

## UNIVERSITY COURT

29 – 30 November 2018, Ross Priory, Gartocharn

### BUSINESS SESSION AGENDA

Thursday 29 November 2018, 10.30 – 13.00

**Apologies:** Marion Venman, Councillor David McDonald, Brenda Wyllie, Malcolm Roughead

**Declarations of interest:** None noted

Introduction		
1.	<b>Minutes of the meeting held on 4 October 2018</b>	<b>Paper A</b>
2.	<b>Matters arising</b>	<i>5 mins</i>
3.	<b>Principal's Report</b> <i>Principal</i>	<b>Oral</b> <i>15 mins</i>
4.	<b>Health, Safety &amp; Wellbeing Moment</b> <i>University Secretary</i>	<b>Oral</b> <i>10 mins</i>
Substantive items		
5.	<b>Strathclyde Global Talent Programme</b> <i>Director of Human Resources</i>	<b>Oral</b> <i>10 mins</i>
6.	<b>Financial Statements 2017/18</b> <i>Acting Chief Financial Officer, Deputy Finance Director</i>	<b>Paper B</b> <i>20 mins</i>
7.	<b>Q1 Business Report 2018/19</b> <i>Acting Chief Financial Officer, Director of Strategy &amp; Policy</i>	<b>Paper C</b> <i>20 mins</i>
8.	<b>Strategic Plan 2015-2020: year-end progress report 2017/18</b> <i>Director of Strategy &amp; Policy</i>	<b>Paper D</b> <i>10 mins</i>
9.	<b>Outcome Agreement 2017-2020: Draft Annex 2019/20</b> <i>Director of Strategy &amp; Policy</i>	<b>Paper E</b> <i>10 mins</i>
10.	<b>The UK's exit from the European Union</b> <i>University Secretary and Compliance Officer</i>	<b>Paper F</b> <i>10 mins</i>
11.	<b>Policy@Strathclyde</b> <i>Executive Deans of Humanities and Social Sciences and Strathclyde Business School</i>	<b>Oral</b> <i>10 mins</i>

Items for formal approval		5 mins
12.	Convener's Actions – <i>none taken.</i>	
13.	Corporate Risk Register	Paper G
14.	Annual Statement on Research Integrity	Paper H
15.	Governance Act 2016: Implementation update	Paper I
Items for information		5 mins
16.	Prevent Strategy – Annual Report and update	Paper J
Committee reports <i>(for noting, unless otherwise stated)</i>		5 mins
17.	Senate	Paper K
18.	Executive Team	Paper L
19.	Court Business Group	Paper M
20.	Court Membership Group	Paper N
21.	Audit and Risk Committee <i>(including Annual Report to Court)</i>	Paper O
22.	Enterprise & Investment Committee	Paper P
23.	Staff Committee	Paper Q
24.	Estates Committee	Paper R
Closing remarks		5 mins
25.	Any other business <i>Convener</i>	
	<b>Date of next meeting</b> <i>Thursday 7 March 2019, 09.30-12.00</i>	

*Lunch: 13.00 – 14.00*

**MINUTES OF UNIVERSITY COURT**  
**4 October 2018**

- Present:** Dame Sue Bruce (Convener), Ronnie Cleland, Gillian Hastings, Dr Archie Bethel, Dr Jane Morgan, Alison Culpan, Susan Kelly, Kerry Alexander, Paula Galloway, Brenda Wyllie, Principal Professor Sir Jim McDonald, Vice-Principal Professor Scott MacGregor, Amanda Corrigan, Dr Kathy Hamilton, Dr Neil McGarvey, Dr Katharine Mitchell, Heather Stenhouse, Matt Crilly, Titi Farukuoye
- Attending:** Dr Veena O'Halloran, Hugh Darby (item 5), Adrian Gillespie (item 4), Professor David Hillier, Professor Iain Stewart, Professor Atilla Incecik, Professor Douglas Brodie, Professor Tim Bedford, Professor Sara Carter, Rona Smith (items 5 and 6), Sandra Heidinger, Chrissie Finnigan, Dan Wedgwood
- Apologies:** Dr Jeremy Beeton, Councillor David McDonald, Marion Venman, Malcolm Roughead, Gillian Pallis

**Welcome and apologies**

The Convener noted the apologies received and welcomed Court members and attendees to the meeting. The Convener warmly welcomed new members of University Court and acknowledged the new Strathclyde Sports Building as the venue for the meeting, noting that it had formally opened for the new academic year on 17 September 2018.

Paula Galloway declared a potential conflict of interest in relation to item 4 (National Manufacturing Institute of Scotland).

**1. Minutes**

Court **approved** the minutes of the meeting held on 20 June 2018.

**2. Matters arising**

There were no matters arising.

**3. Principal's Report**

The Principal informed members of key activities and developments since the June 2018 meeting.

Student Inauguration Events: All new undergraduate students had been invited to attend the Student Inauguration events to welcome them into the Strathclyde community. The events had been well attended and the students had received a welcome message from the Principal, along with their Faculty Dean and the President of the University of Strathclyde Students' Association (USSA).

Learning and Teaching Building: The contractual commitments related to the Learning and Teaching Building had been concluded following discussion and negotiations with Balfour Beatty. The building was scheduled to open in summer 2020.

Combined Heat and Power (CHP) District Energy Scheme: It was expected that the new CHP system would be fully commissioned by the end of November 2018 and would play an important role in reducing the University's carbon footprint.

Enhancement-led Institutional Review (ELIR): Members noted an update on the University's preparations for the next ELIR. As with the previous ELIR, Court Member input would be sought to assist with the review of the ELIR Reflective Analysis (RA). Interested members were invited to share their interest with either the Convener of Court or the Vice-Principal.

UK Government Engagement: The University had welcomed two key members of the UK Government to Strathclyde over the summer including the Chancellor of the Exchequer, The Rt Hon Philip Hammond MP, who had visited the Technology and Innovation Centre to announce a multi-million pounds investment in Quantum technology and 5G research. The University had also welcomed the Minister of State for Universities, Science, Research and Innovation, Sam Gyimah MP as part of his tour of UK Universities.

The UK's exit from the EU: The Principal highlighted that the University continues to monitor on-going developments via the Strathclyde EU Exit Working & Advisory Group and to engage directly with the UK and Scottish Governments, as well as through Universities Scotland and Universities UK. The Principal and USCO outlined the importance of continuing regular contact with students, who may be studying in an EU Member State at the time of the planned UK's exit, to address any concerns or worries they may have and to provide support and assistance. Members noted that FAQs and briefings would be prepared for students and that the University would work with USSA and relevant colleagues to take this forward. A recent event on "The economics of Brexit and why Glasgow needs to prepare" had been held by the Fraser of Allander Institute. Members agreed that it would be helpful to circulate the presentation materials from this event to Court Members.

Conference of European Schools for Advanced Engineering Education and Research (CESAER): The Principal would shortly host the 2018 CESAER General Assembly in Bucharest, reviewing progress over the first 10 months of his Presidency. The University had also recently welcomed around 50 Rectors and Presidents of European Universities of Science and Technology for their annual Conference in late September, with Scottish Government Cabinet Secretary for Finance, Economy and Fair Work, Derek Mackay MSP, opening the conference in the Technology and Innovation Centre.

UKVI audit: A UKVI audit of Tiers 1 and 4 (students) had recently taken place and a report including any recommendations for action, would follow shortly. The experience had been structured and professional, with the visiting team having a strong understanding of higher education. The audit outcome was anticipated to be communicated to the University within the next month. The related UKVI staff audit had been postponed due to lack of availability of the relevant auditor and was expected to take place before the end of the year.

Universities Superannuation Scheme: The Principal provided an update on the first report of the Joint Expert Panel on the Universities Superannuation Scheme (USS) which had presented a retrospective review of the 2017 valuation, including an assessment of the methodology, assumptions and processes underpinning the valuation. The report had recommended:

- Retaining benefits at current levels except for the removal of the '1% match' (whereby members have the option to make an additional contribution to the USS Investment Builder of at least 1%, and the employer also makes a 1% additional contribution);
- Increasing employee contributions to 9.1% (currently 8%); and
- Increasing employer contributions to 20.1% (currently 18%).

