funders e.g. research councils, charities etc - inability to generate new non-governmental income 	<p>Lobbying, directly and via US/UUK – development of US/Government model to calculate the financial gap between English and Scottish institutions</p> <p>Input to SFC on their strategic plans and funding issues/reviews</p> <p>University planning and monitoring processes – e.g. student demand and intakes, fee rate setting, financial performance (including against comparator institutions)</p> <p>Maintain focus on growth opportunities – international and PG students, distance-learning, diversifying and expanding research funding (e.g. FP8) and non-governmental funding</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"> • Ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources • Continuing to win competitive bids to host new research centres and major national facilities • Working together with major research funders and other external bodies internationally and in the UK • Ensuring that commercialisation agreements provide for a reasonable financial return both to the University and to the inventors • Investing in improvements which show a clear return on investment, for example by reduction in direct costs or reduced opportunity cost of staff time • Securing investment from external sponsors • Continue to fundraise on a sustainable, professional and efficient platform • Increasing funds raised from private individuals and private and charitable trusts 	<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 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 Finance</p>	<p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/20120509/B_Risk1_InsufficientFunds.pdf</p> <p>Court: 19.9.11, 7.11.11, 12.12.11, 20.2.12</p> <p>PSG: 31.10.11</p> <p>FGPC 5.9.11, 12.11.11, 30.4.12, 11.6.12</p> <p>CMG: 24.8.11, 11.10.11, 14.11.11, 18.4.12, 20.6.12</p> <p>RMC: 9.5.12</p> <p>AC: 29.9.11, 21.11.11, 1.3.12, 31.5.12</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. Changes to cross-border flows of students, which present political and operational challenges, arise as a result of divergence in fees policy between Scotland and the rest of the UK in 2012/13	<p>Lobbying, directly and via US, of Scottish Government to find a funding solution that does not distort cross-border flows</p> <p>University planning and monitoring processes for student demand, applications and offers</p>	Promoting equality, diversity, sustainability and social responsibility	<ul style="list-style-type: none"> Ensuring that our student admissions policy and procedure is fair, clear and transparent Providing and promoting awareness of scholarships and bursaries Providing staff with training and information to help prevent discrimination, promote equality and opportunity and respond to internationally diverse needs and expectations 	<p>Review of effectiveness of controls by lead risk manager</p> <p>Monitoring of applications process by Colleges</p> <p>Regular summary reports provided to CMG</p> <p>Responses from Risk Management Annual Return</p>	<p>College Registrars</p> <p>Director of Planning and Deputy Secretary</p>	<p>http://www.docs.sa.gov.sg.ed.ac.uk/GaSP/Governance/RiskManagement/20120117/PaperC_Risk2_CrossBorderStudents.pdf</p> <p>Court: 19.9.11, 2.7.12</p> <p>PSG: 22.8.11</p> <p>FGPC: 11.6.12</p> <p>CMG: 24.8.11</p> <p>RMC: 17.1.12</p>
3. Changes to university governance processes or structures result from developments in government policy/legislation	Lobbying, directly and via US, of Scottish Government	<p>Excellence in research</p> <p>Quality people</p> <p>Quality services</p>	<ul style="list-style-type: none"> Ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources Continuing to review and improve recruitment and retention strategies, systems and processes Improving ways of informing and involving staff in decisions and changes which affect them Enabling staff at all levels to take ownership of, and responsibility for, decisions relating to their service, and to deal with cross-cutting and cross-boundary issues 	<p>Review of risk and actions by lead risk manager</p> <p>Responses from Risk Management Annual Return</p>	University Secretary	<p>http://www.docs.sa.gov.sg.ed.ac.uk/GaSP/Governance/RiskManagement/20120412/3_Governance.pdf</p> <p>http://www.docs.sa.gov.sg.ed.ac.uk/GaSP/Governance/RiskManagement/20120412/7_DegreeStructures.pdf</p> <p>Court: 20.2.12, 14.5.12</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
						FGPC: 6.2.12, 11.6.12 CMG: 24.8.11, 25.1.12 RMC: 12.4.12 AC: 29.11.11, 22.11.11, 1.3.12, 31.5.12
4. Growth in international, PG and distance learning student recruitment fails to achieve targets and falls behind UK and international competitors e.g. due to a) UKBA policies and practice resulting in UK perceived as unwelcoming to international students b) marketing and quality of distance learning programmes	Strategic plan priorities and targets, and its implementation Internationalisation Strategy, steering group and development plans International Office and Marketing activities Development of international linkages and MoUs Active management of issues arising with UKBA Student number monitoring Structured programme for supporting distance learning developments Residential developments overseen	Excellence in learning and teaching Excellence in research Quality services Quality infrastructure Advancing internationalisation	<ul style="list-style-type: none"> • responding to recommendations identified through quality enhancement activities • expanding access to taught postgraduate and continuing professional development provision through e-learning • increasing numbers of postgraduate research students • embedding the use of performance indicators • generating surpluses for reinvestment • continuing to attract more, and a diverse range of, international students and staff 	Review of effectiveness of controls by lead risk manager Monitoring of annual accounts and comparative sector data from HESA Monitoring of share of SFC grants Student intake number setting, analysis and reporting Responses from Risk Management Annual Return	Director of Planning Director of Finance and Director of Planning Director of Planning Director of Planning	http://www.docs.sa.gov.au/GaSP/Governance/RiskManagement/20120412/4_GrowthTargets.pdf Court: 12.12.11, 14.5.12 PSG: 21.5.12, 31.10.11 FGPC: 21.11.11, 6.2.12 CMG: 24.8.11, 11.10.11, 14.11.11, 25.1.12, 7.3.12 RMC: 12.4.12 AC: 1.3.12

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
	by Strategic Accommodation Development Group					
5. Staff and/or student dissatisfaction leads to disruption to business continuity. This could arise as a result of a) the need to operate within funding constraints b) pressures for changes in staff terms and conditions (including pension funds) c) student tuition fees or graduate contribution proposals	<p>Maintenance of relationships with local union representatives</p> <p>Maintenance of relationships with EUSA</p> <p>Input to national pay negotiations and discussions on pension funds</p> <p>Independent working group of the University Court established to assess, advise and progress pensions matters, including overseeing consultation with staff on proposed pension fund changes</p> <p>Senior staff work with Heads of School to ensure downsizing and change activity appropriately managed</p> <p>Business continuity planning, and guidance</p>	<p>Excellence in research</p> <p>Excellence in commercialisation and knowledge exchange</p> <p>Quality people</p> <p>Promoting equality, diversity, sustainability and social responsibility</p>	<ul style="list-style-type: none"> Recruiting and retaining excellent researchers Supporting the professional and career development of staff engaged in research Ensuring that commercialisation agreements provide for a reasonable financial return both to the University and to the inventors Continuing to review and improve recruitment and retention strategies, systems and processes Recognising and rewarding excellence through the effective use of our Contribution Reward policy and promotion process, and the development of a Total Reward Strategy Promoting health, wellbeing and a positive working environment supported by good management practices and clearly defined roles and responsibilities Improving ways of informing and involving staff in decisions and changes which affect them Ensuring that our student admissions policy and procedure is fair, clear and transparent Providing and promoting awareness of scholarships and bursaries 	<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>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/20120412/5_StudentDissatisfaction.pdf</p> <p>Court: 19.9.11</p> <p>PSG: 22.8.12</p> <p>FGPC: 21.11.11, 30.4.12</p> <p>CMG: 11.10.11, 25.1.12, 7.3.12</p> <p>RMC: 17.1.12, 12.4.12</p> <p>AC: 31.5.12</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
	for handling protests Regular communication with staff e.g. roadshows					
6. Maintenance of financial sustainability and ensuring effective delivery of key strategic and operational plans	Financial strategy and financial planning and budgetary/forecasting processes, including F&GPC/Court oversight Fees Strategy Group Financial scenario planning Post Review Group ER/VS activity Benchmarking with 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 Space Management	Excellence in research Quality services Quality infrastructure	<ul style="list-style-type: none"> • ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources • Generating surpluses for reinvestment • investing in improvements which show a clear return on investment, for example, by reduction in direct costs or reduced opportunity cost of staff time • developing and regenerating our estate through the implementation of our Estate Development Masterplans • promoting a culture of space awareness and flexible approaches to the use of space across the University • providing excellent project management and appropriate cost control for capital development projects • continuing our maintenance and compliance work programme • finding new ways to share space, facilities, services and expertise within the sector and with other organisations • generating surpluses for reinvestment • securing investment from external sponsors 	Review of effectiveness of controls by lead risk manager Level of university annual surplus/deficit and cash flow position Measure of growth in key 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	Director of Finance Director of Finance Director of Finance & VP Dev & Alumni Director of Finance Director of Finance Director of Finance	Court: 7.11.11, 12.12.11, 20.2.12, 2.7.12 PSG: 13.2.12, 27.2.12, 12.4.12, 31.10.12 FGPC: 5.9.11, 21.11.11, 6.2.12, 30.4.12, 11.6.12 CMG: 24.8.11, 11.10.11, 14.11.11, 25.1.12, 7.3.12, 18.4.12, 23.5.12 RMC: 9.5.12 AC: 29.9.11, 1.3.12, 31.5.12

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>Group / Drives to improve the utilisation of the University's estate</p> <p>Cost reduction exercise, integration and cost sharing opportunities</p>					
<p>7. Changes to degree structures are required as a result of developments in government policy/legislation (e.g. changes to location of degree delivery, reduced length of UG degree courses etc) which impact on curriculum structures, academic quality, student experience and financial sustainability</p>	<p>Lobbying, directly and via US, of Scottish Government</p> <p>Input to SFC Teaching Funding Review</p>	<p>Excellence in learning and teaching</p>	<ul style="list-style-type: none"> • working with employers, professional bodies and other stakeholders to ensure that our degree programmes are responsive to need • providing flexible and informed curriculum choice • building collaborative learning into the curriculum, along with students' capacity to learn by enquiry and monitor learning by self-assessment • providing more opportunities for students to study abroad or undertake professional or industrial placements • stimulating new and more flexible ways of learning, teaching and assessing through the use of new technologies and the innovative design of teaching space 	<p>Review of effectiveness of controls by lead risk manager</p> <p>Responses from Risk Management Annual Return</p>	<p>VP Learning and Teaching</p>	<p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/20120412/3_Governance.pdf</p> <p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/20120412/7_DegreeStructures.pdf</p> <p>RMC: 12.4.12</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. Rate of maintenance, enhancement and investment in the estate fails to support University growth aspirations (in research, education and accommodation), provide a satisfactory student and staff experience, and maintain competitiveness with other leading institutions across the world</p>	<p>Fundraising for new developments</p> <p>College/estates planning, prioritisation and project processes</p> <p>Capital programme development and project management processes</p> <p>Estates Advisory Group (EPAG) / Space Management Group (SMG) processes</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>Stepwise decision making for major projects in line with gateway/RIBA framework</p> <p>Active interactions with City Planning Department and local community</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"> stimulating new and more flexible ways of learning, teaching and assessing through the use of new technologies and the innovative design of teaching space 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 developing and regenerating our estate through the implementation of our Estate Development Masterplans promoting a culture of space awareness and flexible approaches to the use of space across the University providing excellent project management and appropriate cost control for capital development projects continuing our maintenance and compliance work programme finding new ways to share space, facilities, services and expertise within the sector and with other organisations securing investment from external sponsors 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 	<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 & Buildings</p>	<p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/20120117/PaperE_Risk8_EstateMaintenance.pdf</p> <p>Court: 7.11.11, 12.12.11, 2.7.12</p> <p>PSG: 14.11.11, 13.2.12</p> <p>CMG: 11.10.11, 25.1.12, 7.3.12, 23.5.12</p> <p>RMC: 17.1.12</p> <p>AC: 31.5.12</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>10. Failure to provide a high quality student experience e.g. in teaching and learning, pastoral and academic support, student services, living and social environment</p>	<p>College and Support Group Annual and Strategic Plans</p> <p>“Student Experience” a specific goal in the 2008/12 University Strategic Plan</p> <p>Quality Assurance Committee overview of learning and student services delivery</p> <p>Appointment of VP Learning and Teaching, operation of new senate committees, and development of good proactive guidelines</p> <p>School plans for performance improvement</p> <p>Promotion of increased participation in NSS</p> <p>Improvement of study and social spaces as part of estates plans</p>	<p>Enhancing our student experience</p>	<ul style="list-style-type: none"> • facilitating the transition to university by being responsive to the range of students’ circumstances, experience, expectations and aptitudes • improving the quality of student induction and departure events • ensuring that information provided to students is comprehensive, accessible, consistent and user friendly • providing coordinated student services that recognise the needs and expectations of students, prospective students and graduates • 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 • strengthening collaboration between academic and student services and EUSA • preparing a sustainable estate strategy for EUSA to underpin delivery, over time, of the facilities required to support EUSA services • supporting our student societies and sports clubs • standardising analysis of, and action taken in response to, internal and external student feedback • ensuring that our graduates are self-confident and possess economically valuable capabilities, expertise and skills • brokering partnerships between specialists and academics to enhance the delivery of transferable skills to all students 	<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 Learning and Teaching</p> <p>VP Learning and Teaching</p> <p>VP Learning and Teaching</p> <p>VP Learning and Teaching</p>	<p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/20120509/D_Risk10_StudentExperience.pdf</p> <p>Court: 12.12.11, 20.2.12, 14.5.12, 2.7.12</p> <p>PSG: 22.8.11, 31.10.11, 28.11.11, 5.12.11, 30.1.12, 13.2.12, 12.4.12, 30.4.12, 21.5.12</p> <p>FGPC: 11.6.12</p> <p>CMG: 14.11.11, 7.3.12, 18.4.12, 23.5.12</p> <p>RMC: 9.5.12</p> <p>AC: 29.11.11, 31.5.12</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>11. 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 (including salary)</p> <p>Active leadership by Principal and of HoCs</p> <p>Recruitment processes group, and flexible HR strategies to meet needs of different business areas</p> <p>Proactive succession planning</p>	<p>Excellence in learning and teaching</p> <p>Excellence in research</p> <p>Quality people</p> <p>Advancing internationalisation</p>	<ul style="list-style-type: none"> • Ensuring that staff involved in the delivery of learning and teaching continue to develop their professional capability • Recruiting & retaining excellent researchers • Supporting the professional and career development of staff engaged with research • Continue to review and improve recruitment and retention strategies, systems and processes • Developing and implementing succession planning arrangements • Recognising and rewarding excellence through the effective use of our Contribution Reward policy and promotion process, and the development of a Total Reward Strategy • Establishing a culture of personal and professional development through appraisal and other development processes • Supporting the development of all staff in preparing for, holding, or stepping down from leadership and management roles • Promoting health, wellbeing and a positive working environment supported by good management practices and clearly defined roles and responsibilities • Continuing to attract more, and a diverse range of, international students 	<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>http://www.docs.sa.gov.au/GaSP/Governance/RiskManagement/20120412/11_RetainStaff.pdf</p> <p>PSG: 31.10.11, 13.2.12</p> <p>CMG: 24.8.11, 18.3.12</p> <p>RMC: 12.4.12</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
		Promoting equality, diversity, sustainability and social responsibility	<p>and staff</p> <ul style="list-style-type: none"> Ensuring that students and staff with particular needs have access to appropriate facilities and support services 			
<p>12. 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>12.1 academic timetable project</p> <p>12.2 major estates projects e.g., library, KBLRC, central area refurbishment;</p> <p>12.3 implementation of PURE systems to meet REF information requirements</p> <p>12.4 implementation of merger of Edinburgh College of Art</p> <p>12.5 implementation of merger of MRC Human Genetics Unit</p>	<p>Project management steering groups, boards, advisory groups and implementation groups</p> <p>Project management processes, Gateway processes and reviews</p> <p>Guidance on major projects and “Projects” website</p> <p>Reporting to University committees</p> <p>Communication activities</p> <p>Planning and provision of resource to enable projects</p> <p>Development of ERMIS for data collection of research management information, incorporating any known REF requirements</p>	<p>Quality services</p> <p>Quality infrastructure</p> <p>Building strategic partnerships and collaborations</p> <p>Excellence in research</p>	<ul style="list-style-type: none"> planning major initiatives on a holistic basis developing and regenerating our estate through the implementation of our Estate Development Masterplans providing excellent project management and appropriate cost control for capital development projects continuing to develop a systematic approach to the acquisition, creation, capture, storage, presentation and management of information resources stimulating the development and growth of interdisciplinary research centres across Schools and Colleges and with other organisations recruiting and retaining excellent researchers ensuring that our management and support structures enable us to be flexible and responsive to new opportunities and investment sources working together with major research funders and other external bodies internationally and in the UK 	<p>Review of effectiveness of controls by lead risk manager</p> <p>Monitoring by Strategic Project Boards of progress, costs, quality, sustainability</p> <p>SFC/Court ECA merger reviews, coupled with student intake, performance and research performance statistics</p> <p>Responses from Risk Management Annual Return</p>	<p>12.1 SVP Planning, Resources and Research Policy</p> <p>12.2 Director of Estates & Bldgs</p> <p>12.3 Director of Planning</p> <p>12.4 VP Prof David Fergusson</p> <p>12.5 CMVM Executive Dean</p>	<p>http://www.docs.sa.sg.ed.ac.uk/GaSP/Governance/RiskManagement/20120412/12_1_TimetablingProj.pdf</p> <p>http://www.docs.sa.sg.ed.ac.uk/GaSP/Governance/RiskManagement/20120412/12.2_EstatesProjects.pdf</p> <p>Court: 19.9.11,7.11.11, 12.12.11, 14.5.12, 2.7.12</p> <p>PSG: 14.11.11, 13.2.12, 30.4.12</p> <p>FGPC: 24.10.11, 21.11.11, 6.2.12</p> <p>CMG: 24.8.11, 25.1.12, 7.3.12, 18.4.12, 23.5.12</p> <p>RMC: 17.1.12, 12.4.12, 9.5.12</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
						AC: 29.9.11, 1.3.12
<p>13. Insufficient investment in systems developments and infrastructure resulting in failure to maintain fit for purpose systems and infrastructure, or serious breach of IT or data security</p>	<p>Operation of Knowledge Strategy Committee, and Information Technology Committee</p> <p>Planning round processes</p> <p>Ongoing resilience improvement programmes and infrastructure upgrades</p> <p>Internal and external audit processes, including external penetration testing, applied to central and Schools/Colleges IT systems and procedures</p> <p>Business recovery plans and exercises</p> <p>Systems implementation trialling and load testing</p> <p>Annual IT assurance process from VP Knowledge Mgt and CIO</p> <p>Policies on data security</p>	<p>Quality infrastructure</p>	<ul style="list-style-type: none"> identifying and planning for major risks and business continuity across all areas of infrastructure Ensuring that we have an agreed rolling programme of equipment and IT hardware replacement Continuing to develop a systematic approach to the acquisition, creation, capture, storage, presentation and management of information resources 	<p>Review of effectiveness of controls by lead risk manager</p> <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>VP Knowledge Management and CIO</p>	<p>http://www.docs.sa.gov.au/GaSP/Governance/RiskManagement/2012_0412/13_FailureIT.pdf</p> <p>CMG: 7.3.12, 20.6.12</p> <p>RMC: 12.4.12</p> <p>AC: 29.9.11, 1.3.12, 31.5.12</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>14. Inadequate engagement with changes in public policy, legislation, and practice affecting Higher Education, e.g.</p> <ul style="list-style-type: none"> ○ UK Government; ○ Scottish Executive/Scottish Enterprise/SFC; ○ City of Edinburgh; ○ European Union; ○ Research Councils 	<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"> • Working together with major research funders and other external bodies internationally and in the UK • Enhancing our contribution to public policy formulation • Striving to meet recognised industry and commercial standards • Continuing our maintenance and compliance work programme • Providing expert contributions to public debate, and briefing MSPs, ministers, officials and the media on policy issues • Interacting with key city partners over issues including planning, procurement, transport and relations between the student and resident communities • 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 • Exploiting our strengths in environmental and sustainability research to influence policy formulation and implementation 	<p>Review of effectiveness of controls by lead risk manager</p> <p>Responses from Risk Management Annual Return</p>	<p>University Secretary</p>	<p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/20120117/PaperH_Risk14_PublicPolicy.pdf</p> <p>Court: 7.11.11, 12.12.11, 20.2.12, 2.7.12</p> <p>FGPC: 24.10.11, 6.2.12</p> <p>CMG: 24.8.11, 11.10.11, 14.11.11, 25.1.12, 7.3.12, 23.5.12, 20.6.12</p> <p>RMC: 17.1.12</p> <p>AC: 1.3.12</p>
<p>15. Failure to appropriately position and support the University's unique brand and reputation in the UK and worldwide</p>	<p>Internationalisation Strategy development</p> <p>Activities of Communications &</p>	<p>Advancing internationalisation</p> <p>Engaging with our</p>	<ul style="list-style-type: none"> • promoting internationally the strengths of the University and the achievements of our staff and students • increasing and embedding the public 	<p>Review of effectiveness of controls by lead risk manager</p> <p>Monitoring of adverse media</p>	<p>Director of Communications & Marketing</p> <p>Director of</p>	<p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/20120412/15_Im</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
16. Significant academic collaborations fail to be effectively managed and do not deliver benefit to the University	<p>Strategic decisions made through PSG/CMG Group/Finance & General Purposes Committee</p> <p>Memoranda of Agreement</p> <p>Collaborative repository</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>Review of all partnerships and collaborations on a 5 yearly cycle</p>	<p>Advancing internationalisation</p> <p>Building strategic partnerships and collaborations</p>	<ul style="list-style-type: none"> encouraging international collaboration in education, research and knowledge exchange engaging more deeply in strategic alliances and networks with other world-leading institutions developing productive partnerships with other higher education institutions, organisations and businesses leading the development of collaborative research activities internationally and in the UK stimulating the development and growth of interdisciplinary research centres across Schools and Colleges and with other organisations encouraging participation in international networks 	<p>Review of effectiveness of controls by lead risk manager</p> <p>Responses from Risk Management Annual Return</p>	College Registrars	<p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/2012/0412/16_Collab.pdf</p> <p>Court: 7.11.11, 12.12.11, 14.5.12, 2.7.12</p> <p>FGPC: 6.2.12, 30.4.12</p> <p>CMG: 14.11.11, 25.1.12, 20.6.12</p> <p>RMC: 12.4.12</p> <p>AC: 29.9.11</p>
17. Widespread damage to property and buildings (fire, explosion, malicious damage etc), including properties adjacent to the	<p>Fire/security policies</p> <p>Fire detection systems</p> <p>Security staff &</p>	Quality infrastructure	<ul style="list-style-type: none"> identifying and planning for major risks and business continuity across all areas of infrastructure continue our maintenance and compliance work programme 	<p>Review of effectiveness of controls by lead risk manager</p> <p>Reports to EPAG</p>	<p>Director of Estates & Buildings</p> <p>Director of Estates &</p>	<p>http://www.docs.sasg.ed.ac.uk/GaSP/Governance/RiskManagement/2012/0117/Paper1_Risk1</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
University estate	<p>procedures</p> <p>Training & awareness</p> <p>Audit of H&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>			<p>H&S audits carried out by University's insurance brokers</p> <p>Responses from Risk Management Annual Return</p>	<p>Buildings</p> <p>Director of Estates & Buildings</p>	<p>7 DamageProperty.pdf</p> <p>RMC: 17.1.12</p> <p>AC: 29.9.11</p>
18. Failure to achieve a rating of "confidence" in the 2011 Enhancement Led Institutional Review (ELIR)	<p>ELIR Steering Group overseeing the preparation of the review</p> <p>Various University-wide academic developments via Senate Committee Task Groups</p> <p>Updating of relevant academic regulations</p> <p>Various College level academic developments via relevant committees</p> <p>Various School level academic developments via ELIR School</p>	Excellence in learning and teaching	<ul style="list-style-type: none"> responding to recommendations identified through quality enhancement activities ensuring our research feeds directly into the learning experience at all levels providing flexible and informed curriculum choice building collaborative learning into the curriculum, along with students' capacity to learn by enquiry and monitor learning by self-assessment providing more opportunities for students to study abroad or undertake professional or industrial placements stimulating new and more flexible ways of learning, teaching and assessing through the use of new technologies and the innovative design of teaching space expanding access to taught postgraduate and continuing professional development provision through e-learning ensuring that information provided to 	<p>Review of effectiveness of controls by lead risk manager</p> <p>Routine QA monitoring of Schools and Colleges</p> <p>ELIR Steering Group updates</p> <p>Report back from ELIR review panel</p> <p>Responses from Risk Management Annual Return</p>	<p>Asst Principal Academic Standards and QA</p>	<p>Court: 12.12.11, 20.2.12, 14.5.12</p> <p>PSG: 5.12.11</p> <p>FGPC: 6.2.12</p> <p>RMC: 12.4.12</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>contacts</p> <p>Reviews and enhancement of various teaching, learning, academic & pastoral support and support services for students</p>	Enhancing our student experience	<p>students is comprehensive, accessible, consistent and user friendly</p> <ul style="list-style-type: none"> • providing coordinated student services that recognise the needs and expectations of students, prospective students and graduates • providing good-quality and well-placed learning and social spaces that support group and individual learning and form simulating foci for the life of the academic community • standardising analysis of, and action taken in response to, internal and external student feedback 			

The University of Edinburgh

University Court

10 December 2012

C4

**Report and Financial Statements for the Year Ended 31 July 2012
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 Vice-Principal and Director of Corporate Services regarding the Financial Statements for the Year ended 31 July 2012 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
Vice Principal and Director of Corporate Services
4 December 2012

Report and Financial Statements for the Year Ended 31 July 2012

Risk Management - Post Year End Assurance

The Corporate Governance Statement in the Report and Financial Statements for the year ended 31 July 2012 states that *“By its 10 December 2012 meeting, the Court had received the Audit Committee and Risk Management Committee reports for the year ended 31 July 2012; it had also taken account of relevant events since 31 July 2012.”*

To enable Court to receive assurance that the post 31 July 2012 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 2012. The assurances provided in the Risk Management Committee report for the year ended 31 July 2012 therefore remain valid for the post year end period.

The University continues to manage the major risks in the University Risk Register as approved by Court in June 2012, and to monitor emerging issues.

N.A.L. Paul
Vice Principal and Director of Corporate Services
4 December 2012

Annual Report of the Audit Committee to Court, for year ended 31 July 2012

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 2011/2012 to which is attached the Internal Audit Report 2011/2012, the Value for Money Report and the External Auditor's Highlights Memorandum as previously agreed. The draft Minute of the Audit Committee meeting held on 23 November 2012 is also attached for information.

Action requested

The University Court is invited to note the content of the Annual Report of the Audit Committee 2011/2012 and note the content of the draft Minute of the Audit Committee meeting held on 23 November 2012.

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 2011/2012 describes the activities of the Audit Committee which included receipt of papers on the University's risk management controls during 2011/2012 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 Anne Richards, Convener of the Audit Committee.

Originator of the paper

Dr Katherine Novosel
December 2012

Annual Report of the University of Edinburgh, Audit Committee to Court for the year ended 31 July 2012

1 Membership and Frequency of Meetings 2011/2012

Membership of the Committee for 2011/2012 was as follows:

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

The University Secretary is Secretary to the Committee and its Executive Secretary is the Head of Court Services. 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 22 November 2011 at which the Committee considered the Draft Reports and Financial Statements for year ended 31 July 2011 and associated reports. Also in attendance at the Audit Committee meeting held on 29 September 2011 were Ms S McPherson, former Convener Audit and Risk Committee, Edinburgh College of Art (ECA), Ms K Sinclair, former Acting Director of Finance, ECA, Mr P McGinty, Deloitte, former ECA Internal Auditor and Mr S Reid, KPMG who attended as ECA's former External Auditor as well as the University's External Auditor. Ms Sinclair and Mr Reid also attended the Audit Committee meeting on 22 November 2011 in the same capacities as described for the meeting on 29 September 2011.

The term of office of Ms G Stewart as a member of Court and a member of the Audit Committee ceased at the end of the 2010/2011 academic year. Court, at its meeting on 21 February 2011, on the recommendation of the Nominations Committee, appointed Ms A Richards, already a member of the Audit Committee, Convener with effect from the start of the 2011/2012 academic year for two years. The term of office of Professor A Smyth as a member of the Audit Committee also ceased at the end of the 2010/2011 academic year. Court at its meeting on 16 May 2011 on the recommendation of the Nominations Committee appointed Mr A Johnston (General Council Assessor) and Mrs E Noad (Co-opted member of Court) members of the Audit Committee with effect from the start of the 2011/2012 academic year for three years. An induction event was organised on 29 September 2011 for new members of the Audit Committee to which all members and attendees were invited. The topics covered included: introduction to the higher education financial sector, work of internal and external audit services and reflections by the Convener of the Audit Committee on the work of the Committee. It was agreed going forward to hold annual events to cover appropriate topics approved by Committee Members.

The Committee met on four occasions during the course of 2011/2012 in order to fulfil its remit and in addition a Sub-Group of the Committee was convened on 23 January 2012 to specifically consider the Consolidated Financial Statements, July 2011 prepared in accordance with US GAAP requirements. The Committee had previously been informed that institutions out with the USA receiving over \$10m US loans now required to prepare financial statements under US GAAP (Generally Accepted Accounting Principles) to be presented to the United States Department of Education (USDE). The accounts required to be signed off by Court by 31 January 2012 on the recommendation of the Audit Committee.

As agreed during 2006/2007 all members of the Audit Committee were invited to attend private meetings with External Audit and with Internal Audit without the presence of officers of the University. These meetings held on 22 November 2011 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.

2 Internal Audit

Annual Report of the Internal Auditors 2011/2012

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 2011/2012 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 2011-12, 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 2 July 2012, Court, on the recommendation of the Audit Committee, approved the Internal Audit Plan 2012/2013. The Chief Internal Auditor prepared the plan in consultation with senior management, including the Principal as Chief Accountable Officer.

Internal Audit Performance and Resourcing (2011/2012)

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 had previously been agreed that the Internal Audit Quality Assurance Benchmarking Exercise which involves a reciprocal peer review group would not be undertaken until the academic year 2013/2014, the Internal Audit service volunteered to support colleagues by participating in the 2011/2012 exercise.

The Committee agreed that in undertaking the 2011/2012 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 toolkit 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 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 27 September 2012, 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.

At its meeting on 31 May 2012, the Committee considered information on the resourcing of the Internal Audit Service based on data available from the BUFDG (British Universities Finance

Directors' Group) 2012 Audit Survey (based on 2010/2011 accounts) and was satisfied that the University continued to benefit from value for money in respect of its Internal Audit Service.

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. As a result of this tendering exercise, 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 29 September 2010, the Committee considered the future provision of External Audit services and taking cognisance of the previous very robust tendering and appointment process and the satisfactory performance reviews was minded to recommend to Court the re-appointment of KPMG for a further two years to undertake the 2011/2012 and 2012/2013 audits with the proviso that future fee uplifts be in line with CPI rather than RPI. Court at its meeting on 8 November 2010 agreed to take forward the option to extend the contract with KPMG as recommended by Audit Committee with the fee uplift for these two additional audit years to be in line with the CPI rather than the RPI. KPMG has agreed to the revised arrangements and the Audit Committee will initiate a full tendering exercise for external audit provision in respect of the 2013/2014 audit onwards.

At its meeting on 31 May 2012, the Audit Committee agreed a timetable to identify external provision for the 2013/2014 financial accounts onwards and approved the proposal that at least two members of the Audit Committee should be on the panel evaluating the tenders received and that the panel should be chaired by the Convener of the Audit Committee: the tender documentation was approved by the Audit Committee at its meeting on 27 September 2012.

Also at its meeting on 31 May 2012, the Audit Committee reviewed and was satisfied with the External Audit Plan Overview for the year ending 31 July 2012. The Audit Committee reported to the Court meeting on 2 July 2012 that the proposed external fee for the University and Subsidiary Companies for the 2011/2012 external audit was £96,160 exclusive of VAT and that this was consistent with the fees structure agreed as part of KPMG's accepted tender submission; the Court approved this fee. A further fee of £40,000 exclusive of VAT in respect of the external audit of the accounts prepared in accordance the US GAAP requirements was also approved by Court at its meeting on 2 July 2012.

External Audit Performance (2011/2012)

The Audit Committee has instituted a formal process for appraising the performance of External Audit and agreed that a similar approach be adopted to that successfully undertaken in 2010/2011. The Committee asked that a report be prepared by the Director of Finance and the Chief Internal Auditor based on the guidance contained within the CUC Handbook for Members of Audit Committees in Higher Education Institutions which had been published in February 2008.

At its meeting on 31 May 2012, the Audit Committee considered the report and was fully supportive of the opinions in the report on the satisfactory performance of External Audit. The Committee noted that it had been a particularly challenging year for external audit given the requirements of completing the US GAAP accounts and the increasing demands in auditing the subsidiary companies. The Committee commended the professionalism and integrity of the approach of External Audit.

Audit Highlights Memorandum for the year ended 31 July 2012

KPMG presented an Audit Highlights Memorandum for the year ended 31 July 2012 covering the University and Group to the Audit Committee meeting on 23 November 2012: there was no separate Memorandum for the subsidiary companies. KPMG issued an unqualified audit opinion on the

2011/2012 Group and University financial statements, setting out specific recommendations none of which were categorised as high risk and are being addressed by the University. As previously agreed this Highlights Memorandum for the year ended 31 July 2012 is attached at Annex 2 for completeness and for information to Court, the Highlights Memorandum will also be forwarded to the Scottish Funding Council.

4 Value for Money

A Value for Money Strategy was approved by Court in February 2006. Under this Strategy the Central Management Group requires to present to the Audit Committee on an annual basis a Report of the value for money activities undertaken by the University. The Audit Committee at its meeting on 27 September 2012 considered the 2011/2012 Value for Money Report attached at Annex 3 and based on the content of this Report is satisfied that arrangements were in place to improve and promote economy, efficiency and effectiveness within the University during 2011/2012. Going forward the Audit Committee has asked for baseline information and details of the resources required to achieve efficiency savings; this information will be included in the 2012/2013 Value for Money Report.

5 Risk Management

The Audit Committee received and considered the Annual Report from the Risk Management Committee for the year ended 31 July 2012 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 2012. The Audit Committee also considered and endorsed the revised University Risk Register (version 10). The Committee expressed an interest in better understanding the risk management arrangements and agreed at its meeting on 31 May 2012 to invite members of the Risk Management Committee to its induction/training event at the start of the 2012/2013 academic year. A very successful joint meeting took place on 27 September 2012 and it is intended to take this forward on an annual basis.

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 2011/2012 contains a statement confirming that there were no allegations of fraud or suspected fraud affecting the University's financial statements. Also, there were no significant reported incidents of fraud.

7 Reports and Financial Statements for the year ended 31 July 2012

The Committee received the Reports and Financial Statements for the year ended 31 July 2012, including the Principal's Statement and Corporate Governance Statement, at its meeting on 23 November 2012. 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 Highlights Memorandum for the year ended 31 July 2012; the Risk Management Committee's Report for year ended 31 July 2012; the Central Management Group's Value for Money Report 2011/2012 and direct comments from relevant members of staff of the University, the Audit Committee considered that:

The University's internal control systems during 2011/2012 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 Edinburgh College of Art

In addition to consideration of matters pertaining to the University of Edinburgh, the Audit Committee considered during 2011/2012 the Report and Financial Statements of the Edinburgh College of Art for the year ended 31 July 2011 and the Trustee's Report and Financial Statements of the Andrew Grant Scholarship Fund for the year ended 31 July 2011. Information on this was set out in detail in the Audit Committee Annual Report 2010/2011 to enable Court to sign off these Accounts in December 2011.

10 Andrew Grant Bequest

The Audit Committee has agreed at the request of the corporate Trustee of the Andrew Grant Bequest to consider the Trustee's Report and Financial Statements for the year ended 31 July 2012 and associated documents for this charity and a separate Report will be prepared for the corporate Trustee.

11 Other Committee Business

Other issues considered by the Audit Committee during 2011/2012 included: arrangements to take forward preparation of the accounts in accordance with US GAAP requirements; the University's Corporate Governance Statement; voluntary severance payments and arrangements for non-standard severance; new accounting requirements in respect of heritage assets; information on the Scottish Government's Review of Higher Education Governance in Scotland; and insurance issues and tender for new insurance provision. The Audit Committee also invited members of the academic and professional support staff taking forward the shared academic timetabling project to its meeting on 31 May 2012 for further discussion on this project.

Dr Katherine Novosel
Head of Court Services
November 2012

Internal Audit Annual Report 2011-2012

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 Memorandum¹ states that institutions will find it useful to take account of the CUC² 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 also requires the institution to have a strategy for systematically reviewing management's arrangements for securing value for money, and Internal Audit is required to appraise these arrangements. The CUC Handbook reaffirms that, to help the University accomplish its objectives, the annual report of internal audit should include the internal auditor's opinion of the adequacy and effectiveness of the institution's arrangements for economy, efficiency and effectiveness. Therefore our annual report includes a section on Value for Money (section F).

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

B Internal Audit Function

Coverage

Appendix A1 lists the 29 assignments completed during the year (32 in 2010-11) 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. 4 additional assignments, 2 special investigations in Schools, and 2 IT Security reviews, were accommodated during the year (see Appendix A). As a result 1 planned review (Research Council Awards) was deferred to 2012-13. Additionally the planned review of Identity Management (IDM) was also deferred due to a delay in the implementation of the project. Based on the resources required to complete the audit plan, it is 96% completed. Work is continuing on 8 assignments. IT and other audit specialists were engaged to provide support on specific assignments, funded by 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.

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

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

² 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/

Quality Assurance

The Chartered Institute of Internal Auditors (CIIA) International Standards³ state that “The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity” and that “external assessments must be conducted at least once every 5 years by a qualified, independent reviewer or review team from outside the organisation.” The Audit Committee agreed in 2010 that it would be sufficient to participate in a peer group assessment every 4 years. However since 2007, in order to encourage other universities to participate, the University has conducted an evidence-based independent assessment by qualified audit staff from other universities with greater frequency with the results reported to the Audit Committee. The 2012 Quality Assurance Exercise assessment assessed the University of Edinburgh Internal Audit Service as achieving best professional practice for each of the six themes evaluated. The Internal Audit Service achieved IIP (Investors in People) accreditation in 2010.

Continuing Professional Development (CPD)

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 2012</u>	<u>CIA</u>	<u>Senior Aud'r</u>	<u>Aud'r 1</u>	<u>Aud'r 2</u>	<u>Contr 1</u>	<u>Contr 2</u>	<u>Contr 3</u>	<u>Contr 4</u>	<u>Contr 5</u>	<u>Contr 6</u>
Years in Internal Audit	27	18	10	4	6	9	10	8	10	9
Years in HE/FE	13	14	7	13	22	9	3	1	3	13
Years in Public Services	39	20	7	16	31	24	8	20	7	17
Years with relevant auditing / accounting / IT qualification	26	14	32	18	25	30	10	8	5	16

External Professional Engagement

Our team has once again played a part in the extended profession of internal auditing. We are members of CHEIA and of the CIIA, the leading professional body for internal auditors.

We have continued to respond 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 CIIA’s Internal Audit international standards and submitted our comments via CHEIA. We have led CHEIA’s response to the consultation on the development of new UK public sector internal audit standards.

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

The Chief Internal Auditor is a member of the global Council of his professional accountancy body, ACCA, and is Vice Chairman of CHEIA. The Senior Internal Auditor is the Convener of CHEIA’s Northern Regional Executive and a member of his professional accountancy body, CIPFA’s Scottish Executive Committee. He is in the process of completing the Institute of Leadership and Management (ILM) Level 3 Award. One of the Auditors is progressing the

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

Chartered Membership of the Institute of Internal Auditors (CMIIA) qualification and the other serves on the committee of the Scottish IDEA User Group.

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 requirements of the IIA International Standards.

