



Reputation risk in relation to senior staff appointments

Outcome requested:	Audit and Risk Committee is asked to note this update on action taken to strengthen reputation risk management in relation to senior staff appointments.
Executive Summary:	At the beginning of this academic year the Remuneration Committee highlighted to Council a risk management issue in relation to potential reputational harm arising from senior staff appointments. The Remuneration Committee has subsequently approved changes to the business case template and process for senior staff appointments that significantly strengthen the controls in relation to potential reputational harm.
Alignment with QMUL Strategy	Building the University's academic reputation.
Internal/External regulatory/statutory reference points:	Higher Education Senior Staff Remuneration Code
Strategic Risks:	Reputation
Equality Impact Assessment:	Not required
Subject to Prior and Onward Consideration by:	Audit and Risk Committee only
Confidential paper under FOIA/DPA:	No
Timing:	One-off report in response to a question raised in a Committee meeting.
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SET Sponsor(s):	Jonathan Morgan, Chief Governance Officer and University Secretary

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1. At the beginning of this academic year the Remuneration Committee highlighted to Council a risk management issue in relation to potential reputational harm arising from senior staff appointments. This was triggered by a proposal to appoint a male academic who had been disciplined and attracted media interest in the past for inappropriate conduct towards a female colleague. The business case that was presented to the Committee did not demonstrate that the reputational risks had been considered and signed off at an appropriate level within the executive.
2. The Remuneration Committee has subsequently approved changes to the business case template and process for senior staff appointments that significantly strengthen the controls in relation to potential reputational harm. Existing aspects of the recruitment and selection process (such as stakeholder involvement and taking references across three or more years) also help to provide wider assurance.
 - [a] In order to present a business case to the Remuneration Committee, the Senior Executive Team member who is responsible for the appointment must demonstrate that reputational risks have been considered and signed off at an appropriate level. Risks potentially affecting the University as a whole are signed off by the President and Principal, who may consult the Senior Executive Team.
 - [b] In addition, a business case will not be considered by the Remuneration Committee until the Director of Human resources confirms that it contains relevant and accurate external benchmark data to put the proposed salary in context as well as an analysis of internal salary relativities as part of an equality impact assessment.
 - [c] The business case template requires the proposer to explain the contribution and wider benefits that are expected from the appointment from a value for money perspective.
 - [d] The Remuneration Committee directly considers and approves the terms and conditions of senior staff appointments, including potential risk mitigations such as probationary periods and length of contract.
3. The purpose of this paper is to update the Audit and Risk Committee on the action that has been taken. Two entries in the strategic risk register are relevant here.
4. Risk Area 13 (improved reputation) is defined as failure to improve the reputation of the University to be at least aligned with the quality of its provision, caused by failure to take a strategic approach to, and invest time and resource in, promoting the University appropriately, leading to difficulties attracting quality staff, students, grants and partnerships and falling league table position. The VP (Policy and Strategic Partnerships), Dr Philippa Lloyd, oversees strategy for improving Queen Mary's reputation and leads a cross-faculty strategic group for this purpose.
5. In relation to managing issues that could harm our reputation, we have set up a compliance executive, referenced in the risk register:
 - v. In relation to managing issues that could harm our reputation, we now have in place a compliance executive [A, Q4 2021].

This looks at business continuity risks with the potential to harm the University's reputation. Its objectives are proactively to monitor future risks to Queen Mary and to ensure that appropriate contingency measures are developed and put in place. Whilst the recent main

focus has been on physical and digital risks, the terms of reference are currently being reviewed and the reference to reputation management will be strengthened.

6. Risk area 16.vii (OfS compliance) is defined as failure to comply with the ongoing conditions of registration with the OfS, caused by a failure to agree an Access and Participation Plan and adapt governance and reporting mechanisms to emerging requirements, leading to limits placed on tuition fees and borrowing and potential loss of the authority to operate as a higher education provider. One of the controls reflects our ongoing commitment to comply with the Higher Education Code of Governance.
 - v. The CUC has revised the Higher Education Code of Governance and a process is under way to reassess our governance processes and arrangements against this [B, Q3 2021].
7. The CUC revised the Higher Education Code of Governance at the beginning of 2020–21. Governance Committee will be recommending a number of relatively minor actions to secure compliance going forward, but none of these relate to senior staff appointments and remuneration. Advance HE has also recently completed a review of the Higher Education Senior Staff Remuneration Code on behalf of the CUC which will be considered by Remuneration Committee in June 2021 as part of its annual review of effectiveness. The last external review of Council and Committee effectiveness in 2019 confirmed that the University was complying with the Higher Education Code of Governance and the Higher Education Senior Staff Remuneration Code.
8. The Audit and Risk Committee is asked to note this update.