These recommendations had been welcomed by the University, noting that they aligned with points stressed in employer consultations about USS. The formal consultation on proposed changes to future pension contribution rates remained open until 30 October – a draft response was being prepared and would be shared with Court Business Group Members prior to submission.

Pay negotiations and potential industrial action: Members noted that Universities and College Union (UCU) members would be balloted, until 19 October, for strike action following on from the national pay negotiations. UNISON members were being balloted separately. The University was considering the potential adverse impact of any subsequent strike action on the student experience and taking steps to mitigate any negative impact and minimise disruption.

University investment funds: The University, as part of its corporate social responsibilities and commitment to being socially progressive, would work with its investment managers to adopt a sustainable investment approach. This would seek to invest only in companies that positively managed the material impacts of their operations and products on the environment and society, were aligned with the UN Global Compact Principles and operated to appropriate environmental, social and governance principles.

Student and staff initiatives: Members noted an update on the allocation of salary costs retained during the recent Industrial Action, noting input provided by the USSA President. The Executive Team had decided that the salary costs associated with staff participating in the USS industrial action would be allocated to fund initiatives that support students and staff, to address disadvantage and create opportunities that do not already exist, in line with our socially progressive ethos.

Research Excellence Framework 2021: Members noted that preparations continued apace for the REF2021. An Institutional REF2021 Working Group (IRWG) had been set up to consider and provide strategic input and oversight.

Health, Safety and Wellbeing: The University Secretary and Compliance Officer (USCO) provided a summary of recent Health and Safety matters:

- The status of student and staff wellbeing as a University priority was outlined. It was noted that wellbeing would be a key focus of the new Sports Building.
- A case of meningitis had occurred on campus: the first year student was recovering well, the relevant protocol had been followed closely, and the risk was considered to have been minimised because of this careful management, with no other cases reported to date. Members noted that the professional and diligent approach, particularly of staff in SEES and Health, Safety and Wellbeing in handling the case, had been positively reported in the media.
- There had been concerns raised by USSA, Residences and Safety Staff about a perceived increase in substance abuse within the student residences. A zero-tolerance approach was being taken, with actions being taken, including raising awareness of the University's position on substance misuse through signage/posters.
- On Wednesday 10 October, the University would run an event as part of World Mental Health Day.
- Mental health support, including a focus on suicide prevention, continued to be a high priority area for students and the University would soon appoint a Mental Health Adviser with specialist expertise in this area.
- Alongside the Equally Safe Toolkit rollout across the sector, Universities Scotland had launched Gender Based Violence Cards which were in the process of being distributed across the University.
- USSA had taken steps to minimise the risk of drinks being spiked in the Student Union by making lids available for all drinks.

#### **4. National Manufacturing Institute for Scotland (NMIS): Update**

The Chief Commercial Officer (CCO) presented an update report on the final NMIS Business Case and reminded members that, on 20 June 2018, the University Court had considered and endorsed an outline business case for the National Manufacturing Institute for Scotland (NMIS). At that time, Court had agreed to delegate authority to Court Business Group (CBG) to approve the final business case, ahead of final consideration by Scottish Enterprise (SE). CBG approved the final business case on 12 September 2018 and the SE Board had granted conditional approval of the project on 25 September 2018.

Members noted that key changes since Court had considered the outline business case in June 2018, included an increase in the building costs. Members further noted that as not all of the available funding had been allocated in the outline business case, the increased costs would be fully affordable within the existing Scottish Government and UK HVM Catapult funding envelope. Additional funded elements that had contributed to increased forecast income included a programme for SME Engagement and costs for revenue generating temporary accommodation, prior to construction of the NMIS facility.

Members were advised that the risk register and an additional risk on political uncertainty linked to Brexit had been included. Risks associated with a potential future change in government had been mitigated, as

far as possible, by outlining in the agreement that any such risks would be shared proportionately by all partners.

Following discussion Court **homologated** Court Business Group's decision to approve the NMIS final business case.

## **5. Student Recruitment and fee income 2018/19**

The Director of Strategy and Policy and Acting Chief Financial Officer (CFO) provided Court with an update on the current position regarding undergraduate, taught postgraduate and research postgraduate student recruitment for 2018/19 and the evolving tuition fee income position.

Members noted that there had been increased demand across almost all groups and increasing competition across the sector for key groups. Against this backdrop, there had been continuing positive performance in widening access recruitment and the total combined Scottish Index of Multiple Deprivation (SIMD) 0-40 intake target for 2018-19 had again been achieved. Furthermore, the University's proportion of SIMD20 students was ahead of the Commission on Widening Access milestone for 2021. Positive progress had been made with regard to enhanced coordination between Faculties and Professional Services and Court Members noted the positive impact of this collaborative approach on the achievement of University targets.

Court noted that the final position on Rest of the UK (RUK) recruitment this year had been positive and that the University was close to target for recruitment of overseas undergraduates. The University was in a stronger position than last year for the Postgraduate Diploma in Education (PGDE) Secondary target, an area of ongoing sector-wide challenge in recruitment to particular subject areas. There had been progress with overseas postgraduate taught (PGT) recruitment, in particular. Furthermore, there had been evidence of improved conversion for postgraduate research (PGR) and recruitment was slightly ahead of the position at this point last year. It was noted that an updated picture would be presented to Court in November as part of the Q1 Business Reports.

Members considered a chart showing how tuition fee income was built up over the year and noted that for the financial year to date, cumulative gross tuition fee income was above that of the same point last year. Registrations were continuing and efforts would be made to ensure that all possible registrations would be completed by the end of October and, for courses starting later, during the remaining months of the financial year. An updated fees position would be reported to Court in November as part of the Q1 Business Reports.

## **6. Outcome Agreement 2017/18 self-evaluation and guidance for 2018/19**

The Director of Strategy and Policy introduced the University's draft Outcome Agreement (OA) Self-evaluation Report (SER), for refinement prior to submission to the Scottish Funding Council (SFC) by 31 October. An update was also provided on the plans to begin preparation on the University's Outcome Agreement for 2019-20.

Members noted that in anticipation of receipt of the updated SFC OA guidance for 2019-2020, which was expected sometime in the autumn, work had been initiated to develop the outline OA SER for 2017-18. All figures presented in the report would be subject to finalisation and refinement, ensuring all elements of the guidance were addressed prior to submission.

Court **approved** the direction of travel in preparing the Outcome Agreement Self-evaluation Report and **delegated** authority for final sign off to the Principal prior to the submission deadline of 31 October.

## **7. National Student Survey 2018**

The Principal provided Court with an update on the National Student Survey (NSS) 2018 institutional performance and outlined that the University's scores had been disappointing.

The Executive Deans each provided an update on activity underway in their respective Faculties to address areas of concern at School and Departmental level. Each Dean had formulated an 'NSS: Dean's

Implementation Plan' and progress updates against actions outlined in those plans would be reported to the University Senate. Members noted the positive relationship between the University and USSA and that the NSS would be a priority for the new Student Experience Committee, which would be chaired by the USSA President. .

The Principal reiterated the Executive Team's view and expectation that the trajectory of recent years needed to be reversed and stressed the importance of Faculty leadership in delivering an improved future position.

## **8. Court Strategy Session 2018 – initial planning**

The Principal updated Court on the proposals for the format and structure of Court's November Strategy Session. A draft agenda would shortly be shared with the Convener of Court for her input.

The broad format proposed for the Strategy session was as follows:

- Principal's presentation of performance over the past year and 'horizons' viewpoint to 2025;
- Executive Deans and Professional Service Leads presentation on their 2025 vision;;
- Breakout sessions covering the five University Strategic Pillars, each led by a Senior Officer and a Court Member;
- Plenary session with feedback from the Senior Officer and Court leads.

The proposals were welcomed by Court members.