We assessed the University’s Risk Maturity, and again concluded that it could be classified as ‘risk defined’ (see Appendix D) and that 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 University’s corporate Risk Register has recently been refreshed.

The Annual Report of the RMC will be considered by the University’s Audit Committee on 23rd November and will be presented to the Finance and General Purposes Committee and then to Court. The report will support the Audit Committee’s assessment for Court of the internal control environment, economy efficiency and effectiveness, risk management and corporate governance arrangements. It will then 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.’ The processes in place with regard to the University’s risk management are illustrated in Appendix E.

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 also state that:

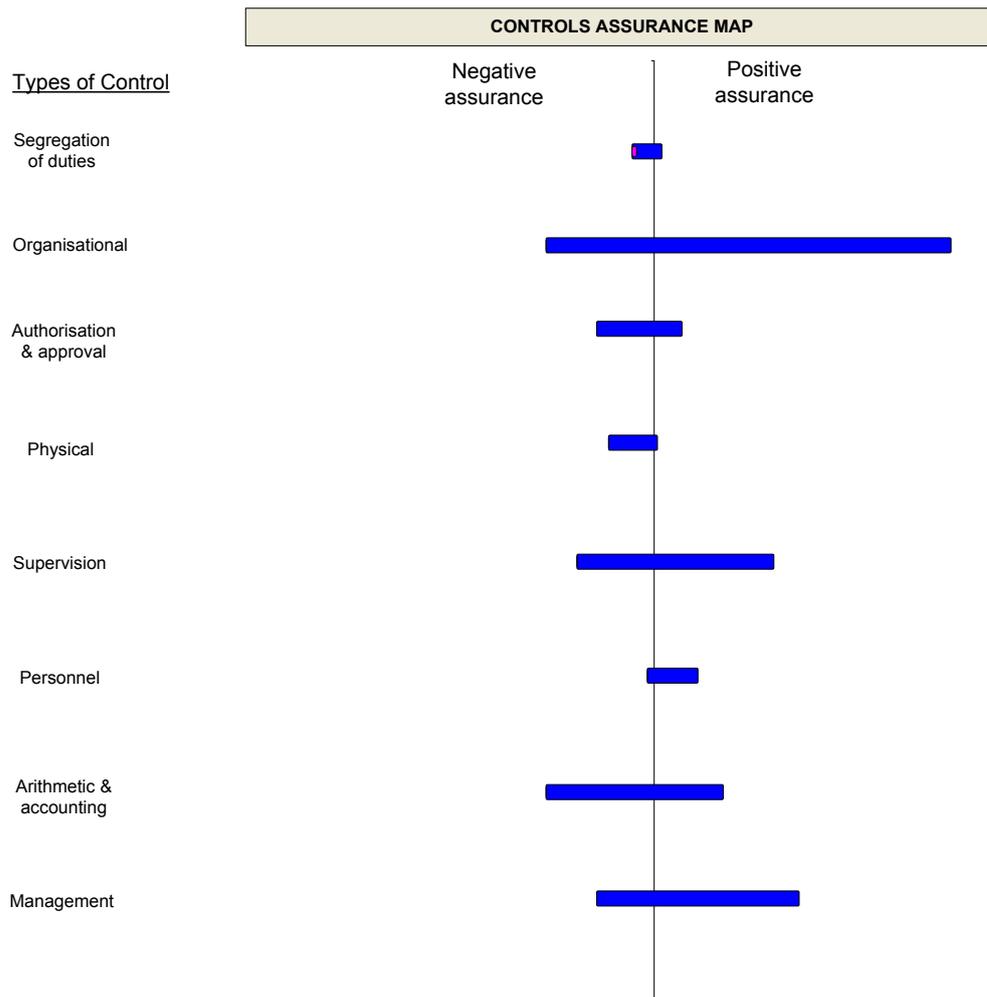
“internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation’s governance, operations, and information systems regarding the” 4 requirements shown in the table below. This table seeks to illustrate that our work in 2011-12 has addressed the IIA International Standards as referred to above.

	<u><i>IIA Requirement</i></u>	<u><i>Addressed by Internal Audit reviews</i></u>
1	<i>Reliability and integrity of financial and operational information</i>	School audits (5); Financial Control Processes for Estates and Buildings Payments; Research Grants Cost Recovery; Treasury Management; Student Fee Finance Processes.
2	<i>Effectiveness and efficiency of operations</i>	Shared Academic Timetabling Project; Streamline Credit Card Terminals - VFM; Research Grants Section; Student Fee Finance Processes.
3	<i>Safeguarding of assets</i>	Password Policies; Data Protection Risk; Treasury Management; Cash Transaction Authorisations; IT Security - Biological Sciences: SAMBA.
4	<i>Compliance with laws, regulations, and contracts</i>	UKBA Legislation - Staff; UKBA Legislation - Students; Edinburgh University Press; Password Policies; Data Protection Risk; Equality Act 2010.

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 UK Corporate Governance Code 2010. 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. Using a recognised framework of internal controls, Appendix F highlights the more significant **control weaknesses** and **control assurances** identified. Based on our findings during the year, the Controls Assurances Map below highlights our overall assessment of the control weaknesses and assurances based on our audit work.



79% (88% in 2010-11) of recommendations from a programme of follow up reviews were reported by management as having been implemented in full as agreed.

E Governance

Governance is defined in the 2011 IIA International Standards as the:

“combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organisation toward the achievement of its objectives.”

In 2011-12 we considered governance matters specifically during individual reviews and also reviewed the more localised governance arrangements in the location-based audits. We also specifically reviewed governance arrangements relating to the delivery of the Medical Teaching programme.

The SFC Accounts Direction for Scotland’s Colleges and Universities requires universities to include in their financial statements a statement covering the responsibilities of their governing body in relation to corporate governance. This statement is required to indicate how the college or university has complied with good practice in this area. A separate paper is presented to the Audit Committee on the “Draft Corporate Governance Statement” giving advice to members on the Statement of Internal Control. Court also periodically assesses the effectiveness of the committee structure.

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.

The University's Value for Money Strategy attributes specific responsibilities for delivering VfM. CMG is required to identify areas likely to yield significant VfM opportunities and to "initiate post-implementation reviews of major projects to establish whether the VfM targets have been delivered." Major projects are defined in the University of Edinburgh Major Projects Governance Toolkit as "a project which has a significant financial, operational, or reputational impact on the University, College or School or Support Group." VfM is synonymous with performance improvement and / or operational efficiencies. The Toolkit also makes it mandatory that major projects will include a post project review. We are able to confirm that this framework is in place. In accordance with the Value for Money Strategy the Director of Finance also provides annually, on behalf of CMG, a list of other VfM achievements.

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 financial planning and monitoring to demonstrate that value has been achieved, and it encourages the University to react to enforced financial restrictions.

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 management's arrangements for securing value for money, 10 out of 29 audit assignments carried out in 2011-12 highlighted potential value for money opportunities for the University. These are listed in Appendix F.

Our opinion is that management has established satisfactory arrangements to achieve VfM and that these arrangements are in harmony with the directives of the Scottish Funding Council. The process map of management's arrangements for securing VfM is illustrated in Appendix E.

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 2011-12, 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 opinion 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

	<u>Completed audit assignments</u>	<u>Date Final Report Issued</u>	<u>Date to Audit Committee</u>	<u>Comment</u>
1	Cash Transactions Authorisation	23/09/2011	22/11/2011	2010 assignment
2	VFM review of Streamline credit card terminals	09/11/2011	22/11/2011	2010 assignment
3	Severance 2010-11	09/11/2011	22/11/2011	
4	Moray House School of Education	12/01/2012	01/03/2012	2010 assignment
5	Shared Academic Timetabling Project	23/01/2012	01/03/2012	
6	Eligibility for Research Council Studentships	07/02/2012	01/03/2012	
7	Financial Control Processes for Estates and Buildings payments	15/02/2012	01/03/2012	2010 assignment
8	UKBA Legislation - Staff	22/02/2012	01/03/2012	2010 assignment
9	Medical Education	27/02/2012	31/05/2012	2010 assignment
10	Research Grants Section	21/03/2012	31/05/2012	
11	School of Economics	28/03/2012	31/05/2012	2010 assignment
12	Research Grants Cost Recovery	28/03/2012	31/05/2012	2010 assignment
13	Edinburgh University Press	05/04/2012	31/05/2012	
14	School of Physics & Astronomy - Special Investigation	10/05/2012	31/05/2012	Added to Plan
15	Password Policies	18/05/2012	31/05/2012	
16	Data Protection Risk	21/05/2012	31/05/2012	
17	School of Philosophy, Psychology and Language Sciences	27/06/2012	27/09/2012	
18	UKBA legislation - Students	11/07/2012	27/09/2012	
19	School of Health in Social Science (HiSS)	17/07/2012	27/09/2012	
20	IT security – Biological Sciences: SAMBA	17/07/2012	27/09/2012	Added to Plan
21	Treasury Management	23/07/2012	27/09/2012	
22	Unidesk	29/08/2012	27/09/2012	
23	Feedback to Students on Course Performance (Interim Report)	13/09/2012	27/09/2012	
24	Student Fee Finance Processes	17/09/2012	27/09/2012	
25	Business School	18/09/2012	27/09/2012	
26	Estates and Buildings Let Property	19/09/2012	27/09/2012	
27	Equality Act 2010	19/09/2012	27/09/2012	
28	Risk Management	In annual report		
29	Value for Money Arrangements	In annual report		

Continuing audit assignments (8)

- Stewardship of Philanthropic Gifts;
- School of Physics and Astronomy;
- Space Management;
- Identity Management (Service) (IDM) ;
- IT Security - Edinburgh Parallel Computing Centre (EPCC) Projects (*added to Plan*);
- IT Security & Business Continuity - Penetration Test;
- CHSS Postgraduate Office - Monitoring PhD Student Progression;
- CMVM Postgraduate Office Recruitment Procedures.

Appendix A2

Follow Up Reviews (53)

	<u>Date to Audit Committee</u>	<u>Agreed recommendations followed up</u>	<u>Recommendations reported as implemented by management</u>
07-10 Space Management	22/11/2011	2	2
08-06 Staff On-Call Arrangements	22/11/2011	2	1
08-07A Full Business Continuity: Operational Readiness in Key Risk Areas	22/11/2011	6	0
08-07B Full Business Continuity: Operational Readiness in Key IT Risk Areas	22/11/2011	6	5
08-11 Mobile Working	22/11/2011	3	0
08-17 School of Social and Political Science	22/11/2011	3	3
09-03 Financial Forecasting and Reporting	22/11/2011	17	11
09-04 Penetration Test	22/11/2011	33	26
09-23 Office of Lifelong Learning (OLL)	22/11/2011	1	1
07-22 School of Biological Sciences	01/03/2012	1	1
08-15 Integration of the Roslin Institute to the University of Edinburgh	01/03/2012	8	8
09-04 Penetration Test (2 nd FUR)	01/03/2012	7	7
09-07 E&B Payment of Contractor Claims on Capital Projects	01/03/2012	3	3
09-12 Project Boards	01/03/2012	1	1
09-18 Managed Desktop Support	01/03/2012	4	4
09-44 E&B Handover Procedures for Capital Projects	01/03/2012	6	6
10-06 Payroll Instructions	01/03/2012	4	4
10-09 Non salary payments	01/03/2012	1	1
10-31 Expenses	01/03/2012	1	1
10-42 Control account and bank reconciliations	01/03/2012	7	7
05-11 Compliance with Code of Postgraduate Admissions	31/05/2012	1	1
07-04 Pay Modernisation	31/05/2012	1	1
07-05 Large Capital Projects – Costing of Running and Maintenance	31/05/2012	1	1
07-18 Learning Technology Section	31/05/2012	7	6
08-06 Staff On-Call Arrangements (2 nd FUR)	31/05/2012	1	1
08-07(B) Full Business Continuity Operational Readiness in Key IT Risk Areas (2 nd FUR)	31/05/2012	1	1
08-11 Mobile Working (2 nd FUR)	31/05/2012	3	1

09-03 Financial Forecasting and Reporting (2 nd FUR)	31/05/2012	6	6
09-11 Additional Payments via Payroll	31/05/2012	1	1
09-16 Equipment Asset Management and Insurance	31/05/2012	4	4
10-04 The BioQuarter Project	31/05/2012	6	6
10-10 Pensions Office	31/05/2012	4	4
10-11 Credit Card Processing	31/05/2012	17	17
10-15 Events Management (Accommodation Services): Efficiency and Delivery of Service	31/05/2012	1	0
10-17 Centre for Population Health Sciences	31/05/2012	3	3
10-18 School of Biological Sciences	31/05/2012	4	3
10-22 UoE Utilities Supply Company Ltd	31/05/2012	12	9
10-41 VFM Review of Streamline Credit Card Terminal	31/05/2012	2	1
07-18 Learning Technology Section (2 nd FUR)	27/09/2012	1	1
08-07A Full Business Continuity Operational Readiness in Key Risk Areas – non-IT related (2 nd FUR)	27/09/2012	6	0
09-15 Asbestos Policy	27/09/2012	3	1
10-05 Carbon Reduction Strategy	27/09/2012	10	6
10-12 Research Grants Cost Recovery	27/09/2012	2	0
10-13 Application of IT Codes of Practice	27/09/2012	3	2
10-14 Financial Control processes for Estates and Buildings payments	27/09/2012	3	3
10-15 Events Management Accommodation Services (2 nd FUR)	27/09/2012	1	0
10-18 School of Biological Sciences (2 nd FUR)	27/09/2012	1	1
10-22 UoE Utilities Supply Company Ltd (2 nd FUR)	27/09/2012	3	1
10-41 Vfm Review of Streamline Credit Card Terminals	27/09/2012	2	2
10-43 Cash Transaction Authorisations	27/09/2012	4	4
11-01 Eligibility for Studentships and Research Scholarships	27/09/2012	3	3
11-05 Shared Academic Timetabling Project	27/09/2012	1	1
11-23 Edinburgh University Press	27/09/2012	5	5

239
188**79%**

Appendix B**SUMMARY FROM AUDIT ASSIGNMENTS DURING 2011-2012**

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

Cash Transactions Authorisation

This review was requested by Cash Office staff who reported that authorisation procedures for cash payments had evolved in such a way that the levels of authorisations required were considered to be excessive; making the system cumbersome, time-consuming and subject to delays. These concerns were validated. We made recommendations to improve the consistency of authorising electronic payment files from different sources, to increase the number of scheduled BACS runs, and carry out CHAPS payments only for unplanned or emergency payments. We also made recommendations to improve the security of CHAPS payments.

4 recommendations, all agreed.

VFM review of Streamline Credit Card Terminals

This review focussed on optimising Value for Money around the "Streamline" system used to receive payments by debit and credit card. While Streamline does provide Value for Money overall, potential improvements were identified around the utilisation of the system. In particular, the University received high numbers of credit card payments attracting high transaction fees, and lower number of debit card fees, attracting lower transaction fees. We recommended that university staff should be made aware of transaction fees charged, and should use this information to incentivise payees to use cheaper methods of payment. We also identified a need to clarify roles and responsibilities when dealing with Streamline via improved protocols.

2 recommendations, including 1 of higher priority, both agreed.

Severance 2010-11

We provided details of severance payments which fell inside the Scottish Funding Council's threshold for disclosure. The Audit Committee was then able to satisfy itself that proper procedures had been followed and appropriate authorisation given.

No recommendations.

Moray House School of Education

We reviewed the governance and management structure now in place in the Moray House School of Education (MHSE), following a £1.7M reduction in SFC funding for teacher training education. A strategic plan is in place, but there are ongoing challenges in delivering change; establishing new roles and responsibilities and communicating and embedding new processes and procedures. Staff support the provision of focused School meetings, opportunities to network and share ideas / good practice with colleagues and improved access to local school documentation and procedures. There was opportunity for more effective use of administrative staff resources and a need for tighter control over expenditure and procurement.

7 recommendations, including 3 of higher priority, all agreed.

Shared Academic Timetabling Project

The Project Board had recognised the need for an approved University policy with respect to timetabling to inform project decisions regarding the implementation of the procured software. Information Services has used standard, proven mechanisms to administer the Project and the Project Team had incorporated appropriate business representatives, together with significant experience of implementing the chosen software solution. Additionally, the Project was acting as a pilot for a governance toolkit developed by the Knowledge Strategy Committee.

3 recommendations, including 2 of higher priority, all agreed.

Eligibility for Research Council Studentships

For a selection of Schools in the College of Science and Engineering, we reviewed the arrangements to ensure that Research Council doctoral training awards are distributed in accordance with eligibility requirements. From the processes already in place and now being initiated, we offered reasonable assurance that a) only eligible PhD students will receive funding, and b) oversight at multiple levels will ensure effective use of the funds and accurate returns to the Research Councils.

3 recommendations, all agreed.

Financial Control Processes for Estates and Buildings Payments

The EBIS system used in Estates and Buildings is the principal vehicle for generating orders and approving payments for maintenance and building projects. Management had expressed reservations about whether the authorisation controls and practices were consistent with wider University policies and requirements. Audit testing confirmed that the authorisation controls involving EBIS needed to be tighter and recommendations were agreed to enhance the authorisation controls and update the user guidelines. This followed on from our earlier contribution to LEAN process improvement workshops which sought to identify opportunities to streamline Estates & Buildings' financial and administrative arrangements. We offered suggestions on how certain administrative processes could be reduced without compromising control.

3 recommendations, including 2 of higher priority, all agreed.

UKBA Legislation - Staff

The Immigration, Asylum and Nationality Act 2006 allows employers to establish certain processes as a "statutory excuse" against liability for payment of a civil penalty for employing an illegal migrant. Testing during this audit review did not reveal any migrant workers who were working illegally. HR had procedures in place to provide the "statutory excuse", however there was evidence that, in some cases, these procedures had not been complied with. Recommendations were agreed to improve procedures and provide regular training and information for recruiters in schools and business units. Recommendations were also made to improve Oracle data integrity and validation.

8 recommendations including 4 of higher priority, all agreed.

Medical Education

Delivery of the MBChB programme faces operational challenges, many of which are unique to the College of Medicine and Vet Medicine. Teaching staff face a conflict of time and interests between dual employers, NHS and University of Edinburgh. A number of initiatives demonstrate the strong commitment to addressing recognised problems. Effective governance arrangements are key to maximising the quality of student experience. Governance was based upon a structure of committees and teams, some of which do not fall within University oversight. There was opportunity to improve the functioning of some committees to promote more effective action.

2 recommendations, including 1 of higher priority, both agreed.

Research Grants Section

The workload in Research Grants Section within central Finance had increased in recent years and productivity gains were evident. We considered that there was a need to formalise the practices and procedures for authorising write-offs of excess expenditure over grant income available and calculating doubtful debt provisions involving research grant reclaims. There was a backlog of projects needing to be closed off and a need for better information to help monitor and report progress on key administrative processes.

5 recommendations, including 2 of higher priority, all agreed.

School of Economics

The School of Economics is part of the College of Humanities and Social Science and became a School in its own right during the academic year 2009/10, having previously been combined with the Business School. We felt that the School handled the re-organisation well. The main audit findings concerned the alignment of roles and responsibilities for financial procedures with the now independent School of Economics structure, combined with the use, in some cases, of paper-based processes rather than electronic financial systems. Recommendations were made to make greater use of electronic financial systems and should lead to improved segregation of duties.

8 recommendations, including 3 of higher priority, all agreed.

Research Grants Cost Recovery

Research Councils allow institutions to classify research facilities as “Small Research Facilities” and thereby charge the full economic cost directly to users. Total costs associated with small research facilities were in excess of £13million per annum. The review focused on the arrangements in the College of Science and Engineering to ensure that Small Research Facilities are costed fully and that the rates are included in all relevant research grant applications. We found that there was a variety of arrangements in place which should help maximise recovery of small research facilities costs including: approval of such facilities by the College Accountant; a costing template; and an annual review procedure. There was scope to enhance existing processes to maximise income further through; preparing College-wide guidance notes; enhancements to the Implications of Research Grant Form for research grant applications; and through various other measures identified during the review.

2 recommendations, both agreed.

Edinburgh University Press

Edinburgh University Press is a subsidiary of the University and has separate charitable status. It was operating with informal procedures that provide good elements of control. Being a small organisation, it relied heavily on strong supervisory checks, given limited opportunity for segregation of duties. The Press needed a more robust framework of policies and procedures to ensure that it is managed and governed in accordance with current good practice and as might be expected by the Office of the Scottish Charity Regulator (OSCR). On a strategic level we considered that the Press is appropriately aware of the threats and opportunities presented by ‘e-books’ and is well placed to take advantage of this developing field.

6 recommendations, all agreed.

School of Physics and Astronomy - Special Investigation

Internal Audit was asked by the Director of Finance to carry out an investigation, under the University's Fraud and Misappropriation Policy, into a possible fraud involving a member of staff in the School of Physics & Astronomy. The investigation revealed that the member of staff falsified receipts in support of expense claims made to an external research fund. School management had responded quickly; there did not appear to be any financial loss to the University and we did not consider any procedures needed to be amended as a result of the investigation. It is understood that the external funder was not planning to take any further action to recover the amounts they reimbursed against the falsified expenses claims.

No recommendations.

Password Policies

Passwords are currently the only effective means of IT authentication used in the University, albeit subject to some weakness. Promulgating password policies, and monitoring observation of them, remains a challenge on a pan University basis. There was a lack of any authorised body to provide a focus for monitoring and testing activities regarding passwords and IT Security breaches. This meant that the University was not in a good position to capitalise upon lessons learned and thus had a heightened exposure to risks associated with inappropriate access. The Chief Information Officer promised an update for a future Audit Committee meeting.

3 recommendations, including 1 of higher priority, all agreed.

Data Protection Risk

The University has policies addressing aspects of data protection risk and we found that these policies were successfully communicated via a variety of channels. Data protection responsibility was assigned to individuals across the University, and Records Management Section offered specialist support to all Schools and Departments. Testing indicated a high level of awareness in areas which routinely handle sensitive personal data. While it is not possible to prevent a deliberate breach or a gross abdication of responsibility, we can confirm that the University had taken reasonable steps to observe data protection legislation.

1 recommendation, agreed.

School of Philosophy, Psychology and Language Sciences (PPLS)

The financial activities in the School of Philosophy, Psychology and Language Sciences are centralised, managed on a day to day basis by the Administrative officer (Finance) and overseen by the School Administrator. It was evident that there was effective dialogue between those staff involved in financial monitoring and decision making and controls, in the most part, appeared sound. Weaknesses were identified in the management of petty cash, income receipting and segregation of duties. Recommendations were made to establish documented procedures to outline the controls required to ensure these areas function effectively.

7 recommendations, all agreed.

UKBA Legislation - Students

The University had undergone a UKBA compliance visit looking at student and staff migration processes; the outcome was satisfactory. Our main recommendations related to the need for central supervisory activity. We found that the Student Managed Migration Group (SMMG) was addressing issues effectively and that systems and processes put in place to address UKBA requirements were being actively developed. We identified a need for a member of staff to be responsible for day to day management of the overall international student sponsorship processes including ensuring the consistent implementation of systems and procedures and the monitoring and review of their effectiveness. Two new, full-time members of staff have since been appointed and it is understood one of them will take on this day to day management responsibility. We identified the need to centralise the CAS (Confirmation of Acceptance for Studies) documentation and guidance and to maintain more complete student contact details.

12 recommendations, including 3 of higher priority, all agreed.

School of Health in Social Science (HiSS)

We found controls in the School of Health in Social Science to be generally effective in particular with regard to payroll reconciliation and budget monitoring. We identified areas where controls needed to be introduced, namely income receipting, retention of goods delivery notes and the maintenance of an asset register. We found that few staff use the eExpenses system and we recommended that more do so. There was an agreement in place whereby qualified clinical psychologists received a market pay supplement to align their salaries to their NHS equivalents. This was found to be in order and we have recommended that the Head of School be involved in its review, due to take place later this year.

12 recommendations, all agreed.

IT Security - Biological Sciences: SAMBA

In common with all researchers, the School of Biological Sciences is under external pressure to store increasing amounts of data and for longer. The School faced a strategic choice; to use (central) Information Services (IS) supplied facilities with up-front predefined cost, or to supply their own solution which they perceive to cost less. We reported to IS the fact that their clients are considering such decisions, in order to contribute to IS's own strategy. The School chose to use Samba, and the recommendations we made comprised cost-effective methods of enhancing security.

4 recommendations, all accepted.

Treasury Management

The University maintains significant cash balances on a day to day basis, with up to £300 million being managed directly by University staff and their agents. The University has its own Treasury Management Policy which was agreed by the Investment Committee in 2010 and is largely based on Chartered Institute of Public Finance and Accountancy Treasury Management in Higher Education guidance. Review of the extent of compliance with this policy found that reasonable assurance over the Treasury Management environment could be offered. There is a need to instigate an appropriate suite of forecasting tools to help the University identify immediate, short, medium and longer term cash and funding requirements. This should facilitate identification of resources available for investment, and borrowing requirements to support the Strategic Plan.

9 recommendations, including one of higher priority, all agreed.

Unidesk

The University has implemented Unidesk and makes it available on a collaborative basis to St Andrews, Abertay and more recently Sheffield Hallam. Unidesk is a high quality integrated service management package; now that it is in use at Edinburgh, it will be possible to exploit it further. At Edinburgh there is no single centralised help desk; the support comprises the support functions for the various services. Also there is no common categorisation of problems, and no common prioritisation to help devise underlying solutions rather than individual fixes.

6 recommendations, all agreed.

Student Fee Finance Processes

We performed an audit of the invoicing, monitoring and reporting of student fee invoices raised between August 2011 and July 2012. The introduction of EUCLID and its interface with e-Financials had necessitated a new interface between Academic Registry and Finance Office and revised working practices in both areas. In this, its second year of operation, we focussed on the controls supporting the correct assessment of tuition fees, the completeness of the e-Financial update and the monitoring of fee income against budgets. Controls were assessed as operating satisfactorily although scope for improvements in operational efficiencies was identified.

4 recommendations, all agreed.

Feedback to Students on Course Performance [INTERIM]

The University's National Student Survey (NSS) scores that relate to assessment and feedback remain low relative to other UK universities and as a consequence the issue continues to have a high profile. We found that the University has in place or is developing a number of strategies that are aimed directly at improving assessment and feedback procedures or more generally at improving the student experience, but to date, these do not appear to have had a significant effect on raising the University's corresponding NSS scores. A number of important developments have occurred in parallel with our work including the presentation of a paper to University Court (11 September 2012). This discusses the NSS results and proposes a way forward including the development of an action plan. A number of the proposals in the Court paper align with our draft recommendations and our interim report to Audit Committee provides assurance based on our findings to date. We intend to complete our reporting during 2013 once management have progressed the proposed projects.

No recommendations.

Business School

We carried out a routine audit of the Business School, looking at controls supporting staff payments, purchasing, receipt of income, general accounting, expenses and cash handling. There was much evidence of good practice, and we noted in particular the School's method of analysing its own performance to reflect the activity undertaken rather than the transactions carried out. We drew attention to sourcing of certain suppliers and payments to some staff, and the dependency on a key person. We also highlighted the extent of purchasing without electronic purchase orders.

2 recommendations, both agreed.

Estates and Buildings Let Property

We reviewed the business process of leasing property, which successfully realises an annual income of £1M. Evolution of this business to date had resulted in a complex set of circumstances to manage. Many properties / leases did not have commonly accepted unique identifiers, with people varyingly referring to items by lease code, tenant name, postal address and building code. Individuals' roles and responsibilities were not always clear. Significant levels of expenditure were not allocated to specific properties. It was likely that Estates and Buildings could realise a better return from property letting. A new 'lease module' was being implemented in EBIS; this will offer the opportunity to tighten controls and produce management information.

5 recommendations, including 2 of higher priority, all agreed.

Equality Act 2010

The Equality Act 2010 consolidates and streamlines previous anti-discrimination legislation and introduces a new public sector equality duty covering the covering the nine relevant protected characteristics. The Scottish Government Regulations, which came into force in 2012, place specific duties on the University as a public authority. The breadth of requirements arising from the Equality Act 2010 mean that full compliance with its requirements will always be a challenge for any higher education institution, for which the University is no exception. There was evidence that the University takes its responsibilities seriously and continues its efforts to develop best practice with regard to equality and diversity. There were a variety of arrangements in place which help the University demonstrate that it was meeting its specific and general statutory duties defined in the Equality Act 2010. There was scope to enhance existing arrangements associated with monitoring mechanisms, the committee structure, meeting the requirements recently outlined in the Scottish Government regulations, and collating of management information on the protected characteristics defined in the legislation.

9 recommendations, including 2 of higher priority, all agreed.

Risk Management

Internal Audit routinely receives the papers of the Risk Management Committee, and the Chief Internal Auditor attends the Committee meetings. This provides an opportunity to comment upon specific risk assessments and contribute to discussions on emerging risks. We conducted our annual assessment of the University's risk maturity which again concluded that it could be classified as 'risk defined' as illustrated in Appendix D. The University's risk management processes are illustrated in Appendix E.

No recommendations.

Value for Money Arrangements

We conducted our periodic appraisal of the management's arrangements for securing value for money as required by the SFC Financial Memorandum. The current arrangements are illustrated in Appendix E.

No recommendations.

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 2007-08	Year 2008-09	Year 2009-10	Year 2010-11	Year 2011-12
General performance indicators					
Annual cost of service	£215k	£233k	£245k ¹	£253k	£255k
Direct audit days available ²	645	692	694	658 ³	675
Cost per direct audit day	£333	£337	£353	£385 ³	£378
Number of audits	31	32	31	32	29
(+ those to finalise)	7	7	7	8	8
Number of recommendations made	67	116	110 ⁴	122 ⁴	127
Number of follow up reviews	18	17	23	22	53 ⁵
Performance measures indicating efficiency					
University of Edinburgh income received / Internal Auditor (£M)	£119.26	£138.83	£147.88	£158.50	£162.71
University employees / Internal Auditor	2,224	1,984	1,980	1,960	2,184
% Available time applied to audit work	82%	81%	82%	80%	77%
% Allocated audit time actually spent conducting audit work	97%	95%	100%	92% ³	90%
% Completion of the annual plan by annual report date	95%	98%	94%	95%	96%
Performance measures indicating effectiveness					
% Audit work undertaken by staff with directly relevant qualifications	76%	71%	87%	100%	100%
% Recommendations agreed by management	93%	100%	97% ⁴	99%	100%
% Agreed recommendations reported as implemented by management at follow up	80%	93%	89%	88% ⁴	79%
% Audits perceived to add value	90%	96%	94%	94%	92%

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

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

³ Approximately 50 less direct audit days available due to extended sick leave, paternity leave as well as phasing of annual leave taken. If these days were added back, cost per direct audit day would be approximately £357/day.

⁴ The External IT Penetration Test and Firewalls reviews have been treated as an assignment with 1 recommendation which has been agreed by management to avoid distorting the key performance indicator due to the high number of recommendations arising. For the follow-up indicator the External IT Penetration Test has been treated as having 1 recommendation that has not been fully actioned.

⁵ Frequency of reporting follow up reviews has increased with new arrangements.

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 2011-12.

Internal Audit Performance Evaluation Questionnaires

Based upon feedback from 37 returns received for 24 Audit Assignments, (see list below).

	YY	Y	N	NN	NA / Nil response
1. Were you given adequate notification of the audit?	23	10	3		1
2. Were you informed adequately of the audit objectives and scope?	15	9	1		12
3. Were the appropriate staff consulted for the audit area covered?	21	12	4		
4. Did staff conduct themselves in a professional manner during the audit?	24	13			
5. Were you given the opportunity to discuss the report with the auditor prior to finalisation?	20	14	2 ¹	1	
6. Were the recommendations in the report practical and realistic?	11	23	2 ²		1
7. Was the report produced to a professional standard?	19	16	2		
8. Do you feel that the audit was worthwhile and has added value to your work?	16	17	3		1
Percentage %	50%	39%	6%	0%	5%

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

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

<u>24 Audits for which returns were received</u>	
UoE Utilities Supply Company	Financial Control Processes for Estates Payments
Business School Cash Loss	The Moray House School of Education
HESA Data	Medical Education
Control Account Reconciliations and Bank Reconciliations	School of Economics
School of Geosciences	Eligibility for Studentships and Research Scholarships
VFM review of Streamline Credit Card Terminals	UKBA Legislation - Students
Cash Transactions Authorisations	Shared Academic Timetabling Project
Expenses Policy	Research Grant Administration
Non-salary Payments to Staff	IT Security – Biological Sciences: SAMBA
Research Grant Cost Recovery	Password Policies
School of Health in Social Sciences (HiSS)	Treasury Management
School of Physics and Astronomy - Special Investigation	Edinburgh University Press

¹ We were advised that the 'N' arose because audited area felt that the response should have been provided from another area.

² We were advised that the audited area was reflecting that the recommendations for one of these audits were designed for action in another department.

Assessing the University's risk maturity

This assessment was made by considering the University's practices, processes and relevant supporting documentation such as the risk management strategy, policy and risk registers. The Chief Internal Auditor attends the Risk Management Committee. Cognisance was also made of earlier Internal Audit work (such as the risk management checklist and risk assessment management assignments). While we have made minor adjustments and updated our own comments, our overall assessment of the University's risk maturity is that it remains Risk Defined.

Note: For the avoidance of doubt, the larger table is reproduced from the 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
Key characteristics.	No formal approach developed for risk management.	Scattered silo based approach to risk management.	Strategy and policies in place and communicated. Risk appetite defined. <input checked="" type="checkbox"/>	Enterprise approach to risk management developed and communicated.	Risk management and internal controls fully embedded into the operations.	

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

Process

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

The new Strategic Plan 2012-2016 is now finalised and has been published.
Not <u>all</u> managers have received training.
In place.
The Risk Management Strategy describes a risk of minimising overall risk while also embracing academic/research risk.
Risk management processes and responsibilities are documented in the Risk Management Strategy.

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 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.

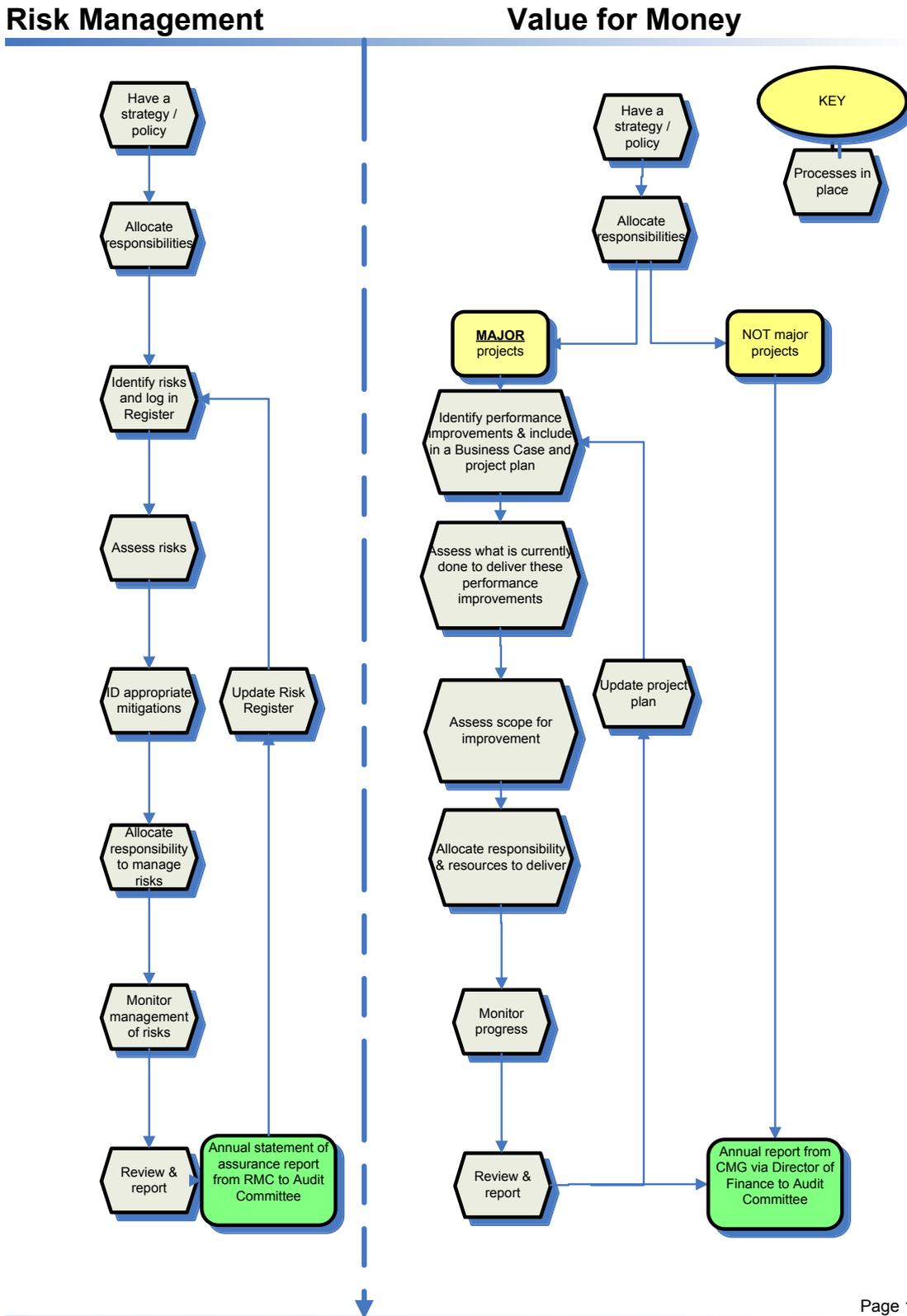
Internal Audit Comment
Although there is a main overarching risk register, it does not contain all risks. A series of risk registers exist.
In place for University, College, Support Groups, subsidiaries and many operational areas and projects.
Yes, but may not apply to the whole organisation.
The normal internal audit process assists management in providing assurance that monitoring controls are adequate.
RMC review process.
A formal risk review process is in place overseen by the RMC. RMC reports to Audit Committee and CMG.

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.	Facilitate risk management/lia ise with risk management and use management assessment of risk where appropriate. <input checked="" type="checkbox"/>	Audit risk management processes and use management assessment of risk as appropriate	Audit risk management processes and use management assessment of risk as appropriate.	

Internal Audit Comment
<p>Estates Development project procedures routinely include risk assessment, as do IT projects. All Committee papers are prompted for evidence of risk assessment.</p> <p>A toolkit for the governance of Major University projects has been developed and was piloted on the Shared Academic Timetabling Project in 2011-12.</p>
<p>Will be for some defined roles such as project directors / managers, but testing shows this is not widespread.</p>
<p>Some managers.</p>
<p>Some may be assessed informally - this is not evident from documentation.</p>
<p>We are able to use management's assessment of risk where appropriate and may have to supplement with our own risk assessment.</p>

Process Map for Risk Management and Value for Money

This illustrates the processes in place with regard to the University's risk management, and also management's arrangements for securing value for money. This shows that both processes follow a recognised business model.



Appendix F

Internal Controls 2011-2012: 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	Cash Transactions Authorisation				X	✓				yes
2	Streamline Credit Card terminals - VFM		X							yes
3	Severance 2010-11									
4	Moray House School of Education			X		X			✓	
5	Shared Academic Timetabling Project		✓				✓		X	
6	Eligibility for Research Council studentships			✓					✓	
7	Financial Control Processes for Estates and Buildings payments			X						yes
8	UKBA Legislation – Staff		✓			X		X		
9	Medical Education		X						✓	
10	Research Grants Section			X				X		yes
11	School of Economics		✓							
12	Research Grants Cost Recovery								✓	yes
13	Edinburgh University Press					✓✓				
14	School of Physics and Astronomy - Special Investigation								✓	
15	Password Policies		X						X	
16	Data Protection Risk		✓✓				✓			
17	School of Philosophy, Psychology and Language Sciences	X	✓					X		
18	UKBA Legislation - Students		✓			X				
19	School of Health in Social Science (HiSS)				X			✓		
20	IT Security - Biological Sciences: SAMBA									yes
21	Treasury Management		✓✓						✓	yes
22	Unidesk									yes
23	Student Fee Finance Processes					✓✓		✓		yes
24	Feedback on Course Performance (Interim)									
25	Business School							✓		
26	Estates and Buildings Let Property		X					X		yes
27	Equality Act 2010		✓							
28	Risk Management		✓							
29	Value for Money Arrangements		✓							

Key: (A blank entry indicates either not assessed, or no particular strengths or weaknesses identified.)

