Queen Mary
University of London

Strategic Risk: Bi-annual report to Council

Outcome requested:	Audit and Risk Committee is asked to **approve** the biannual report to Council on the College's strategic risk management framework.
Executive Summary:	This is the bi-annual report to Council on the Strategic Risk Register, which has been updated by the Strategic Risk Management Group at its meeting on 22 July 2014.
Strategy 2014 - the Next Five Years:	The Strategic Risk Register is aligned to all areas of the Strategy.
Internal/External regulatory/statutory reference points:	It is a HEFCE requirement for QMUL to maintain a Strategic Risk Register.
Strategic Risks:	The Strategic Risk Register incorporates all strategic risks.
Equality Impact Assessment:	Not required.
Subject to prior and onward consideration by:	The report is subject to prior consideration by QMSE and will be submitted to Council after it has been approved by Audit and Risk Committee.
Confidential paper under FOIA/DPA	No
Timing:	QMSE — 19 August 2014 Audit and Risk Committee — 10 September 2014 Council — 28 October 2014
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Date:	14 August 2014
Senior Management/External Sponsor	Professor Susan Dilly, Vice-Principal (Teaching & Learning)

Overview of 'deep dive' risk reports made to the Audit and Risk Committee

1. Since February 2014 the Audit and Risk Committee has received two 'deep dive' reports: Public Engagement at QMUL and Subsidiary Organisations (February 2014); and Estates and Facilities (June 2014). Reports scheduled for 2014-15 cover:
    *   Health and Safety;
    *   Research/Research Funding;
    *   Teaching and Learning/Academic Standards;
    *   International Partnerships.

Key points from the Public Engagement 'deep dive'

2. The Vice-Principal for Public Engagement and Student Enterprise was a new position created in January 2012, followed by the launch of the Centre for Public Engagement (CPE) in September 2012.

3. QMUL's Public Engagement activity follows an academically-led model, whereby the directorate supports academics to identify and develop their own ideas for Public Engagement initiatives. The directorate assists academics by co-ordinating activities within their faculties and joining them up with College-level activity.

4. Public Engagement at QMUL is focused in three areas:
    *   Public Engagement with Research;
    *   Community Engagement;
    *   Public Engagement Project Sustainability.

The main risks for these areas were outlined as follows:

Area	Main Risk areas		
Public Engagement with Research	Impact and reporting	Grant income	Reputation
Community Engagement	Partnerships and expectations	Resourcing	Reputation
Public Engagement Project Sustainability	Relationship with QMUL	Sustainability	Reputation
Main risk	**Governance and reporting**	**Funding**	**Reputation**

5. The proposed mitigation strategies focussed on:
    *   Data and reporting;
    *   Growing and improving external body relationships;
    *   Sustainability;
    *   Growing and improving local community relationships;

- Public Engagement spin-out governance and support;
- Targeted training and support for staff to mitigate risks of reputational damage through Public Engagement.

6. The team was working with the Principal's office to ensure that public engagement activity at QMUL and its subsidiaries would be reflected in the development of the new Strategic Risk Register.

Key points from the Estates and Facilities 'deep dive'

7. Since the appointment of the new Director in late 2012, the directorate has undergone significant change to ensure effective management of the estate and associated services. This has included the establishment of a robust management and governance structure.

8. The Estates and Facilities directorate maintains strategic, operational and capital project risk registers, which are reviewed on a regular basis by nominated risk owners within the directorate.

9. Risks identified to the delivery of the Estates and Facilities strategy and objectives were grouped under the following headings:
    - Statutory and legislative compliance;
    - Property and asset management;
    - Funding (capital and revenue);
    - Student experience through functional and effective space and facilities;
    - Staff (attraction and retention of the best resources);
    - Commercial income;
    - Environment and sustainability.

10. The primary risk being managed by the Directorate was the long-term maintenance (LTM) backlog liability of £112m (as of July 2013), based on a 10-year LTM programme 2011-21 and concerning both the residential and non-residential estate. The sum of backlog maintenance would continue to increase if a sufficient level of investment was not made.