### **Items for formal approval**

## **9. Proposal for the award of an Honorary Fellowship**

The Principal introduced the proposal to nominate Sir William Lithgow, first Honorary President of the University of Strathclyde Students' Association and former member of the University Court (1963-69), for the award of Fellowship of the University, a gift of Court.

Court **approved** the nomination of Sir William Lithgow for the award of Fellowship of the University.

*[\*Committee Manager's Note – Sir William Lithgow accepted Court's invitation and will receive his Honorary Fellowship at the 5 November Graduation Ceremony.]*

## **10. Changes to University Ordinances and Regulations**

The USCO briefly introduced this paper and outlined that it is a requirement of the Scottish Code of Good Higher Education Governance (2017) that Court members serving on standing committees of Court (with the exception of Audit Committee) are chosen solely for their skills and experience and not by their category of membership. The composition of Court's standing committees had therefore been reviewed to ensure compliance with the Code.

Court **approved** the required amendments to the constitutional regulations in order to comply with the Code.

## **11. Annual review of key Court documentation 2018/19**

Court **approved** the revised versions of key Court documentation:

- a) Court's Statement of Primary Responsibilities
- b) Court Handbook 2018/19
- c) Court Standing Orders 2018/19

## **12. Report for Scottish Funding Council: internal review of quality**

Court **approved** the University's annual report to the SFC on institution-led review and enhancement activities 2017/18.

## **Items for information**

### **13. Court Members' Survey 2018**

Court **noted** the summary feedback from the annual survey of members.

### **14. Complaints Handling Annual Report 2017/18**

Court **noted** the Complaints Handling report for 2017/18.

## **Committee Reports**

Court received and **noted** the following committee reports:

### **15. Senate**

### **16. Executive Team**

### **17. Court Business Group**

### **18. Court Membership Group**

Court **approved** the following two items:

- Review of Statute 2.5.8 to allow greater flexibility in future lay member appointments and reappointments; and
- Reappointment of Ronnie Cleland for a final three-year term as a lay member of Court from 1 August 2019, following the end of his current term of office as Vice-Convener.

### **19. Audit & Risk Committee**

Court **approved** the appointment of Ernst & Young LLP as External Auditor to be extended by one year to cover the audit of the Financial Statements for 2018/19.

### **20. Enterprise & Investment Committee**

### **21. Staff Committee**

### **22. AOB**

In relation to the Learning and Teaching Building, Court noted that Balfour Beatty were now in possession of the Colville and Architecture buildings and that work had commenced.

## **Date of next meeting**

Court Residential: Thursday 29 & Friday 30 November 2018, Ross Priory

**Financial Statements 2017/18  
[RESERVED ITEM]**

**The University's published 2017/18  
Financial Statements are available [here](#).**

**Q1 Business Report 2018/19**  
**[RESERVED ITEM]**

## Strategic Plan 2015-2020 – Year 4 Progress Report

### Introduction

1. Following publication of the University's [Strategic Plan 2015-2020](#) in August 2015, relevant targets were disaggregated to Faculty and, in some cases, Department/School. The approach of setting disaggregated targets and keeping the number of KPIs tight at 16 has given us a focused framework for determining progress against the University's Strategy, and has provided a robust basis for Faculty and Departmental/School annual planning and performance assessment.
2. To raise awareness of, and enhance Court's ability to respond to any issues with performance in-year, we have provided Court with twice annual reports on progress, as follows:
  - a) Actual performance for the preceding year in October/November
  - b) Mid-year forecast performance for the current year in February/March
3. The KPIs in the Strategic Plan 2015-2020 mainly use 2013-14 data as their baseline and this Year 4 Progress Report is intended to:
  - a) Provide Court with a clear and succinct report on progress, achieved in 2017-18, against the University's agreed 16 KPIs as outlined in the Strategic Plan;
  - b) Inform the University's annual planning round discussions with Faculties and Professional Services;
  - c) Provide a basis for the early development of KPI targets for the period beyond the current Strategic Plan – towards Strathclyde 2025.
4. A mid-year report on progress achieved in 2018-19 will be provided to Court in March 2019.
5. For KPIs that are flagged red/amber, further detail and context in relation to the 2017-18 actual has been provided in the commentary box. In line with reporting to date, context has been kept to a minimum for KPIs that are flagged green, other than where there has been a significant year-on-year change in performance.

### Performance to date/forecast

6. Regular reporting of progress towards Strategic Plan targets uses a simple traffic light flagging system to summarise performance for each measure against the relevant annual milestone. The charts and tables per KPI in Appendix 1 summarise the flags assigned to date and set out, for each KPI, a Status for Year 4 (2017-18), with associated commentary and, where possible, prognosis by the end of the Strategic Plan period.
7. In November 2018, marking the end of Year 4 of the Strategic Plan, we are reporting, using Year 4 actuals, as follows:
  - **12 KPIs 'on track'** or ahead of milestone – green flag
  - **2 KPIs as 'further work required'** or behind milestone – red flag (KPI3 NSS; and KPI8 PGR population)
  - **1 KPI as 'further work required' or behind milestone, despite progress** – amber flag (KPI 4 graduate destinations)
  - **1 KPI as 'unable to report'** (KPI15 cash generation – baseline is 2017-18)

8. For background, Court may wish to note that:

In November 2017 we reported, using Year 3 actuals, as follows:

- **10 KPIs 'on track'** or ahead of milestone – green flag
- **1 KPI as 'further work required'** or behind milestone – red flag (KPI3 NSS)
- **4 KPIs as 'further work required' or behind milestone, despite progress** – amber flag (KPI 8 PGR population; KPI9 income from licensing, spin-outs, CPD & consultancy; KPI10 Industrial research income; and KPI12 Diversity of non-EU student population)
- **1 KPI as 'new: unable to report'** (KPI15 cash generation)

In February 2018 we reported, using Year 4 forecasts/actuals, as follows:



- **10 KPIs 'on track'** or ahead of milestone – green flag
- **3 KPIs as 'further work required' or behind milestone** – red flag (KPI8 PGR population; KPI10 industry research income; and KPI16 carbon emissions)
- **2 KPIs as 'data available summer 2018'** (KPI3 NSS, KPI4 graduate destinations)
- **1 KPI as 'new: unable to report'** (KPI15 cash generation)