✓ = Control Assurance identified, X = Control weakness identified,
 ✓✓ = Strong Assurance identified, XX = Inadequate control identified.

Note: These assessments were made on the basis of the findings at the time of the audit.



cutting through complexity™

University of Edinburgh

Audit highlights memorandum to the Court of The University of
Edinburgh

Audit: Year ended 31 July 2012

16 November 2012

The contacts at KPMG in connection with this report are:

Mike Rowley

Partner, KPMG LLP

Tel: 0121 232 3147

Fax: 0121 232 3973

micahel.rowley@kpmg.co.uk

Stephen Reid

Director, KPMG LLP

Tel: 0131 527 6795

Fax: 0131 527 6666

stephen.reid@kpmg.co.uk

Brian Curran

Senior Manager, KPMG LLP

Tel: 0141 300 5864

Fax: 0141 204 1584

brian.curran@kpmg.co.uk

Sarah Burden

Assistant Manager, KPMG LLP

Tel: 0131 527 6611

Fax: 0131 527 6666

sarah.burden@kpmg.co.uk

	Page
Executive summary – headlines	2
Financial statements	3
Financial position	10
Strategy and governance	14
Appendices	16

About this report

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

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

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

In accordance with ISA (UK and Ireland) 260: *Communication with those charged with governance*, this report summarises our work in relation to the financial statements for the year ended 31 July 2012.

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

Financial statements	
There have been no substantive changes to accounting policies, which have been applied consistently. Key areas of judgement were anticipated in respect of the capital programme, the acquisition of Edinburgh College of Art and the Human Genetics Unit, the Deaconess development and pensions accounting.	Page 3
The University continues to prepare high quality draft financial statements for audit, which were received on 27 September 2012, in advance of the audit commencement date.	Page 8
We anticipate issuing unqualified audit opinions on the 2011-12 financial statements of both the University, and its subsidiary companies, following their approval on 10 December 2012.	Page 8
Financial position and financial management	
The University delivered a surplus of £41.7 million for the year ended 31 July 2012. This represented a significant improvement on the budgeted position. Forecasts during the year showed significant movement from the initial budget, as seen in previous years.	Page 10
A budgeted surplus of £7.4 million is forecast for 2012-13. Income growth assumptions are strongly dependent on achievement of overseas tuition fee growth.	Page 12
Strategy and governance	
The University has developed and approved a new strategic plan 2012-2016, setting out three strategic goals and related enablers and strategic themes, and setting the financial strategy for this period.	Page 14
The University maintains an integrated governance framework to provide an appropriate structure for maintaining decision-making, accountability, control and behaviour.	Page 14
Internal audit reported that <i>'there is a strategy with supporting policies in place for identifying, evaluating and managing the University's significant risks and for maintaining effective controls.'</i>	Page 15
Mandatory communications	
There are no significant matters in respect of (i) auditor independence and non-audit fees. We have requested specific management representations regarding the acquisitions, asset valuations and claims and litigation.	Appendices 5 and 6

Accounting policies and key areas of judgement

There have been no substantive changes to accounting policies, which have been consistently applied.

A number of technical accounting matters were considered as part of the 2011-12 audit process.

Accounting policies	<p>The financial reporting framework applicable to the University's financial statements is largely unchanged from the prior year. There are therefore no changes to accounting policies, which have been consistently applied year on year.</p> <p>We are satisfied that the accounting policies remain appropriate to the University's activities.</p>
----------------------------	--

Key areas of judgment	
Area	KPMG comment
Acquisition of ECA and HGU	<p>In March 2011, Edinburgh College of Art ("ECA") received ministerial approval to merge with the University. The Edinburgh College of Art (Transfer) (Scotland) Order 2011 provided the statutory approval for the merger and the effective date of the merger was 1 August 2011. The University merged with the Human Genetics Unit ("HGU") from 1 October 2011.</p> <p>We have considered the accounting treatment of both mergers. Both mergers met the criteria for acquisition accounting.</p> <p>In accordance with FRS 3, assets and liabilities acquired were brought onto the balance sheet at fair value. This resulted in negative goodwill totalling £29.8 million being recognised on the balance sheet. This will be released to the income and expenditure account over the life of the acquired fixed assets. Significant assets and liabilities acquired included buildings from both ECA and HGU (totalling £49.2 million) and a net pension liability of £3.8 million representing participation by ECA employees in the Lothian Pension Fund.</p> <ul style="list-style-type: none"> ■ Adjustments were made to the fair value table in the financial statements to include heritage assets and endowments, and to split the pension provision between mandatory and voluntary scheme moves. This increased negative goodwill by £2.5 million. ■ Amendments were made to financial statement disclosures to ensure clarity of presentation.

Key areas of judgment	
Area	KPMG comment
Deaconess	<p>The University has entered into an agreement with Mace Group for the construction of a residencies development at the site of the old Deaconess hospital in Edinburgh. Mace Group is managing this development through Graduation (Development) Limited ('GDL') which is a subsidiary company of Graduation Student Living Limited ('GSL').</p> <p>It is likely that the University will acquire GDL during development rather than on completion. For tax reasons, Mace must retain ownership of GDL until January 2013 and hence, the University cannot acquire the subsidiary prior to that. In order to provide some security to the parties that this transaction will go ahead, put and call options have been put in place, such that the University can force Mace to exchange shares in January 2013 for a set price and, if this is not enforced, Mace can force the University to buy the shares at a similar point in time.</p> <p>We have considered the accounting for the option and the overall transaction as at 31 July 2012. At the year end, the University had a loan debtor receivable of £1.5 million and endowment working capital of £1.9 million. This was forwarded to GDL under a loan agreement in place.</p> <ul style="list-style-type: none"> ■ No adjustment to the financial statements was necessary. ■ Financial statement disclosures in this respect are complete and accurate.
Pensions valuation	<p>At 31 July 2012 the University reported a net pension liability of £100.7 million (<i>31 July 2011</i>: £68.2 million). The main reason for the movement in the deficit compared to the prior year is the acquisition of liabilities in the Lothian Pension Fund on merger with ECA, and decreases in the discount rate, leading to a higher liability.</p> <p>In line with prior year, we consulted KPMG actuaries to review the actuarial assumptions used by the University's actuaries in preparing actuarial reports as at 31 July 2012. We consider the assumptions adopted to be reasonably balanced for two schemes; The University of Edinburgh Staff Benefits Scheme and the University's share of the Strathclyde Pension Fund. The net discount rate for the University's share of the Lothian Pension Fund is considered to fall below the bottom of the acceptable range for the purpose of FRS 17 at 31 July 2012 for a local government pension scheme. We have included additional narrative on pensions assumptions in appendix four.</p> <ul style="list-style-type: none"> ■ The difference in net discount rate in the Lothian Pension Fund equates to an audit difference of £1.5 million. This is an adjusted audit difference; it does not affect the surplus for the year. ■ Adjustments were required to the financial statement disclosures and narratives.

Accounting policies and key areas of judgement (continued)

Key areas of judgment	
Area	KPMG comment
Capital programme	<p>Total spend for the University's capital programme for 2011-12 was £56.8 million of which £38.3 million was capitalised as fixed assets. Progress against the capital programme continues in line with management's projections and no significant disposals were reported in 2011-12.</p> <p>A number of other significant projects commenced in the year which will complete in future years. This includes the Deaconess Hospital development which is considered separately.</p> <p>Management undertook an impairment review, considering completed buildings and those subject to major refurbishment. No impairments were identified. Management have engaged Eves to prepare the interim valuation of the University's estate as at 1 August 2012.</p> <ul style="list-style-type: none"> ■ No adjustment to the financial statements was necessary. ■ Financial statement disclosures in this respect are complete and accurate.
US GAAP	<p>The University is one of around ten UK institutions that is required to prepare financial statements in line with US accounting standards and have these audited under US auditing standards. Our audit fieldwork will begin following the completion of the UK GAAP financial statements. We are considering the accounting treatment for key areas with management.</p>
Restricted balances	<p>The University holds a large number of restricted balances of deferred income on its balance sheet. As at 31 July 2012, there were 1,078 (2010-11: 1,016) such individual balances totalling £25.4 million (2010-11: £29.2 million).</p> <p>When a grant is received, the college finance team is responsible for opening the code, and monitoring the balance to ensure compliance with accounting rules and all related costs are matched to the restricted balance. Monthly management accounts show aggregate balances for each College to allow monitoring of overall balances. An annual review of the restricted balances is completed to remove small non-moving balances and check the application of larger balances. In 2011-12, this review was not as detailed or formal as in previous years, and there are a small number of non-moving balances which will be released in 2012-13. No adjustments were necessary to the financial statements in respect of these balances but there is a risk that the funds are not appropriately applied or old balances are not released leading to an overstatement of creditors due to the potential accumulated effect of such balances.</p> <p style="text-align: right;">Recommendation one</p>

Key areas of judgment	
Area	KPMG comment
Research	<p>The University has been successful in growing research income, and this is a key area with the upcoming research excellence framework 2014. We noted that the University's level of research funding income had increased at a rate in line with other similar Russell Group institutions (see appendix seven). Our testing identified areas for improvement in accounting for research income and expenditure, to improve the quality of information, accuracy and efficiency of the processes.</p> <p>Each research project is set up on the research ledger with its own "R" ledger code. Some ledger codes may be interlinked (ie relate to the same project) with the costs and income received allocated to separate ledger codes. Furthermore, within research creditors the University holds a general code for income received for projects without a ledger code in the system. Prior to project commencement income is deferred and held as a creditor. At 31 July 2012, the balance was a £2.8 million creditor. There is a risk that income and expenditure is not correctly allocated to projects or matched against the related expenditure and income.</p> <p style="text-align: right;">Recommendation two</p> <p>As part of the management accounts process, each College forecasts its expected research income and expenditure. In quarter four, 35% of full year salary postings to research grants were made by medicine and veterinary medicine, resulting in a distortion of forecasts. There is a risk that inaccurate forecasts could impact the level of available University resources for this school and late charging could lead to charges not being fully covered by the funder.</p> <p style="text-align: right;">Recommendation three</p> <p>In previous years we have highlighted the number of open research projects that have not been removed from the research ledger despite the end date of the project having expired at least six months previously. The number of old projects has not significantly decreased from previous years, although we note that the number of projects in excess of 30 months old has decreased. As at 31 July 2012, there were 1,000 (2010-11: 1,006) old projects and 348 (2010-11: 389) projects in excess of 30 months old.</p> <p style="text-align: right;">Recommendation four</p>

Key areas of judgment	
Area	KPMG comment
EU research balances	<p>Over the past few years the University has been very successful in accessing an increasing number of EU funded research projects. Where EU monies have been received on profile, funds to be paid to research partners have been held in a separate Euro bank account to manage any exchange exposure to third parties. From an internal perspective the University converts Euros at various points as claims are made and we understand has adopted a prudent internal exchange rate for managing research budgets and WIP. In light of the continued growth in activity and the increasing 'tail' on project balances as they near completion, we would note:</p> <p>European Research WIP balances had increased significantly to some £9.9 million by the year end of which £5.5 million is for projects which ended prior to 31 July 2011 (i.e. 12 months ago). This represents a large cash flow to the University and it is important that claims are submitted as quickly as possible and actively chased given the challenges of finalising claims with Brussels.</p> <p>There are a number of exchange rate complexities to manage both internally (in terms of the way in which expenditure budgets are set to mitigate exchange exposure) and external challenges in terms of dealing with fluctuations in exchange rates between the date of claims being submitted (where the exchange rate at that date is used for claims) and the exchange rate on converting the Euro's to sterling.</p> <p>The approach used by the University to manage the transactional, exchange and internal implications of this increased activity could impact the risk and potential to which the University could suffer unexpected exchange fluctuations and/or not optimise internally the use of the funding.</p> <p style="text-align: right;">Recommendation five</p>

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

The University continues to prepare high quality draft financial statements for audit.

Audit adjustments were identified in respect of the acquisitions, endowments, pensions and lease disclosures. In addition, there are no unadjusted audit differences.

Audit opinion

Following approval by the University Court on 10 December 2012, we expect to issue an unqualified audit opinion on the financial statements and the regularity of transactions reflected in those financial statements.

Since the presentation of our audit strategy document to the audit committee, the Office of the Scottish Charity Regulator ('OSCR') has reviewed charity-registered university audit opinions and considered that the relevant statutory requirements in respect of preparation of charity financial statements should be referred to within the audit opinion. While this has had no substantive impact on our work, we have updated our audit opinion accordingly. Appendix three provides the detail and rationale for this amendment.

Financial statements preparation

Good quality draft financial statements, including all narrative information, were provided on 27 September 2012, in advance of the agreed start of the audit. Supporting schedules were provided on the first day of onsite fieldwork.

Consistent with previous years, management provided responses to audit queries in a timely manner and the standard of documentation provided by management remains high. There was evidence of good accountability and ownership of working papers. Our interactions with finance staff have been positive throughout the audit.

A full list of management identified adjustments was provided on 26 October 2012 with supporting narrative and a set of financial statements incorporating these adjustments provided on 2 November 2012.

We are required by ISA (UK and Ireland) 260 to communicate all uncorrected misstatements, other than those which are trivial, to you. There are no unadjusted audit differences arising from our audit which we are required to bring to your attention. A number of audit adjustments were identified and posted in relation to the acquisition, pensions and provisions. Some minor presentational amendments were required.

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

Subsidiary company audits

Our audit appointment includes the audit of the University's subsidiary companies:

- University of Edinburgh Press Limited;
- University of Edinburgh Development Trust;
- University of Edinburgh Accommodation Limited;
- Flowwave TT Limited;
- USCO;
- RIR;
- ETTC;
- ETF;
- ERI;
- Andrew Grant Bequest;
- HPCX; and
- SSTRIC.

Following the approval of the company financial statements, we expect to issue an unqualified opinion in respect of each companies' financial statements. We have provided draft management representation letters to management in respect of each subsidiary.

ERI, ETTC, ETF, SSTRIC and RIR

There were a relatively small adjustments required to most of the above subsidiaries related to cut-off errors in the recognition of income and expenditure. Consistent with prior year, we continue to recommend that post year end processes are enhanced to include a review of year end invoices.

The future activity of SSTRIC has been subject to consideration by its board during the year. The company has had unsustainable performance and action is being taken to restructure the company's staff resource in a manner which reduces on-going losses whilst taking into account the future direction of SMC and the School of Engineering. Consultation processes have started with SSTRIC staff therefore, it is likely that a reasonable redundancy provision may be required as the company have started to offer voluntary severance packages. SSTRIC must also consider if it is necessary to write off debts and this could have an impact on other companies within the group. Relevant decisions were taken subsequent to the year end.

HPCX, USCO and Flowwave TT Limited

The only significant matter arising related to an additional accrual required in respect of Flowwave TT Limited of £314,000 related to a fixed asset addition. There were minor adjustments related to cut-off errors in respect of HPCX. There were no adjustments in respect of USCO.

University of Edinburgh Press Limited, University of Edinburgh Development Trust, Andrew Grant Bequest

We have issued separate audit highlight memorandums in respect of each of the above subsidiaries.

The University delivered a surplus of £40.5 million for the year ended 31 July 2012. This represented a significant improvement on the budgeted position.

Financial position 2011-12

Income and expenditure account

The University reported a group surplus for the year of £41.7 million against an original budget of £7.1 million. Our interim management report discussed the quarter two forecast at 31 January 2012, which forecast a group surplus of £25.5 million. At the end of quarter three, management was forecasting a group operating surplus of £42.3 million. The key transactions and movements by budget holder contributing to the £35.2 million difference from initial budget are shown in the table below.

Movement in forecast for University of Edinburgh by budget holder	Q2 forecast variance	Q3 forecast variance	Total variance from budget
	£'000	£'000	£'000
Humanities and social science	4,099	1,122	5,221
Medicine and veterinary medicine	(1,341)	281	(1,060)
Science and engineering	3,517	2,493	6,010
Corporate services group	(821)	820	(1)
Information services group	1,367	286	1,653
Student and administrative support group	(122)	61	(61)
Central	12,622	10,838	23,460
Total variance	19,323	15,901	35,224

Movement in forecast for Central	Variance
	£'000
Net pension charges	(2,643)
Underspend on estates projects	(6,900)
Capital contributions from departments	(5,350)
Capitalisation of equipment	(3,400)
ISG income	(3,900)
Other movements	(1,267)
Total variance	23,460

Source: KPMG's analysis of information provided by University management.

The largest variances were in the central budget group which is separately analysed above. Key movements included under spends on estates refurbishment projects (£6.9 million), a release of restricted balances following annual review (£3.9 million), contributions to capital spend from the colleges (£5.4 million) which are offset by movements in other budget groups, higher levels of capitalisation of equipment (£3.4 million) and pension adjustments (£2.6 million).

Science and engineering identified a further £2.5 million favourable variance from quarter two due to the increase in the college budget from the second in-year adjustment for NPRAS, slippage on purchase of high value equipment and increased external income from recharging of small research facilities to research grants and commercial contracts.

Smaller variances were identified between quarter three and the financial statements outturn. These variances related mainly to higher utilities accruals (£0.9 million), and retention of £1.3 million of EDINA project business continuity provision, which was expected to be released.

The University has experienced large movements from initial budget in the previous two years (2010-11 £38.5 million movement, 2009-10 £16.1 million movement). Management are reviewing the current management accounts presentation and reporting to enhance the quality of information and further streamline the information with the financial statements.

Financial position 2011-12

Balance sheet

The group balance sheet reports a strong net asset position, including the pension liability, of £1,573 million (2010-11: £1,541 million). The major components of this include tangible fixed assets (£1.38 billion, including negative goodwill of £26 million), endowment assets (£235 million), net current assets (£177 million), long term creditors (£120 million) and the net pension liability (£101 million).

Overall, group net assets increased by £35.5 million from the prior year. Key reasons for movements are summarised in following table.

Financial statement caption	Increase £ million	Reason for movement
Fixed assets	32.4	Acquisition of ECA and HGU fixed assets (£49.2 million), fixed asset additions (£39.1 million), revaluation of heritage assets (£8.1 million), offset by depreciation charge (£31.6 million) and negative goodwill (£28.4 million).
Net current assets	92.6	£100 million of new bank deposits, £50 million each held by Royal Bank of Scotland and Lloyds Banking Group.
Pension liability	31.1	Acquisition of £4.6 million Lothian Pension Fund liability from ECA, coupled with increased liabilities from updated pension assumptions.
Endowment assets	1.8	Acquisition of £1 million ECA prizes and scholarships endowment assets, consolidation of £3 million Andrew Grant Bequest within University endowments, other new endowments (£2.7 million) offset by decrease in market value of investments (£4 million).
Long term liabilities	60.2	The University has taken out a £50 million loan with the European Investment Bank and also acquired a £7.5 million loan from ECA.

A surplus of £7.4 million is forecast for 2012-13. Income growth assumptions are strongly dependent on achievement of overseas tuition fee growth.

Future financial position

2012-13 budget and medium-term financial forecast

In September 2011, the Scottish Government set out spending plans to 2014-15; an 8.2% increase in higher education funding in 2012-13 and further increases in 2013-14 (4%) and 2014-15 (2%). Global economic problems, constitutional uncertainty and tuition fees changes pose stern challenges to the University. Staff pay increases and pensions cost increases from auto-enrolment and the transfer of staff between funds add pressure to University finances. Investing in the student experience and REF 2014 are key factors in determining resource allocation, whilst ensuring longer term sustainability.

A budgeted surplus of £9.7 million was agreed in April 2012 per the resource allocation process. In October 2012, the surplus was updated to £7.4 million due primarily to a newly approved student support officer structure (£0.7 million), an increased carbon tax allocation (£0.4 million), drawdown of reserves for the distance education initiative (£0.4 million) and seven additional information services positions (£0.4 million).

The University anticipates receipt of £190 million in core grants from the Scottish Funding Council ('SFC') compared to £160 million in 2011-12. The key assumptions inherent in the budget are:

- continued growth in overseas tuition fee income, linked to volume increases;
- the impact of increased tuition fees for the rest of the UK ("RUK") being set at £9,000;
- the impact of research council funding as a result of the Wakeham review;
- modest levels of growth from endowment funds and donations;
- significant growth in staff and non-staff costs within colleges and student-facing support areas, linked to planned strategic initiatives around student satisfaction and research performance due to the upcoming research excellence framework; and
- a prudent approach to the FRS 17 pension adjustments for pension costs.

A significant decline in capital funding is expected, however the £50 million loan secured with the European Investment Bank will assist in progressing the capital programme to ensure the University meets its sustainability agenda. It is anticipated that the ECA estate will continue to require a significant injection of capital funding in 2012-13.

Future financial position

Tuition fee income

As noted, continued growth in overseas tuition fee income is a key focus for the University. Based on KPMG's UK client base of over 80 universities, overseas tuition fees accounted for some 8.9%, on average, of total income in 2010-11; 9.7% for pre-1992 universities. For the University, overseas fee income in 2010-11 was 10.6% of total income, above the sector mean and median figure for pre-1992 universities. This has increased to 12.3% in 2011-12 and demonstrates that the University has been successful in growing overseas tuition fees. The table below shows the growth in overseas tuition fee income over the past four years.

In 2010-11 55.5% of the University's total fee income was derived from overseas students, compared to an average of 25.8% for KPMG's client base (or 30.8% for pre-1992 universities). This demonstrates the importance of non-EU students to the University and therefore on maintaining its current UKBA 'trusted' status. It is important to recognise the relative differences in UK undergraduate fee income in English and Scottish higher education institutions combined in total income and academic fees.

We have also analysed the value of tuition fee invoices and credit notes raised by period in 2010-11 and 2011-12. The comparison is at appendix eight, which shows that the pattern of raising invoices and credit notes has not significantly changed.

	Range	2010-11 Average (mean)	2010-11 Median	University 2008-09	University 2009-10	University 2010-11	University 2011-12
Overseas (non-EU) tuition fees as % of total income							
Post-1992	0.6-22.6%	8.2%	8.1%	-	-	-	-
Pre-1992	0.1-22.7%	9.7%	10.0%	6.8%	8.8%	10.6%	12.3%
All	0.1-22.7%	8.9%	9.1%	6.8%	8.8%	10.6%	12.3%
Overseas (non-EU) tuition fees as % of academic fees							
Post-1992	2.6-45.6%	20.3%	19.0%	-	-	-	-
Pre-1992	0.1-55.5%	30.8%	35.2%	46.9%	50.6%	55.5%	57.0%
All	0.1-55.5%	25.8%	26.8%	46.9%	50.6%	55.5%	57.0%

Strategic direction; corporate governance framework and supporting arrangements

Over-arching and supporting corporate governance arrangements remain primarily unchanged and provide a sound framework for organisational decision-making.

The budget and strategic plan has been linked directly to the University's strategic objectives.

<p>Strategic direction</p>	<p>The strategic plan 2008-2012 was applicable to this financial year. A new strategic plan covering 2012-2016 was initiated by Court in September 2011 and approved in July 2012. It sets out the University's vision, mission, strategic goals, enablers and strategic themes. The three strategic goals are excellence in education, excellence in research and excellence in innovation. Each strategic goal, enabler and theme has set strategies to achieve the associated objectives.</p> <p>The new strategic plan 2012-2016 includes out key objectives for the financial position, including securing short, medium and long-term viability, ensuring high standards of accountability, probity and financial control, delivering best value and ensuring good governance. The key performance indicator is operating surplus as a percentage of turnover (stated target is 3%). In 2011-12, the group achieved an operating surplus of 5.8% of turnover. Targets have also been set to increase total income per FTE staff member, aiming for 10% in real terms and increasing the return on capital employed.</p>
<p>Governance arrangements</p>	<p>The University maintains an integrated governance framework to provide an appropriate structure for maintaining decision-making, accountability, control and behaviour. There are no significant changes from the prior year and we are comfortable that the overall framework remains appropriate.</p>
<p>Corporate governance statement</p>	<p>The corporate governance statement provides details of the purpose of the framework of internal control, along with an analysis of its effectiveness. This statement is in compliance with guidance issued by the Scottish Funding Council and consistent with our understanding of the University.</p>

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

Internal audit reported that *‘there is a strategy with supporting policies in place for identifying, evaluating and managing the University’s significant risks and for maintaining effective controls.’*

<p>Internal controls</p>	<p>Our testing, combined with that of internal audit, of the design and operation of key financial controls over significant risk points confirms that controls relating to financial systems and procedures are designed appropriately and operating effectively. However, we have reported in our interim report minor weaknesses over bank reconciliations, creditor reconciliations and research claim monitoring. Management continue to make progress with recommendations raised in previous audit reports.</p> <p>The University closely monitors its international activity to ensure compliance with the UK Border Agency (UKBA). A UKBA inspection is expected by the end of 2012. Internal audit have completed two reviews of arrangements to ensure UKBA compliance, and recommendations are being implemented by management.</p>
<p>Fraud and irregularity</p>	<p>We evaluated the procedures and controls related to fraud as being designed and implemented effectively. The University has a fraud and misappropriation policy which includes reference to a number of internal procedures designed to prevent fraud and ensure employees can report suspicions in a confidential and appropriate manner.</p> <p>We have obtained representations from management that all known or suspected instances of fraud were disclosed to us during the audit. There were no material instances of fraud reported during 2011-12.</p>
<p>Internal audit</p>	<p>Internal audit completed 29 internal audit assignments, 53 follow up reviews and 8 continuing reviews as part of their 2011-12 audit plan. We considered the findings in a number of reports, including those in respect of UKBA legislation for staff and students and student fee finance processes.</p> <p>Internal audit reported in their annual audit report that <i>‘there is a strategy with supporting policies in place for identifying, evaluating and managing the University’s significant risks and for maintaining effective controls. 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 value for money and these arrangements are in harmony with the directives of the Scottish Funding Council.’</i></p>



cutting through complexity™

Appendices

Six audit differences were identified in the audit process:

- the net impact of the adjustments increased the surplus by £1,257,000 and increased net assets by £1,257,000.
- No unadjusted differences were identified by the audit process.

Adjusted audit differences

We identified the following audit differences which were adjusted in the financial statements.

Adjusted differences	Income and expenditure account (£'000)		Balance sheet (£'000)	
	Dr	Cr	Dr	Cr
Pension liability	-	-	1,462	-
Pension reserve	-	-	-	1,462
<i>Being correction of pension assumptions for the Lothian Pension Fund</i>				
Revaluation reserve	-	-	2,460	-
Negative goodwill	-	-	-	2,460
<i>Being inclusion of ECA heritage assets in fair value acquisition tables</i>				
Endowment assets	-	-	-	3,142
Permanent endowments	-	-	3,142	-
<i>Being consolidation of Andrew Grant Bequest in the group financial statements</i>				
Provisions	1,043	-	-	-
Other operating expenditure	-	-	-	1,043
<i>Being increase to the unfunded pension provision</i>				
Creditor	-	-	1,500	-
Other operating expenditure	-	1,500	-	-
<i>Being removal of general asbestos creditors provision</i>				

Adjusted differences	Income and expenditure account (£'000)		Balance sheet (£'000)	
	Dr	Cr	Dr	Cr
Negative goodwill	-	-	800	-
Other income	-	800	-	-
<i>Being removal of pension provision on acquisition of ECA</i>				

Changes to the notes to the financial statements

The following presentational adjustments were required to the financial statements notes to ensure the financial statements were in line with the notes for guidance for 2011-12 and the higher education statement of recommended practice.

- Transfer of Lennie Bursary Fund from permanent to expendable endowments to be shown as a transfer instead of opening reserves movement.
- Operating lease rentals corrected to reflect the new lease taken out by HPCX Limited.
- Adjustments to the values within the fair value acquisition table.

Unadjusted audit differences

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

There were no such unadjusted audit differences.

The action plan summarises specific recommendations, together with related risks and management’s responses.

- **High risk issues are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.**
- **Moderate risk issues have an important effect on internal controls, but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately, but the weakness remains in the system.**
- **Low risk issues would, if corrected, improve the internal control in general, but are not vital to the overall system. These are generally issues of best practice that we feel would be of benefit to you if introduced.**

Ref	Issue and risk	Recommendation and risk	Management response
1	<p>Restricted balances</p> <p>The University holds a large number of restricted balances of deferred income on their balance sheet. As at 31 July 2012, there were 1,078 (2010-11: 1,016) such individual balances totalling £25.4 million (2010-11 :£29.2 million).</p> <p>An annual review of the restricted balances is completed to remove small non-moving balances and check the application of larger balances. In 2011-12, this review was not as detailed or formal as in previous years, and there are a small number of non-moving balances which will be released in 2012-13.</p> <p>There is a risk that the funds are not appropriately applied or old balances are not released leading to an overstatement of creditors due to the potential accumulated effect of such balances.</p>	<p>It is recommended that management perform a formal annual review of the restricted balances to ensure that any old balances are released and application of balances is appropriate.</p> <p>Moderate risk</p>	<p>Noted and agreed</p> <p>Responsible officer: financial and college/management accountants, assistant director of finance</p> <p>Implementation deadline: 31 July 2013</p>

The action plan summarises specific recommendations, together with related risks and management’s responses.

- **High risk issues are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.**
- **Moderate risk issues have an important effect on internal controls, but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately, but the weakness remains in the system.**
- **Low risk issues would, if corrected, improve the internal control in general, but are not vital to the overall system. These are generally issues of best practice that we feel would be of benefit to you if introduced.**

Ref	Issue and risk	Recommendation and risk	Management response
2	<p>Research grants and contracts</p> <p>Each research project is set up on the research ledger with its own ‘R’ ledger code. Some ledger codes may be interlinked (ie relate to the same project) with the costs and income received allocated to separate ledger codes.</p> <p>Furthermore, within research creditors the University holds a general code for income received for projects without a ledger code in the system. Prior to project commencement, income is deferred and held as a creditor.</p> <p>There is a risk that income and expenditure is not correctly allocated to projects or matched against the related expenditure and income.</p>	<p>It is recommended that master codes are set up to ensure projects are easily interlinked. Project codes should also be set up in a more timely manner to enable income received to be allocated correctly.</p> <p>Moderate risk</p>	<p>Agreed</p> <p>Responsible officer: research administration manager</p> <p>Implementation deadline: 31 July 2013</p>
3	<p>Research grants and contracts</p> <p>As part of the management accounts production process, each college forecasts its expected research income and expenditure. In quarter four, 35% of full year salary postings to research grants were made by medicine and veterinary medicine, resulting in a distortion of forecasts.</p> <p>There is a risk that inaccurate forecasts could impact the level of available University resources for this school and late charging could lead to charges not being fully covered by the funder.</p>	<p>It is recommended that improvements are made to the forecasting of costs for research projects.</p> <p>Moderate risk</p>	<p>Agreed</p> <p>Responsible officer: college accountant (medicine and veterinary medicine) and research administration manager</p> <p>Implementation deadline: 31 May 2013</p>

The action plan summarises specific recommendations, together with related risks and management’s responses.

- **High risk issues are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.**
- **Moderate risk issues have an important effect on internal controls, but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately, but the weakness remains in the system.**
- **Low risk issues would, if corrected, improve the internal control in general, but are not vital to the overall system. These are generally issues of best practice that we feel would be of benefit to you if introduced.**

Ref	Issue and risk	Recommendation and risk	Management response
4	<p>Research grants and contracts</p> <p>In previous years we have highlighted the large number of open research projects that have not been removed from the research ledger despite the end date of the project having expired at least six months previously. The number of old projects has not significantly decreased from previous years, although the number of projects in excess of 30 months old has decreased. As at 31 July 2012, there were 1,000 (2010-11: 1,006) old projects and 348 (2010-11: 389) projects in excess of 30 months old.</p>	<p>It is recommend that the ledger is cleansed on a regular and timely basis so that the volume of balances and their age is reduced. This should assist management in reducing time spent maintaining and monitoring budgets.</p> <p>Low risk</p>	<p>Agreed</p> <p>Responsible officer: research administration manager</p> <p>Implementation deadline: 31 July 2013</p>
5	<p>EU research balances</p> <p>There are a number of exchange rate complexities to manage both internally (in terms of the way in which expenditure budgets are set to mitigate exchange exposure) and external challenges in terms of dealing with fluctuations in exchange rates between the date of claims being submitted (where the exchange rate at that date is used for claims) and the exchange rate on converting the Euro’s to sterling.</p> <p>The approach used by the University to manage the transactional, exchange and internal implications of this increased activity could impact the risk and potential to which the University could suffer unexpected exchange fluctuations and/or not optimise internally the use of the funding.</p>	<p>It is recommend the University reviews its approach to managing this area in light of the increasing value and volume of projects and more volatile external environment to ensure it continues to mitigate the identified risks and optimises cash flow as much as possible.</p> <p>Moderate risk</p>	<p>Agreed</p> <p>Responsible officer: research administration manager</p> <p>Implementation deadline: 31 July 2013</p>

Our audit opinion has been updated to reflect the statutory framework applicable to registered charities.

Statutory framework for charities registered with the Office of the Scottish Charity Regulator (“OSCR”)

Charities registered with OSCR fall under the statutory remit of the Charities and Trustee Investment (Scotland) Act 2005 and, in respect of financial statements preparation, the Charities Accounts (Scotland) Regulations 2006 (as amended). Regulation 14 of the 2006 Regulations allow for universities to prepare their financial statements in accordance with the statement of recommended practice: accounting for further and higher education. Regulation 10 of these regulations, however, sets out the audit requirements and OSCR has requested that this regulation requires reference to the charities legislative framework to be included within auditor’s reports.

Our audit report has been amended to include within our audit opinion that the financial statements:

- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have accordingly updated the terms of our engagement with the University to reflect this situation, and our audit opinion refers to this change in our reporting responsibilities. The University has included an updated disclosure within its ‘Statement of Responsibilities’ and ‘Basis of Preparation’ accounting policy.

These changes have had no substantive effect on the nature of our work, or on the University’s preparation of its financial statements.

The overall pension assumptions for the Edinburgh University Staff Benefits Scheme are considered to be prudent, but acceptable.

We have reviewed the actuarial assumptions used by the University, in conjunction with their advisors AON Hewitt, in consultation with our actuarial team. Analysis of the assumptions is undertaken both individually by assumption, but the overall conclusion for appropriateness is made when they are considered collectively. Presented below is our analysis against our own typical assumptions for the Edinburgh University Staff Benefits Scheme.

Assumptions	University	KPMG central	Assessment	KPMG comments
Overall				<ul style="list-style-type: none"> The overall assumptions are within our acceptable range. We consider them to be at the prudent end of this range (resulting in a higher liability on the balance sheet).
Discount rate	4.0%	4.40% (+/- 0.25%)		<ul style="list-style-type: none"> The proposed discount rate is, on its own, outwith the range that we would normally consider acceptable for the purposes of FRS 17. The approach taken by the actuaries to setting the discount rate is different from prior years, but we consider the method to be an improvement on the previous approach.
CPI inflation / Pension increases	1.80% RPI less 0.8%	1.90% RPI less 1.0%		<ul style="list-style-type: none"> While the proposed deduction from RPI is less than we might expect, when combined with the lower RPI assumption (see below), the resulting CPI assumption, which drives the main valuation of liabilities, is within our acceptable range.
Net discount rate (Discount rate – CPI)	2.20%	2.50%		<ul style="list-style-type: none"> Taken together, the net discount rate is lower (more prudent) than our central rate and is towards the bottom of, but within, our acceptable range, taking into account the duration of the liabilities.
RPI inflation	2.60%	2.90% (+/- 0.25%)		<ul style="list-style-type: none"> Taken in isolation, the proposed RPI inflation is weaker (lower liability) than KPMG's central assumption, and would be outside the range we would normally consider acceptable.
Salary growth	3.6% (RPI + 1.0%) (1.5%pa for one year)	1-2% above RPI inflation		<ul style="list-style-type: none"> The proposed assumption is acceptable under FRS 17, and is consistent with the approach taken in previous years.
Life expectancy Current male pensioner Future male pensioner	21.2 years 23.5 years			<ul style="list-style-type: none"> The mortality assumptions have been driven by those used for the previous formal funding valuation and is in accordance with FRS 17.

Level of prudence compared to KPMG central assumptions



Analysis of pension assumptions; Strathclyde Pension Fund

The overall pension assumptions for the Strathclyde Pension Fund are considered to be prudent, but acceptable.

Presented below is our analysis against our own typical assumptions for the Strathclyde Pension Fund.

Assumptions	University	KPMG central	Assessment	KPMG comments
Overall				<ul style="list-style-type: none"> The overall assumptions are within our acceptable range. We consider them to be prudent (resulting in a higher liability on the balance sheet).
Discount rate	4.0%	4.30% (+/- 0.25%)		<ul style="list-style-type: none"> The proposed discount rate is, on its own, outwith the range that we would normally consider acceptable for the purposes of FRS 17. The approach taken by the actuaries to setting the discount rate is different from prior years, but we consider the method to be an improvement on the previous approach.
CPI inflation / Pension increases	1.80% RPI less 0.8%	1.80% RPI less 1.0%		<ul style="list-style-type: none"> While the proposed deduction from RPI is less than we might expect, when combined with the lower RPI assumption (see below), the resulting CPI assumption, which drives the main valuation of liabilities, is within our acceptable range.
Net discount rate (Discount rate – CPI)	2.20%	2.50%		<ul style="list-style-type: none"> Taken together, the net discount rate is lower (more prudent) than our central rate and is towards the bottom of, but within, our acceptable range, taking into account the duration of the liabilities.
RPI inflation	2.60%	2.90% (+/- 0.25%)		<ul style="list-style-type: none"> Taken in isolation, the proposed RPI inflation is weaker (lower liability) than KPMG's central assumption, and would be outside the range we would normally consider acceptable.
Salary growth	3.6% (RPI + 1.0%) (1.5%pa for one year)	1-2% above RPI inflation		<ul style="list-style-type: none"> The proposed assumption is acceptable under FRS 17, and is consistent with the approach taken in previous years.
Life expectancy Current male pensioner Future male pensioner	21.0 years 23.4 years			<ul style="list-style-type: none"> The mortality assumptions have been driven by those used for the previous formal funding valuation and is in accordance with FRS 17.

Level of prudence compared to KPMG central assumptions



Analysis of pension assumptions; Lothian Pension Fund

The overall pension assumptions for the Lothian Pension Fund are considered to be overly prudent and outside our acceptable range. An audit difference was therefore raised and has been processed by management.

Presented below is our analysis against our own typical assumptions for the Lothian Pension Fund.

Assumptions	University	KPMG central	Assessment	KPMG comments
Overall			●	<ul style="list-style-type: none"> The overall assumptions were outside what we would consider to be an acceptable range for this scheme and are different to those used for the University's other schemes. An audit difference was therefore raised and processed by management.
Discount rate	4.1%	4.40% (+/- 0.25%)	●	<ul style="list-style-type: none"> The proposed discount rate is outwith the range we would normally consider acceptable for the purposes of FRS 17. The approach taken by the actuaries to setting the discount rate is different from prior years.
CPI inflation / Pension increases	2.20% RPI less 0.8%	1.90% RPI less 1.0%	●	<ul style="list-style-type: none"> The proposed deduction from RPI is less than we might expect, and the resulting CPI assumption, which drives the main valuation of liabilities, is outwith our acceptable range.
Net discount rate (Discount rate – CPI)	1.9%	2.50%	●	<ul style="list-style-type: none"> Taking into account the and discount rate and inflation assumptions, the net discount rate is outwith KPMG's range and results in an audit difference.
RPI inflation	3.00%	2.90% (+/- 0.25%)	●	<ul style="list-style-type: none"> The RPI assumption is in line with what we would expect for this scheme.
Salary growth	4.5% (RPI + 1.5%) (1%pa to March 2015)	1-2% above RPI inflation	●	<ul style="list-style-type: none"> The proposed assumption is acceptable under FRS 17, and is consistent with the approach taken in previous years.
Life expectancy Current male pensioner Future male pensioner	20.4 years 22.8 years		●	<ul style="list-style-type: none"> The mortality assumptions have been driven by those used for the 2011 formal funding valuation, which appropriately reflects the experience of the Lothian Pension Fund.