11. The directorate was working on a revised 5-year capital plan which would include a level of LTM works to the value of £40m. Subject to approval, the intended outcome is to reduce the level of backlog maintenance to a more manageable level.

12. The risk of failing to achieve carbon reduction targets (35% by 2020) was also a key concern for the directorate, but the target was still considered to be valid.

13. It was emphasised that insufficient investment in the estates infrastructure on an ongoing basis will continue to impact upon the student experience, QMUL's carbon reduction targets and the university's ability to attract and maintain high levels of commercial income from exploitation of the estate.

14. The Director of Estates and Facilities is leading a review of the Estates Strategy to include the LTM, carbon and commercial programmes which will form part of the future proposals for QMUL.

New Strategic Risk Register

15.	The last bi-annual report to Council in February 2014 reported the ongoing development of the new Strategic Risk Register.

16.	A Strategic Risk Task and Finish Group was established in November 2013 in response to the findings of a KPMG internal audit into risk management. The audit found that the number of risks being managed in the over-arching QMUL Strategic Risk Register was too high (41) and should be reduced to around 20.

17.	The Group considered risks which were 'cross cutting' through the strategic aims and those that fell outside of the strategy, such as governance, business continuity and data security.

18.	Additional input regarding the development of the new register was sought from the Faculty Deans for Taught Programmes, Cross-Cutting VP's and the Strategic Risk Management Group (SRMG).

19.	Members of Council were given an opportunity to feed into the development of the register to ensure their main areas of concern were accounted for.

20.	With guidance from the Audit and Risk Committee, a new format for the register has been adopted.

21.	The new Strategic Risk Register is designed to support the achievement of the new Strategic Plan, by focusing on the risks faced by QMUL in delivering the plan. The register now contains 15 risk areas, grouped under headings of the QMUL strategic aims and additional risks.

22.	Council endorsed the new Strategic Risk Register on 8 July 2014.

Future Developments

23.	The Strategic Planning Office (SPO) will work with Schools/Institutes, Faculties and Professional Services (SIFP) to update their registers to reflect the content and format of the new Strategic Risk Register.

24.	The Strategic Risk Register shows high-level broad risk areas, so risks at SIFP level can feed up into these overall risk areas. The intention is that the detail will be held on SIFP registers, while at the strategic level a smaller risk set will be maintained. All SIFP registers will be in the same format as the Strategic Risk Register.

25.	QMUL level strategies owned by Cross-Cutting VPs, for example SETLA and Research, will also be required to create risk registers in the same format as SIFP and be monitored by a relevant Advisory Group. This will ensure risk is embedded across all areas of QMUL.

Risk Register online application and the Planning & Accountability Review

26.   The online risk register application, developed last year for the Strategic and SIFP risk registers is currently being updated by IT Development Services. The online application will reflect the changes to the format and content of the Strategic Risk Register and accommodate the new SIFP risk registers.

27.   As part of the update to the online risk register application, SPO will be conducting training sessions in autumn 2014 for those responsible for risk.

28.   The updated application will be made available to all risk register owners to allow individuals to develop and update their registers during the Planning and Accountability Review taking place in autumn 2014.

Risk Log

29.   The tables below are derived from the new Strategic Risk Register, to identify to Council where exposure to risk has changed between the SRMG meetings of 29 April 2014 and 22 July 2014.

Increases in risk:

Risk 14 - Failure to develop and implement strategic development projects in support of the College's overarching Strategic Plan	Current control likelihood increased from 1 to 2; this was considered a more appropriate figure in view of the Life Sciences project.

Reductions in risk:

Risk 11 - Sustainable income streams for activities	Current control likelihood reduced from 4 to 3: • Student application numbers are buoyant • Better financial controls in place • 3 year forecast shows an increasing surplus.

Outcome requested

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