### **Action Requested**

9. Court are invited to **discuss** the Strategic Plan Year 4 2017-18 KPIs Progress Report.

KPI	Description	Organisation	Baseline Actual (2013-14)	Year 1 Actual (2014-15)	Year 2 Actual (2015-16)	Year 3 Actual (2016-17)	Year 4 Actual (2017-18)	Year 4 Milestone (2017-18)	Status Nov 18 Year 4	Commentary - November 2018 Year 4
1	Increase the number of Scottish-domiciled undergraduate entrants from SIMD0-40 areas to 1,000 by 2020	University Total	840	917	985	982	1083	947		On track. Early figures indicate this target has been exceeded for 2018-19 entry despite a downturn in demand.
2	Undergraduate retention from Year 1 to Year 2 (maintain range within 90-93%)	University Total	92.6%	92.2%	91.2%	91.4%	92.4%	90-93% (annually)		On track. Although our overall figures have increased, year to year fluctuation is to be expected for this indicator, with additional variation for sub-groups with smaller populations.
3	Achieve 90% Student satisfaction (overall) as measured by the National Student Survey	University Total	89%	87%	87%	87%	84%	90% or higher (annually)		Further work required. Following a decrease in our student satisfaction score in 2018 and widening gap to the upper quartile sector score, Executive Deans are leading Faculty implementation plans supporting ownership, engagement, and intervention on areas for improvement across Schools and Departments. This is supplementary to the existing Institutional NSS Improvement Framework, which will continue to support sharing of effective practice, monitoring and review at an institutional level, supported by Education Strategy Committee, in partnership with the student community.
4	Meet or exceed proportion of graduates in work or further study relative to our benchmark	University Total	93.8% (HESA benchmark of 94%)	91.3% (HESA benchmark of 94.5%)	96.2% (HESA benchmark of 95.0%)	95.8% (HESA benchmark of 94.9%)	94% (HESA benchmark of 94.9%)	Meet or exceed HESA benchmark		Further work required. Our Employment Performance Indicator (EPI) for UK First Degree Full Time outcomes is 94.0%, (against 95.8% in 2017) from the HESA Destinations of Leavers of Higher Education Survey (DLHE). The HESA benchmark figure has remained the same at 94.9%; although we are just below this benchmark, the EPI figure does not statistically significantly differ from the benchmark. The EPI is the sum of those in any employment or any further study at the census date, divided by those in any work, study and seeking employment. It does not take into account the level of employment. HESA also provide a figure for Highly Skilled or Further Study outcomes: for 2018 this is 79.1% against 79.2% in 2017. Please note these figures pertain to the reporting year, of graduates from the previous academic session (e.g. outcomes for 2016/17 are reported in 2018). This is the last year of the DLHE Survey; this it to be replaced by the 'Graduate Outcomes' survey, the first data from this survey will be published by HESA in Spring 2020. Outcomes from the DLHE survey are reviewed by the Surveys & Metrics Working Group, with actions taken forward by Faculties, supported by Professional Services. The Education Strategy Committee is overseeing a review of the University employability strategy led by Professor Sara Carter. A review of work based learning opportunities, internships and placements (full-time and part-time) and our wider support for employability will be fundamental to enhancing this strategy. It will report to Senate through Education Strategy Committee during the 2018-19 session.
5	Increase the PGT population to 3,100 by 2020	University Total	2,334	2,720	2,953	3,230	3,502	2,845		On track. We have exceeded the 2020 target for the second consecutive year. Recruitment continues to be strong, and, following the introduction of loans for Home / EU students, demand has increased.
6	Increase total competitively won research income to £70M by 2020	University Total	£52.2M	£56.5M	£57.3M	£65.6M	£68.9M	£64.1M		On track. Research income is £3.3M higher than last year, and is also ahead of milestone for this year. The 2018-19 (Year 5) figure is currently forecast to surpass the final £70M target.
7	Field-Weighted Citation Impact: the number of citations our publications receive compared to the world average for comparable publications	University Total	1.39	1.42	1.61	1.99	1.77	1.46		On track. The continued above-target FWCI is again partly attributable to the outputs of the LIGO consortium - a scientific collaboration of international physics institutes and research groups dedicated to the search for gravitational waves - and their ongoing discoveries related to gravitational wave astronomy, which have unusually high FWCI. Strathclyde authors were named on 27 of these outputs in 2017. The University's FWCI score in 2017 without these outputs is 1.30.

KPI	Description	Organisation	Baseline Actual (2013-14)	Year 1 Actual (2014-15)	Year 2 Actual (2015-16)	Year 3 Actual (2016-17)	Year 4 Actual (2017-18)	Year 4 Milestone (2017-18)	Status Nov 18 Year 4	Commentary - November 2018 Year 4
8	Increase the total postgraduate research (PGR) population to 1,750 by 2020	University Total	1,133	1,218	1,403	1,430	1,409	1,524		Further work required. Due to lower than targeted recruitment in recent years, the PGR population is now lower than milestone in 2017-18. Achieving the 2020 target appears increasingly challenging, with intake numbers around 30% higher than previously targeted required. The Executive Team and Performance Development Groups have closely monitored progress and taken action, including the introduction of a cross-institution PGR fees only scholarship scheme which resulted in increased intakes during the 2017-18 session. Due to the way FTE value is calculated for in-year entrants, the impact of these additional students will be more visible in 2018-19.
9	Increase total income from licensing, gains on sales of spin out/spin off investments, CPD and consultancy to £30M by 2020	University Total	£20.0M	£21.7M	£23.4M	£23.4M	£27.2M	£25.7M		On track. This KPI uses a two year average figure and this year's figure is ahead of milestone, however it is worth noting that income during Year 4 strengthened to exceed the £30M target in this single year. This was driven by higher income in Knowledge Transfer Specific Grants, Non-core Tuition Fees, Continuing Professional Education and Consultancy.
10	Increase total value of industry research income to £18M by 2020	University Total	£10.72M	£10.73M	£11.84M	£11.85M	£15.86M	£15.4M		On track. This KPI is a subset of KPI6 and measures income via expenditure on awards, which usually takes place over multiple years. Profiling this spend for industry awards is less formulaic than for research funded through other sources. Our industry research income portfolio is made up of a range of elements including spend from Industrial Awards, Membership fee income, Knowledge Transfer Partnership (KTP) awards, and PGR Studentships (industry funded). In 2017-18 this KPI is ahead of Year 4 Milestone as a result of a combination of growth in our industrial awards book, industry-funded research activity and spend of membership fees. In terms of our trajectory for the 2020 target set, performance in 2017-18 suggests that achieving the targeted growth in reported income via expenditure is looking increasingly plausible whilst still challenging. In this context, it should be noted that during 2017-18 our recorded Awards Value for industry research was up £5.3M year-on-year at £12.8M, with new awards in the first quarter of the current year standing at £2.8M. Although these funds will be recognised in this KPI as they are spent over an average of three years, continued improved performance in awards value would indicate a strong possibility of achieving the 2020 target.
11	Increase number of non-EU students to 2,650 by 2020	University Total	2,032	2,256	2,437	2,578	2,620	2,444		On track. We have benefited from positive economic changes in Oman, Kuwait and Saudi, although recent economic and governmental changes in Malaysia (particularly the cessation of a key scholarship scheme) have caused a real decline in numbers enrolling from that market.
12	Diversity of non-EU student population (proportion from beyond the five most well-represented countries)	University Total	45.7%	48.1%	46.5%	46.3%	48.2%	Annual monitoring		On track. The top 5 countries are China, Malaysia, India, Saudi Arabia, and UAE. The University has moved to a more nuanced approach per Faculty for international recruitment. We have enrolled students from over 100 markets this year - the main volume of students are from around eight markets. Non-EU recruitment from China, India, Thailand and the UK On-Shore market continues to grow, and so the proportion of students from these nations is expected to increase. Additionally, newer markets expected to impact on the coming cycle include Mexico, Kazakhstan and Bangladesh.
13	Proportion of international academic professional staff	University Total	34.4%	35.0%	35.5%	35.8%	36.3%	Annual monitoring		On track.

KPI	Description	Organisation	Baseline Actual (2013-14)	Year 1 Actual (2014-15)	Year 2 Actual (2015-16)	Year 3 Actual (2016-17)	Year 4 Actual (2017-18)	Year 4 Milestone (2017-18)	Status Nov 18 Year 4	Commentary - November 2018 Year 4
<sup>14</sup>	Submit for the Athena SWAN Silver Institutional Award by 31 July 2020		Bronze Award Institutional Award renewed 2014	Two further bronze departmental awards achieved (total dept awards: 6).	Three further bronze and one silver renewal departmental awards achieved	Three bronze departmental awards were achieved during 2017 (total dept. awards 12).	<b>University-level Bronze award renewed (total dept. awards 12).</b>	Narrative		On track. In addition to the institution-level Bronze award renewal, a further Departmental bronze award was renewed. Three further applications have been submitted (1 renewal and 2 new applications) and we are awaiting the outcome of these.
<sup>15</sup>	Increase cash generated from operations by £3M per annum (baseline: 2017/18)		-	-	-	-	<b>£20.0M</b>	-	-	Baseline year. Changes to financial reporting introduced in 2015/16, following the implementation of Financial Reporting Standard 102 (FRS 102) and Statement of Recommended Practice (SORP 2015), have resulted in greater volatility in surpluses/deficits. As a result, the University, with Court approval, replaced this performance measure with a new measure that offers a clearer focus on financial sustainability. An increase in cash generated from operations of £3 million p.a. is targeted. 2017/18 is the baseline year for this refreshed KPI.
<sup>16</sup>	Reduce carbon emissions by 25% from a baseline of 30,000 tCO2e		29,313	29,722	28,323	25,363	<b>22,026</b>	33,898		On track. The 2020 target has been reached. Work to install a Combined Heat and Power District Energy Network began during 2017: the network is now in the commissioning stage. The first full year of savings will be 2019/20, and the network will be a key contributor to the University's carbon reduction strategy into the long-term.