Level of prudence compared to KPMG central assumptions



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

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

Dear Sirs

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

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

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

General procedures to safeguard independence and objectivity

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

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

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

Appendix five Independence confirmation (continued)

Facts and matters that may bear on independence and objectivity

Facts and matters, including those related to the provision of non-audit services and the safeguards put in place, that bear upon our independence and objectivity, are set out in the following paragraphs.

Threat to objectivity and independence - provision of non-audit services in relation to secondment of a policy officer to the University.

Safeguards – prior to providing assistance to the University on the above non-audit service, we undertook internal conflicts checking as well as clarifying the intended scope and responsibilities of the seconded individual during their time with the University. This confirmed that the audit team would not be undertaking any self-review of the work delivered by the seconded individual, nor would that individual be making any management decisions as part of their role.

In summary, in the light of the above safeguards, our assessment is that the above matter has been properly addressed in accordance with APB Ethical Standards and did not threaten our objectivity or independence.

Confirmation of audit independence

We confirm that as of 23 November 2012 in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of Mike Rowley and the audit staff is not impaired.

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

Yours faithfully

KPMG LLP

Services provided to the University and its group in respect of:	2011-12	2010-11
Audit of the University financial statements:	£54,500	£52,155
Audit of the subsidiary company financial statements:	£45,960	£35,875
Other audit related services: grant claim certification / US GAAP audit	£99,870	£44,000
Other non-audit services: US GAAP secondment / corporation tax and advisory services / VAT recovery services	£82,336	£256,000
Total	£282,666	£388,030

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

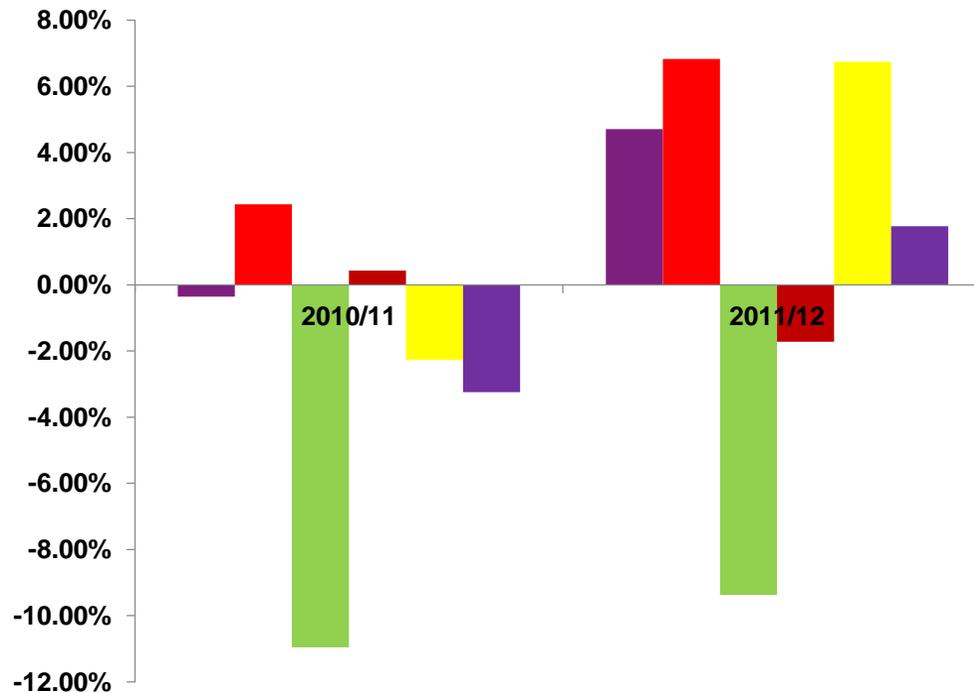
In the representation letter, we are requesting your confirmation that:

- The University has complied with the terms and conditions of any material capital grant funding, European grant funding and any other grant funding received during the year or received in prior years. In all material instances, the University is satisfied that the agreed outputs against which each project will be assessed will be delivered;
 - Capital work in progress is completely and accurately stated in the financial statements;
 - All property, plant and equipment is completely and accurately disclosed and valued appropriately in line with the requirements of FRS 15 'property, plant and equipment', using consistent accounting policies;
 - All significant assets held by the University and meeting the definition of heritage assets under FRS 30 'heritage assets' have been identified and reliable valuation information for those assets has been obtained to enable them to be recognised on the University's balance sheet at 31 July 2012;
 - Expenditure incurred to date in relation to the proposed sale and redevelopment of Holyrood land and buildings is deemed to be recoverable from the buyer on completion of purchase agreement;
 - The Court has no plans or intentions that materially alter the carrying value or classification of assets and liabilities reflected in the group and University financial statements. It believes that the carrying amounts of all material assets including capital projects in progress will be recoverable;
- accordance with the terms of the funds to which they relate. Where material endowment funds are not supported by original documentation including faculty scholarship funds and the faculty of arts and medical research general funds, the University is satisfied with their accounting treatment on the basis of historic use of the funds;
- Material debtor and creditor balances relating to research projects at 31 July 2012 are in existence and are completely and accurately stated;
 - In all material respects, income during the year ended 31 July 2012 has been applied in accordance with the University's statutes and, where appropriate, with the Financial Memorandum with the Scottish Funding Council;
 - The University of Edinburgh Staff Benefits Scheme, the Group and University's share of the Strathclyde Pension Fund, the Group and University's share of the Lothian Pension Fund, the Scottish Teachers Superannuation Scheme, Universities Superannuation Scheme and Medical Research Council Pension Scheme are accounted for as either defined benefit or defined contributions schemes in the financial statements. There are no other schemes of any significance;
 - The University has met all clauses placed on them within the transfer agreements for Edinburgh College of Art and the Human Genetics Unit and the University is not aware of any residual issues associated with these acquisitions which would impact on the financial statements.
 - The assets and liabilities representing the University's participation in the Medical Research Council's ('MRC's') pension scheme are not separable from those of the MRC and accordingly, this has been accounted for on a defined contribution basis.

Research income has increased at a rate comparable to other Russell Group Universities.

The graph below shows the percentage increase /decrease in research income for Russell Group Universities (some of which may not be direct competitors to the University of Edinburgh) based on our current external audit portfolio.

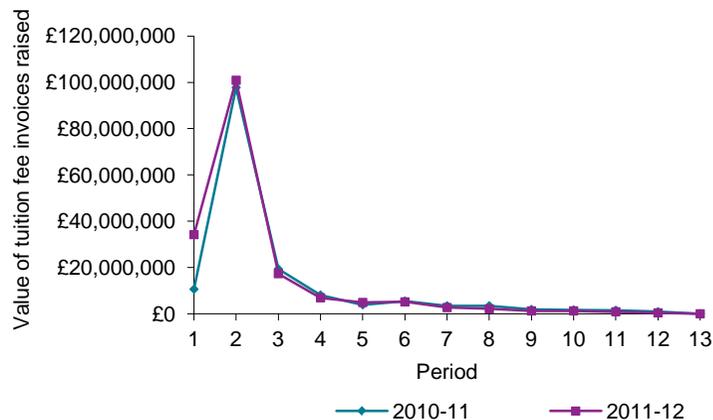
YELLOW = University of Edinburgh



Tuition fee income and credit note raising patterns have remained similar to prior years.

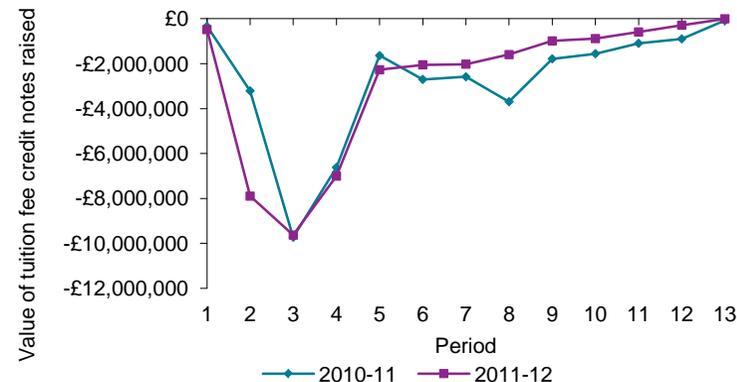
The graphs below show comparison of patterns of tuition fee invoice and credit notes raised during the financial years 2010-11 and 2011-12. These demonstrate the position is largely unchanged year on year.

Comparison of value of tuition fee invoices raised by period



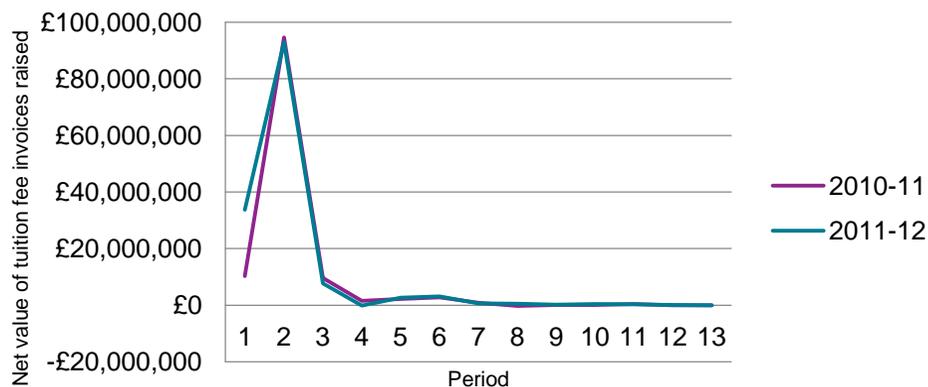
Source: KPMG's analysis of information provided by University management

Comparison of value of tuition fee credit notes raised by period



Source: KPMG's analysis of information provided by University management

Comparison of net value of tuition fee invoices by period



Source: KPMG's analysis of information provided by University management

We identified four audit differences during the audit of the subsidiary companies.

No unadjusted differences were identified by the audit process.

Adjusted audit differences

We identified the following audit differences which were adjusted in the financial statements.

Adjusted differences	Income and expenditure account (£'000)		Balance sheet (£'000)	
	Dr	Cr	Dr	Cr
Fixed assets	-	-	314	-
Accruals	-	-	-	314
<i>Flowave TT Limited – being correction in respect of cut-off</i>				
Deferred income	-	-	30	-
Other income	-	30	-	-
<i>ETF – being release of deferred income</i>				
Expenditure	10	-	-	-
Creditors	-	-	-	10
<i>ETTC – being an additional tax charge</i>				
Expenditure	158	-	-	-
Accruals and deferred income	-	-	-	158
Income	-	164	-	-
Debtors	-	-	164	-
<i>RIR – being corrections in respect of cut-off</i>				

Unadjusted audit differences

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

There were no such unadjusted audit differences.



cutting through complexity™

© 2012 KPMG LLP, a UK Limited Liability Partnership, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity.
All rights reserved.

The KPMG name, logo and 'cutting through complexity' are registered trademarks or trademarks of KPMG International Cooperative (KPMG International).

20011/12 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 2011/12, 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 appropriate activity.

For the first half of 2011/12, the University continued to act to both reduce costs and grow income against a background of reductions in public funding which for 2011/12 were substantial. With the introduction of £9000 fees for rest of UK students, the restitution of previous reduction in the unit of resource from Scottish/EU students and further concentration in quality research funding, the pressure in the second half year to cut costs was reduced.

Against a background of very substantial new posts being approved, mainly to deal with activity growth, the University remains vigilant to the risk of introducing new inefficiencies into University processes.

VFM activity has been reported again in the last year both to the Scottish Government in response to their efficient government initiative and to Universities Scotland to support our case that Institutions are continuing to do more with constrained resources in the wider context of funding for universities.

As in previous year the report on VFM initiatives has 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 or national initiatives

- Changes to the USS pension scheme were implemented on the 1st October 2011. Though the aim was to have a financially sustainable scheme for members and employers, movements in gilt yields will put further pressure on contributions at the next valuation in 2014. A NEST scheme is being introduced in 2013 to comply with legislation on auto-enrolment into pensions schemes to control contributions for the University and staff.
- Following the merger of ECA into the University on the 1st August 2012, work has successfully been delivered to integrate the new school's support service into the University, delivering efficiency and service improvement.
- The remit of the central post review group has changed with the additional resources available to budget holders. The task of the group in the second half of the financial year has

concentrated on co-ordinated and consistent additional support services to deliver value in the areas where additional staffing is planned, such as IT, student support and development.

- Voluntary severance has continued to be centrally funded. A total of 27 staff have agreed to leave the University. The scheme continues to support REF preparation, as well as driving rationalisation and improvements in academic and support activities.
- Lean reviews continue now across all support areas and link closely with support in Colleges. There were a number of projects with successful outcomes with a particular focus on Estate and Finance.
- The work on implementation of the PURE system is delivering the data required for the REF and greater research visibility for Edinburgh's research through the portal, Edinburgh Research Explore. The system allows data to be embedded in School web pages. This is a large improvement on the systems that supported the RAE both in terms of functionality and cost.
- A range of activities to deliver a favourable position to the University on tax has resulted in some significant outcomes. The University VAT recovery reached 19% for the last tax year, the result of specific recoveries around a land purchase and the subsidiary Research into Results. Capital projects continue to be managed in a tax efficient way with notable savings through zero rating on academic and student accommodation.
- The project to deliver eRecruitment is progressing with the aim of delivering efficiencies against current paper based processes.
- The College of HSS has worked with IS and Finance to develop a new electronic system called e-Time. It is made up of Hours-to-be-Notified staff who will record their hours worked electronically, Schools will approve pay-claims, and these will be extracted by Payroll for payment. Major cost savings in both departmental and Finance Payroll staff time are expected. In addition, this will permit substantial savings in staff time in all colleges and will improve the quality of the records maintained and the accessibility of a variety of work-related data university-wide. As part of the project, full details of researchers' working hours will be recorded electronically to facilitate reporting by Research Grants section for claims purposes, improving efficiency.
- The College of HSS has driven the provision of arrangements allowing international students to undertake a Foundation Year plus continuing classes in English throughout their undergraduate degrees, as well as collaborating with EUSA to pilot the new arrangements called Languages For All, offering foreign language classes free to undergraduate students.
- This extra language provision by HSS (for students of all colleges) aims to drive growth in international student recruitment and demonstrate that this university's offering is very attractive to rest-of-UK students as well as Scottish and EU students.
- Activity on procurement continues to advance, with overall savings last year of £11.9 million. This has been achieved by increased procurement influence, use of collaborative contracts, including arrangements with APUC and other institutions or sectors. A number of major equipment purchases including new high performance computing significantly contributed to savings as well as delivering equipment meeting the needs of users. Compliance across a broad range of procurement agenda has been delivered with a VFM approach.

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

- The NorMAN out of hours service supplied by Northumbria University that provides helpline support for IS services between 8pm and 8am daily has also been introduced. This means that we have 24 x 7 support coverage which will enhance support for online distance learners and students studying outwith the staffed hours at Help Desks.
- New Virtual server that can deliver client software e.g. SPSS and Minitab for use by Online distance learners. This means that programme teams need not administer delivery and support of CDs to their students, a big saving. The facility can be enhanced to deliver specialist software to on-campus students or devices if required.

- The introduction of smartcards to all members of the University (staff, students and visitors) was implemented and so the improved functionality of the smarter card is available across campus. Edinburgh First has taken advantage of the chip technology and provides cashless payments at all its outlets.
- The agreement to have developed 317 en-suite rooms at Deaconess House delivers new accommodation at an attractive price in the summer of 2014. The taking of this opportunity transfers risk from the University and delivers accommodation at a cost below that being paid to make up the shortfalls against current high demand which exceeds our supply capability.
- An investment of £4.5 million over 3 years continues to enable the delivery of a much enhanced range of postgraduate taught course delivered by distance learning. There is aim to deliver a significant increase in activity which through the economics of scale should make efficiency savings around the support systems required for teaching at a distance. Courses are now being launched.

4. Estates Rationalisation and activity to reduce utilities cost

- The Shared Academic Timetabling Project will produce significant savings in space utilisation and estate rationalisation across the University. During the year the Timetabling team based in Academic Registry have captured and entered the room details for 850 rooms across the University, and successfully met the go live date for the project.
- The Office of Lifelong Learning and the English Language Teaching Centre have relocated to the Moray House buildings. This utilises unused space in Moray House for which cost savings through mothballing could not easily be achieved. It also frees up space in Buccleuch Place. Most significantly, it releases the university from the obligation of paying large rents to outside providers of the former ELTC premises in Hill Place.
- Informatics have been working with estates on two improvement areas of energy efficiency. A concerted effort is being made to reduce the high utilities costs of the new building. In addition, a new focus is being placed on the energy efficiency of new IT hardware with reductions of about 33% in electricity usage targeted.
- A concerted effort has been made to streamline and improve the delivery of estates services to ECA and H.G.U. This has concentrated on operations and maintenance to deliver the same standard of service as the rest of the University estate and deliver better value for money.
- As part of student accommodation refurbishment projects, a focus is being placed on improved energy performance and re-using existing furniture. Two recent projects at Pollock Halls involving window and lighting upgrading and furniture are reducing utilities costs, furniture costs and improving the quality of the environment to students.

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

- The University in partnership with Western Union (Travelex) offers students in receipt of US Financial Aid the opportunity to receive their Federal funds directly to their bank account. This service provision gives the student funds within 3 working days of the bank receiving the funds from the US Treasury. By providing this service the student receives funds directly to their UK bank account and minimises administration processes between the bank and the University. It also enables the student to receive their funds quickly and removes the need for them to physically collect their payment by cheque. Other Registry's initiatives have delivered efficiencies in the areas of course results and matriculation by implementing new electronic systems.
- Academics across areas are recruiting new Student Support staff in line with the university policy of enhancing the student experience. This investment in additional staff is expected to reduce the time spent by large numbers of other admin staff in fielding questions from students to which they often do not know the answers. The net result is expected to be a saving in staff time coupled with improved student satisfaction ratings.

- The King's Buildings Library opened 31st July 2012, rationalising the library provision at KB campus by replacing Darwin, JCM and Robertson libraries with one new library block adjacent to KB Centre. Reducing to one building has allowed a review and streamlining of library materials and staff resources.
- The Main Library Redevelopment Project is making better use of space, including the creation of more study seats in this popular study environment. Usage of the library has doubled over last 2 academic years.
- By no longer making print journals available, in most, but not all subject areas, where there are digital versions space is being saved. Where the print versions (which is sometimes cheaper) are purchased, these are boxed and stored directly.
- Accommodation Services started to manage English Language Teaching Centre to accommodation direct for its students, hence giving the students one point of contact. This meant that Accommodation Services did not have to hold stock for ELTC but could sell any unwanted stock commercially if possible. 3 sites were chosen and in summer 2012 it is estimated that this has generated an additional £160K in total revenue.

Conclusion

The focus is now on managing the strong growth in University activity and enhancing services and support particularly to students. The challenge is to invest the new resources, particularly support staff resources, that deliver integrated services across the University Colleges and support groups.

This is necessary not only in terms of service delivery, but as the low level of annual pay awards has suppressed the cost pressure on the University's major cost and this advantage will not continue in the longer-term.

The competitive pressure to deliver value to our students research and other customers should keep the focus of university managers on this important activity.

Jon Gorringe, *Director of Finance*

15 August 2012

**Minute of the Meeting of the Audit Committee
held at 2.30 pm on 23 November 2012
in the Lord Provost Elder Room, Old College**

Present: Ms A Richards (Convener)
Mr A Johnston
Mr P Budd
Mr M Sinclair
Mr A Trotter

In attendance: The Principal
Mr P McNaull, Director of Finance
Vice-Principal Mr N Paul, Director of Corporate Services
Dr K Waldron, University Secretary
Ms E Welch, Assistant Director of Finance
Mr H McKay, Chief Internal Auditor
Mr M Rowley, KPMG, External Auditor
Mr S Reid, KPMG
Dr K Novosel, Head of Court Services

Apologies: Mrs E Noad

1 MINUTE OF THE MEETING HELD ON 27 SEPTEMBER 2012

Paper A

The Minute of the meeting held on 27 September 2012 was approved as a correct record.

2 MATTERS ARISING

2.1 Joint meeting with Risk Management Committee

The joint meeting with the Risk Management Committee held on 27 September 2012 had been very helpful in widening the understanding of the activities of the Risk Management Committee. The presentation by internal and external audit had also provided useful information on the trends and developments within the HE sector on audit and risk management best practice. It was the intention going forward to organise an annual joint meeting between the two Committees to discuss issues of mutual interest and to promote better dialogue.

2.2 Membership of Committee

The Committee welcomed the Court's approval at its meeting on 5 November 2012 to extend the term of office and Convener'ship of the Audit Committee of Ms Richards until 31 July 2014.

2.3 Private meetings with Internal and External Auditors

The Convener confirmed that separate meetings had been held between members of the Audit Committee and external and internal audit without the presence of any Officers of the University immediately before this meeting and that no issues of concern had been raised. There had been valuable discussion on the complexity of the University and the challenges around central and devolved functions, and

management responsibilities in taking forward internal audit assignment recommendations

2.4 Appointment to Audit Committee Sub-Groups (15 January and 14 March 2013) Paper B

The Audit Committee agreed the following appointments:

15 January 2013 – US GAAP Accounts

Ms A Richards
Mr A Trotter
Mrs E Noad
Mr M Sinclair

14 March 2013 – External Audit tender presentations

Ms A Richards
Mr P Budd
Mr A Johnston
Mr A Trotter
Mrs E Noad
Mr M Sinclair

2.5 Enhancement of University-wide IT security

At the previous meeting of the Audit Committee it had been intimated that a paper would be presented to a future meeting of the Central Management Group (CMG) setting out proposals on various matters concerning IT security. It was confirmed that CMG at its meeting on 12 November 2012 had considered and approved proposals to enhance University-wide security including endorsing an Information Security Policy which would be presented to the next meeting of Court for approval. It had been confirmed that the Heads of Colleges, Support Groups and Schools had responsibility for ensuring that appropriate security measures were in place in their area or areas. The Audit Committee, while supportive of this approach, suggested it would be helpful to have clear monitoring and reporting mechanisms of incidents so that lessons could be learnt and disseminated across the University: a process to capture near misses should also be considered. It may be appropriate for reporting to be via CMG with both the Risk Management Committee and the Audit Committee receiving appropriate information. It was confirmed that these issues would be raised with IS and further information provided to a future meeting of the Committee.

3 PRINCIPAL'S COMMENTS

The Principal commented on the following: the challenges around improving the NSS scores, particularly feedback and assessment and the actions being taken within the University initiated by a strong team consisting of two Vice-Principals and two Assistant Principals; the University's continuing strong results in league tables; the setting of the RUK fee level and the bursary scheme for 2012/2013 and the satisfactory student recruitment levels achieved; the new bursary scheme for Scottish-domiciled undergraduate students; the successful year for research and commercialisation with a record £250m research income in 2011/2012 and ongoing success in 2012/2013; the Edinburgh Campaign achieving its target of £350m; the continuing dialogue with UKBA; the recent mergers with ECA, Roslin and HGU and the benefits these have brought to the University; the University's alumni successes at the Olympic Games 2012; international developments including

the launch of the new Office in South America; and the continuing financial sustainability of the University. The Principal also thanked the Audit Committee and Internal and External Audit Services for their commitment and support to the University.

FOR DISCUSSION

4 RISK MANAGEMENT ANNUAL REPORT

Paper C

The Committee noted the Report on the activities of the Risk Management Committee as set out in its Annual Report for 2011/2012 which summarised the key processes for managing the University's identified risks. The outcome of the transparent annual year end questionnaire was welcomed by the Committee and the information contained within the 2011/2012 assurances map of the actions to mitigate the risks in the University Risk Register in place during 2011/2012. The position statements in respect of fraud and procurement practices in the report were also noted and welcomed. There was discussion on specific issues and satisfactory assurance was provided on the process to identify new risks and on the current position of some of the matters identified in the year end questionnaire. It was suggested that it might be appropriate to review the current position on the risk appetite of the University.

The Audit Committee was content to endorse the Risk Management Annual Report for onward consideration by Court, noting that KPMG also expressed its satisfaction with the Report and that the Risk Management Committee was of the view that the University had satisfactorily managed its key risks during the year ended 31 July 2012.

5 AUDIT COMMITTEE ANNUAL REPORT

Paper D

The Committee approved its Annual Report for onward submission to Court. It was noted that the External Audit Highlights Memorandum would be attached to this Report as it had been previously agreed that it would be helpful for Court to have sight of this document as part of the information available to Court to enable it to sign off the Accounts. There was discussion on the terminology adopted to describe the overall internal control and governance arrangements and the Committee was content that the current wording was appropriate.

6 WOOLF REPORT – UPDATE

Paper E

It was noted that the Audit Committee at its meeting on 31 May 2012 had asked for specific information on the University's position in respect of the recommendations contained in Lord Woolf's Report into the London School of Economics and Political Science's (LSE) links with Libya and lessons to be learned. The Committee was satisfied with the approach being taken and that all groups/committees and guidance/policies relevant to the Woolf Report findings had been identified and that a process was now underway to identify gaps, action any required changes and thereafter to draft and implement a communications plan. The Committee further welcomed that the Finance and General Purposes Committee, at its last meeting, had fully supported the proposal that the University should adopt the UN Principles of Responsible Investment.

7 VOLUNTARY SEVERANCE (CLOSED)

Paper F

This report had been prepared in accordance with the revised Guidance on

Severance Arrangements approved by the Central Management Group in April 2012 and whereas previously Internal Audit had drafted the report, going forward this report to the Audit Committee was now the responsibility of the Finance department. The Audit Committee noted the report and that appropriate approval processes had been undertaken for the all cases it contained

UNIVERSITY OF EDINBURGH ACCOUNTS

8 DRAFT REPORTS AND FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2012 (CLOSED) Paper G

The Committee considered in detail the draft Reports and Financial Statements for the year ended 31 July 2012 and welcomed the positive information contained in the Principal's Report and in the Operating and Financial Review. The intention to review the layout and improve the breadth of the detail contained in these sections in respect of the 2013/2014 Accounts was noted. The Committee welcomed the achievement of a £42.6m retained surplus (5.8% of turnover) and noted the unqualified audit opinion. The five year summary information at the end of the document was considered very helpful in confirming the financial trends.

There was discussion on specific aspects of the draft Reports and Financial Statements and clarification was provided on the differences recorded in this year's group cash flow statement against the position recorded last year and on the information provided on the pension schemes in which the University participates.

The excellent performance recorded in the Reports and Financial Statements for the year ended 31 July 2012 was commended and the Committee recommended their adoption to Court subject to any further amendments.

9 EXTERNAL AUDIT HIGHLIGHTS MEMORANDUM 2011/2012 (CLOSED) Paper H

The External Auditor commended the information provided enabling the audit to be satisfactorily completed. The Committee noted the key areas of judgement as set in the Memorandum and particularly the comments on: the mergers with ECA and the Human Genetics Unit; Deaconess House; pension schemes; and review of restricted balances. The Committee further welcomed confirmation that a policy was currently being drafted and would be presented to the next meeting of the Audit Committee on issues around Euro exchange rate fluctuations in relation to EU funded research to address the issues raised in the Highlights Memorandum. The improvements in the forecasting process were noted and that further work in this area would be undertaken during 2012/2013.

The External Auditor confirmed the continuing strong financial position of the University within the sector and the Committee noted the recommendations in the action plans none of which were considered high risk and was satisfied with the management responses.

The Committee considered KPMG's Highlights Memorandum for the year ended 31 July 2012 represented a balanced view and that any weaknesses identified or suggestions were being effectively taken forward and addressed by the University.

10 LETTER OF REPRESENTATION AND COMMENTARY (CLOSED) Paper I

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

- 11 DRAFT US GAAP ACCOUNTS (CLOSED) Paper J**
- The Committee noted the current draft of the accounts prepared in accordance with US generally accepted accounting principles (GAAP). The external audit would be undertaken in December and the audited accounts would then be considered at a meeting of a Sub-Group of the Audit Committee on 15 January 2013. The Sub-Group of the Audit Committee would make recommendations to a Sub-Group of Court prior to the adoption and submission of the US GAAP Accounts to the US Department of Education by the deadline of 31 January 2013.
- 12 EXTERNAL AUDIT UPDATE ON US GAAP ACCOUNTS**
- KPMG confirmed that progress was satisfactory and that the audit should be more straightforward than last year.
- ANDREW GRANT BEQUEST**
- 13 AUDIT COMMITTEE ANNUAL REPORT FOR ANDREW GRANT BEQUEST Paper K**
- The Audit Committee approved its report to the corporate Trustee of the Andrew Grant Bequest.
- 14 DRAFT TRUSTEE’S REPORT AND FINANCIAL STATEMENTS FOR AGB (CLOSED) Paper L**
- The Audit Committee noted areas requiring further consideration and prior to recommending approval of these accounts to the corporate Trustee of the Andrew Grant Bequest delegated authority to Mr Martin Sinclair to review a finalised document on its behalf.
- 15 EXTERNAL AUDIT HIGHLIGHTS MEMORANDUM (CLOSED) Paper M**
- The Audit Committee noted the unqualified audit opinion and subject to minor typographical changes commended the report to the corporate Trustee of the Andrew Grant Bequest.
- 16 LETTER OF REPRESENTATION (CLOSED) Paper M1**
- The Audit Committee was content with the draft Letter of Representation and recommended approval of the Letter to the corporate Trustee of the Andrew Grant Bequest.
- INTERNAL AUDIT**
- 17 INTERNAL AUDIT REPORTS Paper N**
- The Audit Committee considered the five Internal Audit Assignments completed since its last meeting.
- External Penetration Test – School
- The Committee noted the large number of recommendations but no critical vulnerabilities were identified. There was discussion around the nature of the issues raised and the management responses. The Committee was satisfied with the

assurances provided concerning discussion of the recommendations by the Knowledge Strategy Committee on IT security issues and on the recent designation of the Director of IT Infrastructure as Chief Information Technology Security Officer (CITSO) for the University.

External Penetration Test – EASE

It was noted that no critical vulnerabilities had been detected and in respect of some of the recommendations it was considered that any risk was minimal. However, in view of the potential consequences of any breach, the Audit Committee wished to take forward the matters raised in this audit assignment and in the previous penetration test. Accordingly it asked if a report could be prepared by the designated Chief Information Technology Security Officer to give assurances that he was satisfied with the overall IT security within the University and to include his views on the findings of these two reports.

Doctoral Training Centre in CHSS

The Committee noted that actions were being actively and appropriately progressed to address the issues raised in the recommendations.

Stewardship of Philanthropic Giving

The Committee noted the issues around the overview of fundraising activities at College and School levels particularly given the previous discussion on Lord Woolf's report. It was suggested that it would be helpful to develop a policy on ensuring that Colleges and Schools liaised appropriately with Development and Alumni on this matter. The Committee was satisfied with the actions being taken to address the issues raised in the other recommendations.

The Committee noted the remaining Internal Audit assignment.

18 INTERNAL AUDIT FOLLOW UP REVIEWS

Paper O

The Committee noted the position in respect of the implementation of recommendations from previous internal audit assignments. The Committee further welcomed the inclusion as agreed at the last meeting of the Audit Committee of the designation of the individual with responsibility to take forward each recommendation.

19 INTERNAL AUDIT PROGRESS REPORT

Paper P

It was noted that the 2011/2012 Audit Plan was nearing completion with only five outstanding audit assignments and that the 2012/2013 plan was 22% advanced after 14 weeks. The Committee was content with these satisfactory positions.

FOR INFORMATION/FORMAL APPROVAL

20 DATE OF NEXT MEETING

The next meeting of the Audit Committee would be held on Thursday, 28 February 2013 at 5 pm in the Lord Provost Elder Room, Old College.

The University of Edinburgh

The University Court

10 December 2012

C6.1

University of Edinburgh : Reports and Financial Statements for the Year to 31 July 2011

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 2012.

Action requested

The Reports and Financial Statements were reviewed by the Finance and General Purposes Committee and the Audit Committee and at their meetings on 19 and 23 November 2012 and are recommended to Court. Court is requested to review the Reports and Financial Statements with a view to adoption. Following this, the Reports and 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 2012. A further copy will be filed in due course along with the annual return for 2011-12 with the Office of the Scottish Charity Regulator.

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 10 December 2012 and the signing of the audit opinion by the external auditor.

Originators of the paper

Phil McNaull, Director of Finance
Elizabeth Welch, Assistant Director of Finance
Graham Bailey, Senior Financial Accountant
3 December 2012

The University of Edinburgh

The University Court

10 December 2012

C6.2

University of Edinburgh - Letter of Representation for the Year to 31 July 2012

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

Letter of Representation for the Reports and Financial Statements for the Year to 31 July 2012.

Action requested

The Letter of Representation in respect of the Reports and Financial Statements of The University of Edinburgh for the year ended 31 July 2012 is attached. Following the adoption of the Reports and Financial Statements by Court, the Principal, on behalf of Court will sign the Letter of Representation to the external auditors in support of the Financial Statements.

By signing 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 has been placed on the 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.

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

The draft letter was considered at the Finance and General Purposes Committee on 19 November 2012 and at Audit Committee on 23 November 2012.

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

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 letter is to be agreed by Court on 10 December 2012 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

Elizabeth Welch
Assistant Director of Finance
Graham Bailey
Senior Financial Accountant
2 December 2012

C6.3

The University of Edinburgh

The University Court

10 December 2012

Outturn 2011-12 versus Quarter 3 Forecast

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

The paper seeks to compare the University's financial outturn for 2011-12 with the Quarter 3 forecast prepared in Spring 2012.

Action requested

The paper is for information and discussion.

Resource implications

As indicated in the paper.

Risk Assessment

The continuing financial health of the University.

Equality and Diversity

None.

Any other relevant information

None.

Originator of the paper

David C.I.Montgomery
Deputy Director of Finance

9 November 2012

Freedom of information

Can this paper be included in open business? No

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

For how long must the paper be withheld?

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

The University of Edinburgh

The University Court

10 December 2012

US GAAP Draft Reports and Financial Statements for the Year to 31 July 2012

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

In compliance with the condition of US Department of Education's (USDE) Direct Loans Programme the University must submit Reports and Financial Statements annually to the USDE and these accounts must be in US GAAP format.

Action requested

US GAAP draft Reports and Financial Statements for the Year to 31 July 2012 have been presented to F&GPC to give them sight of this version of the accounts prior to the US GAAP external audit in December. Following the audit the final US GAAP accounts will be signed off by a sub-group of Court and the Audit Committee in January on behalf of Court. In addition to the draft Financial Statements, a reconciliation between the US and UK accounts will also be provided to the sub-group in January.

Court is asked to note the draft accounts and the final steps required prior to submission to the USDE. A copy of the audited Financial Statements will be lodged with the USDE by 31 January 2013 along with the additional 2011-12 US student loan external audit certificate also due by that date.

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 Reports and Financial Statements is covered by the University publication schedule. The Reports and Financial Statements will be made available 30 days after adoption and signature on behalf of the Court on and the signing of the audit opinion by the external auditor.

Originators of the paper

Phil McNaull, Director of Finance
Elizabeth Welch, Assistant Director of Finance
Graham Bailey, Senior Financial Accountant
3 December 2012

The University of Edinburgh

University Court

10 December 2012

Strategic Plan 2008-2012 Targets – Final Report on Progress

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

This paper presents the final report on progress against the 33 targets set out in the University's Strategic Plan 2008-2012. 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 University's objectives and strategies and, ultimately, failure to meet targets. The University's Strategic Plan 2012-16 maintains a focus on areas of priority for the University over the next 4 years.

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. Equality and diversity issues are taken forward in the Strategic Theme 'Equality and Widening Participation' in the University's Strategic Plan 2012-16.

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, 19 November 2012



Final Report on Progress against Targets in Strategic Plan 2008-12

October 2012

1. Summary

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

In this final report on progress, the achievement statuses for the University's 33 targets confirm that:

- 27 targets are met, partially met or are 'on track' to be met (data not yet available for the final year);
- the University has not met 5 out of 33 targets (1.1, 4.1, 8.2, 10.2 and 12.3); and
- the remaining target is categorised as further work required (10.3).

Target	Progress to date	Achievement Status	
Excellence in learning and teaching			
1.1	<p>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</p> <p><i>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.</i></p>	<ul style="list-style-type: none"> • In the 2012 NSS, Edinburgh's figure was 52%, no change from 2011, but up from 51% in 2010 and 46% in 2009. This remains the lowest figure of all comparator group institutions. The comparator group upper quartile figure increased to 72%, which, at 20% higher than Edinburgh, represents a divergence of 2% year on year. • Through a wide-reaching Student Voice project initiated by Governance and Strategic Planning, a new set of centrally produced and standardised NSS reports was introduced for the 2011 results, and further refined for the 2012 data. The approach provides comparisons of results at University, School, subject and programme level. Our results are also compared year-on-year and systematically benchmarked against those of other institutions, providing a firmer basis for reviewing performance and determining follow-up actions. • The approach which has been followed to improve NSS performance has comprised four strands: (a) setting standards and communicating expectations (based around University-wide Feedback Standards and Guiding Principles approved by Senatus in June 2010 and revised in May 2012 by Learning and Teaching Committee); (b) monitoring performance and actions; (c) review and development of feedback and assessment practices; and (d) identifying and promulgating effective practices. • In the light of the disappointing 2012 results, additional actions are being taken, focusing primarily on b. through securing a more robust picture of the provision of feedback, since the results in some cases diverge markedly with course-level own internal surveys, and do not seem to reflect the very considerable efforts being made by Schools to improve provision. Two external studies are therefore being commissioned as matter of urgency: one will benchmark feedback practices with 	<p>NOT MET</p>

Target		Progress to date	Achievement Status
		<p>those of a sample of comparator universities, targeting in particular universities where there have been significant improvements in NSS feedback scores; the other will conduct focus groups with the final year students completing NSS 2013, seeking in-depth information on how the students review and weigh their experiences of feedback at Edinburgh across a range of courses in responding to the three NSS questions on feedback. Additionally, plans are being finalised to undertake regular University-wide internal surveys of students across all years of study (the NSS is confined to final-year undergraduates), to establish a more robust corpus of information on the student experience.</p> <ul style="list-style-type: none"> • Further steps are also being taken to enhance the quality of feedback (strands c. and d.). These include the launch of a 'good feedback network' to support key initiatives to improve practices, and strengthening the subject-specific guidance provided to new lecturers and new postgraduate tutors and demonstrators. • The new approach to student support launched for the start of the new academic year will also have an important contribution to make, by opening up opportunities for students to review their progress with their Personal tutors and consider how they can make most effective use of the feedback being generated across the various courses they are taking. 	
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	<ul style="list-style-type: none"> • In June 2011, the Curriculum and Student Progression Committee (CSPC) adopted taught assessment regulations, which combined the previous undergraduate and taught postgraduate assessment regulations. The taught assessment regulations were standardised and structured into policy, regulation and guidance. They came into use in academic year 2011/12 and update training sessions for members of 	MET

Target	Progress to date	Achievement Status
	<p>Boards of Examiners which ran in 2011/12 are planned to become annual events.</p> <ul style="list-style-type: none"> In June 2012, CSPC adopted postgraduate research assessment regulations, which were standardised and structured into policy, regulation and guidance. Where relevant, these postgraduate research assessment regulations align with the taught assessment regulations. The postgraduate research assessment regulations came into use in academic year 2012/13 and were publicised to Schools in July 2012. In May and June 2012, following consultation with Colleges and EUSA, CSPC and the Senate adopted the undergraduate and postgraduate degree regulations for 2012/13. The regulations were simplified and common processes agreed through the Degree Regulations Task Group. Previously there were eight sets of regulations: undergraduate and postgraduate for the University and each College: these have been combined and rationalised into two sets of regulations: undergraduate and postgraduate. Regulations for higher degrees have been separated into their own section. The new regulations, and key changes, were publicised to staff in July 2012. 	
1.3	<p>be one of the first Russell Group universities to implement the use of transcripts for measuring and recording student achievement</p> <ul style="list-style-type: none"> The University issued the first new style HEAR (Higher Education Achievement Report) transcripts to undergraduate and taught postgraduate students graduating in summer 2012. This is an extended transcript which includes information about students' non-credit bearing activities. The University is an early adopter, with many more institutions starting to deliver this session. 	MET

Target		Progress to date	Achievement Status
1.4	increase our headcount of taught postgraduate students by 50%	<ul style="list-style-type: none"> In 2011/12, our headcount of taught postgraduate students was 6,280, which was 64% greater than in 2007/08. 	MET
Excellence in research			
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"> The REF2014 Guidance on Submissions was published in July 2011, and the Panel Criteria and Working Methods were published in January 2012. Sub-panels will produce the overall quality profiles by assessing three distinct elements of the assessment, weighted as follows: Research outputs : 65% Research impact : 20% Research environment : 15% The research environment data to be considered (over the census period 1 August 2008 to 31 July 2013) are: Research doctoral degrees awarded Research income An interim indication of research performance can be provided on the basis of research environment data from 1 August 2008 to 31 July 2011: Research doctoral degrees awarded : 18% increase Research income : 20% increase In preparation for the REF2014 submission in November 2013, Schools and Colleges have been engaging in mock REF exercises in order to assess the quality of research outputs. Units of Assessment have also been preparing research environment statements, impact case studies, and impact statements. These are in the process of being reviewed within the Colleges and will be reviewed by the REF Senior 	MET

Target		Progress to date	Achievement Status
		Management Group in 2013.	
2.2	increase our headcount of research postgraduate students at a greater rate than the Russell Group average	<ul style="list-style-type: none"> 2011/12 data will not be available until March 2013. Our headcount of research postgraduate students in 2010/11 was 2,845, which was 9.4% higher than in 2007/08, the baseline year. In comparison, the Russell Group average headcount of research postgraduate students was 8.5% higher than in 2007/08. 	MET
2.3	<p>double the recorded number of skills training and development opportunities taken up by postgraduate research students</p> <p><i>This target relates to training and opportunities provided throughout the University (including Schools as well as support services like the Institute for Academic Development). The bulk of the training and development opportunities reported for this target are one-off events.</i></p>	<ul style="list-style-type: none"> Based on the figures reported to date, there is a record of 5,500 training opportunities being taken up during 2011/12, compared to the 2007/08 baseline of 2,800. This represents an increase of 96%. These figures reflect take up of training that is automatically reported (mostly through the MyEd booking channel) together with information from four training providers who operate outside that system. If the figures also included information on take up for all other providers (particularly Schools), the 100% target is exceeded. 	MET
Excellence in commercialisation and knowledge exchange			
3.1	<p>increase our economic impact by a higher percentage than our growth in income</p> <p><i>Biggar Economics, who prepared the figures to allow us to report on progress against this target, advised that the most appropriate economic impact measure to use for this target is Gross Value Added, calculated with reference to annual impact measures (i.e. excluding</i></p>	<ul style="list-style-type: none"> Since the University's Scotland-wide economic impact was first calculated in 2008: <ul style="list-style-type: none"> our economic impact, as measured via Gross Value Added (GVA) focusing on annual impact measures has increased by 31%, whilst. our income (GDP deflator applied) has increased by 29%. 	MET

Target	Progress to date	Achievement Status	
graduate premium and health impacts, which are longer-term).			
Quality people			
4.1	<p>achieve an 85% appraisal completion rate across all staff</p> <p><i>This target is measuring the proportion of the University's total staff population who are recorded as having had an appraisal, or 'Annual Review' covering both performance and development. The target is aiming for 100% of staff with contracts of 1 year or more, other than where review is not possible e.g. due to turnover and long-term absence.</i></p>	<ul style="list-style-type: none"> The target was set in the context of plans to introduce a new framework for reviews across the University. The University Annual Review (AR) Policy Statement was agreed by CMG during 2011/12 – following substantial debate in Staff Committee and with the Trade Unions. This aimed to achieve a clear University-wide policy which balanced the need to have a single University-wide set of principles with the flexibility to ensure that ARs meet the particular needs of individual staff and their business areas, including recognising that other external processes operate in some areas, for example, for staff on NHS contracts. The AR Policy Statement established the principles and governance processes for Annual Review and formally changed the University policy to require reviews to be annual, rather than every two years, with effect from November 2011. The priority has been to embed good practice at School and Service level, for the process to be meaningful and not just a tick box exercise. Locally, areas have therefore been doing a great deal to embed the implementation of AR review meetings over the last few years, including communicating the importance and requirement for Annual Review developing local guidance and providing tailored training if appropriate. In those Schools where AR completion was not on target in 2011/12, there is now good awareness of the importance of annual reviews and a strong will, backed by encouragement by all the Heads of College, to ensure AR for all staff in 2012/13. One of the challenges has been to train and develop staff across the University in 	<p>NOT MET</p>

Target	Progress to date	Achievement Status
	<p>Annual Review processes and practice. However, it is impractical to be able to train all relevant staff through workshops or briefing sessions. Whilst to date staff development has been provided through such sessions, an online training facility will be launched shortly, which will enable quick and easy access to staff development/refresher training for all staff.</p> <ul style="list-style-type: none"> • The AR recording system within the main Oracle HR database has been piloted across different areas of the University to test its usability and, following some adaptation, is now configured to enable reporting University-wide in 2013. <p>Information on Annual Review completion rates gathered by the College/Support Group HR teams, indicates that, for the University as a whole, approximately 66% of staff have had reviews in 2011/12. This is based on the following rates for each College/Support Group.</p> <ul style="list-style-type: none"> • In CHSS, although just 57% of staff had Annual Reviews overall in 2011/12, the proportion varies quite significantly by school with several schools having already achieved, or almost achieved, a 100% completion rate for eligible staff. One school had changed the timing of reviews, resulting in a low rate which will correct itself in 2012/13. In addition, the AR process had not been fully embedded in ECA following the merger. • In CMVM, a strategic decision was taken in 2011 to focus on Annual Review for senior staff (on grades 9 and 10) during 2011/12. 84% of grades 9 and 10 and equivalent staff had ARs in 2011/12 along with 48% of other staff, giving a rate of 55% for all staff – a modest increase since last year. The College is now launching the 2012/13 review process, emphasising the requirement now to review all staff. • In CSCE, 63% of staff had a review in 2011/12 – increased from 55% last year. This 	

Target	Progress to date	Achievement Status	
	<p>figure is considered to under-state the true rate, due to under-reporting of completed reviews. It has also been noted that in some cases REF-related discussions have been held, even where ARs have not. The highest increase in AR completion was in the School of Chemistry, which recently won an Athena SWAN Gold award.</p> <ul style="list-style-type: none"> • In Corporate Services Group, 87% of staff have had ARs in 2011/12. • In Student and Academic Services Group, 85% of staff have had ARs in 2011/12. • In Information Services Group, 72% of staff have had ARs in 2011/12. <p>In some Support Group areas the timing of reviews has changed, resulting in a lower completion figure. However, that will correct itself in 2012/13.</p>		
4.2	<p>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</p>	<ul style="list-style-type: none"> • This target is categorised as partially met as, although significant success has been achieved, and a great deal of work is in train, the target, as set out, has not been fully achieved within the period of the Strategic Plan. • In the College of Medicine and Veterinary Medicine: <ul style="list-style-type: none"> • The School of Biomedical Sciences has been successful in achieving the Silver Award in 2011. • The Roslin Institute has been successful in achieving the Bronze award in 2012 and has been invited to apply for the Silver Award in 2013 • The Schools of Clinical Sciences and Molecular, Genetic and Population Health Sciences are aiming jointly to achieve a Silver Awards in 2013. The Royal Dick School of Veterinary Studies is planning to submit for a Bronze award in April 2013. 	<p style="color: green; text-align: center;">PARTIALLY MET</p>

Target	Progress to date	Achievement Status
	<ul style="list-style-type: none"> • In the College of Science and Engineering: <ul style="list-style-type: none"> • The School of Chemistry was awarded the Athena Swan Silver award in 2006, which was successfully renewed in 2009, and achieved the Gold Award in 2012. This is the first Gold in Scotland and only the second in the UK. • The School of Physics was awarded 'Juno Practitioner' status through the Institute of Physics' Project Juno which is a similar programme to Athena SWAN. The School is working to achieve both 'Juno Champion and Athena Silver in 2013. • The School of Biological Sciences' is aiming to achieve a Bronze Award following an application in November 2012. • The remaining four Schools are aiming to achieve Awards in 2013. • In the College of Humanities & Social Science: <ul style="list-style-type: none"> • The College has identified four areas that are eligible for Athena SWAN awards: Psychology, Architecture, Nursing and Sports Science. The College is planning to apply for Bronze awards for those areas in 2013 and 2014. In addition, the College will support the introduction of a similar accreditation scheme, for the humanities, in its other Schools. Such a scheme is currently being piloted and is anticipated to become available during 2013. 	
4.3	<p>ensure 90% of staff in leadership roles have participated in a leadership development programme or other related activities</p> <p><i>Definition of leadership role - Staff in grades 9 and 10/equivalent who are in defined leadership roles such as</i></p>	<p>By the end of academic year 2011/12, a cumulative total of 90.4% academic, clinical and professional services staff in identified leadership roles (grades 9, 10 & 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.</p> <p style="text-align: center; color: green; font-weight: bold;">MET</p>

Final Report on Progress against Targets in Strategic Plan 2008-12

October 2012

Target		Progress to date	Achievement Status
	<i>Head/Director of School, Research, Teaching, Post-graduate, Centre, Division, Institute, Subject, Support Service. The leadership development initiatives included are only those known to HR at the time of reporting.</i>	<ul style="list-style-type: none"> 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, 86% and 100%. 	
4.4	increase the number of international applications for academic posts	<ul style="list-style-type: none"> This target is measured using applicants' home address data and covers all 'academic' vacancies advertised, including those for research assistant posts. Against a 60% increase in vacancies advertised between 2007/08 and 2011/12, and a 200% increase in total number of applications, the number of international applications has gone up by almost 300%. The proportion of applications which are from international applicants has also increased, from 35% to 46%. In 2011/12, 544 academic vacancies were advertised. We received a total of 18,705 applications for these vacancies: 8,585 (46%) applications had an international (non-UK) home address and the remaining 10,120 (54%) had a UK home address. Of the 8,585 international applications, 3,708 had a home address outwith the UK but within the EU and 4,877 had a non-EU home address. 	MET
Quality services			
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"> The review was completed and its recommendations endorsed by the University Court at its meeting on 24 May 2010. Recommendations have been implemented. 	MET
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	<ul style="list-style-type: none"> The overall level of satisfaction expressed in the Support services section of the Summer 2012 International Student Barometer survey was 89.5%, which is 1.8% 	PARTIALLY MET

Target		Progress to date	Achievement Status
	institutions surveyed	<p>higher than the 2008 baseline of 87.7%.</p> <ul style="list-style-type: none"> Although our satisfaction rate has been within the upper quartile of institutions surveyed for the last three years, in 2012, the University was ranked outwith the upper quartile in this final year. 	
5.3	deliver the EUCLID project in accordance with the agreed plan	<ul style="list-style-type: none"> The EUCLID Project formally closed at the end of 2010, as agreed with the Central Management Group. Academic Registry's Student Admissions and Curricula Systems (SACS) now manages EUCLID and related systems, under the direction of the SACS Governance Board. Full details can be found at http://www.euclid.ed.ac.uk/ed/governance/. In the past year, significant effort has been expended on addressing the very many external compliance requirements and University internal projects. External demands included new tuition fees, Key Information Sets, revised HESA Destination of Leavers from Higher Education (DLHE) requirements, and new SAAS requirements. Internal projects contributed to include merger with ECA, Distance Education initiative, Academic Timetabling project, and Enhancing Student Support (Personal Tutors). 	MET
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"> The University Website is now underpinned by a robust, well-managed, centrally-run infrastructure. All college offices, all support groups and most schools have now joined the online publishing framework which is supported by the Polopoly content management system. Ownership and management of online content is devolved to the business. All content editors (over 500 colleagues spread across the University) have received face-to-face training both in writing for the web, and in how to use Polopoly software. Content is written and structured for target internal and 	MET

Target		Progress to date	Achievement Status
		<p>external audiences. Schools which have chosen not to use Polopoly have access to guidelines to help them with online brand compliance and more general training and support from the University Website Programme Team in website usability and writing.</p> <ul style="list-style-type: none"> • Content for key strategic themes such as internationalisation and student recruitment is being pro-actively managed in Polopoly, leading to a more streamlined and effective user experience for external website visitors. Thanks to this work, website visitors should no longer require an understanding of our internal organisation to find the information they are seeking. • User testing has indicated that greater consistency in interface design, information architecture, and the provision of content written and edited for the web has created the impression of a more joined-up University, has increased "findability" across sites and, over all, has delivered a more successful and effective user experience. 	
Quality infrastructure			
6.1	increase income per square metre on a year-on-year basis	<ul style="list-style-type: none"> • In 2011/12, our income per square metre of gross internal area was £1,097, which was £36 per square metre higher than in 2010/11 and £117 per square metre higher than in 2007/08. 	MET
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	<ul style="list-style-type: none"> • Phase 3 of the Shared Academic Timetabling project, 'minimum process change', has successfully completed within the specified timescale, with the following key implementations: <ul style="list-style-type: none"> • Launch of new Scientia Enterprise timetabling system in March 2012. • The expansion of the University's centrally-recorded room booking database from 230 to 870 rooms. 	MET

Target		Progress to date	Achievement Status
		<ul style="list-style-type: none"> • The approval of the Shared Academic Timetabling Policy by C&SPC. • Launch of new Web Room Booking and Web Timetable services to all staff and students. • Implementation of interfaces to automate the transfer of key student record/staff data to support timetabling services. • Training and ongoing support of 300 registered School users to ensure consistent and accurate delivery of timetabling and booking data. • Phase 4, 'extended implementation' is under way and is projected for completion in October 2013. This phase will deliver benefits directly related to the student experience, as well as further implementations to support E&B strategic planning, with the delivery of: <ul style="list-style-type: none"> • Personalised timetables for all taught students. • Introduction of timetable planning tools to enable Schools to identify greater flexibility and efficiency in the timetabling process. • 2-way interface between Scientia Enterprise and MVM booking system. • 2-way interface between Scientia Enterprise and Accommodation Services' Kinetics conference booking system. 	
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)	<ul style="list-style-type: none"> • 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 represented good progress, with significant improvement having been made in the Central Area. As this survey was prior to the merger with ECA, the Central Area figures exclude the ECA estate. 	MET

Target		Progress to date	Achievement Status
		<ul style="list-style-type: none"> Although updated data will not be available until 2013/14, in line with the timetable for Estate Strategy updates, based on recent estates developments, which include new build at Scottish Centre for Regenerative Medicine, the new Roslin Institute and the Veterinary School, Main Library redevelopment, the Kenneth and Noreen Murray Library at King's Buildings, and the disposal of Summerhall, the target is judged to have been met within the period of the Strategic Plan. 	
Enhancing our student experience			
7.1	<p>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</p> <p><i>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 was 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.</i></p>	<ul style="list-style-type: none"> In the 2012 NSS, Edinburgh's figure was 83%, which was 2% lower than last year; and 3% lower than in 2010; but 1% higher than in 2008, the baseline year. Although our overall satisfaction rate has been within the upper quartile of institutions surveyed during the Strategic Plan period, in 2012 our satisfaction rate was 5% lower than that needed to be positioned within the upper quartile of all comparator group institutions. See target 1.1 for information on actions being taken to improve Edinburgh's figure. 	PARTIALLY MET
7.2	<p>ensure that all our teaching programmes, undergraduate and postgraduate, incorporate comprehensive development of the skills and attributes that graduates need</p>	<ul style="list-style-type: none"> As noted in the report for target 1.3, all of the University's graduates since summer 2012 will receive a Higher Education Achievement Report (HEAR), which contains descriptions of the graduate attributes of each degree, and a description of a range of activities undertaken by the student that will have contributed to the skill set of that student, such as acting as a class representative or participating in a work placement. 	MET

Target		Progress to date	Achievement Status
		<ul style="list-style-type: none"> • The Edinburgh Award, which allows students to chart and understand their own growing skill sets, has now been successfully piloted, and over 100 students have completed the course. The scheme will be developed much more widely in academic year 2012/13. • Employability and graduate attributes are now embedded as a key theme in University and College Learning and Teaching Strategies. • Employer engagement with our learning and teaching activities has increased as a result of our actions to address the Wilson Report and the recruitment of a set of employers to help us coordinate our future approach. • Postgraduate students now receive dedicated skills training through the Institute for Academic Development and their home Schools. • A growing number of our Masters students engage with employers as part of their studies, supported by School initiatives or by our SFC project, Making the Most of Masters. • Finally, 2012 Higher Education Statistics Agency Performance Indicator data show that 93.6% of 2010/11 students leaving Edinburgh were either in employment or further study six months after graduating. This figure is the third highest in the Russell Group. 	
Advancing internationalisation			
8.1	increase our headcount of non-EU international students by a minimum of 1,000	<ul style="list-style-type: none"> • This target has been significantly exceeded: in 2011/12, our headcount of non-EU international students was 6,890, an increase of 2,967 on the 2007/08 baseline of 3,923. 	MET

Target		Progress to date	Achievement Status
8.2	<p>increase the proportion of our students attending another international institution by 50%</p> <p><i>This target is measuring the number of students participating in formally approved student exchange programmes managed by the International Office, including Erasmus exchanges.</i></p>	<ul style="list-style-type: none"> The target of a 50% increase between 2007/08 and 2011/12 required us to achieve a figure of 699 by the final year. This has not been achieved. In 2011/12 there were a total of 621 instances of Edinburgh students participating in formally approved student exchange programmes (comprising 373 ERASMUS and 248 on International Exchange). This represents a total increase of 33% since the 2007/08 baseline year when we had 466. 	NOT MET
8.3	<p>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</p>	<ul style="list-style-type: none"> 2011/12 data will not be available until April 2013. In 2010/11, the value of our research grant income from EU and other overseas sources was £22.5 million which was 29% higher than in 2007/08 and 38% higher than the Russell Group median. 	ON TRACK
Engaging with our wider community			
9.1	<p>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</p>	<ul style="list-style-type: none"> In 2011/12, the Centre for Sports and Exercise staged 4 major international and 2 major domestic sporting events (following the staging of 10 major international and 8 major domestic events across 2008/09 – 2010/11). The Team GB Swim Team held their pre-London 2012 Olympic holding camp in Edinburgh utilising new conditioning facilities at the Pleasance and swim sessions at the Royal Commonwealth Pool. In addition, the prestigious Team Dinner was staged in the University's Playfair Library. GB Swimming also staged its Aspiring World Class Performance Programme Camp at UoE to coincide with the Senior GB Swim Team pre-Olympic Camp. The University also hosted the Team GB Women's Volleyball Preparation and Selection Camp ahead of London 2012. 	MET

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"> The Edinburgh Beltane Beacon programme target has been significantly exceeded: 14 Public Engagement Fellows and two Honorary Fellows have been appointed since May 2008. The programme has been shortlisted for the 2012 Times Higher Education Awards for “Outstanding Support for Early Career Researchers”. 	MET
Promoting equality, diversity, sustainability and social responsibility			
10.1	converge on our participation benchmarks for under-represented groups	<ul style="list-style-type: none"> 2011/12 data will not be available until June 2013. For the proportion of young entrants from state schools, our performance in 2010/11 was 74.4% compared with a benchmark of 78.2%, representing a difference of 3.8%. In 2009/10, our figures were 70.4% / 78.8%, giving a difference of 8.4%. This year’s performance against benchmark therefore represents a convergence year-on-year of 4.6%. It also represents a convergence since the start of the Strategic Plan, when the difference between performance and benchmark was 10.3%. For the proportion of young entrants from low social classes, our performance in 2010/11 was 17.1% compared with a benchmark of 21.0%, representing a difference of 3.9%. In 2009/10, our figures were 16.5% / 20.9%, giving a difference of 4.4%. This year’s performance against benchmark therefore represents a convergence year-on-year of 0.5%. Although the difference between performance and benchmark is very marginally wider in 2010/11, compared to in 2007/08, as there are some issues with comparability of data for low social classes prior to 2009/10, the focus for this measure is on data from 2009/10 onwards. 	ON TRACK

Target		Progress to date	Achievement Status
10.2	<p>increase the proportion of female academic staff appointed and promoted to the lecturer, senior lecturer, reader and professor levels</p>	<ul style="list-style-type: none"> As regards the overall academic staff population, over the last four years the proportion of female lecturers, senior lecturers and readers has increased year on year, rising from 42.4% to 46.8% of lecturers, from 34.3% to 36.6% of senior lecturers and from 22.9% to 27.5% of readers. Over the same period the proportion of female chairs has remained essentially level, varying between 18.9% and its current level of 18.4%, although this followed a marked rise from 13% six years ago. Most of the promotion decisions made in 2011/12 are not yet reflected in the figures, since they take effect from 1 August 2012 - so an increase is anticipated in 2012/13. In 2011/12, the proportion of female academic staff appointed and promoted to grades UE08 or equivalent and higher was 35.8%. This is higher than the proportion of all academic staff who are female, 34.4%, so contributes a little to improving the gender balance. The appointment/promotion rate in 2011/12 was lower than in 2010/11 and 2007/08, but higher than in the two intervening years. The figures over the previous four years were 40.5% in 2010/11, 33.6% in 2009/10, 34.7% in 2008/09 and 38.4% in 2007/08. At each grade (or equivalent), the proportion of female academic staff appointed and promoted were 37.7% to Lecturer, 36.6% to Senior Lecturer/Reader and 29.7% to Professor. These proportions are considerably higher than last year for Professor, slightly higher for Senior Lecturer/Reader and notably lower for Lecturer. 	<p>NOT MET</p>
10.3	<p>reduce absolute CO₂ emissions by 40%, against a 1990 baseline</p> <p><i>The University has set a revised target for reducing CO₂ emissions by 29% against a 2007 baseline by 2020. The baseline year was revised as a result of the Climate</i></p>	<ul style="list-style-type: none"> The intensification of academic business and related activities and development of the estate over the period between 2007 and 2012, makes this a very challenging target. Major drivers for reduction in CO₂ are now the Climate Action Plan (CAP) together with the Carbon Reduction Commitment (CRC). The CRC imposes a statutory requirement to submit annual carbon emissions covering the whole 	<p>FURTHER WORK REQUIRED</p>

Target		Progress to date	Achievement Status
	<i>Change (Scotland) Act 2009.</i>	<p>University estate (previous targets applied to the academic core estate only).</p> <ul style="list-style-type: none"> In the light of this intensification, the Climate Action Plan is reviewed on an annual basis with Estates and Buildings continuing to explore all opportunities to improve infrastructure efficiency and building consumption. An Engineering Infrastructure Review has been commissioned in order to identify projects across the University Estate which would, subject to funding, support a reduction in CO₂. The installation of new CHP and similar large infrastructure works are key to the plan as well as changing each individual's attitude to the use of energy. The following list of projects identifies the main work elements: <ul style="list-style-type: none"> Energy Infrastructure and CHP investment Energy Devolution Project Switch and Save Campaign SALIX Rotating Fund work programme Sustainable Development Procurement, Transport and Waste 	
Building strategic partnerships and collaborations			
11.1	establish at least five new international partnerships for the award of joint PhDs	<p>This target is met: the University now has 11 new agreements in place that include 25 international partner universities.</p> <ul style="list-style-type: none"> University-wide Memoranda of Understanding (MOU) have been signed with: <ul style="list-style-type: none"> Macquarie University, Sydney 15 partners of Universitas 21 University of Burgundy (separate from our well-established Franco-Scottish agreement) 	MET

Target		Progress to date	Achievement Status
		<ul style="list-style-type: none"> • University of Louvain/Leuven, Belgium • College/School-level MOUs have also been signed as follows: <ul style="list-style-type: none"> • College of Humanities and Social Science with the National University of Singapore; • School of Social and Political Science with the University of Cologne (EU ITN EXACT project); • School of Informatics with the Royal Institute of Technology, Stockholm, Albert-Ludwigs-Universität, Freiburg, and NCBS, Bangalore (PhD Neuroinformatics); • School of Philosophy, Psychology and Language Sciences with the Universities of Naples and Trieste - Jointly awarded PhD in Experimental Psychology and Cognitive Neuroscience; • School of Informatics with Beihang University, Beijing, China - Jointly-awarded PhD; • School of Literatures, Languages and Cultures with University of Granada, Spain – Jointly-awarded PhD; and • School of Chemistry with TUM, Munich, Germany - Jointly-awarded PhD. 	
Stimulating alumni relations and philanthropic giving			
12.1	meet or exceed the £350 million fundraising target of the Edinburgh Campaign	<ul style="list-style-type: none"> • The Campaign total at the end of 2011/12 was £350.3 million. 	MET
12.2	raise £35 million through fundraising for scholarships as part of the Edinburgh Campaign	<ul style="list-style-type: none"> • Since 1999, the starting point for this target, over £48 million has been raised for 	MET

Target		Progress to date	Achievement Status
		scholarships.	
12.3	deliver a threefold increase in the participation rate of alumni who give to the University	<ul style="list-style-type: none"> • Our baseline participation rate in 2007/08 was 3.3%, based on 3,400 recorded alumni donors and 104,000 contactable alumni. Therefore the target, to deliver a threefold increase, meant that we were aiming for a participation rate of 9.9% by 2011/12. As previously reported, achieving this participation rate was extremely challenging, due in part to the year-on-year increase in the base number of our alumni who are contactable (the denominator). • Our closing alumni participation rate was 3.0%, therefore our alumni participation rate has not increased over the period of the Strategic Plan. This is despite closing the 2011/12 financial year with a record number of alumni donors, 4,412 (up 30% on the baseline). Over the same period our number of contactable alumni rose by almost 50%. These figures highlight the difficulty of increasing our participation percentage, due to its dependence on the number of contactable alumni. 	<p>NOT MET</p>

Alexis Cornish/Rona Smith
 Governance and Strategic Planning
 28 November 2012

Widening access for Scotland-domiciled students

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

This paper sets out details of an accommodation bursary scheme for widening access to Scotland-domiciled students. This bursary scheme will contribute directly to the University's Strategic Plan theme of equality and widening participation and delivery of our Outcome Agreement with SFC.

Due to the current recruitment cycle stage, the proposals were approved by the Finance and General Purposes Committee, on behalf of the University Court, on 19 November 2012. The accommodation bursary offer has since been slightly revised to extend the scope to include all students who would be eligible for our Accommodation Guarantee. The estimated cost of this revision is £390k steady state.

Action requested

Court is invited to note and endorse the proposal.

Resource implications

Resource implications are specified in the paper.

Risk assessment

See section 4 of the paper

Equality and diversity

This paper is related to the University's Strategic Plan strategic theme 'Equality and widening participation'. It also aims to deliver on the equality and diversity elements included as part of the University's Outcome Agreement with SFC.

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Alexis Cornish, Director of Planning and Deputy Secretary
30 November 2012



Widening access for Scotland-domiciled students

1. Purpose

The purpose of this paper is to present, for endorsement, an accommodation bursary scheme in support of widening access to Scotland-domiciled students.

We presented a paper to the 5 November 2012 meeting of Court that provided an update on widening access for Scotland-domiciled students, highlighting that new investment would be required to support a new bursary scheme to enhance the widening access agenda. Data from SAAS, needed to model the cost of providing this bursary scheme, were subsequently obtained. Due to the current recruitment cycle stage, the proposals for a bursary scheme based on this modelling were brought to the Finance and General Purposes Committee for approval, on behalf of the University Court, on 19 November 2012. The proposals¹ are presented in this paper.

2. Background

On 4 October 2012, Mike Russell, Cabinet Secretary for Education and Lifelong Learning, wrote a letter of guidance to SFC in which he reiterated the Scottish Government's commitment to widening access. The Scottish Government and SFC use the Scottish Index of Multiple Deprivation (SIMD) as a measure of deprivation when setting widening access intake targets for Scottish universities. Currently students from the lowest two quintiles (SIMD20/40) are defined as widening access students. SFC subsequently announced that it would incentivise certain institutions to recruit and retain greater numbers of students from SIMD20/40 postcodes. This incentive is targeted at the eight research intensive universities and the two small specialist institutions. We bid for and received an additional 50 places as part of our Outcome Agreement for 2013/14.

In contrast to SFC, SAAS uses household income bands to determine the amount of non-repayable bursary that it awards to individual students² and the amount of repayable loan a student may borrow (see Appendix 1).

Data received recently from SAAS shows a large majority (approx. 70%) of our students that receive a Young Student's Bursary from SAAS do not come from SIMD20/40 postcodes. This pattern is closely mirrored by our own access bursary scheme, where 27% of the awards for 2012/13 went to students from SIMD20/40 postcodes. Evidently many students from homes with low income do not come from SIMD20/40 postcodes, and many students from SIMD20/40 postcodes do not have low household incomes. This creates a dilemma for us when formulating an effective enhanced bursary scheme.

¹ The accommodation bursary offer has been slightly revised since it was presented to FGPC, in order to extend the scope to include all students who would be eligible for our Accommodation Guarantee.

² Students aged up to 25 on entry qualify for a Young Student's Bursary (YSB); if over 25 an Independent Student's Bursary (ISB).

3. Current University bursary offer

In 2012/13, in addition to the new RUK bursary scheme, the University offered access bursaries (£1,000 a year) to UK domiciled students who might otherwise be deterred from studying at University due to financial or personal circumstances. In 2012/13, 256 of these access bursaries were awarded to new students (158 to Scotland-domiciled students). An additional 143 one-year accommodation bursaries of £1,000 were also awarded (60 to Scotland-domiciled students). A range of circumstances are considered when awarding these bursaries³. However, household income is not one of the criteria applied.

4. Scotland Accommodation Bursary Scheme proposal

For the University to successfully deliver its enhanced widening access commitments it will need to invest more resources in providing:

- a bursary scheme with a greater focus on household income and accommodation costs; and
- enhanced academic support specific to widening access students starting before they enter the University and continuing throughout their student journey.

We wish to have a bursary scheme that:

- contributes towards us achieving our Strategic Plan goal of widening access, delivering our Outcome Agreement and meeting our widening access targets;
- attracts more widening access students from a wider geographical area;
- provides support for each year of the student's programme of study;
- does not differentiate on the basis of SIMD;
- is demand-led;
- is financially sustainable;
- is easy for applicants to understand and non-intrusive; and
- is cost effective to administer.

³ Bursaries are awarded on factors such as whether the applicant is a care leaver, a single parent, suffers from a disability, is the first in their family to enter university, as well as whether the applicant or their family is on benefits.

Widening access for Scotland-domiciled students

We have undertaken modelling using postcode data, and SAAS household income for our entrants in receipt of a YSB/ISB. The following table, which sets out the proposed new Scotland Accommodation Bursary Scheme, is based on this modelling:

Household income band	Accommodation		Intake cost	Steady state cost
	Students	Bursary £	£	£
a. < £17k	137	2,000	273,000	1,160,000
b. £17,000 - £23,999	75	1,000	75,000	319,000
c. £24,000 - £33,999	98	500	49,000	208,000
Total	309	-	397,000	1,687,000

We also propose to offer a similar bursary scheme for students in receipt of the ISB, with an estimated steady state cost of approximately £200k.

The proposed bursary levels should be considered in the context of the student support provided by SAAS (Appendix 1) and the fact that Scotland-domiciled students do not pay tuition fees.

The Scotland Accommodation Bursary would be granted automatically to all students living away from home, who are in receipt of a YSB/ISB, and whose non-term time address is outside of the City of Edinburgh postcodes⁴, irrespective of SIMD. It would be awarded for the full period of their programme of study and it would not be restricted to University accommodation. The existing access bursary scheme would continue, so that maintenance bursaries are still available to students based on need.

For potential widening access students who would need to live away from home, it is the guaranteed nature of the Accommodation Bursary which will make Edinburgh a genuinely realistic option. By including all non-City of Edinburgh postcodes into the scheme we will reinforcing our ongoing widening access efforts that encourage students from the Lothians to consider moving away from home to attend the University. Significantly greater demand would enhance the University's reputation with Scottish Government, SFC and other key stakeholders. It should also help attract donations for scholarships and bursaries. The demand-led nature of the University's RUK bursary scheme has worked well.

There is an element of financial risk around a demand-led scheme. Based on the same distribution of students, additional demand of 10% would cost a further £169k steady state; 20% would cost a further £338k steady state. If demand was steady, but more heavily weighted in the lower household income bands, the additional cost could be around £250k. However, failure to achieve

⁴ As defined by our Accommodation Guarantee for a place in our halls of residence offered to undergraduate applicants

our widening access targets could result in financial penalties from SFC and reputational damage, particularly with the Scottish Government.

In 2012/13 Scottish competitor institutions are offering a range of bursaries to support access to University for Scottish and UK students (see Appendix 2). The bursaries have the following characteristics:

- typically worth £1,000 a year;
- aimed at Scotland-domiciled students, although in two cases UK students can also apply;
- limited in number (10 to 50 bursaries offered) which caps overall investment.

The steady state investment in these bursaries ranges from £20,000 (Heriot-Watt) to £700,000 (St Andrews). Neither Dundee nor Strathclyde are offering bursary schemes to widen access. Our proposed scheme would therefore be by far the best in Scotland.

5. Recommendation

Court is invited to consider and endorse the guaranteed Scotland Accommodation Bursary Scheme proposal, for implementation for 2013-14 entrants.

Alexis Cornish, Director of Planning and Deputy Secretary
Peter Phillips, Deputy Director of Planning
Robert Lawrie, Head of Scholarships and Student Finance
30 November 2012

Appendix 1 SAAS student support

In 2013/14 SAAS will provide a Young Student's Bursary (YSB - to those under 25) to support students on low incomes for three household income brackets, as well as providing an income contingent repayable loan.

Household income band	Young Student's Bursary	Loan	Total	Independent Bursary	Loan	Total
£0 to £16,999	£1,750	£5,500	£7,250	£750	£6,500	£7,250
£17,000 to £23,999	£1,000	£5,500	£6,500	£0	£6,500	£6,500
£24,000 to £33,999	£500	£5,500	£6,000	£0	£6,000	£6,000
£34,000 and above	£0	£4,500	£4,500	£0	£4,500	£4,500

Appendix 2

Current bursaries offered by competitor Scottish institutions

University	Type of scholarships offered	How much	Eligibility criteria	How many/overall spend
Aberdeen	Entrance bursaries (access)	£1,000 each year of study	- UK domiciled - new full-time student - potential for successful degree studies but who are deterred by financial or personal circumstances	Around 20 new bursaries each year. £80,000 steady state cost
Glasgow	UG Talent Bursaries	£1,000 each year of study	- UK resident - excellent academic achievement before starting University - new UG full-time student - student/student's circumstances financial hardship [other factors: student motivation and caring responsibilities]	50 new bursaries each year. £200,000 steady state cost.
Heriot-Watt	Access bursaries (Scotland)	£1,000 in first year & £1,000 in final year.	- Scottish residents (eligible for SAAS funding) - applicants should be studying an HNC, HND, Access Programme or Highers at a Scottish College, be at School and in receipt the Education Maintenance Allowance (EMA), or have been in care within the UK.	Minimum of 10 new scholarships each year. £20,000 steady state cost.
St Andrews	St Andrews Bursary scheme Accommodation bursaries (Bursaries are also available for academically gifted students who would otherwise struggle with costs of studying via the St Andrews Wardel scheme)	Up to £2,000 each year of study. £1,000 (one off payment)	- Scottish domiciled - household income up to £42,600 - the bursary will be awarded on the basis of academic merit along with financial need. The Accommodation bursary will be targeted towards those with greatest financial hardship	50 bursaries each year. 300 one-off accommodation bursaries each year. Total (both bursaries): £700,000 steady state cost.

The University of Edinburgh

The University Court

10 December 2012

Progress in addressing feedback scores in NSS

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

This paper presents a progress report on work agreed through senior management channels to identify issues contributing to our NSS scores and remediate these.

Action requested

Court is presented with this information as an update. Suggestions and discussion are welcome.

Resource implications

Does the paper have resource implications? Yes

Please see table of actions.

Risk assessment

Does the paper include a risk assessment?

NSS scores are already on our Risk Register.

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

Originator of the paper

Sue Rigby
20 November, 2012

The University of Edinburgh

The University Court

10 December 2012

C10

Report of the review of the merger between Edinburgh College of Art and the University of Edinburgh

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

Court is provided with the report of the outcome of the review undertaken by the University Review Group into the merger between the Edinburgh College of Art and the University of Edinburgh.

The report includes a number of "Lessons Learned" that the University will note and refer to if it is involved in any future mergers. A series of detailed operational recommendations are also included and these will be taken forward as priorities by the new ECA.

It may also be useful for Court to be aware that the Scottish Funding Council has indicated that they are likely to hold a formal post-merger evaluation in either 2013 or 2014.

Action requested

Court is invited to note if it is content with the report and also to approve that the report should become public and be used to update external bodies, including the Scottish Funding Council, on the progress of the merger.

Resource implications

Does the paper have resource implications? Any costs will be met from within existing resources.

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

The paper should remain closed until approved by Court.

Originator of the paper

ECA Review Group



THE UNIVERSITY *of* EDINBURGH

Report of the review of the merger between Edinburgh College of Art and the University of Edinburgh

1. Background

The merger between the Edinburgh College of Art and the University of Edinburgh came into force on the 1st August 2011. The timetable leading up to the merger was governed by very tight timescales that were broadly dictated by the schedule of the Scottish Parliamentary elections in 2011 and the statutory requirements for the Scottish Government to consult on merger proposals.

At its meeting of 20th June 2011, the University Court agreed that the University would establish a Post-Merger Working Group to monitor the progress of academic and operational integration and manage any emerging issues over the first year following merger. At a later meeting, in November 2011, Court also agreed to establish a Review Group to undertake a formal review of progress at the end of the first year following the merger date.

In December 2011, a Scottish Funding Council (SFC) group visited the University / the new ECA to assess early progress on the merger. That group's report to the Cabinet Secretary concluded that overall the merger was progressing well, and that, while there were challenges, the University was addressing them. The SFC indicated that it planned to update the Cabinet Secretary in late 2012 and the University agreed to keep the SFC up to date with the review it was undertaking.

This paper provides information for Court on the Review Group findings concentrating on the period following the merger date and with reference to the remit of the group as agreed by Court. Specific operational recommendations coming out of the Review Group findings will be taken forward by the senior staff responsible.

2. Review Remit and Methodology

The remit of the University Review Group, as agreed by Court on 7th November 2011 was to undertake a formal review of progress on the merger with particular reference to:

- The aims and objectives, as set out in the Merger Proposal document.
- The operational integration of ECA into the University, with a particular emphasis on the extent to which:
 - the student experience is supported by the University's student support services;
 - the procedures relating to HR, finance, research and commercialisation and strategic planning are being implemented and supported;
- The governance, management and administration of the new ECA;
- The development of an external profile and brand identity for the new ECA;
- How the estate is supporting the objectives of merger.