**Outcome Agreement 2017-2020: Draft Annex 2019/20**  
**[RESERVED ITEM]**

**The UK's exit from the European Union  
[RESERVED ITEM]**

**Corporate Risk Register  
[RESERVED ITEM]**

# RESEARCH INTEGRITY STATEMENT 2017-2018

11/30/2017

## **Research Integrity Statement 2017/18**

**September 2018**

### **1. Introduction**

The University of Strathclyde is committed to excellence in research and fully supports the UUK Concordat to Support Research Integrity. Research integrity is an essential element of research excellence and Strathclyde expects its researchers, students and staff to act with integrity at all times. Striving for excellence entails a constant pursuit of improvement and as the research environment evolves, Strathclyde will make positive adjustments in its approach to integrity to ensure the highest standards are adhered to.

In the period 2017/2018, Strathclyde has sought to develop from the foundation work carried out in 2016/2017. The focus of this period has been to establish where improvement could be made and where advice and learning could be sought in order to inform future changes. To this end, this year Strathclyde became a member of UKRIO and activity in the coming period will include completion of the UKRIO assessment and discussions with UKRIO about areas of further improvement.

### **2. Leadership**

In recognition of the seriousness of its commitment to research integrity, the Associate Principal with responsibility for Research has designated responsibility for ensuring that the University responds to and upholds the Concordat. This responsibility extends to research and knowledge exchange policies, ethics, postgraduate research development and research governance. The Associate Principal is supported in this work by the Deputy Associate Principals with Research and Knowledge Exchange portfolios in addition to the following groups and committees:

- Research & Knowledge Exchange Committee (RKEC)
- University Ethics Committee (UEC)
- Animal Welfare Ethical Review Board (AWERB)
- Researcher Development Sub-Committee (Responsible to RKEC)

The committee structure enables cohesion and consistency of communication at a senior level across the faculties. This information is then communicated within the faculties via staff and student structures as follows:

- Responsibility for Research Integrity is distributed through the Academic Faculties via the Vice-Deans with responsibility for Research in each Faculty who represent their Faculty on RKEC. Agreement made at committee level is disseminated via faculty, departmental and school management structures.
- Student representatives participate in The Researcher Development Sub-Committee to ensure involvement in decision-making and communication of information into the wider student community. Expectations, information and guidance are also delivered to research students via their supervisors and postgraduate administrators in order to ensure that they are fully informed of best practice in research.

The Research Integrity & Compliance Manager, based in Research & Knowledge Exchange Services, supports the Associate Principal in ensuring that the University sets appropriate policy and activity in Research Integrity areas. The role is also responsible for co-ordination of Research Integrity activity across Professional Services and Faculties.

### **3. Named Person**

The Named Person responsible for Research Integrity at University of Strathclyde is the Associate Principal responsible for Research. Any queries related to research integrity, research misconduct or other related matters should be directed to [research-integrity@strath.ac.uk](mailto:research-integrity@strath.ac.uk).

### **4. Policies**

The University of Strathclyde has a range of Academic Policies and procedures aimed at clearly setting expectations for the standards of conduct of staff and students. The [Research Code of Practice](#) (for staff) and the [Policy and Code of Practice for Postgraduate Research Study](#) in addition to the [Code of Practice on Investigations involving Human Beings](#), are all documents that are designed to demonstrate the behaviours and attitudes that researchers and other staff should engender in pursuit of research integrity and research excellence.

### **5. Actions & Activities to Support and Strengthen Research Integrity**

The University prides itself on serving research students with the highest standard of education and preparing its students and staff for their future careers in research through a combination of subject area knowledge and practical skills and experience. Knowledge and understanding of Research Integrity is essential for excellent research and so forms a core part of the researcher development experience wherever appropriate. The University delivers and demonstrates research integrity via three main routes: training, support and recognition.

#### **5.1. Researcher Training**

Early Career (PGR/PDRA/ECR) Researcher development is an integral part of our research strategy throughout the University. Strathclyde's Researcher Development Programme (RDP) is delivered by Faculties, Professional Services and external partners to offer the postgraduate research community a range of opportunities to continue their personal, professional and career management skills development. Established through utilisation of Research Council's 'Roberts' funding, and now institutionally supported, provision is designed to help researchers enhance their generic skills, attributes and competencies for future employability both inside and outside of academia. RDP provision is mapped to the UK's Researcher Development Framework and Statement (RDF/S), which articulates the knowledge, behaviours and attributes of successful researchers. Specific research integrity training is delivered through PGR induction, via face to face workshops and as a 20 hour online resource available to all students.

Training for Early- Career (including postdoctoral researchers, research fellows and research assistants), Mid-Career & Established Academics is delivered by our Organisational Staff Development Unit. In particular, the Unit's SPARK and SPIRAL programmes aim to deliver appropriate content to our researchers: SPARK's specific Researcher Development programme aims to empower staff, by providing them with the skills, experiences and understanding to reach their full potential, whilst at the same time providing the University with a means of

assuring and enhancing quality in its research at all levels. Meanwhile SPIRAL focuses on developing and strengthening leadership across research and knowledge exchange. Both programmes contribute significantly to the culture of research integrity at Strathclyde. Specific training on Research Integrity issues including research data management is available and provided to groups of researchers on request. In addition to the 20 hour online resource on research integrity, also available to students, a full research data management course available online via the Development & Training Gateway.

## **5.2. Researcher Support Services**

The University continues to provide dedicated support in a number of areas in addition to structured training programmes to assist researchers in the fulfilment of their research responsibilities. Colleagues from across Professional Services provide specialist advice on topics with research integrity implications such as:

- Information Governance including GDPR,
- Ethics in Human and Animal Research,
- Records Management,
- Data Management,
- Open Access and Open Data, and
- Cyber security.

This provision is often delivered via cross-disciplinary/departmental groups involving specialists from Strategy & Policy, Information Services and Research & Knowledge Exchange Services working with academics wherever appropriate.

## **6. Key Activities in the Current Year**

Strathclyde has focused on ensuring that our policies and practices continue to be consistent with the latest advice and requirements. This work has included:

### **6.1. Communication of the Updated Research Code of Practice**

In 2017, Strathclyde's Research Code of Practice was reviewed in order to ensure ongoing alignment with the principles of the Concordat on Research Integrity. The updated Code was approved by Senate in early 2018. Since the Code's approval, the Research Integrity and Compliance Officer has been consulting with Faculty Research Committees on the best way to communicate the Research Code of Practice to the whole research community. Work is underway to deliver a range of materials aimed at exposing researchers to the principles of Research Integrity via the Research Code of Practice.

### **6.2. Membership of UKRIO**

This year Strathclyde has become a member of UKRIO in order to enable the sourcing of additional support and knowledge gathering from the wider sector on ways to enhance our culture of research integrity. UKRIO's guidance materials were used in the preparation of the updated Code of Practice and our first narrative statement. Memberships allows greater support to be gained, including when dealing with misconduct allegations, as well as access

to events attended by experts in Research Integrity and other HEIs with interest and experience in this area. Strathclyde looks forward to establishing a strong relationship with UKRIO in the coming year and benefitting from their advice each year to continually improve.

### **6.3. Annual Research Integrity meeting of RKEC**

The first regular annual meeting of RKEC specifically focused on Research Integrity occurred in September 2018. The aim of this specially themed meeting is to enable the committee to view and focus on all activities related to Research Integrity as a cohesive programme. The Committee is tasked with overseeing review of relevant policies and activities as well as planning, measurement and follow up activity. Undertaking this at the beginning of each academic year sends the message that all research activity depends on high standards of Research Integrity.

The University Ethics Committee (UEC) is responsible to RKEC and its Annual Report and any reviews of The [Code of Practice on Investigations Involving Human Beings](#) will be aligned with the annual Research Integrity meeting of this committee. Any matters arising from the UEC annual report will be monitored via RKEC. The annual meeting will provide a focal point for review of training provision for researchers delivered via the PGRS Researcher Development Programme (governed by the Researcher Development Subcommittee) and the staff researcher training delivered via the Organisational Staff Development Unit (OSDU).