The review group met in June 2012 to agree the timetable and methodology for the review and conducted the review from July to September 2012. The group considered all key documentation including:

- The proposal for merger;
- SFC's report to the Cabinet Secretary on progress implementing the merger (April 2012);
- A summary of key actions taken to implement the merger (which included an assessment regarding whether the actions were completed on time and other relevant issues);
- The minutes of the University's Post-Merger Working Group's meetings in 2011-12;
- Comments raised by representatives of the trade unions (including the Educational Institute of Scotland) in February 2012.

In July 2012 the review group's convener, Senior Vice Principal Professor Nigel Brown, emailed all current staff and students at the University to inform them of the review and to invite them to submit comments. Twenty-one staff (nine academic and twelve support staff) and twenty-two students submitted comments.

Senior Vice Principal Professor Brown also wrote to prominent alumni to invite them to contribute to the review, two alumni submitted positive comments.

In addition, during July to September 2012, sixteen meetings were held with the following stakeholder groups/individuals:

- Trade unions;
- Undergraduate students in the new ECA;
- Postgraduate students in the new ECA;
- The 2011-12 ECA Student President;
- Academic staff in the new ECA;
- Support staff in the new ECA;
- The new ECA Management Group;
- Professor David Fergusson (University Vice-Principal with responsibility for the merger prior to 1 August 2011);
- Assistant Principal Professor Ian Pirie (ECA Assistant Principal with responsibility for the merger prior to 1 August 2011);
- Human Resources;
- Finance;
- IT staff (within Information Services Group and the new ECA);
- College of Humanities and Social Science (CHSS) and central University staff with admissions and recruitment responsibilities;
- Registry, CHSS and new ECA staff with student administration responsibilities;
- Student Services (Institute for Academic Development, Student Disability Service, Careers Service, Disability Service);
- Communications and Marketing.

The review group approached the consultation meetings in an open and collaborative spirit, circulating draft agendas to stakeholders in advance to allow them to add topics, and giving stakeholders a chance to comment on the records of the meetings. At these meetings, the review group focused on identifying issues that needed to be addressed and lessons that the University should learn.

The records of the meetings were treated as confidential to the attendees and the Review Group in order to encourage open dialogue.

3. Outcomes

The full range of evidence was considered and examined in detail during the consultation meetings. While acknowledging that the merger is a process, and not an event that can be judged on any given day, it was generally felt that the merger had gone well. This was mainly due to the tremendous effort put in by all of those involved which has resulted in the reconstituted ECA operating in a stable and supportive environment able to concentrate fully on progressing the academic vision.

The following points cover in more detail progress against the specific areas the Review Group were asked to consider by Court, including the aims and objectives as set out in the Merger Proposal document.

The fundamental aim of the merger noted in the merger proposal document was to realise the strong academic potential afforded by a full integration of activities across all disciplines.

Within this aim the strategic objectives were; to strengthen education and research in Art, Design, Architecture and Landscape Architecture, History of Art and Music; to develop existing and strategic new cross-disciplinary research synergies and create new cross-disciplinary opportunities for research students; develop new taught postgraduate programmes; increase flexibility and breadth in undergraduate programmes; realise a more diverse student body with a richer student experience; deliver greater public impact and knowledge exchange activity; attract a greater number of international students; generate new income streams and place ECA academic activities in a more financially sustainable position.

3.1 Academic Vision

It was clear that staff, and students, remain committed to and excited by the academic vision for merger. This was based on the conviction that combining the former ECA's studio-based culture with the studio-based and scholarly activities of the former ACE (former University School of Arts, Culture and Environment) disciplines, and with disciplines across the University, would create exciting new developments in teaching, research and knowledge exchange. In order to create these interdisciplinary opportunities, it is essential to maintain the strength and reputation of the individual subject areas throughout the ECA. During the review, academic staff emphasised the importance of this latter point.

The new ECA management team have worked hard to promote exemplary traditions within each discipline and to enhance pedagogical and research practices that are distinct to the studio cultures of Architecture, Art and Design. This effort continues to pay off as the studio based culture remains strong within ECA.

In the year since merger, the reconstituted ECA has made progress in articulating and delivering its academic vision. Its annual plan 2012-13 (the first planning document covering all the new ECA) gives a strong sense of its direction, for example in terms of planned developments in UG and PG programmes, potential areas for new developments between disciplines in the ECA (eg Music and Film), and potential areas for developments between the ECA and other parts of the University. In partnership with the School of Informatics, and with funding from SFC, the ECA has established a Centre for Design Informatics. Other collaborations are also being developed, for example between Art and Medicine and Veterinary Medicine. Inevitably the merger process has consumed a lot of academic management capacity and has resulted in the ECA's academic staff having less time for new academic developments and research than would have been hoped. The Merger Proposal document had set out plans for academic developments in 2011-12 and in retrospect, those plans appear to have been rather aspirational.

During 2011-12, however, the ECA made some key appointments that will help take forward its academic vision. It appointed to a new Chair in the Reid School of Music whose cross-disciplinary research in the psychology of music and improvisation will make the best of cross-ECA and ECA / wider University collaborations. It also used the Chancellor's Fellowships initiative to appoint five early career staff with excellent international profiles whose work will contribute to the development of strong cross-disciplinary themes, particularly in the areas of curatorship, social engagement, narrative, materiality and the digital environment. During 2012-13 the ECA plans to appoint to Chairs in Architecture, Design Informatics and History of Art (Since the review meetings the Chair in History of Art has been appointed and Design Informatics and Architecture are about to be advertised). These Chairs will be informed by the needs of individual subject areas and cross-disciplinary possibilities in the ECA, and their primary role will be to provide leadership in research relating to these areas and the development of new teaching programmes.

The ECA has made progress in promoting and supporting research activities across all disciplines. Feedback from the review suggests that academic staff in the former ECA are now generally aware of and taking advantage of the research support on offer and feel that they have increased support as a result of merger. The ECA's Research, Knowledge Exchange and Outreach Office, along with Edinburgh Research and Innovation (ERI), have run various workshops and provided other forms of support for academic staff in relation to pre-award research support and knowledge exchange activities. Staff from former ECA disciplines have also been able to access the Institute for Academic Development's (IAD) researcher development support. The ECA has also been able to access the CHSS (College of Humanities and Social Science) Research Challenge Fund, which supports capacity building for inter and / or multi-disciplinary working.

ECA is now also operating a research fund (based on a model that previously operated in ACE) to provide research funds to individual academic staff – while the amounts on offer are relatively modest, they are significant compared to arrangements in the former ECA. In addition to benefitting from these formal support arrangements, the merger is enabling more academic staff in the former ECA to mix with staff in former ACE disciplines and other parts of the University, and, therefore, to be exposed to different research cultures.

It is pleasing that the new ECA has achieved very healthy levels of new external research awards in the year since merger (about £3.7M), to which former ECA disciplines have made a major contribution. This level of externally-funded awards is higher than that achieved by former ECA and ACE in the year prior to merger. It is however unfortunate that the timing of the Research Excellence Framework (REF) relatively soon after merger is unlikely to allow enough time to see the full benefit of merger in terms of research rankings of former ECA subject areas.

Beyond the potential for new curriculum and research developments, the merger has enabled staff in the University and from former ECA disciplines to learn from each other's innovations in teaching and research practices. The involvement of ECA staff in the College of Humanities and Social Science and University committees, and other CHSS and University enhancement-related activities, has assisted with this. There is some evidence of this interchange on enhancement issues during the first year after merger. For example, academic staff have showcased the former ECA Learning Management System (a bespoke virtual learning environment utilised in Art and Design to manage feedback on assessment) to other academic areas of the University. The IAD will continue to be involved and to identify additional ways to engage with former ECA disciplines on enhancement issues, for example by having former ECA academic staff on secondment.

While the new cross-ECA Graduate School at Lauriston Place will make it easier for staff and students to work across disciplinary boundaries, it is clear that the lack of physical proximity and insufficiently close working relationships between the administrative staff and academics in some disciplines (especially at Minto House) have presented challenges in the first year. It may be possible to address this through adopting elements of multi-site delivery while retaining a cross-ECA administrative structure. The latter issue is also likely to be a consequence of administrative staff not yet having developed a knowledge of the particular requirements of the different disciplines in the new ECA, and will resolve itself as relationships mature. ECA will monitor the delivery of Graduate School services and consider if a multi-site delivery model is an option.

3.2 Recruitment and admissions

Overall intakes to the ECA in 2012-13 are at about the same level as the combined intakes for former ECA and former ACE programmes were in 2011-12 (recruitment for 2011-12 programmes was undertaken in 2010-11 prior to the merger), despite changes of tuition fee arrangements for applicants from the Rest of the UK (RUK). While the hoped-for expansion in PG and overseas recruitment has not been realised as yet, the outcome is reasonable under the circumstances. While there is variation between programmes, there is no evidence that the merger has impacted adversely on overall recruitment either to the former ECA or former ACE UG and PG programmes.

During the first year following merger, CHSS made progress in streamlining arrangements for admissions to UG Art and Design programmes (reducing the proportion of applicants invited to Applicant Days) and aligning entry requirements with normal CHSS requirements, while ensuring that the procedures remained appropriate to the needs of the disciplines. CHSS intends to work with ECA academic staff during 2012-13 to make further progress on this issue.

While acknowledging that there have been challenges in admissions from students from a widening participation background in the year following merger, steps have been taken to increase support in this area. In December 2011 the University reviewed the post-merger arrangements for widening participation to former ECA programmes. Building on that work, early in 2012, the new ECA convened a working party to review widening participation strategy and activities across its subject areas. As a result ECA has appointed a Widening Participation Co-ordinator and is taking a range of steps to strengthen its widening participation activities, for example by encouraging more direct involvement in widening access initiatives by academic staff.

3.3 Financial Stability

A combination of work undertaken in the period directly leading up to the merger coupled with the immediate integration of ECA financial matters with the University's financial systems and structures from the merger date has meant that ECA is now operating on a financially stable basis with the benefit of the formal control and expenditure approval mechanisms of CHSS.

As a result of this the ECA has delivered a modest surplus (£50,000, or 0.25%) in the first year (2011-12) of operation since the merger. In addition to delivering a surplus budget, the ECA has been able to invest about £500,000 in new and replacement equipment.

On present projections, the ECA should deliver a balanced budget in 2012-13, followed by recurrent annual deficits of around £400,000 from 2013-14 onwards. The ECA management is working with CHSS to put measures in place to address these projected deficits, using

either a growth strategy to increase attributable income or, alternatively, plans to reduce expenditure, or a combination of both approaches.

Financial challenges do remain which centre mainly on the challenges of the Lauriston Place estate and the nature of space usage within ECA. University senior management and Court, particularly through the Estates Committee, will of course have close involvement in developing the longer term strategy for the Lauriston Place Estate.

3.4 Operational Integration

The merger proceeded on the basis that from the merger date, 1 August 2011, the ECA would be operating entirely under University procedures, regulations and support services.

This did present challenges, mainly around the very tight timescales, but on the whole the integration of services including registry, admissions, library services, HR, payroll, IT and financial systems and the legal aspects of the merger went extremely well. The commitment and diligence of all of the staff involved was, and still is, commendable.

3.5 Human Resources Issues

Very tight timescales were at the root of many of the difficulties encountered in the period immediately before the merger and workforce planning for administrative functions proved to be particularly challenging. There was inevitably some slippage in a few areas which meant that information going to some staff about their detailed roles happened relatively late in the process and some individuals were not appointed to their posts until July 2011.

It is recognised that there was a loss in corporate knowledge particularly around registry functions at this time and this resulted in former ECA Academic Registry staff, who had transferred to new roles elsewhere in the University, needing to provide more time assisting the new functions than anticipated.

To help tackle some of the on-going issues ECA appointed temporary change facilitators to provide additional capacity and trouble shoot practical problems. These staff were appointed in January 2012 and with hindsight it would have been useful to have them in post earlier in the process.

Technical services staff have also been faced with challenges in adapting to new management structures and financial, ordering and procurement systems. Despite this the new technical services team achieved a great deal in the first year of merger including a major contribution to the procurement and installation of about £500,000 of new workshop equipment and the delivery of a very successful Degree Show. Positive work continues to be undertaken to ensure that the new arrangements continue to mature and deliver benefits and that the technical staff have appropriate support.

Although there was a planned and extensive communication plan for staff at both institutions during the time of the merger not all staff felt that they had all of the required information at the right time. This is an area where improvements can always be made and it would undoubtedly have been beneficial to introduce the “merger bulletin” at an earlier stage. This would have enabled staff to be familiar with the key decisions and some practical aspects at an earlier point in the process.

There is an outstanding action re pension provision as detailed actuarial information is still to be made available to staff who have transferred to the University from the former ECA. Without this the staff in question are unable to make an informed decision about whether to

transfer to the Universities Superannuation Scheme or to remain in the Lothian Government Pension Scheme. The University of Edinburgh Pensions Department continues to make every effort to get confirmed figures from both schemes.

3.6 Student Issues

From a student perspective the feedback has been positive with only very minor disruption at the time of the merger reported. As we move on, for most students, it is “business as usual” with no adverse impact to the studio-based ethos reported.

The review suggests that students within the new ECA and the broader University can see how the merger offers exciting future opportunities for new approaches to curricula. One of the academic opportunities of merger is to enable undergraduate students on former ECA programmes to access courses elsewhere in the University (for example, Languages or Business) and although this will take time the benefits are clear to the student community.

In addition to seeing potential opportunities for developing new programmes and developing existing programmes, the review suggests that many students within the ECA can see exciting opportunities for the merger to enable them to build other types of creative relationships with students and academic staff in other disciplines within the reconstituted ECA (and within the broader University), for example through undertaking joint projects and informal networks, utilising facilities and resources in other discipline areas, and so on.

Student representation changed with the merger as from the merger date the ECA student body was represented by EUSA. There was a transitional period in 2011-12 when the formal ECA student body was wound up. There are acknowledged challenges associated with representing such a wide and diverse body of students and the issue of whether current arrangements are satisfactory is something that student representatives and EUSA are aware of and monitoring.

3.7 Governance, Management and Administration

The two institutions agreed a set of committee structures for the ECA to replace those that applied prior to merger in the former ECA and ACE. During the course of 2011-12, the ECA made some modifications to these committee structures. It recognised the need to rationalise considerable overlap between the membership and focus of its Management Group and Strategy Group and has disbanded its Strategy Group. It has established a Planning and Resources Committee to address planning and strategic issues across the ECA. Its expanded membership (compared to the previous Strategy Group) and direct reporting relationship to committees within the ECA and CHSS allows for clearer and wider communication and more focused planning activities.

A new Public Programmes Committee is enabling the ECA to consolidate and connect the diverse range of exhibitions, performances and events that take place across all areas throughout the year and to make more effective and proactive links with external partners in the University and the city of Edinburgh. While some of these committees are still bedding in, they are in general operating effectively. By bringing staff together beyond the confines of the former ECA and ACE academic groupings, they are assisting the ECA to build its new academic and support staff community and to generate ideas for new programmes and research. Annex B summarises the ECA's current committee structure.

In addition to establishing an internal committee structure, during 2011-12 ECA established an Advisory Group with members drawn from the Scottish and UK arts, cultural and creative communities, to advise on overall strategy, fund-raising activities and so on. The Advisory Group held a successful first meeting in the Spring of 2012 and is scheduled to meet again

in Autumn 2012. This second meeting will focus particularly on the ECA's Research Strategy in relation to REF and Impact/Knowledge Exchange. Future meetings will focus on issues including Internationalisation, Estates, Postgraduate Expansion and Undergraduate Teaching Programmes. (Since the review meetings the Advisory Group has had its second meeting with a third scheduled for Spring 2013).

While it is clear that the transition to the new administrative structures for the ECA has been, and continues to be, challenging in some respects, this review has elicited relatively little evidence of staff or student concern with the overall design of the support structures themselves. That said the Group's recommendations do propose some elements aimed at helping to address any residual staff concerns that may exist relating to administrative workloads or anxiety.

3.8 Development of an external profile and brand identity

The ECA recognises the need to develop the former ECA brand in order to communicate ECA's status as part of the University and project the ECA's academic vision, as well as maximise the benefits of the strength and international reach of the University's own brand.

In summer 2011, Communications and Marketing (CAM) commissioned market research company, Ipsos MORI, to undertake research to support the development of the ECA's new brand identity. While that research was useful in informing discussion, it was felt that the ECA was in too much flux (eg in terms of structures and long-term strategy) to make major progress in developing a long-term brand identity or strategy. As a result, 2011-12 has been a transitional period for the ECA, in which it has taken stock and dealt with its marketing needs as they arise. Considerable progress has been made with its visual identity however by, for example, agreeing a logo.

To take forward the broader issues further discussions have taken place and a series of consultations are planned between September 2012 and February 2013. ECA is also making some crucial appointments to assist it with its brand identity for example a Graphic Designer (now appointed).

Since the merger, the ECA has had a transitional web presence with a new website scheduled for launch in Spring 2013. Following careful planning negotiations with Information Services, CHSS and CAM through 2012, the ECA Management Team have agreed on a distinctive new website template and approach and a web co-ordinator is now appointed and working on the site.

3.9 Maintaining and enhancing the public profile of ECA

Like all art colleges, the former ECA always had a dynamic programme of art and design events and exhibitions to showcase the work of its students and staff, as well as its collections, and the work of alumni and prominent artists. These events (such as Degree Shows, Fashion Shows and major exhibitions) have been central to the vibrant art college experience and to the public face of the former ECA. They draw in large numbers of members of the public to Lauriston Place, and also build and sustain links with a variety of external stakeholders. Publicly-oriented activities (such as exhibitions and concert series) are also central to the disciplines that were formerly within ACE. Since merger, the ECA has continued to run these externally-facing activities, establishing a Research, Knowledge Exchange and Outreach Office to coordinate them, and a Public Programmes committee to oversee them and to take account of activities in the wider University. At a more strategic level, the new Advisory Group will assist the ECA to develop its publicly-facing activities.

Much focus was given to establishing positive press immediately after the merger and this has been largely successful. Particularly positive press coverage has been seen for specific events such as the 2012 Fashion and Degree Shows.

The ECA has eminent alumni across all its discipline areas (both those formerly within ECA and those within ACE). Many of these eminent alumni hold influential positions in the cultural and creative communities of Scotland and the UK, and their continued support will be essential to enabling the ECA to flourish and enhance its public profile. The review group invited about forty eminent alumni to comment on the new, post-merger ECA and how it is perceived externally, the comments of those that responded were broadly positive.

Since the merger Development & Alumni have been proactive in engaging with ECA Alumni including organising a number of high profile events such as those linked to the General Council meeting in Berlin in June 2012.

3.10 Estates Issues

Thorough and accurate due diligence work meant that there was a good understanding of the Estates issues prior to the merger. Work has started on essential maintenance and compliance issues with the Lauriston Place estate. There are significant challenges ahead to make buildings compliant while maintaining business continuity and an acceptable level of student, and staff, experience.

Decisions about the future development of ECA's estate will need to reflect ECA's academic vision which as noted above is evolving. It is also important that future investment is both strategic and transformational and these matters are being actively considered by Estates Committee.

It is highly likely that, as noted during the original negotiations, future work on the ECA estate will require further funds and assistance from the SFC. This needs to be analysed in the context of the ECA's academic vision.

4. Conclusions

As a result of the review the Group have identified a number of learning points and more detailed operational recommendations:

4.1 Lessons Learned

In addition to the ECA merger the University is also able to consider its experience of three other mergers undertaken in the last fifteen years – with the Moray House Institute of Education (1998), the Roslin Institute (2008), and the Human Genetics Unit (2011). Since it is possible that the University will be involved in other mergers in the future the following points are raised to help guide future mergers.

- Every effort should be made to put change management support in place immediately following formal merger approval to assist staff to engage with the merger process. The exact change management requirements will vary from merger to merger.
- When planning for the staffing aspects of merger, take account of the need to ensure continuity of all aspects of corporate knowledge. In the case of the ECA merger specifically the administrative needs of teaching, research and knowledge exchange activities affected by the merger.

- In advance of merger, provide appropriate levels of HR support to assist individual line managers with training needs assessments for their staff, and to link those assessments to support services' schedules of training.
- To support staff in adapting to new roles and new institutional contexts, make use of informal training and induction activities, in addition to providing formal training.
- When planning training and communications activities to assist staff to adapt to University IT systems, take account of the fact that staff will need to adapt to many different system changes at the same time (due to the integrated and automated nature of many of the University's IT systems).
- Within the practical and political constraints of merger, try to provide staff with as much information on key merger decisions and practical aspects as early as possible in the process.

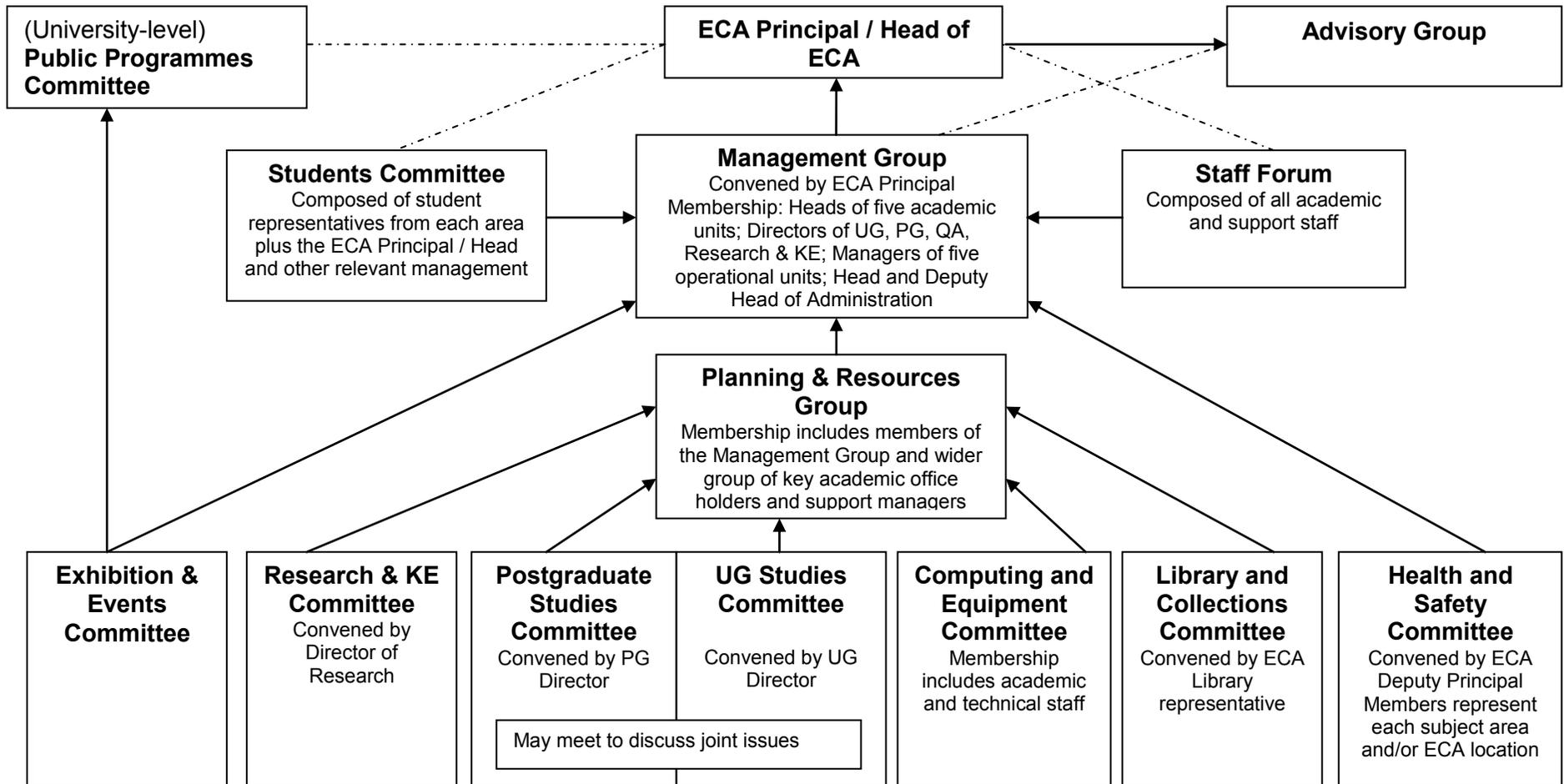
4.2 Operational Recommendations

Further to the above points a number of detailed operational recommendations have been noted to be taken forward by the appropriate body see Annex C. The ECA management will take these forward and the College of Humanities and Social Science will monitor progress.

Annex A: Membership of review group

- Professor Nigel Brown (Professor of Molecular Microbiology; Senior Vice-Principal until 31 July 2012) (Convener)
- Prof Ann Smyth (Court lay member)
- Prof Stuart Monro (Vice-Convenor of Court)
- James McAsh (EUSA President)
- Gregory Steckelmacher (ECA student representative)
- Professor Chris Breward (Vice-Principal, Principal of ECA)
- Professor Jeff Haywood (Vice-Principal, Director of Information Services Group)
- Dr Kim Waldron (University Secretary)
- Professor Dorothy Miell (Vice-Principal, Head of the College of Humanities and Social Science)
- Nigel Paul (Vice-Principal, Director of Corporate Services Group and Convener of the University's Post-Merger Working Group)
- Frank Gribben (Registrar of College of Humanities and Social Science)
- Tom Ward (Administrative support to the review)
- Fiona Boyd (Administrative support for the production of the Group's report)

Annex B: ECA-wide Committees



Note: All relevant committees will have student representation, except those focussing on staffing, research or resource management.

In addition to reporting to the ECA Principal via the Management Group, the ECA Committees will also interact with relevant CHSS Committees. The Exhibitions & Events Committee interacts with the Public Programmes Committee.

Annex C

Operational Recommendations

To be taken forward by the ECA management team in consultation with other areas in the University as appropriate:

- Prioritise any outstanding issues regarding access to data in the former ECA student record system by early 2013.
- Make substantial progress by the end of 2012-13 in facilitating the operation of exchange arrangements for ECA programmes within University structures, and also should work toward ensuring the exchanges are financially viable.
- Agree on a solution for managing the supply of art and design materials to students, and begin to implement it before the end of the 2012-13 academic session.
- In line with the University's Strategic Plan continue to prioritise widening participation to all ECA's programmes.
- Assess if there is a further need for temporary change facilitation support in the ECA.
- Review ECA's administrative support structures to ensure the number and organisation of administrative staff is appropriate by March 2013.
- Monitor the management arrangements for technical staff to ensure that the new arrangements are delivering benefits and providing appropriate support.
- Work with HR to undertake a training needs analysis with all relevant staff (those in the ECA and those that transferred to the wider University) to establish any outstanding requirements by March 2013.
- Work with HR to ensure that all ECA managers are actively engaged with the annual review process.
- As part of taking forward the ECA's academic vision, progress developing proposals to open up opportunities for ECA students to take UG courses elsewhere in the University and for wider University students to take appropriate ECA courses.
- Monitor the arrangements for the 'arms-length' management of the Wee Red Bar and associated facilities.
- Continue to work to understand the research support needs and enhancement related activities of the former ECA academic staff and to raise awareness of the wider support available.
- During 2012-13 explore ways to provide improved multi-site delivery for Graduate School services.
- Consider a two way communications strategy to ensure that staff and students within the ECA understand its structures, procedures and arrangements, and that the ECA's activities are more visible to staff and students elsewhere in the University.

- Develop the ECA's strategy for the future of the ECA Student Portal as part of its broader communications strategy.
- Continue to develop a brand identity and marketing strategy that articulates the new ECA's academic vision while allowing individual subject areas the flexibility to project their own identities.
- Commit sufficient resources to launch ECA's new website by Spring 2013.

To be taken forward by the University Pensions Office:

- Prioritise the provision of outstanding actuarial information from USS and LGPS to enable individuals to reach a decision over transferring their accrued service.

To be taken forward by Edinburgh University Students' Association:

- Review whether the level of student representation arrangements that applies from 2012-13 is adequate.

The University of Edinburgh

The University Court

10 December 2012

C11

Report from the Remuneration Committee

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

This is a report from the Remuneration Committee (RC) to Court and provides a summary of the activities of the Remuneration Committee from 1 August 2011 to 30 November 2012.

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 the Grade 10 Equal Pay Audit at Appendix A and the Report of the External Examiner at Appendix B and within the main report.

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the effective conduct of public affairs

Originator of the paper

Ms Lindsey Miller, Senior Partner University HR Services
On behalf of Professor Stuart Monro, Chair of Remuneration Committee and Ms Sheila Gupta,
Director of Human Resources

The University of Edinburgh

The University Court

10 December 2012

Report of the Nominations Committee

The Nominations Committee at its meeting on 15 October 2012 considered a number of matters which were not all finalised in time to be included in the last Report to Court. The Committee wishes to make the following recommendation for approval:

Membership of Committees

Estates Committee

Mr David Bentley to be appointed with immediate effect until 31 July 2015.

Dr Katherine Novosel
December 2012

The University of Edinburgh

The University Court

10 December 2012

Knowledge Strategy Committee Report

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

Report from the Knowledge Strategy Committee. The report covers 4 main areas considered by the Committee: IT Security Policy; Passwords; Research Data Management and Storage (RDMS); and Business Intelligence/Management Information (BI/MI).

Action requested

Court is invited to endorse the amended IT Security Policy; to note the appointment of Brian Gilmore, Director IT Infrastructure, as the University's Chief IT Security Officer; and to provide guidance on the setting of passwords. Court is also invited to note the progress on the Research Data Management & Storage and Business Intelligence/Management Information Projects.

Resource implications

Does the paper have resource implications? Both the RDMS and BI/MI projects have significant resource requirements if they are to be implemented successfully (£1.5m and £0.5m respectively).

Risk assessment

Does the paper include a risk analysis? 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

Any other relevant information

Vice Principal Mr Nigel Paul, Director of Corporate Services will present the paper.

Originator of the paper

Jeff Haywood, Vice Principal Knowledge Management, CIO and University Librarian
Jo Craiglee, Head of Knowledge Management & IS Planning
3 December 2012

University of Edinburgh
Knowledge Strategy Committee

Report to the University Court

This paper presents a summary of the major items concerning Knowledge Strategy Committee over the past 12 months.

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')¹.

Policies and Strategies

- ⤴ **IT Security Policy (Appendix 1)** – KSC noted the appointment of Brian Gilmore, Director of IT Infrastructure, as the University's Chief IT Security Officer. Revision to the IT Security Policy (below), clarifying the responsibilities of Heads of College/Heads of Support Groups, as well as Heads of School/ Heads of Support Unit, was accepted and is recommended to Court for approval.

2.4 A Head of College/Support Group has overall responsibility for ensuring the security of IT services offered by their units.

The responsibility for ensuring the protection of information systems and ensuring that specific IT security processes are carried out shall lie with:-

- (a) Head of School, or*
- (b) Head of Support Unit*

The Head is responsible for IT systems in any subsidiary unit, for example, associated Institutes, research groups and multi-disciplinary organisations within the line management. A definitive list can be found at <https://www.org.planning.ed.ac.uk/browser/>

The letter to Heads of School/Support Units and the guidance notes, regarding the IT questions in the University Annual Risk Management Report, are attached for information.

- ⤴ **Passwords** – KSC considered the comments from Internal Audit regarding the appropriateness of passwords. Information Services has begun the process of exploring the options internally, and will commence discussions with owners of services across the University, in early December. The outcome of these deliberations will be reported to Internal Audit in Spring 2013.

Guidance from Court on the subject of passwords would be welcome.

¹ The following committees report to KSC: Library Committee; IT Committee; and University Collections Advisory Committee

Projects

- ⤴ **Research Data Management and Storage** – The convenor of the working group on research data storage presented their final report to KSC, outlining the findings of the consultation process and the agreed minimum specification for this new service. It was noted that this first stage provided the kit and service to deliver 200GB of storage for each individual researcher. This is considered adequate in the first instance and will be closely monitored to gauge necessary expansion rates. The cost of implementation for this phase in 2012/13 will be £1.5m, the majority of which is required for the purchase of hardware.
- ⤴ **Business Intelligence/Management Information (BI/MI)**– (Appendix 2) The convenor of the BI/MI Steering Group attended the meeting to present the findings from the Needs Analysis phase. It was noted that the project had been well received and it was crucial that we did not lose the momentum created by the analysis phase. KSC agreed that there should be a Programme Management Board to oversee the continuation of the project and Vice Principal Miell has agreed to take the role of Convenor. The Board has been tasked with ensuring the delivery of the quick wins identified during the analysis phase and the development of a vision/strategy for BI/MI across the University. The Programme Management Board will meet in early January.

Distance Education and eLearning

- ⤴ **Distance Education Initiative (DEI)** - The DEI is in the second year of a four year timescale. The funding application process occurs in April. In 2012, a new DEI funding option was introduced for Schools – Option 2 – that enables Schools to secure funding of up to £50K. This funding can be used to employ or second a staff member to investigate and develop a full DEI bid for the next DEI Funding round (April 2013). Option 2 was developed in direct response to feedback from the three DEI College Representatives who reported some Schools did not feel able or confident enough to move straight to a full DEI bid.

The majority of the DEI-funded School projects are now in the development phase and on-track to launch in September 2012. Total student enrolment targets for the nine DEI-funded School projects for the academic year 12/13 are:

- 244 new MSc students
- 115 new Postgraduate Professional Development (PPD) students

- ⤴ **Massive Open Online Courses (MOOCs)** – It was noted that the University has signed up with Stanford spin-out company Coursera to deliver short online courses at no cost to the learners who take them, but with optional paid-for certificates. From January 2013, Edinburgh will offer six short courses, all running for 5 weeks. These differ significantly from the Distance Education offerings as they are non-credit bearing and are not taught or supported in the normal sense, using automated assessments and peer-support and review. Once these are underway, the provision of further MOOCs will be reviewed with Schools interested in offering them for release in autumn 2013.

Professor Jeff Haywood, Vice Principal of Knowledge Management, CIO & University Librarian

Jo Craiglee, Head of Knowledge Management and IS Planning

3 December 2012



Information Security Policy

This policy recognises that a core aim of the University is the dissemination of knowledge, and that any policy will fail if it assumes that access to that knowledge must, by default, be denied..

Instead, our concern is with ensuring that the steps taken to ensure the integrity of our information and, where necessary and appropriate, its confidentiality, are both proportionate and effective.

1. Introduction

1.1 The aims of this Information Security Policy are to:

- i. protect against the potential consequences of breaches of confidentiality, failures of integrity or interruptions to the availability due to attack of that information.
- ii. ensure that all the University's information assets and computing and network facilities are protected against damage, loss, misuse or unauthorized access.
- iii. ensure that all users of the University's computing facilities are aware of and comply with UK and EU legislation which applies to the processing of information.
- iv. increase awareness and understanding across the University of the requirements of information security, and the direct responsibilities of users for protecting the confidentiality and integrity of the data which they handle.

1.2 Section 1 to 4 should be read by all users. Section 5 should be read by system owners and system controllers.

1.3 This policy provides overall management direction for information security across the University. Individual 'Codes of Practice' will be developed for individual key services, by the teams responsible for those services. These codes should be considered as part of this policy with references to such services.

1.4 Information and services in the University can be categorised as either open to the public or restricted to a set of people by some mechanism. This policy addresses the prevention of unauthorised access.

2. Policy Authorisation and Compliance

2.1 It is the University's policy that the information it is responsible for shall be appropriately secured to protect against the consequences of breaches of confidentiality, failures of integrity or interruptions to the availability of that information and to protect it against damage, loss or misuse.

2.2 This policy has been ratified by the University Court, via the Knowledge Strategy Committee and forms part of its policies and procedures, including its Computing Regulations. It is applicable to and will be communicated to all users.

2.3 This policy shall be regularly reviewed to ensure that it remains appropriate.

2.4 A Head of College/Support Group has overall responsibility for ensuring the security of IT services offered by their units.

The responsibility for ensuring the protection of information systems and ensuring that specific IT security processes are carried out shall lie with:-

- (a) Head of School, or
- (b) Head of Support Unit

The Head is responsible for IT systems in any subsidiary unit, for example, associated Institutes, research groups and multi-disciplinary organisations within the line management.

A definitive list can be found at <https://www.org.planning.ed.ac.uk/browser/>

2.5 Specialist advice on information security shall be made available, throughout the University, from Information Services and drawing on appropriate expertise within the wider University community.

2.6 An information system's compliance with the information security policy shall be reviewed in line with the assessed security criticality (defined below) of the system independently of the system owner.

2.7 The University's Computing Regulations and other documents (such as the Contract of Employment for staff, and disciplinary codes for students) set out the responsibilities of staff and students with respect to information security.

2.8 In exceptional circumstances the Chief Information Officer may elect to waive particular clauses of this policy for particular systems after due regard is taken of risks and benefits. A Head of College or Support Group can request with appropriate reasons that security policies be varied in specific cases with the approval of the University CIO.

3. Security Criticality

Systems can be described using a spectrum of criticality for security purposes. Criticality is an assessment of the impact and likelihood of a security failure for a particular system. Issues that should be considered include, but are not limited to, inconvenience, distress or damage to personal reputation, financial loss, harm to organisational programmes or reputation, legal violations and personal safety. This policy contains requirements across the range of "low", "medium" and "high" criticality systems. Individual system controllers should determine the criticality of their system as part of a general risk assessment process. This process should also consider system dependencies - any system upon which the security of a high criticality system depends is also a high criticality system, regardless of its own nature.

4. Information Security for All

4.1 General

All users of information systems are to be provided with a summary of the information security policy.

4.2 Information Handling

4.2.1 All users of information systems must manage the creation, storage, amendment, copying, archiving and disposal of information in a manner which safeguards and protects its confidentiality, integrity and availability.

4.2.2 Any username and password or any other access credential shall be used in accordance with the appropriate Code of Practice and, where applicable, any requirements of the central authentication service.

4.2.3 All users must ensure they comply with the guidance in the appropriate services Code of Practice in relation to physical security, the environment from which access is made and the type of access.

4.3 Mobile Working

4.3.1 It is recognized that mobile computing is a normal part of University business. However, this entails additional risk and users must take additional precautions.

4.3.2 Users who do work using equipment outside the University and/or remove data from the University must be aware of the additional risks and take appropriate steps to mitigate them. Advice on this can be found at www.ed.ac.uk/is/security

4.3.3 Users of mobile computing equipment must adhere to the appropriate Codes of Practice giving guidance on how to conform to the University's information security policy and other good practices.

4.3.4 Users must take all steps to mitigate the risks associated with the environment or 3rd party equipment they may use while engaged in mobile or off site working.

5. Information Security for System Owners and System Controllers

5.1 General

5.1.1 The University's information systems shall be managed and run by suitably trained and qualified staff.

5.1.2 All staff involved in managing information systems shall be given access to IT security training, and advice.

5.1.3 It is the responsibility of a system owner whether a central system or a school/college system, potentially in conjunction with a system operator, to produce a risk assessment and a subsequent Code of Practice for their system. A template to assist in constructing a Code of practice can be found at <http://www.ed.ac.uk/schools-departments/information-services/about/policies-and-regulations/security-policies/security-policy>

It is the responsibility of The Head of School or Support Unit to maintain a register of at least their medium and high critical information systems. As a minimum, this register should contain a unique identifier for each information system, a business contact, an assessment of risk from the range "low", "medium" and "high" and an indication if Code of Practice has been produced. "Following a request by the Head of School, a Head of College may elect to maintain the register for a specific business area."

5.2 Operations

5.2.1 Areas and offices which contain medium/high criticality systems or information shall be given an appropriate level of physical security and access control, including protection from unauthorised access, and, for high criticality systems, protection from environmental hazards and electrical power failures.

5.2.2 The procedures for the operation and administration of all information systems and activities must be documented at a level appropriate for their criticality. These documents should be subject to regular maintenance and internal review.

5.2.3 Duties and areas of responsibility, appropriate to the criticality of the system, shall be segregated to reduce the risk, and consequential impact, of information security incidents.

5.2.4 Procedures will be established and widely communicated to report security incidents, data protection breaches and suspected security weaknesses in the University's systems. Mechanisms shall be in place to monitor and learn from those incidents. Anonymous reporting is allowed where it is in line with University policy.

5.2.5 Procedures will be established to report software malfunctions and faults in the high criticality systems. Faults and malfunctions shall be logged and monitored and timely corrective action taken.

5.3 System Planning and Development

5.3.1 The information assets associated with any new, or updated, high criticality service must be identified, classified and recorded and maintained within its Code of Practice. A risk assessment should be undertaken to identify the risks of security failure, and an assessment of any legal obligations which may arise. Responsibility for updating this information shall be identified and recorded.

5.3.2 The development, use or modification of all software on the University's critical systems for their complete lifecycle shall be appropriately controlled to protect against the introduction of security risks.

5.3.3 Acceptance criteria for new high criticality information systems, upgrades and new versions shall be established and suitable tests of the system carried out prior to migration to operational status. This includes ensuring compliance with the University's information security policies, access control standards and requirements for ongoing information security management.

5.4 Systems Management

5.4.1 The user account management process must be handled in a secure manner over its lifecycle.

5.4.2 Access controls for all systems shall be set at an appropriate level in accordance with the value of the assets being protected, and the criticality of the system. Access controls shall be regularly reviewed, with any changes in access permissions being authorised by the system owner. A record of permissions granted must be maintained.

5.4.3 Access to all information systems shall use an appropriate access mechanism with security appropriate to the criticality of the system. Access to parts of high criticality systems may be augmented by requiring stronger assurance, further authentication, or controlled by time of day or location of initiating system.

5.4.4 All access to high criticality services is to be logged and appropriately monitored to identify potential misuse of systems or information. Logs must be retained and access granted according to the appropriate legislation.

5.4.5 Formal change control procedures, with audit trails, shall be used for all changes to high criticality systems.

5.4.6 Security event logs, operational audit logs, error logs, transaction and processing reports must be properly reviewed and managed by the system controller.

5.4.7 System clocks must be regularly synchronised across all University high and medium criticality machines.

5.5 Network Management

5.5.1 The network must be segregated into separate logical domains with routing and access controls operating between the domains. Appropriately configured firewalls shall be used to protect the networks supporting the University's critical systems.

5.5.2 Moves, changes and other reconfigurations of users' network access points will only be carried out by staff authorised to perform such functions according to defined procedures. Networks and communication systems must all be adequately configured and safeguarded against both physical attack and unauthorised intrusion.

5.6 Business Continuity

5.6.1 All business continuity plans must comply with the appropriate sections of the Information Security Policy.

5.7 Outsourcing and Third Party Access

5.7.1 Persons responsible for agreeing contracts will ensure, after a risk assessment, that the contracts being signed are in accord with the content and spirit of the University's information security policies.

5.7.2 The School or Unit will assess the risk to its information and, where deemed appropriate because of the confidentiality, sensitivity or value of the information being disclosed or made accessible, the University will require external suppliers of services to sign a confidentiality or non disclosure agreement to protect its information assets.

5.7.3 Any facilities management, outsourcing or similar company with which the University may do business must be able to demonstrate compliance with the University's information security policies and enter into binding service level agreements that specify the performance to be delivered and the remedies available in case of non-compliance.

5.7.4 Where personal data, that is, information about living identifiable individuals, are being transferred to any external organisation then the appropriate University policy must be followed. See <http://www.ed.ac.uk/schools-departments/records-management-section/data-protection/guidance-policies/transferring-data/overview>.

5.8 Incident Reporting

5.8.1 All security incidents must be reported without delay to the Head of School/Support unit with the responsibility for the system concerned and by him/her to the Chief Information Technology Security Officer (CITSO).

5.8.2 It is the responsibility of the CITSO to ensure that the security incident is handled correctly and that knowledge of the incident and lessons learnt are promulgated to the relevant bodies including the CIO. The CITSO will maintain a record of such incidents for reporting to the CIO and other relevant bodies in the University. An annual report will

be made by the CIO to Risk Management Committee, and thence to Court as part of the standard University procedure.

Glossary/Definitions

Computing facilities	Includes central services as provided by UoE Information Services, UoE School or College computers; personally owned computers and peripherals, and all programmable equipment; any associated software and data, including data created by persons other than users, and the networking elements which link computing facilities.
User	Staff, students and any other person authorized to use computing facilities.
System	A computer that provides a service, other than simple desktop use, to more than a single person
System owner	The person (or persons) with overall responsibility for a system and its data as a University asset.
System controller	The person (or persons) with the responsibility for the day to day operation, control and maintenance of an information system.
Code of Practice	The codes of practice provide a detailed description as guided by the draft template to describe a systems conformance with this policy..
Information Systems	Any system which processes the University of Edinburgh's information assets or any data or information belonging to others that we use or process on their behalf.
Process	Any action on data including, but not limited to, creation, amendment, deletion, storing and dissemination by any means.

Revision Date	Policy Version	Author	Notes
7 Aug 12	V1.1	BG	General Update
19 Sep 12	V1.2	BG	Following IT Sec WG
4 Oct 12	V1.3	BG	Following ITC on 4 Oct
26 Oct 12	V1.4	BG	Following comments
16 Nov 12	V1.5	BG	Following CMG, KSC

QA Date	QA Process	Notes
	ITC, CMG, Court	

Suggested date for Revision of the Policy	Author
2014	BG

Dear HoS, HoSU

Are your IT based services sufficiently robust?

The CIO for the University of Edinburgh (Professor Jeff Haywood) has an overall responsibility to ensure that IT risks across the University are minimised, and where we do have 'issues', we learn from them. Formally, this duty is discharged through the annual risk management questionnaire about the risks associated with failure of IT services and the risk of loss of data. At present, this is a relatively weak process, as indicated by the number of incidents that have surfaced over the past few months, although the process may well have been followed correctly.

To help Heads of Schools and Support Services, we have created (below) a simple set of questions that can be asked internally about the robustness of local IT services, and some guidance notes have been added as Appendix A.

If you are running local School or Support Service IT services it is important to consider the potential impact of risks associated with those services. There are three main risks:

1. The service is insufficiently robust and as a result is unavailable at some business critical time, resulting in loss either financial or reputational, eg, students unable to do an assessed online test.
2. The service is insecure resulting in loss or inappropriate use of data. This covers a broad spectrum of loss, eg research time if research data is not backed up and is lost, or loss of reputation and financial penalties in the case of personal data, eg, exam questions or results.
3. Server infrastructure has been compromised and is hosting unauthorised software which may result in reputational loss, eg websites advertising Viagra.

There are many cases where systems use changes over time as functions are added or as its use replaces other methods of working to the point where what was a simple system has become a mission critical service. In these circumstances it is easy to overlook the increasing impact of failure on your business. The CIO has the responsibility for ensuring that these risks are addressed for the central services, and Heads of School and Support Services have a responsibility to ensure that their IT services are similarly fit for purpose. Of course, there is a wide spectrum of approaches, some Schools and Support Services choose to only use IS-provided services and therefore have no local level risks, and others run complex services that are at the heart of their teaching and research, and service.

There have been a number of incidents over the last couple of years that indicate that all Schools and Support Services may not have understood or engaged with this issue. Some examples:

- Three badly maintained websites were compromised and their data published on the internet.

- A web application not using EASE was hacked resulting in password theft. As most users had set their password to match EASE this compromised all EASE protected services for those users
- Failure of underlying infrastructure disrupting delivery of course material in the run up to an assessment deadline
- Failure to maintain security levels resulting in servers being infected with software that sent spam e-mail
- Inability to support a critical IT component after a member of staff left

The Information Security Policy for the University (<http://www.ed.ac.uk/schools-departments/information-services/about/policies-and-regulations/security-policies>) details that a Head of School, or equivalent, should do a security risk assessment on any services run locally and should keep a register of those services. Services which have been designated as either 'medium' or 'high' security risk to the unit should have further attention details of which are contained in the security policy. A guidance note on determining the degree of security risk is attached as Appendix B.

In order to assist Schools and Support Services with these requirements, Jeff Haywood as CIO has appointed Brian Gilmore, Director of IT Infrastructure, Information Services to be the University's Chief Information Technology Security Officer (CITSO) as a focal point for the reporting of security incidents in the University and to provide assistance, if required, from either IS or other expert resources to help in remedying the problem. This role will also ensure that knowledge of threats is disseminated around to avoid other units suffering disruption. It is implicit that such dissemination is handled discreetly, as the intention is not to name and shame but to avoid unnecessary duplicate work, in response to identical problems.

In order to offer advice and guidance in performing this security role and also to identify ways in which Information Services could offer assistance, I have asked Brian to visit all Heads of School and Support Units in the 1st Quarter of 2013.

Vice Principal Professor Jeff Haywood

04 December 2012

Appendix A

Guidance notes for Heads of Colleges/Support Groups/Schools/Service Units regarding the IT Questions in the University Annual Risk Management Report

All Heads of Colleges and Support Groups are required to submit an annual Risk Management Report which contains two questions directed towards IT and data areas (see table below). I am conscious that, as the range and complexity of IT services that can be offered by Schools and Support Units has expanded, and as more data have become electronic in form, some guidance might be welcomed by those who are responsible for these aspects of their unit's activities.

		Yes	No	If YES, provide details
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,			

Minimising the risk of problems in IT provision that might result in a YES response to Q16 & 17 is desirable for us all, and Central Management Group has requested that I, as CIO, should work with the Internal Audit department to extend their work beyond the IT services of Information Services to those operated by Schools and Service Units. The type of questions that IA has asked Information Services to answer in order to evidence good practice is very similar to those set out below.

To address Q16, the sorts of questions that a Head might ask of the staff responsible for IT services in her/his area are:

1. What IT services is my School/Unit (or substantial sub-unit such as a Centre or Institute) operating for its staff, students, visitors, clients? *Examples of IT services include: VLE or other digital learning systems, filestore, high performance computing, teaching admin systems (including with staff and student data), website, and network/firewalls.*
2. Which are the most important of those services (eg in terms of numbers of users / criticality to unit business)?
3. What is the risk to the business of my unit from each of those important services being unavailable? *(Consider how long loss can be tolerated/worked-around and times of the week/year when they are most critical.)*
4. What is the reputational risk to my unit or the University resulting of each of those important services being unavailable?
5. How is the security of the system being assured? *(Consider authentication mechanisms, the number of people who have/need admin access etc.)*

To address Q17, consider these questions:

1. What are the business consequences of data being lost? *(Eg are they irreplaceable, are they backed-up safely etc.)*
2. What are the reputational consequences of data being lost? *(Eg personal data, commercially confidential etc.)*

3. What is done to ensure that staff and students understand the University policy and guidance on managing sensitive data, and is compliance satisfactory? (*University policy etc can be found here: www.ed.ac.uk/is/encryption & <http://www.recordsmanagement.ed.ac.uk/>*)

The University Risk Management Committee will forward to me any YES responses to Q16 or 17, so that I can work with the relevant units in College or Support Group to understand the problem that has arisen and seek ways to learn from it to minimise other occurrences. I shall also ask College and Support Group Offices to alert me to any YES responses from Schools or Units that the Office does not consider sufficiently serious to warrant a YES response on the Risk Management proforma, but which are nevertheless of sufficient magnitude to offer lessons from which we might learn.

If you would like advice from IS on how to address these issues within your School or Unit, please contact the Head of your IS College Consultancy Team or Bryan Macgregor in the first instance.

Appendix B

Assessment of Risk in IT Systems

Many Schools and units run their own IT systems. It is the responsibility of the Head of School or Head of Unit to manage the consequences of failure of those services. In the great majority of cases the consequences will be trivial however there are two cases that are important to assess

1. Where non availability of the service would cause loss eg loss of research information or loss of reputation if student services were not available when students expect them
2. Loss of sensitive data eg clinical records, student assessments, exam scripts, etc. due to a security failure

It is easy to overlook the importance of systems. In the first case they may have started off as interesting innovations but have become essential over time and in the second case there may be a lack of visibility of what data systems are managing.

It is therefore important for a Head of School or equivalent to determine the potential risks associated with any IT systems that are run by the School or Unit.

The security policy suggests that systems be banded into one of the following risk categories: Low, medium or High. This banding is not intended to be highly accurate but is intended to enable a Head of School to be aware of the potential consequences if an IT system is compromised in some way.

There are two main areas which it is suggested are considered in assisting in this banding.

1. What sort of a period of time could the School be without the given system?
2. What sensitive data does the system hold?

System non-availability

This test is not intended as a check on a metric such as overall up-time. It is intended to enable a measure of the criticality of a given system.

A number of examples may give a guide on this

A system could be a major teaching system which the loss of for a part of a day could be a major embarrassment to the School. This would clearly be High.

A system could either not be used or used trivially for most of the year but could be essential for example for handling exam marks a few times a year. For those it could change from Medium to High. Heads of Unit should be aware of this.

A system could be used by a single researcher to control a resource which is time critical and therefore potentially cause a significant loss to that researcher. This would clearly be High but with potentially a very different mitigation strategy from that of a general purpose system

A system could hold a great deal of 'static' information used by a large number of users but whole loss for even a few days would be a nuisance rather than a disaster. This could rate as Low but potentially as either Medium or High depending on the potential impact of the data it contained.

Sensitive Data

As indicated above, a system which is rated as either Low or Medium could well be categorised in a higher or the highest category depending upon the potential impact of the data it contains.

For example, the handling of the following types of data would fit into this category.

- Confidential work with outside interests
- Valuable University IP
- Large lists of personal information
- Significant quantity of exam questions
- Name and password lists if the system is protected with its own authentication

More information about the sensitivity of personal data can be found in the Records Management website at: <http://www.ed.ac.uk/schools-departments/records-management-section/data-protection/guidance-policies/using-sensitive-data>

University Information Security Policy

The University Information Security Policy, see: <http://www.ed.ac.uk/schools-departments/information-services/about/policies-and-regulations/security-policies/security-policy>, requires Heads of School or equivalent to maintain a register of Medium and High Security risk systems and to produce a Code of Practice that describes the system and the measures to protect it.

You may want to consider

1. Receiving a service report from the systems manager on a regular basis for high and medium category systems.
2. Reviewing system documentation annually to ensure it is kept up-to-date and also to ensure appropriateness should anything happen to your local support.

If you require further information or help in this matter then please contact the IS helpline at (0)131 651 5151 or email IS.Helpline@ed.ac.uk who will pass you on to a consultant.

Brian Gilmore,
Director IT-Infrastructure and Chief Information Technology Security Officer
4 Sep 2012

The University of Edinburgh

The University Court

10 December 2012

Annual Review 2011-12

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

The paper includes eight articles to be published in the 2011-12 Annual Review.

Action requested

Court is requested to approve the articles for publication.

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

Dr Ian Conn
Director of Communications and Marketing
30 November 2012

Collaborative thinking: leading the way in regenerative medicine

The new Scottish Centre for Regenerative Medicine (SCRM) building has been opened at Edinburgh BioQuarter.

Sited next to the Royal Infirmary Edinburgh and the University's world-leading facilities for medical teaching and biomedical research, the SCRM is a unique hub for collaborative science.

With funding from sources including the University of Edinburgh, the Scottish Government, Scottish Enterprise, the Medical Research Council and the British Heart Foundation, it is the first large-scale, purpose-built facility of its kind. It provides accommodation for up to 250 stem cell scientists and, crucially, will extend and deepen study and research experiences for the University's student community.

SCRM scientists will undertake stem cell research to help find therapies for patients with conditions such as multiple sclerosis, Parkinson's disease, motor neurone disease, and heart and liver diseases. The Centre will also host the manufacture of high-grade stem cell lines suitable for clinical use.

The shaping of the original vision for the SCRM, and the securing of funding from a range of backers, was led by Professor Sir Ian Wilmut FRS, while Professor Charles ffrench-Constant, the Centre's Director, was also a driving force in its development.

"A number of people, including Professor Sir John Savill and Professor Marc Turner, recognised that there was a real need for a focus around regenerative medicine," Professor ffrench-Constant explains. "Although conventional medicines can treat the cause of diseases, they cannot repair damage already inflicted on the body, which is the cause of many degenerative diseases, including multiple sclerosis."

The consensus was that concentrating the University's researchers in one place would mean a better chance of discovering a spectrum of new regenerative medicines, ultimately benefiting patients.

"The research cohort primarily comprised leading stem cell researchers in the Institute of Stem Cell Research and scientists working on very specific tissues like blood, brain and liver, actually doing clinical research into diseases that would be targets for regenerative medicine," says Professor ffrench-Constant. "The ambition was to put them together into

one building and in that building to create a cell manufacturing facility, which has the sufficient sterility and quality control that you can actually put cells into patients.”

Professor French-Constant believes that the new Centre’s close-knit collaborative environment will bring gains to students as well as established scientists.

“The great advantage for students is that they are exposed to the entire spectrum of regenerative medicine here,” he explains. “Within the same building, there will be scientists working on fundamental mechanisms by which stem cells remain stem cells, and the molecules involved in that, right through to scientists addressing the problems of how a stem cell will behave in a diseased liver. That is a breadth of expertise that would be very hard to find anywhere else in the world.”

The SCRM building joins an array of pioneering University facilities at Edinburgh BioQuarter. The Clinical Research Imaging Centre opened two years ago, while early in 2012 a new incubator building dedicated to supporting established and start-up companies began operating on the site. In 2013 the Anne Rowling Regenerative Neurology Clinic – which aims to place patients at the heart of research to improve outcomes for multiple sclerosis sufferers – will be completed.

This collegiate, multidisciplinary environment is the outcome of long-nurtured ambitions for Edinburgh BioQuarter. Scotland has been host to a cluster of leading-edge regenerative medicine technologies for decades. But prior to BioQuarter’s development, expertise in the field was fairly disparate.

Professor Simon Best, Chairman of Edinburgh BioQuarter, regards the SCRM as a vital component within the Little France site – and agrees that the new building will prove to be a particular draw for postgraduates.

“Within the UK if a young researcher is interested in joining the field it would be hard to think of anywhere better,” he says. “The SCRM is also attracting attention from potential commercial partners. Clearly there is competition but at the moment Edinburgh is very well placed and the SCRM is unique.”

Professor Sir John Savill, Head of the University’s College of Medicine & Veterinary Medicine, is also convinced that the building will bolster students’ experiences at Edinburgh.

“You can feel the enthusiasm of research students when you enter the building,” he says. “The clinician and basic scientists have been around longer and are now cheek by jowl so new interactions are developing the whole time, but for a whole group of new research students this is the only experience they’ve had. They’re clearly benefiting from it.”

The building is a powerful expression of the University’s commitment to research – and stem cell research in particular. “I don’t know of a building in the UK that matches the SCRM yet for integration of facilities and quality and scale,” says Professor Savill. “Other cities are developing facilities not unlike this but we have a lead of several years. This is first in class and best in class.”

Professor French-Constant is optimistic that in 10 or 20 years’ time researchers at the Centre will have discovered a range of new regenerative medicines and negotiated the roadblocks to getting them into clinical use. He says: “I hope that we will have established a clear pathway by which regenerative medicines can be tested and delivered and also have created a substantial bank of knowledge that others can then use to make the next generation of regenerative medicines.”

The personal touch: revolutionising student support

A new system of academic and pastoral care, launched in 2012, will maximise the performance of Edinburgh students and prepare them for life beyond university.

Replacing the previous Director of Studies set-up, the Personal Tutor system is part of the University's three-year, £4 million investment to enhance the student experience.

The enhancements are created in line with student feedback gathered from a number of sources, including the National Student Survey, is designed to formalise the student-tutor relationship, while providing students with maximum support, not only from tutors and other staff, but also from peers.

“While the Director of Studies scheme served us well in a variety of ways, it was very much of its time,” says Professor Dai Hounsell, Vice-Principal Assessment and Feedback. “The Personal Tutor system establishes clear lines of responsibility that were not always obvious for either tutor or tutee under the previous scheme. It is a comprehensive, 21st-century solution to the issue of student support, making full use of the technology now available to us.”

The project has been developed and supported by three members of the University's senior management team: Professor Ian Pirie, Assistant Principal Learning and Development, Dr Sue Rigby, Vice-Principal Learning and Teaching, and Professor Hounsell. It has been rolled out for all undergraduates, and plans are in place to implement the system for postgraduates.

Every undergraduate is allocated a Personal Tutor for the duration of his or her studies. With this tutor, students review their academic progress in detail, and are encouraged to develop self-directed learning skills, reflect on how their learning can help them pursue their longer term goals and engage with their community of learners.

The project is supported by specially developed software – the Personal Tutor channel – that students can access easily through the University's web portal. Through the channel, students make regular contact with their tutor, including a scheduled one-to-one meeting at least once every semester. Notes and comments can also be uploaded to the software to

provide students with a valuable record of their activities, as well as a platform for reflection on their academic progress.

This software very much supports the intention of the Personal Tutors system to encourage a culture of accessibility between staff and students. The project team is confident that under the new system, students will have multiple encounters with their tutor.

“We’ve turned our approach around completely, so the expectation is that there will be regular meetings throughout all years of study,” explains Dr Rigby. “These meetings may well just confirm that everything is fine, but could also make it easier to identify potential issues.”

Personal Tutors have been trained to use these meetings – which can be with individuals or in groups – to help students reflect on their university journey and build in an awareness of employability and goals beyond graduation.

The system also ensures non-academic life is looked after by bringing together existing support networks to ensure they are more accessible to students. Student Information Points have been set up in library spaces to direct users to sources of advice around the campuses.

Additional pastoral care comes from Student Support Teams, which are based within each University School. Student feedback suggested that some students, for example those who are living away from home for the first time or arriving in the UK from overseas, may need extra help, so these teams are on hand to assist with some of the non-academic challenges of university life.

Typically, Personal Tutors or Student Support Teams are able to solve most challenges, but in situations where this is not the case students are referred to an alternative source of support, such as the Edinburgh University Students Association (EUSA) Advice Place, the Careers Service, the Institute for Academic Development or a study support adviser.

Like many elements of the Personal Tutor system, the Student Support Teams are an example of where input from students has helped shape the project’s growth.

“In developing the project we have been responding to student suggestions and comments,” explains Ms Sara Welham, Assistant Head

of Academic Services and a member of the team responsible for the implementation of Personal Tutors. “We have tried to incorporate the best aspects of the previous Director of Studies System and build on initiatives such as the introduction of Student Support Teams.”

Student input also pointed to the need for more support for undergraduates spending a year abroad as part of their studies, something that the Personal Tutor system addresses. Meetings with Personal Tutors can be arranged online and conducted face-to-face through webcams, and as with the campus experience, details and outcomes of discussions can be recorded, ensuring that those studying overseas do not feel isolated.

EUSA has worked closely with the University throughout the creation and implementation of the new system and continues to play a vital role in the project, in partnership with the University’s Academic Services department.

Mr Andrew Burnie, EUSA Vice-President (Academic Affairs), says: “The new approach addresses significant student concerns and is an opportunity to give students clarity on where they should go for support. We’re really very excited about the Personal Tutor system.”

Opening up the past: engaging audiences with the University's collections

An exhibition held at the University's Main Library in summer 2011 brought together, for the first time in 400 years, the only surviving record of significant music from 16th-century Scotland.

The exhibition, 'Singing the Reformation', showcased the manuscript music of Thomas Wode, vicar of St Andrews, giving visitors an understanding of the music performed in 1560s Scotland and insights into the religious and social tumult of the era.

'Singing the Reformation' was the outcome of partnerships forged between staff from the University's Collections, Georgetown University in Washington DC, Trinity College, Dublin, and the British Library. Exhibits – including manuscripts, musical instruments and portraits – were mainly drawn from the University of Edinburgh's Collections, a unique store of rare material encompassing books, manuscripts, photographs, architectural drawings, theses and microforms.

The University's Collections are unique in their depth and diversity. Among its 480,000 rare books sit Scotland's oldest surviving Gaelic text; a single page from the final draft of Charles Darwin's *On the Origin of Species*, complete with scribbled homework notes from his grandchildren; and a copy of the University's First Laureation Album. Other items are testament to the University's internationalism. They include a 230-foot long silk Mahabharata (a Hindu epic) produced in India in the 1780s, and one of the most significant Islamic manuscripts ever produced, made in Persia in the early 14th century.

The artefacts date back to the beginnings of the University itself. As part of the first graduations, students would donate books to their alma mater – an act that, according to Dr John Scally, Director of Library and Collections, speaks to Edinburgh's intrinsic values.

"The first thing you see when you look at the University's coat of arms is that it has a book right in the centre of it," he explains. "We in Library and Collections would say that signifies how knowledge, learning and teaching are the key elements of the University, and the Collections reflect that. We've been collecting right across the academic spectrum for more than 400 years and it's resulted in a dizzying richness of material that reflects all sorts of different areas of human endeavour."

One of Dr Scally's favourite pieces is the original mould used to make penicillin. "Alexander Fleming was rector of this University and he gifted the mould to us," he says. "To hold that in one hand and hold the first quarto of Shakespeare's *Romeo and Juliet* - which we also have - in the other, is very special. Those objects show you the true range of the material in the library."

'Singing the Reformation' is praised by Dr Scally as an example of the impact that can be made by combining high-quality research and a world-class collection. The exhibition's project team was led by the School of Divinity's Professor Jane Dawson, and included Dr Andrew Grout, Honorary Research Fellow in the Centre for Research Collections (CRC).

Dr Grout hails the success of its engagement with audiences – for example through the creation of a downloadable app that allowed users to listen to samples of 16th-century music – as epitomising what the Library and Collections teams are now able to offer the University's students and the wider Edinburgh community.

"By doing these exhibitions and making material available, people are more aware of the full spectrum of items in the Collections," he says. "We've made a concerted effort to engage with students and the academic community, and that is now bearing fruit. It's one of the great plus points of coming to Edinburgh that primary materials of international importance can be right in front of students for them to work on and discuss."

The exhibition's success has highlighted the benefits of expanding access for students and the wider community to the University's cultural and heritage archive. It's a move that has been bolstered by the ongoing redevelopment of the University's Main Library, which has created a state-of-the-art home for the Collections.

Now concentrated on the library's top two floors, the CRC is equipped with seminar rooms for practice-based teaching, focusing on manuscripts and objects, and a high-quality digital imaging unit for digitising some of the University's most iconic materials.

Mr Arnott Wilson, University Archivist, says that, although expanding the digital archive is a vital part of the CRC's ongoing work, it tends to be exposure to real historical artefacts that most enthuses students.

"In the teaching we do, although you can use all the technology you'd

wish for, what brings the class to life is the actual original,” he explains. “The comments you get back – ‘I was astounded by the beauty of this manuscript ’ or ‘it was such a privilege to see this’ – are telling. These objects will continue to be our physical link with the past and a genuinely distinctive opportunity we can offer all our students.”

Redevelopment of the library will be completed in 2013 and a directory of the Collections, designed to boost interest and access, will be published in 2014.

Golden opportunities: nurturing sporting talent

With Edinburgh alumni centre stage at Britain's 2012 Olympics, the University is better placed than ever to help young athletes reach their highest possible achievements.

Cyclist Sir Chris Hoy won two gold medals at London 2012. With six Olympic gold medals and one silver medal, he is now the most decorated British Olympian in history. He was also the Team GB flag-bearer at the opening ceremony.

Fellow Edinburgh graduate Katherine Grainger, with teammate Anna Watkins, won gold in the Double Sculls rowing, having broken the Olympic record by nearly five seconds at the heats stage. In addition to her 2012 gold, Grainger won Olympic silver medals in 2000, 2004 and 2008.

Jim Aitken, Director of the University's Centre for Sport and Exercise (CSE), says the combination of sports bursaries and scholarships and the sports performance programmes developed by the University's School of Education lays the foundation for alumni to reach Olympic status.

"The recently launched Eric Liddell High Performance Sports Scholarships will help support the next generation of young athletes," he says. "And I genuinely believe our sports performance programme at individual and team level is the best in the UK."

CSE staff work hard to strike the right balance between the academic imperative of a world-class university and the needs of talented athletes to receive mentoring in sport. Nurturing students' early enthusiasm is key.

"The biggest impact I think we make with our programme is that we allow students to develop from a broadly junior stance when they start at University through the transition into the senior stage," says Mr Aitken.

Facilities at the CSE, which include a gym for the dedicated use of performance athletes, an eight-metre-high climbing wall, a 25-metre, six-lane swimming pool, and the Fitness Assessment and Sports Injuries Centre, make a vital contribution to the University's sports culture. The choice of the CSE for the Team GB swimming squad's strength and conditioning work during final preparations for the Olympics sent a

strong message about the quality of the sports environment at Edinburgh.

The hope of CSE staff now is that, in the aftermath of London 2012, Edinburgh students will be inspired to use these resources to try new sports. “At Edinburgh we encourage anyone who can play sport, at the level that their talent or commitment allows,” says Mr Aitken. “Our challenge from the Olympics is to ensure that our 64 student clubs can entertain and support the upsurge in enthusiasm we’re seeing.”

During Freshers’ Week at the start of the University’s 2012–2013 session, sports clubs recruiting new members were “overwhelmed with interest”, says Mr Aitken. He credits the Olympics with sparking excitement about less mainstream sports such as archery and rowing: “These are sports that schools don’t tend to offer but you can take them up at a late stage and still develop to a very high standard.”

Sir Chris Hoy studied sports science at Edinburgh, graduating in 1999 with a 2:1. A consistently enthusiastic advocate for the University and its students, he says his studies gave him an invaluable understanding of how to improve his performance and become more competitive.

“A big part of why I came to Edinburgh to do sports science was to try to learn more about the physiology, about the biomechanics, about the whole theoretical underpinning of performance,” he says.

Sir Chris worked closely with the CSE’s Dr Simon Coleman, who conducts research in biomechanics, and equipped Sir Chris with the knowledge to finesse his performance. “Simon was very passionate about his subject, and in particular ‘force pedals’ which are essentially a way of measuring the direction of force and the application of force during the cycling motion,” he explains. Sir Chris remembers the class as being upbeat and supportive. “It was a great environment to learn in but also a fun class - and sociable class too,” he says.

Katherine Grainger, who started her rowing career while studying law at Edinburgh, is Britain’s most successful Olympic female rower.

“If I hadn’t gone to Edinburgh I’d never have done rowing; I’d never have had the life I’m currently living,” she says. “I started rowing at University, honestly without thinking it would go anywhere. It was a great club – very sociable, really hardworking but really, really friendly and welcoming.”

The club supported her through a time of transition, she says. “I was a novice for my first year, pretty awful at rowing to be honest. I was always quite fit and healthy but never really technically very good. I finally learnt the technique side and at the end of my fourth year I went for the British trials and I haven’t looked back since.”

Professor Mary Bownes, Senior Vice-Principal External Engagement, believes the CSE’s honouring of achievement, and the continuing input of the University’s successful sporting alumni, will benefit future students.

“The CSE celebrates success and has the Sports Hall of Fame which recognises people from the past who’ve come through the University and who’ve been outstanding sportsmen and women,” she says.

“Both Sir Chris Hoy and Katherine Grainger are very supportive of the Centre and what the University has done for them. They’re helping raise new sports bursaries that are going to help the next generation of students who really want to train for sport but need some financial support to do so. That is crucial.”

Understanding the universe: building on the genius of Higgs

A major new research centre at Edinburgh aims to ensure the University takes the lead in expanding insight into theoretical physics.

The Higgs Centre for Theoretical Physics, based at the King's Buildings campus, is named after the man whose 1964 theory sought to answer one of physics' most enduring questions: why do particles have mass? His theory predicted the existence of a new particle, the Higgs boson, and scientists have been searching for it ever since. Last summer it was discovered at the Large Hadron Collider at CERN.

A focal point for international research expertise, the new Centre will strengthen our theoretical understanding of the physical world and the composition of the universe. The University has committed an initial £750,000 for new academic staff, PhD studentships, and a programme of international visitors and workshops. A Higgs Chair of Theoretical Physics has also been established.

In his original paper Professor Peter Higgs sought to unravel why the carriers of the weak force, responsible for radioactivity, can be massive when the photon that carries the electromagnetic force is massless. His explanation was the presence of a new field, the Higgs Field, which permeates all space and with which some particles interact. Those that interact have mass, those that don't interact remain massless.

Crucially, Professor Higgs also explained how to test this theory – search for the Higgs boson that could be created by the Higgs Field. The theory would become the basis for the Standard Model of particle physics, which assumes that the Higgs boson is the signature particle for the mechanism that gives mass to other elementary particles. Following confirmation of the existence of the boson, ongoing study of its properties holds the potential to reshape physicists' understanding of matter.

Professor Higgs admits the gap between publication of his initial theory and identification of the boson has been “a long wait”.

“I had no idea if a discovery would be made in my lifetime because we knew so little at the beginning about where this particle might be in mass and therefore how high energy machines would have to go before it could be discovered,” he says. “It has been a long development over the years, building machines at higher and higher energy. The Large Hadron

Collider at CERN has been the one that has been energetic and intense enough, in terms of the particle beams, to do it.”

If it had been proved that the boson was non-existent, Professor Higgs says, it would have unravelled a chain of understanding that began when he was a student.

“The existence of this particle is so crucial to understanding how the rest of the theory works as well as it already does, in terms of previous verifications of the structure, that it was very hard for me to understand how it couldn’t be there,” he says. “If it could be proved to be non-existent I would say, ‘I no longer understand the whole area of theoretical and particle physics that I thought I did understand in recent years, which when I was an undergraduate were a complete mystery’.”

The discovery of the particle aroused intense media attention and public curiosity about Professor Higgs’ work.

“Other than the moon landing, there are very few things in physics that have ever had more public impact than the Higgs boson,” says Professor Arthur Trew, Head of the School of Physics and Astronomy. “It has triggered an enormous wave of interest at Edinburgh. Student intake has risen at a time when they have declined across the UK. Having Peter here has been a real stimulus for engagement.”

Validation of Professor Higgs’ theory and the creation of the new Centre are likely to have a profound impact on students’ experience at Edinburgh, predicts Professor Trew. “We’re aiming to give high-level masters training that will then permit students to take up PhDs in theoretical physics. Our PhD students will benefit from an increased number of academic staff but also from interacting with visiting professors at workshops at the Centre.”

Opening in January 2013, the Centre will include an international visitors’ programme, facilitating cross-discipline interaction between researchers and lecturers, alongside complementary seminars.

Professor Lesley Yellowlees, Vice-Principal and Head of the College of Science and Engineering, thinks that physics students at Edinburgh will reap the rewards from working in these research-intensive conditions – and from proximity to the eponymous figure whose work inspired the centre. “There’s nothing better for students in terms of motivating and inspiring them than to meet someone like Professor Higgs,” she says.

“We can’t overestimate the impact of being part of the environment in which he worked.”

The new Centre embodies Edinburgh’s expansive approach to research, she says. “Edinburgh can put the environment in place that will allow someone like Peter Higgs to come up with a theory such as the Higgs boson. The new Centre aims to provide a nurturing space where it’s understood you can do fundamental research and absolutely flourish.”

Professor Trew feels the discovery at CERN and the creation of the Centre mark a tipping point for the study of physics - and an opportunity for ambitious students. “The Higgs boson was the last piece in the jigsaw of the old model of physics,” he says. “Somehow we have to see beyond that. We could have a period of revolution in physics, so from the students’ point of view they are here at an immensely fruitful and fascinating time. It’s tremendously exciting and that’s what we’re trying to get across to students – both Higgs’ discovery and what’s to follow it.”

History in the making: English Literature marks its 250th anniversary

The University's English Literature department – believed to be the oldest in the world – celebrated its 250th anniversary in 2012.

With the appointment of the Reverend Hugh Blair as Regius Professor of 'Rhetoric and Belles Lettres' in 1762, literary study at the University was born. To celebrate this milestone and throw a spotlight on the department's literary achievements over the centuries, the University played host to a number of events throughout the year.

In May 2012 Fellow of the British Academy and Professor of Intellectual History and English Literature at the University of Cambridge Stefan Collini was invited to the University to deliver the prestigious Enlightenment Lecture. His topic: 'From Belles-Lettres to 'Eng-Lit': Criticism and its Publics' attracted more than 400 attendees and featured a lively, extended question and answer session.

Professor James Loxley, head of the department at the time, says: "People commented that the lecture filled in a story that they hadn't really been fully aware of: the invention of literary study as a discipline, and of Edinburgh's place within that history."

A landmark exhibition 'City of Words: Writers, Readers and Critics in Edinburgh, 1762-2012' was held at the University's Main Library from August to October attracting more than 2,500 visitors. It highlighted pivotal events, characters and artefacts in the literary life of the University and included, among many fascinating items, letters written to professors from Robert Burns and Sir Walter Scott, a portrait of John Dover Wilson, pioneer of the tutorial system, and signed first editions and letters from distinguished and prizewinning authors.

An accompanying exhibition guide was published to celebrate the history of literary studies over 250 years. Its author Dr Alexandra Lawrie, who spent the last two years studying the department's archives as part of her PhD, saw the importance of sharing this unique story.

"It was clear from the comments in the visitors book that the exhibition was a resounding success, and it attracted a larger number of visitors than we could have hoped for," she says. "We were naturally delighted that all our efforts paid off. Bringing the story of English Literature at Edinburgh to a wider audience was especially pleasing."

An inspiration to literary greats Sir Walter Scott, Robert Louis Stevenson, Sir Arthur Conan Doyle, through to JK Rowling, Edinburgh was designated the world's first UNESCO City of Literature in 2004, recognising both the city's literary heritage and its aspirations for the future. The University's English Literature department plays an important part in this aspect of the city's cultural life.

Regius Professor of Rhetoric and English Literature Greg Walker and Senior Lecturer Dr Sarah Carpenter were closely involved with the city's recent project to expand Makars' Court, a courtyard in Edinburgh's Old Town that celebrates the city's literary heritage. Flagstones are inscribed with quotes ranging from the works of 14th-century poet John Barbour to 20th-century novelist Dame Muriel Spark. With the support of Professor Walker and Dr Carpenter, the University's Sir David Lyndsay Society sponsored a stone commemorating the work of the 16th-century poet and dramatist. Its inscription, 'Lat us haif the bukis necessare To commoun weill (let us have the books necessary for our common good), is a fitting sentiment for a place steeped in the tradition of literary enlightenment.

The department has long been outward facing and engaging. An established Writer-in-Residence programme offers students opportunities to work with published authors and gain insight from their experiences. Previous incumbents include the Scottish Gaelic poet Sorley MacLean, American writer Anne Stevenson and Scottish poet and dramatist Liz Lochhead.

Alan Warner, whose 1995 first novel, *Morvern Callar*, won a Somerset Maugham Award, is the current Writer in Residence. He provides guidance and support, particularly for creative writing students. His workshops encourage students to share their work and ideas.

"Characters and plots can develop far beyond the original idea, with the input of multiple voices, building rich layers for students to work from," Mr Warner says. "The benefits of discussion in writing are manifold."

The department encourages students to contribute to the wide array of its research projects. One large-scale undertaking is to produce an accessible text describing Ben Jonson's walk to Scotland in 1618. At the other end of the scale, work is under way to produce a 'Literary High Street' downloadable app, which unveils the city's literary history. Commitment to innovative learning and engagement with the wider community has been fruitful, with an alumni group that counts among its numbers

popular authors Ian Rankin and Philippa Gregory, and playwright Ella Hickson.

A unique feature of the learning experience at Edinburgh is student participation in judging the James Tait Black Prizes, Britain's oldest literary awards. Established in 1919 by Janet Coats, widow of publisher James Tait Black, to commemorate her husband's love of books, the award is the only major British book prize judged by both scholars and students, and is awarded annually during Edinburgh's International Book Festival.

Professor of 20th-Century Literature Randall Stevenson explains how significant the student role is, in the process for selecting James Tait Black prizewinners. "We start with an email vote and then set up a series of debates within the Literary Society which, although centred in the Literature department, has University-wide membership. An advocate for each novel argues for inclusion until we have our shortlist. It's an inclusive system that brings fascinating results."