## **7. Activities for the Coming Year**

### **7.1. Improving visibility of Research Integrity**

The introduction of the updated Code of Practice and associated misconduct investigation process provides an opportunity to highlight the importance of Research Integrity and to ensure that all our researchers and collaborators are aware of the process for raising questions and complaints about practice. Initial engagement with Faculty via their research committees demonstrated the high value placed upon Research Integrity by our academic community. Their desire to go further than communicating the existence of a new policy for researchers to digest has raised the ambition of the teams supporting activity in this area. A range of activity in communication, training and recognition that will further build the Research Integrity culture at Strathclyde is planned for 2018/2019.

### **7.2. Recognition**

As Research integrity is fundamental to assurance of performance in research funding and publication then it is important to give the same recognition to activity demonstrating Research Integrity as to other research activity. In 2018/2019, researchers will be encouraged to report their participation in research integrity related activities, including training, via the Annual Development Review process. PGR students' attendance at Research Integrity training is already recognised through Strathclyde's award-winning credit

bearing training system. The team will also seek to establish areas where undertaking training on a mandatory basis is appropriate.

### 7.3. Continuous Improvement

In the coming review period, Strathclyde will undertake the following actions to ensure that our research integrity activity continues to be of the highest standard and meets the needs of the University:

- Monitor sector & government guidance for recommendations or guidance that provide an opportunity for improvement.
- Act upon lessons learned from any misconduct allegations and from reports prepared by UEC & AWERB.
- Seek out examples of best practice from other HEIs and research organisations. We expect our membership of UKRIO to greatly assist in this aspect of our learning.

## 8. Transparent, Robust, Fair, and Appropriate Processes for Dealing with Allegations of Misconduct

In 2016/17 the University took the opportunity to formalise and make public its process for investigating research misconduct by including the process as an Annex to the Code. The process was updated to reflect the UKRIO best practice in handling such allegations. Clear responsibilities are outlined for senior members of staff in handling allegations. Internal processes and guidance have been created to ensure that any allegations made receive high quality management in adhering to standards of integrity but also in ensuring fairness for both the complainant and respondent. The result is a more robust and transparent process that enables the collection and reporting of the types of information that our research funders require to fulfil their own obligations as detailed below. The Code was endorsed by RKEC in November 2017 and formal Senate approval followed in early 2018.

## 9. Formal investigations of research misconduct

The University of Strathclyde takes very seriously any allegations of misconduct including in relation to research. Strathclyde's research quality depends upon a transparent and accountable research culture and Strathclyde is committed to supporting the highest standards in research. As part of this commitment, activities for the coming year will include promotion of reporting mechanisms to ensure that researchers are able to raise questions and concerns about research conduct and practice and be confident that there are effective mechanisms in place to deal with any allegation appropriately.

This table details recent allegations of misconduct:

Date of Allegation	Nature of Allegation	Respondent Type	Status	Outcome
2016/2017	Failure to follow ethical guidelines	Staff	Formal Investigation Complete	Upheld

**Governance Act 2016: Implementation update**  
**[RESERVED ITEM]**

## Counter-Terrorism and Security Act (2015) Prevent – Annual Update

### Background

1. The [Counter-Terrorism and Security Act 2015](#) contains a duty on Universities to have “due regard to the need to prevent people from being drawn into terrorism”. UK government guidance about how specified authorities in England and Wales and in Scotland are to comply with the Prevent duty was published in September 2015.
2. In Scotland compliance is led by the Higher Education Prevent Working Group, established by the Scottish University Secretaries in 2015. Membership includes a representative from each Scottish HEI; four members nominated by AUCSO (the Association of University Chief Security Officers); and the Head of the Scottish Government Connected Communities Unit, Representatives of NUS Scotland and UCU Scotland attend the Working Group by invitation.
3. The USCO, or her nominee Acting Director of Student Experience, represents the University on the Higher Education Prevent Working Group and attends twice-yearly meetings of the Local Multi-Agency CONTEST Group. The Head of the University's Security Services is the Chair of AUCSO.
4. This paper updates Court on the actions taken to implement the guidance to ensure compliance with statutory obligations.

### University of Strathclyde Prevent Working Group

5. The University Secretary and Compliance Officer is responsible for implementation of the Prevent duties and the Guidance prepared by the Higher Education Prevent Working Group. The Group's remit includes:
  - maintaining a shared awareness and understanding of the risks of radicalisation within the campus community;
  - through the convener, reporting to the governing body;
  - communicating to relevant staff the requirements and importance of the statutory duty;
  - making decisions on sensitive matters that may arise e.g.
  - deciding what action to take where concerns are raised that a member of the campus community may be being drawn into terrorism; and
  - deciding whether to allow a controversial speaker to visit the campus.
6. The members are Dr Veena O'Halloran (Convener); Stuart Brough (Director of ISD); Claire Carroll (RKES); Prof Sara Carter (Associate Principal); Rachel Doyle (Safety Services); Sandra Heidinger (Director of HR); Gordon MacKenzie (Campus Security); Ray McHugh (Director of Marketing and Corporate Communications) and Gill Watt (Acting Director of Student Experience).
7. There is a standing invitation for two members of Strathclyde Students' Union Executive (the Student President and VP Diversity) and the President of the Strathclyde University Muslim Students' Association to attend meetings of the University's Prevent Working Group. The NUS opposes the legislation and hence the student representatives attend as observers, rather than members. Separately from the meetings, student representatives are consulted on all Prevent matters relating to students.

8. The University Prevent Working Group agreed that existing managers should be the initial point of contact for any Prevent concerns, with support from the University Prevent Working Group and ultimate responsibility residing with the University Secretary and Compliance Officer.
9. The sector guidance states that staff engaged in the provision of advice to students should be aware that any concerns that a student may be being drawn into terrorism should be raised with the USCO, who will then discuss it with the University Prevent Working Group.
10. No reportable concerns under the Prevent duties have been raised in the last year.
11. The Scottish Higher Education Prevent Working Group met in May 2018, with the autumn meeting taking place on 28 November. The minutes and follow-up actions from the May meeting will be considered by the University of Strathclyde Prevent Working Group at its forthcoming meeting on 21 November 2018. The annual Scottish Government Prevent Conference was held in June and was attended by representatives from the University.
12. A key topic for discussion at the Higher Education Prevent Working Group, and the University Prevent Working Group, will be the UK Government Contest 3 Strategy and implications for the Prevent Strategy.
13. The University Prevent Working Group reports annually to ET and through ET to the University Court.

## **Prevent Duty Guidance**

### *Staff Briefings and Training*

14. The Scottish HE Prevent Working Group has determined that formal training for University managers with a role in addressing the statutory duty will be organised regionally. The West region includes Strathclyde, Glasgow, GCU, GSA, RCS, SRUC-west and UWS and meetings are held twice each year to share experience, practical issues and lessons learned.
15. Following on from the training provided by the Safeguarding and Vulnerability Team last year, training in the form of the Collaborative Outcomes Learning Tool (COLT) provided by the Improvement Service and designed for the HE sector in Scotland, is under review by the Safeguarding and Vulnerability Team and members of the University Prevent Working Group. Amendments to the training are currently in development.
16. The University of Strathclyde Prevent Working Group will consider feedback on the online training when it is completed. If deemed appropriate to the University's needs, roll-out to relevant staff across the University will follow. Feedback will continued to be shared with by the Scottish Government's Safeguarding and Vulnerability Team within Connected Communities Unit.
17. A series of Workshops to Raise Awareness of Prevent (WRAP) for staff in student facing services training will be delivered by the Safeguarding and Vulnerability Team following the completion of the new COLT training.

### *Speakers and Events*

18. The [Events and Speaker Policy](#), which was approved by the Executive Team and Court in 2016 is currently in operation across the University. It will be due for review in 2019, three years after implementation. The current policy is hosted on the University website.