In the department's 250th anniversary year a new drama prize was announced, to be awarded for the best original new play written in English, Scots or Gaelic, and will be organised in conjunction with the National Theatre of Scotland. Also part of the 250th celebrations was a new, one-off award for fiction: The Best of the James Tait Black.

Vice-Principal and Head of the College of Humanities and Social Science Professor Dorothy Meill says: "The literary history of the city, coupled with the engaging and innovative work of the English Literature department, continues to place Edinburgh on the map as a leading centre for the study of literature, 250 years after its inception."

Student volunteers: bringing a world of possibilities to local children

Edinburgh University Students' Association (EUSA) provides a wide range of services for its 28,000 members, but perhaps most successful among its many activities and campaigns is student volunteering.

In 2012 EUSA had almost 1,800 registered volunteers and supported almost 2,000 students in voluntary activities throughout the year. Opportunities to volunteer can involve befriending senior citizens, vulnerable and disabled people; working in the events industry; placements with charities such as the RSPB and the YHA; charity shop work or working with children.

For international students - who make up 43 per cent of EUSA's volunteers - it is a successful way to learn about the culture of a new environment, mix with the local community and improve written and spoken English skills.

“The international students really want to get the most out of their experience in another country,” says Hilary Wardle, EUSA Volunteer Development Manager.

The numbers of students from overseas willing to volunteer led in 2012 to programmes being developed specifically for international students. One such project, ‘Exciting Languages’, was piloted between February and May.

Devised by former head teacher Judith McClure and developed by EUSA with the University's linguistic research group Bilingualism Matters, the project gave international students the opportunity to work with teachers in local primary schools, delivering not just linguistic but also cultural lessons to children who had not yet studied a foreign language.

The advantages of introducing children to a new language at an age when they are at their most receptive, and encouraging them to embrace the culture of each country, soon became clear. For some of the participating pupils it was the first time they had heard a foreign language. Learning about a foreign culture from a native speaker gave them further insights. The project also forged valuable links and contacts between schools and the University. For the students involved, it was about giving something back.

“If they spend their entire time on campus, they are not getting a true sense of the local community,” explains Ms Wardle. “Our volunteers are really keen to give something back to their host country; they’re very altruistic and enthusiastic and are able to offer something unique by explaining to children what it is like growing up in another country.”

Edinburgh’s international students are drawn from 130 countries, offering huge scope for the project to incorporate countries from across the globe.

Steven Charlesworth, a biology student from Norway, compiled a Viking project delivered over five sessions, which included classes on Danish and Norwegian family life, fairy tales and songs. Mr Charlesworth also taught the children numbers, colours and days of the week in Norwegian, with the final session featuring a class on Norwegian cuisine, complete with authentic Norwegian food, some of which he prepared himself.

“As a foreign student in a foreign country this was a great opportunity to talk about my own background and country,” he explains. “The children were genuinely interested and excited by it, which made it all the more enjoyable.”

Following the pilot, Ofsted Inspector Fiona Pate reported that the most successful examples of the Exciting Languages pilot were those that were able to link the language into the curriculum through project work. One school linked the study of Gaelic to a project they were completing on Highland Clearances. Another was able to connect the language work to an assignment they were completing on rainforests. Other schools specifically introduced a country-specific topic to the curriculum to fit with the language of the student volunteer.

“Having the students in the classroom has made the experience of learning about a new language and culture much more real for the children,” says Katie Reeves, a teacher at East Linton Primary School. “It’s been amazing how quickly the children have picked up the basics of the language. Hopefully it will have increased their enthusiasm for learning new languages in the future.”

The success of the ‘Exciting Languages’ project will see it repeated in 2013 and the aim is to run it throughout the full academic year by 2014/15.

“We’d like to do a lot more in the future and the students’ willingness to travel is central to this,” says Ms Wardle. “Some students had to catch

four different buses to reach their schools, which is a great commitment, and it did not deter them at all. This has been a really positive example of EUSA and the University working with schools in the wider community and there's huge potential there.”

Part of the evolution of the scheme will see students receive more comprehensive training next year, delivered in consultation with the research group Bilingualism Matters.

Professor of Developmental Linguistics and Director of Bilingualism Matters Antonella Sorace explains: “The original training was very basic but having now run the pilot scheme we have been able to identify a more thorough training programme for the students to undertake in the future. Many of them are not working towards education or teaching qualifications so we will provide them with skills they wouldn't necessarily get on their degree programme alone.”

For students at Edinburgh, it is now easier than ever to volunteer. Senior Vice-Principal External Affairs Professor Mary Bownes says: “EUSA set up a specific volunteering centre with its own office and has been very proactive and supportive. Students can go in and see what opportunities are there and get matched up and be volunteering very quickly. It's working incredibly well.”

Crest of the wave: world-leading facility supports flow of innovation

A major new test facility for marine energy research and development is due to open at the University's King's Buildings campus in summer 2013.

The All-Waters Combined Current and Wave Test Facility (or "FloWave tank") is designed to test wave or tidal current generator devices and will be able to mimic everything from normal to extreme conditions in coastal waters around the UK and Europe.

At its heart is a fully instrumented 25-metre diameter circular tank that can emulate waves of up to 28 metres and currents of up to 12 knots – simulated conditions currently unavailable anywhere else in the world.

The £9.3 million structure, which includes extensive workshop and office space, means researchers, academic staff and companies can test novel and existing technologies in a realistic environment before devices are deployed at sea.

The shape of the tank makes it a unique asset in marine energy research, according to Stuart Brown, Chief Executive Officer of FloWave TT Ltd, the University subsidiary company set up to manage the facility.

"This is a circular tank that can produce both waves and currents at the same time, and on a significant scale. This means that it is completely different to anything else that's out there," Mr Brown explains.

"Every other wave tank is rectangular with waves coming from one short end. This is the only one that's fully encircled, so we can add in waves, and combinations of waves, from any direction. Our multi-directional wave capability is outstanding. It's the world's first."

The new facility is the latest investment resulting from more than four decades of pioneering marine energy research at the University.

In the 1970s, Professor Stephen Salter and his Wave Power Group created the iconic Salter's Duck, also known as the Edinburgh Duck, a revolutionary device for converting wave energy into electricity. That breakthrough and the quality of subsequent research at Edinburgh have led to the University being regarded as one of the world's leading institutions in marine energy research.

This track record was central to the decision by the Engineering and Physical Sciences Research Council to part-fund the development of the new test tank.

Without access to cutting-edge testing equipment, marine energy companies would face the expensive and time-consuming task of trialling devices at sea. Mr Brown hopes the facility will help to liberate the industry, allowing companies to “de-risk” new technology, and thus bring “right first time” products to market more rapidly. He views Edinburgh’s science and engineering students as the seedbed for staffing those companies, and stresses the test tank’s role in enriching the relationships between students, research and industry.

“Marine energy companies need sufficiently skilled and talented people,” Mr Brown says. “Where are those people going to come from? They’re going to be at Edinburgh doing their studies, then hopefully doing research in our tank, then going out into industry. From the University’s perspective it is a virtuous circle. This tank brings developers in and around the University. That stimulates an industry that requires staff – and they need to be talented students who are used to playing with this kind of kit. So for the University and students it’s a win-win situation.”

The decision to build the tank at Edinburgh has already had other positive consequences for students, as Professor Stefano Brandani, Head of the School of Engineering, explains.

“As a result of the commitment to the structure being made we were successful in obtaining the Industrial Doctorate Centre in Offshore Renewable Energy (IDCORE), in partnership with the universities of Strathclyde and Exeter,” he says. “It offers a four-year Engineering Doctorate programme and will initially train 50 doctoral students. IDCORE links us with a number of significant companies, so students will go and work in industry as well as doing research with us.”

Researchers, staff and developers do not have long to wait until they can start using the FloWave tank. The building housing the facility, and the main basin, have already been completed, and early in 2013 the wave-makers, current generators and instrumentation will be installed. Following calibration, the tank will be ready to open in July or August 2013.

Professor Ian Bryden, Head of the Institute for Energy Systems and Chair of Renewable Energy at Edinburgh, says there is a direct link between the

achievements 40 years ago of Stephen Salter – now Emeritus Professor of Engineering Design – and the facility emerging at King’s Buildings.

“The work in the 1970s was responsible for making rigorous the whole concept of testing waves in laboratory conditions,” he says. “Prior to that, and no pun intended, it was a fairly hand-waving discipline.”

He adds: “No one else has been bold enough to propose something on this scale worldwide. Our doctoral students are going to be exposed to beyond world-class facilities, beyond state-of-the-art facilities.”

Professor Lesley Yellowlees, Vice-Principal and Head of the College of Science and Engineering, considers the FloWave tank to be an important expression of the University’s status as an international research hub.

“The wave tank is particularly exciting because it shows we are at the heart of trying to find solutions for the global challenges we face,” she says. “That’s what the University does and should be doing. It’s also exciting for the city of Edinburgh to have it, because in the very near future this city will be the worldwide centre for research into marine energy.”

The University of Edinburgh

The University Court

10 December 2012

Non Teaching Staff Assessor Election 2013

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

This paper outlines the arrangements for the next Non Teaching Staff Assessor Election to be held by means of on-line voting by eligible staff over the period 18 to 20 June 2013. Included in the paper are the Regulations to govern the conduct of the Election and Information for prospective candidates on the Role of the Non Teaching Staff Assessor which will be issued to all prospective candidates.

Action requested

The Court is invited to approve the proposed arrangements for the Non Teaching Staff Assessor Election 2013, the Regulations governing the conduct of the Election and Information for prospective candidates on the Role of the Non Teaching Staff Assessor.

Resource implications

There will be costs associated with the production of publicity material, the arrangements for the postal vote and the services of the Electoral Reform Society which will be met from existing budgets.

Risk assessment

A risk assessment was previously undertaken as part of the electronic voting and counting systems' project.

Equality and Diversity

There are equality and diversity issues in respect of the candidates nominated and the individual elected. An Equality Impact Assessment will be completed before the process is launched.

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Sheila Gupta
Director of Human Resources

December 2012

Non Teaching Staff Assessor Election 2013

Introduction

The Non Teaching Staff Assessor's three year period of office expires at the end of July 2013 and an election for a new Non Teaching Staff Assessor requires to be held in accordance with Ordinance 187 (Composition of the University Court).

It is proposed that the next Non Teaching Staff Assessor Election should be held on-line for eligible staff over the period from 18th to 20th June 2013 with postal voting available for staff in specific circumstances. It is also proposed that Chancellor's Assessor, Sheriff Principal Edward Bowen be appointed as Returning Officer and Sarah McFarlane, HR Partner (Resourcing) as Deputy Returning Officer.

Voting and counting process

The Electoral Roll will consist of eligible staff, that is, all those staff of the University who are support staff (i.e. who are not academic or research staff), in Grades 1 to 10 or equivalent, who are on the main University Payroll and who hold contracts of employment with the University as at 18th March 2013. This therefore includes all members of staff who are not represented on Senate. The election will be conducted by means of the alternative vote, with each member of the electorate entitled to have one vote included at each stage of the counting process. The voting process will be the same as that successfully operated for the Rectorial Elections in 2009 and agreed for the subsequent Election in 2012, with eligible staff accessing the on-line voting system through the MyEd portal. All staff with electronic access will be able to access the portal once they have registered with EASE.

A number of University staff, however, do not have electronic access. The Human Resources department does not hold an email address for around 1,549 (as at 15th November 2012) members of staff who would meet the criteria for the electoral roll and in order to ensure that these staff are not excluded, letters will be sent to them to offer them the opportunity to register for a postal vote. There will be an early communication campaign in a variety of media to raise awareness of the election and to publicise the availability of postal voting so staff will be given a number of opportunities to register. In addition the registration process for a postal vote will not close until after the names of the candidates have been announced.

It is further recognised that a small number of staff, for various other reasons, may not be able to, or may have difficulty in, accessing the MyEd portal and these members of staff will be able to request a postal vote. Those members of staff granted a postal vote will not be able to access the on-line voting system.

A double envelope system will be used for postal votes. The first envelope will be opened for verification purposes only, shortly prior to on-line voting commencing. The second envelope containing the vote will be kept securely and will be opened and recorded on the date of the count, once the on-line poll has closed.

Counting will also be conducted electronically with postal votes cast inserted into the system at the close of the on-line election and combined with the electronic votes.

Non Teaching Staff Assessor Election timetable

The following is a brief time table for the Non Teaching Staff Assessor Election 2013:

Date	Event
2013	
10th April	Call for Nominations of candidates
	Call for staff requests for postal votes
15 th May	12 noon call for Nominations of candidates closed
Between 20 th and 22 nd May	Scrutinising Committee meeting, names of candidates announced
27 th May	12 noon requests for staff postal votes closed
w/c 27 th May	Briefing for candidates election rules if required
31 st May	Postal Ballot Papers sent out
13 th June	All postal votes returned by 12 noon
14 th June	Opening of first envelope of postal vote for verification purposes
18 th June	On-line voting commences at 9.00am
20 th June	On-line voting ceases at 12 noon
	Opening of second envelope and recording of postal vote

20 th June	Name of new Non Teaching Staff Assessor announced
24 th June	New Non Teaching Staff Assessor invited to be in attendance at Court meeting

Regulations

The Non Teaching Staff Assessor Election is governed by Regulations which require approval by Court. The Regulations approved for the Non Teaching Staff Assessor 2009 election and the Regulations approved for the Rectorial Elections in 2012 have acted as the basis of these 2013 Regulations (attached at Appendix 1) and have been amended to reflect the experiences of these earlier elections.

Dr James Gilmour, the Scottish representative of the Electoral Reform Society, has been helpful in reviewing these revised Regulations. As in previous elections the University has secured the services of Dr Gilmour and he will be present at the count and the opening of postal votes.

Union colleagues have also reviewed the regulations and are content with the approach.

Communications

Meetings will be held with colleagues in Communications and Marketing to develop a communications plan to raise awareness of the timing of the election, encourage nominations to be submitted and alert staff to the availability of postal voting if they meet the required criteria. Information on the election will be available on the University's website and the University's social networking sites with announcements on the MyEd portal. There will also be email communications with staff and alerts on payslips; traditional posters will also be displayed across the University.

Role of the Non Teaching Staff Assessor

The Court is further asked to review and approve the Information for prospective candidates for the role of the Non Teaching Staff Assessor as set out in Appendix 2.

University of Edinburgh

Regulations for the Conduct of the election of an Assessor from amongst their own number of the Non Teaching Staff to the University Court to be held from 18th to 20th June 2013, governed by Ordinance of the University Court No. 187 (Composition of the University Court)

1. The Non Teaching Staff Assessor Election shall be held from 9.00am on 18th June 2013 until 12 noon on 20th June 2013 and under the guidance of the Electoral Reform Society.

Role of the Returning and Deputy Returning Officers

2. The Chancellor's Assessor, Sheriff Principal Edward Bowen, shall be the Returning Officer. The HR Partner (Resourcing) has been designated Deputy Returning Officer and shall be responsible for the management of the election and the declaration of the result of the election.
3. The Deputy Returning Officer shall publicise the election and voting procedure to staff and make arrangements as appropriate to secure the good conduct of the election.
4. The Deputy Returning Officer shall provide nomination forms and publish posters calling for nominations and draw attention to the correct form of procedure for making nominations. The posters calling for nominations shall be published by the Deputy Returning Officer on notice boards throughout the University, on the University website and the University's social networking sites.
5. The Deputy Returning Officer shall also provide information, publish posters, and alert staff through various appropriate means on how to request a postal vote.

Electoral Roll

6. The compilation of the electoral roll for the Non Teaching Staff Assessor Election shall be 12 noon on 3rd April 2013.
7. The Electoral Roll will consist of all those staff of the University who are support staff (i.e. who are not academic or research staff), in Grades 1 to 10 or equivalent, who are on the main University Payroll and therefore includes all members of staff who are not represented on Senate, who hold contracts of employment with the University as at 3rd April 2013. The electoral roll shall be available for inspection in the Deputy Returning Officer's office, University HR Services, Chambers Street, 9 -16 Chambers Street from 4th April 2013 during normal working hours. Any person whose name does not appear on the roll but who holds a contract of employment confirming commencement of employment with the University before or at 3rd April 2013 may apply to be included in the electoral roll on production of the contract of employment, no later than 8th May 2013.

Nominations and Validation of Candidates

8. The call for nominations shall commence at 9.00 am on 10th April 2013. No nominations shall be accepted before this date and time.

The Deputy Returning Officer shall provide nomination forms and publish posters calling for nominations. The Deputy Returning Officer will draw attention to the correct

form of procedure for making nominations as well as advising that failure to comply with the procedure shall invalidate a nomination.

A copy of the poster shall also be published in appropriate issues of the Staff News and on the University website.

9. All nominations must be submitted on the approved form and lodged with the Deputy Returning Officer by 12 noon on 15th May 2013. A statement giving details of the nominee and a supporting statement should be supplied, in no more than 500 words. This statement will be used for publicity purposes and will be circulated to the electorate for information. Canvassing in the form of poster campaigns is not allowed. If this prohibition is breached, it may lead to disqualification.
10. Only members of the electorate, as defined in paragraph 7, shall be eligible for nominations and nominations may be made only by members of the electorate.
11. Each nomination must be subscribed by no fewer than twenty members of the electorate.
12. Nominations must be accompanied by a written acceptance of nomination signed by the nominee and by one witness of their signature. Nominations received by any other means including electronic mail, telegram, cable, by proxy, or orally shall be not be valid. In exceptional circumstance and with the prior consent of the Deputy Returning Officer, a faxed nomination form shall be accepted but only if an original written document is presented within a reasonable timescale as agreed by the Deputy Returning Officer.
13. The duties of Non Teaching Staff Assessor involve being a member of the University Court. Members of the Court are "Charity Trustees" under the Charities and Trustee Investment (Scotland) Act 2005. Candidates must not be disqualified from being Charity Trustees and nominees shall also require to confirm in writing that they are not so disqualified.
14. If the Deputy Returning Officer believes there is any cause for concern regarding the validity of a nomination, this matter shall be drawn to the attention of the nominee/candidate, who shall be given the opportunity to address the cause for concern, if practicable, prior to the meeting of the Scrutinising Committee.
15. The Deputy Returning Officer shall acknowledge receipt of the nomination to each nominee indicating the date and time the nomination was received.
16. The Non Teaching Staff Assessor is eligible to stand for no more than two consecutive terms of office.
17. The following Committee, to be known as the Scrutinising Committee, shall be appointed by the University Court to scrutinise nominations and confirm the validation of the nominations and hear any appeal against disqualification by the Returning Officer:

One member of the non-teaching staff
One member of the academic staff
The Director of Human Resources

The decision of the Scrutinising Committee is final.

18. As soon as practicable, each nominee shall be notified of the outcome of the Scrutinising Committee's deliberations and the list of candidates for the election shall then be confirmed and published.
19. In the event of there being only one valid candidate and therefore an uncontested election, the Deputy Returning Officer shall declare and publicise as soon as practicable and no later than 48 hours after the meeting of the Scrutinising Committee the name of the one valid candidate elected.

Conduct of election process

20. Each candidate shall receive from the Deputy Returning Officer a copy of these Regulations. In order to assist in the interpretation of these Regulations a meeting with candidates may also be held if required.
21. If the Deputy Returning Officer has reason to believe that a breach of these Regulations may have occurred the Deputy Returning Officer shall request a written explanation or clarification from the candidate. If the Deputy Returning Officer concludes that a material breach has occurred the Deputy Returning Officer shall inform the Returning Officer. The Returning Officer has the authority to disqualify a candidate subject to the right of appeal by the candidate to the Scrutinising Committee within 48 hours of receiving written notification of the disqualification. The decision of the Scrutinising Committee shall be final.
22. The validity of the election shall not be affected in the event that a candidate is unavailable to continue for any reason prior to the results of the election being announced and where there are more than two candidates remaining the election shall proceed as planned. In the event of there being only one remaining candidate and therefore an uncontested election, the Deputy Returning Officer shall declare and publicise as soon as practicable and no later than 48 hours after confirmation of the uncontested election status the name of the valid candidate elected.
23. After the declaration of the elected candidate, arrangements to hold a new election shall be undertaken only in the event of that declared elected candidate being unable for whatever reason to continue to hold the position of Non Teaching Staff Assessor.
24. The Deputy Returning Officer shall distribute to each member of the electorate via email a link to the voting system along with a link to the relevant web page to view supporting statements, of not more than 500 words, for each candidate for information. The emails shall be required to comply with the University's computing regulations and the Deputy Returning Officer shall reserve the right to require amendments to be made to the content particularly if the text contains inappropriate comments about other candidates.
25. For electorates who do not have email access and have requested a postal vote, the Deputy Returning Officer shall distribute principally through the internal University postal system, a ballot paper and a return envelope. A supporting statement, of not more than 500 words, will also be included from each candidate for information.
26. A double envelope system will be used for postal votes. The first envelope will be opened on 14th June 2013 for verification purposes. The second envelope which contains the vote will be kept securely and will be opened and recorded on 20th June 2013, once the on-line poll has closed.

Voting arrangements

27. Voting arrangements shall be under the supervision of the Electoral Reform Society.
28. The election shall be conducted by means of the alternative vote.
29. Voting shall be conducted by staff on-line using a secure University portal or, dependent on circumstances, by means of a postal vote. A postal vote may be granted by the Deputy Returning Officer if any of the following criteria are met: (i) no access to a networked University computer; (ii) away from Edinburgh during the period of the election and either unable to, or may have difficulty in, accessing the on-line voting system; or (iii) another valid reason. If a member of staff casts both an electronic and a postal vote only the postal vote shall be considered valid.
30. Requests for postal votes must be made on the appropriate form and require to be with the Deputy Returning Officer by 12 noon on 27th May 2013. Postal ballot papers shall be issued on 31st May 2013 to those staff granted a postal vote.
31. All those on the electoral roll for the Non Teaching Staff Assessor Election, except those staff who have requested and been granted a postal vote, shall be permitted access and shall be able to vote on the on-line voting system from 9.00 am on 18th June 2013 until 12 noon on 20th June 2013.
32. Staff granted a postal vote shall be required to send their vote to the Deputy Returning Officer to arrive no later than 12 noon on 13th June 2013. It shall be for the Deputy Returning Officer to determine whether, in exceptional circumstances, any late postal vote shall be accepted but no late postal vote shall be accepted if it arrives after 12 noon on 20th June 2013.
33. Postal votes shall be opened and verified under the supervision of the Electoral Reform Society with each candidate permitted to attend and to have a representative attending the opening and the verification of postal votes. The first envelopes will be opened for verification purposes on 14th June 2013.

Counting

34. All votes cast either on-line or postal shall be counted together using an electronic counting system. Postal votes shall not be opened and recorded until after the close of the on-line poll. The counting shall be under the supervision of the Electoral Reform Society with each candidate permitted to attend and have a representative present.
35. Each member of the electorate shall be entitled to have only one vote included at each stage of the electronic counting process.
36. In the event of a draw, the successful candidate shall be determined by the toss of a coin. As the Returning Officer tosses the coin into the air the candidates shall be invited to choose either 'heads' or 'tails', the candidate choosing the upper side when the coin lands shall be declared the winner.

Declaration

37. The Deputy Returning Officer shall ensure that a notice of the result of the election is posted on the Old College Notice Board, on the University website and on the University's social networking sites as soon as is practicable after the result has been

declared.

38. The successful candidate shall be required to re-confirm in writing that they are not disqualified under the Charities and Trustee Investment (Scotland) Act 2005 from acting as a Trustee of a charity.

The University of Edinburgh

Information for prospective candidates for the role of the Non Teaching Staff Assessor.

University Court

The University Court is the University's governing body and is the legal persona of the University.

By the Universities (Scotland) Act 1889, the University Court is a body corporate, with perpetual succession and a common seal; and all the property belonging to the University at the passing of the Act was vested in the Court.

The present powers of the Court are defined in the Universities (Scotland) Act 1966, and include among others:

- the administration and management of the whole revenue and property of the University;
- the regulation of the salaries of all members of staff; and
- the establishment of Committees of its own members or others and the determination of the membership and the quorum of such committees.

As a corporate body it owns all the University's property and other assets and employs all the University's staff as well as being responsible for the effectiveness of its internal management arrangements. A Statement of the Court's Primary Responsibilities is attached for information.

Much of the detail of the Court's work is dealt with through a small number of committees, notably the Finance and General Purposes Committee, the Audit Committee, the Staff Committee, Risk Management Committee, and through important interactions with the Central Management Group. The Court recognises a clear distinction between its responsibilities for governance of the University (for example in setting broad strategic policy, approving plans intended to achieve strategic objectives, ensuring that the University's key processes and procedures are sound; and monitoring the University's overall performance) and the Principal's responsibilities for management of the University, which in practice are shared with this senior colleagues, notably members of the Central Management Group.

The Senate is the supreme academic body and has responsibility for superintending and regulating teaching and discipline at the University. It also has the power to promote research. Specific duties of the Senate include the approval of the conferment of degrees by the University and approval of the conferment of emeritus status on retiring professors of the University. The Senate reports regularly to the University Court. In turn, it receives regular reports from the University Court, the Central Management Group and from each of the four Senate Committees.

The membership of the Court, which totals 22, is drawn from a range of internal and external sources. In addition to the Rector (elected by staff and students) and the Principal, members (known as 'Assessors') are elected by the Senatus Academicus (four) and the General Council (three). Assessors are also elected by the Chancellor, the City of Edinburgh Council

and by the non-teaching staff of the University (one of each). The Students' Representative Council nominates two student members and Court itself can co-opt up to eight other members, at least seven of whom must be from outwith the University. It is fundamental to the successful operation of the Court and discharge of its responsibilities that members nominated by particular constituencies should act independently as members of a corporate body, and not as if delegated by the group they represent. The University wishes to ensure that individuals elected or appointed to Court are sympathetic to its mission of teaching and research and to the culture which exists in successful higher education institutions.

Members need to recognise and understand the distinction between executive management of the University (responsibility for which rests with the University's senior managers) and the role of Court in providing high-level strategic oversight and ensuring that adequate control and monitoring arrangements exist to ensure that management is exercising proper stewardship and working towards agreed strategic objectives.

The University's expectations of members

Individual members and the Court collectively should at all times conduct themselves in accordance with accepted high standards of behaviour in public life, which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership. All members should exercise their responsibilities in the interests of the University as a whole rather than as a representative of any constituency or other interest group. The Court maintains and makes publicly available a register of interests of its members.

The Court is entrusted with funds, both public and private, and therefore has a particular duty to observe the highest standards of corporate governance. This includes ensuring and demonstrating integrity and objectivity in the transaction of business, and wherever possible following a policy of openness and transparency in the dissemination of its decisions.

The University expects all members of the Court to be willing to develop an understanding of the University and its teaching and research mission, and of its internal structure and culture. Alongside this, there needs to be a willingness to develop some understanding of the University's relationships with relevant external agencies and of the Scottish higher education system. The University endeavours to provide members with opportunities to develop these understandings. Members are expected to respect the confidentiality of Court business on those occasions when this is necessary. Decisions on the need for confidentiality are taken in the context of the provisions of the Freedom of Information (Scotland) Act.

The Court currently meets six times a year on Monday afternoons, with two additional seminars held at the beginning and the middle of each academic year. The Court's committees normally meet between three and six times a year on various days of the week. It is assumed that members will attend the majority if not all, meetings, but the University does recognise that on occasion for health or other reasons this will not be possible. The University does however expect all members to be committed and willing to engage with the work of Court and the University.

Court members are invited to attend a number of University ceremonial events and some social events throughout the year. They are very welcome at these events, but the University recognises that other commitments may limit members' ability to accept all such invitations.

Committee and other work

Members will be expected to serve on a number of Court Committees (normally around two committees at any one time but may be more). Members' particular expertise and

experience are taken into account by the University in deciding on which committees they are asked to join. However, the membership of some of the Court Committees requires the appointment of a Lay member (Chancellor's Assessor, General Council Assessors, City of Edinburgh Assessor and Co-opted members of Court are deemed to be Lay members) or it may be more specific and state the requirement for there to be a General Council Assessor or a Senate Assessor on that Committee. There are also ex officio appointments which mainly involve the appointed Vice-Convener of Court, the Convener of the Finance and General Purposes Committee and the Principal or other senior members of the University. Members may also be asked from time-to-time to serve on short-term ad hoc groups set up for specific purposes: this can include steering groups for major capital projects and appeals panels set up under the University's staff discipline arrangements.

Further Information

In common with nearly all higher education institutions, there is no remuneration directly associated with membership of Court, but the University is willing to meet reasonable expenses incurred by members in connection with their membership of the Court.

Prospective candidates should further note that as a member of Court, the Non Teaching Staff Assessor, on election, will require to acknowledge that they are familiar with the University's approved Code of Conduct and understand their obligations under it specifically including the requirements: to declare areas of potential conflicts of interest; confirm that they are able to comply with the general duties of a Trustee of a charity in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and that they are not disqualified from acting as a Trustee by virtue of a disqualification listed within the Act.

If the individual holding the office of Non Teaching Staff Assessor should leave employment at the University for whatever reason, their office as Non Teaching Staff Assessor will be curtailed.

The period of office of the Non Teaching Staff Assessor runs from 1st August 2013 for a period of four years.

Further information about University Court and the role of the Non Teaching Staff Assessor is available from Dr Katherine Novosel, Head of Court Services (telephone: 0131 650 9143).

Statement of the Court's Primary Responsibilities

The authority and responsibilities of the University Court are derived largely from the statutes contained in the Universities (Scotland) Acts from 1858 to 1966 and in the Ordinances and Resolutions made there under. In addition the University Court has responsibilities within the terms and conditions of the Financial Memorandum agreed with the Scottish Funding Council.

The list of primary responsibilities given here derives from these sources and has been prepared with reference to the statements of the other ancient Scottish Universities.

Broadly the roles and responsibilities of Court are focused on strategy, taking the final decisions on matters of fundamental concern to the University and effective corporate governance. More specifically:

The Court's primary responsibilities are:

I. Strategic Direction

1. To determine the mission and vision of the University and its major priorities as expressed in strategic plans, long term academic and business plans.
2. To ensure that the mission and strategic vision of the University takes proper account of the interests of stakeholders, including students, staff, alumni, the wider community and funding bodies.
3. To approve financial, estates, and human resources strategies in support of institutional objectives and priorities.
4. To ensure strategies are in place to enhance the student experience.
5. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should where possible be benchmarked against other comparable Universities.
6. To promote and safeguard the reputation and values of the University.

II. Governance: responsibilities in relation to Management and Senate

1. To appoint the Principal as chief executive, including the terms and conditions of such an appointment, and to put in place suitable arrangements for monitoring his/her performance.
2. To delegate authority to the Principal {as chief executive} for the academic, corporate, financial, estate and HR Management of the University subject to reserving such matters to itself as the Court thinks appropriate.
3. To establish and keep under regular review the policies, procedures and limits within which such management functions shall be undertaken by and under the authority of the Principal.
4. To appoint a Secretary to the Court and to ensure that if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.

5. To review decisions made by the Senate as prescribed in statute.
6. To ensure that the Senate has processes in place for monitoring and reporting the quality of education provision and to monitor quality enhancement arrangements.

III. Governance: Exercise of Controls

1. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, arrangements for internal and external audit and regularly reviewed schedules of delegated authority.
2. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements and to have overall responsibility for the University's assets, property and estates.
3. To ensure that appropriate arrangements are in place for the management of health, safety and security in respect of students, staff and other persons affected by the University's operations.
4. To ensure that appropriate arrangements are in place for promoting equality of opportunity in respect of students, staff and other persons making use of University services or facilities.

IV. Governance: Corporate responsibilities

1. To be the University's legal authority and as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
2. To be the employing authority for all staff in the University and to ensure that obligations thereto are met including with regard to the welfare, development and reward of employees.
3. To put in place appropriate arrangements for determining and regular review of the performance, remuneration and conditions of service of senior staff.
4. To make provision for the general welfare of students, in consultation with the Senate and EUSA.
5. To act as trustee for, or make appropriate alternative arrangements for the trusteeship of, any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
6. To make appropriate arrangements compliant with relevant legislation for the trusteeship of any pensions scheme established by the Court for University employees and to employ the employer-nominated trustees.
7. To ensure that at all times it operates within the terms of the Universities (Scotland) Acts 1858-1966, Ordinances and Resolutions made under those

Acts and any other relevant legislation; and that appropriate advice is available to enable this to happen.

8. To ensure that the University acts ethically, responsibly and with respect for society at large and the sustainability of the environment.

V. Effectiveness and transparency

1. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
2. To ensure that procedures are in place in the University for handling internal grievances, conflicts of interest and public interest disclosure.
3. To put in place arrangements for the appointment of co-opted members of the Court so as to maintain a broad balance of expertise taking account of the principles of equal opportunity.
4. To establish processes to monitor and evaluate the performance and effectiveness of the Court itself and that of its Committees.

Approved by Court on 21 June 2010

The University of Edinburgh

The University Court

10 December 2012

The University of Edinburgh Cross and Salmon Trust– Resignation of Trustee and Appointment of Trustee

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

Resignation of one Trustee, appointment of a new Trustee to the University of Edinburgh Cross & Salmon Trust (‘The Trust’)

Action requested

Court is invited to note the resignation of Mr Jon Gorringe as a Trustee of the Trust and to approve the appointment of Mr Philip Gerard McNaull, Director of Finance, as required under the terms of the Trust Deed.

Resource implications

Does the paper have resource implications? No

Risk Assessment

Does the paper include a risk analysis? 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

Morag Murison
Legacy Manager
30 November 2012

The University of Edinburgh Cross & Salmon Trust (The Trust)- Resignation and Appointment of Trustees

Background

The Trust Deed dated 2 December 1997 provided that the number of Trustees shall not be less than five and, save for the Principal of The University of Edinburgh who is Trustee ex officio, every Trustee shall be entitled to hold office for five years from the date of their appointment. Considering that the said Jon Gorringe appointed by Deed of Assumption registered in the books of Council and Session 28 January 2009, has intimated his wish to resign his Trusteeship as of 31 August 2012 on leaving the University. Therefore, the Principal, along with Dr. Michael Cross, Janet Salmon, Senior Vice-Principal Professor Mary Bownes and Iain Fleming as the continuing Trustees of the Trust having the power to appoint new trustees, hereby seek the approval of the University Court to appoint the undernoted new trustee ('Appointment').

Appointment

Philip Gerard McNaull, Director of Finance of the University of Edinburgh should be appointed as new Trustee of the Trust, having the relevant interest and experience to be a Trustee.

Conclusion

University Court is therefore recommended to accept and note the resignation of Jon Gorringe as Trustee; the appointment of Philip Gerard McNaull as new Trustee with immediate effect.

DEED OF ASSUMPTION

by

**PROFESSOR SIR TIMOTHY MICHAEL MARTIN O'SHEA
DOCTOR MICHAEL CROSS, JANET SALMON and
VICE PRINCIPAL MARY BOWNES and IAIN FLEMING RIDDLE**

in favour of

PHILIP GERARD McNAULL

incorporating Resignation by

JON GORRINGE

2012

**Subjects: The University of Edinburgh
Cross and Salmon Trust**

**LINDSAYS
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE**

Tel: 0131 229 1212

Fax: 0131 229 5611

Ref: RGS/ED/390/1259

www.lindsays.co.uk

WE, PROFESSOR SIR TIMOTHY MICHAEL MARTIN O'SHEA, Principal and Vice Chancellor of the University of Edinburgh, Old College, South Bridge, Edinburgh EH8 9YL, DOCTOR MICHAEL CROSS and JANET SALMON, both of Thirty eight Lancaster Park, Richmond, Surrey, JON GORRINGE, formerly Director of Finance of the University of Edinburgh, who left the University with effect from Thirtieth August Two thousand and Twelve, MARY BOWNES, Vice Principal, External Engagement, of the University of Edinburgh and IAIN FLEMING RIDDLE, Chartered Engineer, Thirteen/Five Cornwall Street, Edinburgh EH1 2EQ, the Trustees now acting under the terms of a Trust Deed dated Second December Nineteen hundred and Ninety seven and registered in the Books of Council and Session on Fifteenth March Nineteen hundred and Ninety nine by the said Doctor Michael Cross and Janet Salmon as Settlers of the One Part and the Settlers and Professor Sir Stewart Ross Sutherland, then Principal and Vice Chancellor, George Ogilvie Sutherland, then Director of Finance and Professor Colin Roy Bell, then Vice Principal, all of the University of Edinburgh of the Other Part (the "Trust Deed") CONSIDERING THAT the Trust Deed provides that the number of Trustees shall be not less than five, that save for the Principal of the University of Edinburgh as Trustee ex officio, every Trustee shall be entitled to hold office for five years from the date of their appointment and that at least two of the Trustees should normally be staff of the University of Edinburgh, normally the Director of Finance and the Vice Principal for the time being responsible for student affairs, FURTHER CONSIDERING THAT the said Jon Gorringe has intimated his wish to resign his Trusteeship on leaving the University, FURTHER CONSIDERING THAT it would be appropriate to appoint his successor as Director of Finance of the University of Edinburgh, PHILIP GERARD McNAULL as a new Trustee, FURTHER CONSIDERING THAT the Trust Deed provides that the power of appointment of new Trustees is vested in the continuing Trustees, including the said Jon Gorringe for the sole purpose of properly vesting the Trust Fund in the continuing and new Trustees, subject to approval by the University Court of the University of Edinburgh, NOW THEREFORE we all as Trustees foresaid, with the approval of the University Court of the University of Edinburgh as evidenced by their execution of these presents DO HEREBY DISPONE and convey to me the said Timothy Michael Martin O'Shea as Principal and Vice Chancellor of the University of Edinburgh and my successors as holders of that office as Trustee ex officio, to us the said Michael Cross, Janet Salmon, Vice Principal, PROFESSOR MARY BOWNES and IAIN FLEMING RIDDLE and to the said Philip Gerard McNaull, all as Trustees in terms of the said Trust Deed, All and Sundry the whole Trust Estate and effects, heritable and moveable, real and personal of every description and wherever situated at present belonging to us or under our control as Trustees under the Trust Deed; And I the said Jon Gorringe hereby resign office as Trustee under the Trust Deed and I the said Philip Gerard McNaull hereby accept office as Trustee under the Trust Deed for a period of five years from the date of registration of these presents in the Books of Council and Session; and we

accept intimation of the resignation of Jon Gorrige as a Trustee under the Trust Deed: IN WITNESS WHEREOF these presents are subscribed by the parties hereto as follows:-

.....
Professor Sir Timothy Michael Martin O'Shea

Witness Signature:

Witness Name:

Address:

Date:

.....

Place:

.....

.....
Doctor Michael Cross

Witness Signature:

Witness Name:

Address:

Date:

.....

Place:

.....

.....
Janet Salmon

Witness Signature:

Witness Name:

Address:

Date:

.....

Place:

.....

.....
Jon Gorringe

Witness Signature:

Witness Name:

Address:

Date:

.....

Place:

.....

.....
Professor Mary Bownes

Witness Signature:

Witness Name:

Address:

Date:

.....

Place:

.....

.....
Philip Gerard McNaull

Witness Signature:

Witness Name:

Address:

Date:

.....

Place:

.....

.....
Iain Fleming Riddle

Witness Signature:

Witness Name:

Address:

Date:

.....

Place:

.....

..... Member of the University Court

..... Member of the University

SEAL

The University of Edinburgh

University Court

10 December 2012

D2

Donations and Legacies to be notified

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

A report on legacies and donations received by the University of Edinburgh Development Trust from 19 October 2012 to 28 November 2012, prepared for the Meeting of Court on 10 December 2012.

Action requested

For information

Resource implications

None

Risk Assessment

n/a

Originator of the paper

Ms Kirsty MacDonald
Director of Development & Alumni Engagement / Secretary, University of Edinburgh Development Trust

Freedom of information

Can this paper be included in open business?

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