### *Provision of Welfare and Pastoral Support*

19. The University has a duty of care towards its students and is committed to providing sources of support and guidance for students should they require help or assistance.
20. The University has a well-established range of support services available. Where this includes interfaith facilities there must be clear policies and procedures in place governing their use and a senior member of staff should be responsible for the management of these facilities.
21. The Acting Director of Student Experience, senior colleagues from SEES and Strathclyde Students' Union Executive are working together on the enhancement of Interfaith Services at the University. A joint Faith and Belief Fund has been established to promote interfaith activities in student clubs and societies. An update will be presented at the next meeting of the University of Strathclyde Prevent Working Group on 21 November 2018.

### *Liaison with Strathclyde Students' Union*

22. The University continues to engage with Strath Union on Prevent matters and representation from Strath Union on the University Prevent Working Group is facilitated.

### *Information Sharing*

23. The Scottish Higher Education Prevent Working Group is working in conjunction with Police Scotland to establish a formal 'information sharing' protocol for Higher Education Institutions.

### *Safety Online*

24. In complying with the Counter Terrorism Act, the University has a responsibility to protect researchers. A policy is currently under development by the Scottish Higher Education Prevent Working Group that will provide guidance on security sensitive research material. It is anticipated that the guidance will be available for consideration by the University in 2019.

### **Monitoring**

25. The Scottish Higher Education sector's progress in complying with the Counter Terrorism and security Act is monitored by the Government through bi-annual online questionnaires issued by the Safeguarding and Vulnerability Team. Summary reports are presented to the Government and are considered at the meeting of the Scottish Higher Education Prevent Working Group.

### **Recommendation**

26. Court is invited to **note** the progress in addressing the duties placed upon the University by the Counter Terrorism and Security Act (2015).

## Senate Report to Court

Senate met on 14<sup>th</sup> November 2018

### **FOR APPROVAL**

*Senate invites Court to **approve** the following recommendation considered by Senate on 14 November 2018:*

1. Following Senate endorsement, Court is **recommended** to consider for approval the annual Research Integrity Statement (Paper H).

### **FOR NOTING**

*Senate invites Court to **note** the following items considered by Senate on 14<sup>th</sup> November 2018.*

2. Senate **approved** the ELIR Reflective Analysis ahead of submission to QAA Scotland on 16<sup>th</sup> November 2018.

3. **Report from Senate Business Committee**

Court is invited to note the following points from the report:

- The Committee noted the report of the Collaborative Provision Agreement (CPA) Subgroup, noting in particular that 10 agreements had been reviewed, details of which were contained in Faculty reports to Senate.
- The report included as an Appendix the Annual Senate Report 2017-18.
- Senate was requested to approve the Annual Statement on Research Integrity.

4. **Student Recruitment and Financial Update**

The Director of Strategy and Policy updated Senate on student recruitment in 2018-19, outlining the context of the University's recruitment activity, key drivers behind targets, current activity and next steps. The Acting Chief Financial Officer provided Senate with an outline of the University's financial position, focussing initially on 2017-18 outturn income, outturn total expenditure, and income and expenditure trends in Q1 2018-19.

5. **Student Mental Health**

The Acting Director Student Experience updated Senate on the significant developments that have taken place to enhance the University's provision of support to students through its Student Mental Health Action Plan. Senate was updated on the progress and achievements of Phases I and II of the Student Mental Health Action plan. Senate acknowledged the considerable financial investment by the University towards fulfilling its commitment to supporting and promoting positive mental wellbeing through significant extension and expansion of its provision in this area.

6. **NSS Faculty Updates**

Faculty Executive Deans updated Senate on the monitoring of their Faculty NSS implementation plans. Senate was updated on ongoing actions in relation to NSS plans, with focus on key and priority areas where activity was taking place.

## **7. Senate Updates**

Senate received brief updates on the following areas of activity:

### **i. Learning and Teaching Building Project**

The Associate Principal Sara Carter updated Senate on the latest developments in the Learning and Teaching Building Project, providing brief outlines of: the programme timescale, finalised designs, catering provision, and the role of workstream delivery groups.

### **ii. ELIR**

The acting Director Education Enhancement updated Senate on key developments in the University's preparations for the Enhancement-led Institutional Review (ELIR). Following approval by Senate of the Reflective Analysis, and formal submission of the Reflective Analysis and Advanced Information Sets to the QAA on 16<sup>th</sup> November, key steps in the critical path were outlined. Next steps included deepening engagement across the institution in preparation for the ELIR team visit.

### **iii. Student Experience Committee**

The Strath Union President provided Senate with an overview of the remit and work of the Student Experience Committee, which had held its first meeting on 31<sup>st</sup> October 2018. Reporting through Education Strategy Committee, the Student Experience Committee would focus through its work on improving the overall student experience. An outline was given of key topics for discussion at the Committee meeting.

## **8. Principal's Report and Update**

The Principal updated Senate on several matters of interest including:

- The Principal updated Senate on the appointment of new academic staff under the Strathclyde Chancellor's Fellowship Programme.
- November graduations had seen some 2,400 graduating students. It was noted that over 5,500 students had graduated in academic year 2017-18, the third highest number of students graduating from a Scottish H.E institution.
- A working group had been established to provide oversight of the preparations for REF 2021. The 2019 Research Audit was underway.
- The Strathclyde Doctoral School had formally launched on 5<sup>th</sup> October 2018. The Doctoral School will bring together our Postgraduate and Researcher student support, facilities and training in one location to enhance the student experience.
- The University had been shortlisted in two categories of the Times Higher Education Awards: STEM Research Project of the Year, and Outstanding Support for Students (Strathclyde Cares).

## **Executive Team Report to Court**

The Executive Team (ET) met on 11 & 27 September, 8 October, 5 & 12 November. The following key items were discussed by the Executive Team and are provided here for Court to note:

### **1. Health and Safety**

Under the 'Safety Moment' held at the opening of each ET meeting and led by the University Secretary and Compliance Officer, the Team took the opportunity to discuss health and safety matters.

### **2. PGR Analysis**

The ET continued to receive updates on ongoing activity to address issues in relation to PGR student intakes in the context of KPI 8.

### **3. Industrial Relations**

The ET continued to receive regular updates on industrial relations. Members considered the first report of the Joint Expert Panel on the Universities Superannuation Scheme (USS). The report's recommendations had been welcomed by the University, noting that they aligned with points stressed in employer consultations about USS. It was noted that the Strathclyde University and College Union (UCU) branch had also broadly welcomed the recommendations. The Team noted that a formal consultation on the proposed changes to future pension contribution rates would remain open until 30 October. A draft response was shared with the ET and Court Business Group ahead of submission.

The Team also noted the industrial action ballot outcome following UCU's 'locally counted' ballot on pay. As only 45.6% of eligible members voted, there was no legal mandate at Strathclyde for either strike action or for action short of strike action (50% of eligible members needed to vote for a strike to take place). The Unison ballot had not achieved the required 50% turnout threshold, and Unite had agreed to ballot only some Universities which did not include members at Strathclyde.

### **4. Netball Scotland Partnership**

The ET approved a three year investment, with the option to extend this for a further two years subject to review at the end of year three, to establish a partnership with Netball Scotland. Members noted that the partnership would establish the University as the home of the Performance Pathway for Scottish Netball and the principal partner for the semi-professional 'Sirens' franchise team.

### **5. National Student Survey (NSS) 2018**

The ET considered the 2018 NSS results. Members agreed that the University's scores were disappointing and noted that the overall satisfaction score was below the sector average. The Principal reiterated ET's view and expectation that the trajectory of recent years needed to be reversed and stressed the importance of the Executive Deans in leading and delivering an improved future position.

## **6. Student Recruitment 2018/19**

The ET received an update on the University's undergraduate, postgraduate taught, and postgraduate research recruitment position. The Team welcomed the positive progress made with regard to enhanced coordination between Faculties and Professional Services and noted the positive impact of this collegiate approach on the achievement of University targets. There had been continuing positive performance in widening access recruitment and the total combined SIMD0-40 intake target for 2018-19 had again been achieved against a small downturn in demand. Members noted that the position across the Faculties was variable.

The Team acknowledged the ongoing efforts in postgraduate recruitment and progress made with overseas PGT recruitment.

## **7. National Manufacturing Institute for Scotland (NMIS) Final Business Case**

The ET considered the final business case for the National Manufacturing Institute for Scotland (NMIS). The Team noted that a key change, since Court had considered the outline business case in June 2018, included an increase in the building costs. Members noted that as not all of the available funding had been allocated in the outline business case, the increased costs would be fully affordable within the existing Scottish Government and UK HVM Catapult funding envelope. Members considered the key risks as outlined in the risk register and noted that an additional risk on political certainty because of Brexit had been included. Risks associated with a potential future change in government had been mitigated as far as possible by outlining in the agreement that any such risks would be shared proportionately by all partners.

## **8. Outcome Agreement Self-evaluation 2017-18 and guidance for 2019-20**

The ET considered the University's draft Outcome Agreement (OA) Self-evaluation report (SER) for submission to the Scottish Funding Council (SFC) by 31 October 2018. Members noted that, in anticipation of receipt of updated SFC OA guidance for 2019-2020, work had been initiated to develop an outline OA SER for 2017-18. The Team approved the direction of travel in preparing the working draft OA SER and delegated authority for final sign off to the Principal.

## **9. SIMS Phase 2 Update**

The ET received an update on SIMS Phase 2. The Team noted that all of the phase 2 work streams were progressing well and that there continued to be a high level of positive engagement by key stakeholders from across the University. Following on from review of the timelines and deliverables, it was proposed that the Core Student Record (CSR) workstream interim milestones be re-phased. The Team also noted an update on developments to support UCAS technical changes.

Noting that the overall end date for SIMS Phase 2 would remain at December 2019, the Team agreed that the CSR implementation date be revised, the CSR interim milestones be realigned and that the UCAS element be removed from the Admissions workstream.

## **10. UKVI Student and Staff audits**

The ET received updates on the UKVI Audit which had taken place. The experience had been structured and professional, with the visiting team having a strong understanding of higher education. The related UKVI staff audit had been postponed due to lack of availability of the relevant auditor. In

November, the University had received the audit report on the UKVI Tiers 1 and 4 Audit in September, and formal confirmation that the University's institutional licence had been renewed for a further year.

#### **11. Magna Charta Universitatum**

The ET welcomed the University's confirmed status as an official signatory of the Magna Charta Universitatum following on from a signing ceremony at the 30th Anniversary of the Magna Charta Universitatum at the University of Salamanca, attended by the Associate Principal (Research and KE).

#### **12. 2018/19 Teaching Excellence Framework Subject Pilot**

The ET noted the University's decision not to participate in the 2018-19 TEF Subject Pilot, a decision that was aligned with the University's position, as agreed at Senate, in relation to TEF more generally, and noting the ongoing optional nature of TEF participation in Scotland.

#### **13. Universities Superannuation Scheme (USS) / Strathclyde Pension Fund (SPF) Membership**

The ET considered a proposal that the USS be asked to relax their current exclusivity arrangements, which require that staff in grades 1-5 who joined the University between 1 April 2003 and 31 December 2016 must be enrolled in USS. Following discussion of the considerations outlined within the paper, the Team approved the recommendation to progress with further work towards allowing all grades 1-5 the option of joining the SPF instead of USS. It was noted this would additionally ensure the University's approach to USS membership was aligned with the majority of others in the sector. Members also agreed that it was important to ensure staff not in a pension scheme received appropriate advice.

#### **14. Corporate Parenting and Who Cares? Scotland Training**

The ET agreed that all Executive Team members should be invited to attend Corporate Parent training which would ensure they were appropriately informed to execute their responsibilities in line with the University's commitments under the Scottish Care Leavers Covenant and its Corporate Parent Plan.

#### **15. REF 2021: UoA Assessment Recommendations & 2019 Research Audit**

The ET considered the initial recommendations in relation to Unit of Assessment (UoA) submissions and received an update on the approach to the University's 2019 Research Audit. An Institutional REF2021 Working Group (IRWG) had been established, chaired by the Associate Principal Research and Knowledge Exchange (R&KE), and comprising all Research-focused Deputy Associate Principals, Special Advisor Professor David Littlejohn, and Executive Deans. This group would provide high level direction and approval on a number of key issues related to REF2021. ET approved the launch of the audit process.

#### **16. Rationale for a Health Institute Strathclyde**

The ET considered a paper outlining the rationale for a Health Institute (HI) Strathclyde and how postgraduate research and education in health related technologies and associate topics might be coordinated and expanded at Strathclyde. Recognising issues with previous initiatives in this area, there was a clear understanding of the need to avoid any impression of the proposal being 'top down' and to do so by ensuring strong ownership at school and department level. Members considered and agreed that it was important that the business case be linked into Strathclyde 2025 and clearly articulate the ultimate goals(s) of this initiative.

ET endorsed the rationale presented for development into a full business case and agreed to the formation of an internal Working Group to develop the business case and maintain opportunities for Faculty colleagues to shape the proposal.

## **17. Corporate Risk Register**

The ET agreed the top risks and mitigating actions in the University's Corporate Risk Register

## **18. Draft Financial Statements 2017/18**

The ET considered the Draft Financial Statements 2017/18 and accompanying commentary, and noted that the draft Statements had been presented to Audit and Risk Committee (ARC) on 1 November 2018. The Team noted that pre-meetings with the Chair and Treasurer had been positive and ensured a well-informed and constructive consideration at ARC. The Team welcomed an overall positive year-end result, noting the delivery of performance ahead of budget, and income over **[Reserved]**

It was expected that income from SFC would remain flat for the foreseeable future and therefore the generation of increased income from non-governmental sources remained a key priority for the University in order to resource major planned investments and take advantage of new opportunities.

## **19. Strategic Plan 2015 – 2020: Year 4 Progress Report**

The ET received a Year 4 progress update on the 16 KPIs in the Strategic Plan 2015-2020. Members noted that 12 out of 16 KPIs were either 'on track' or ahead of their milestone, with 3 KPIs categorised as 'further work required'; the final KPI had been amended and had a 2017-18 baseline year.

ET approved the Strategic Plan Year 4 2017-18 KPIs Progress Report for onward transmission to Court Business Group and Court.

## **20. Draft Outcome Agreement Annex 2019-20**

The ET considered the draft outline of the University's Outcome Agreement annex 2019-20, which was being prepared to address additional requirements set out in the SFC guidance for 2019-20 to 2022-22.

The Team noted that the draft OA Annex 2019-20 took the form of an outline for completion, which aligned with the approach taken last year. ET endorsed the early working draft outline, ahead of circulation to CBG and Court in November and ahead of the date for initial submission of a 'well-developed draft' to SFC (10 December 2018).

## **21. Professorial Zoning**

The ET received an update on Professorial Zoning. Members noted the positive impact of Professorial Zoning on key objectives including narrowing the gender pay gap and notably strong retention of staff. Discussions focused on the proposals for assimilation of staff currently receiving salary protection ahead of the end of the pay protection period and the need to re-assess the contributions of those individuals was emphasised.

The Team considered and approved the proposed arrangements for those who received salary protection at the time of implementation, noting the protection period would end in February 2019.

## **22. Q1 Business Report**

The ET considered the Q1 Business Report noting that changes had been made to the format and content of the Business Report. The Acting Chief Financial Officer highlighted that operating outturn was currently expected to be a surplus of £7.0M compared to budget of £8.3M. The Team recognised that this position was fairly typical at Q1 and this year it was proportionally closer to budget than in previous years, noting that there was a 9 month window to move closer to budget.

Tuition fee income was forecast to be higher than previous year but marginally lower than budgeted and the Team noted challenges and key opportunities in particular student recruitment markets. It was also noted that PGR intakes had increased in the final quarter of 2017-18, reflecting the impact of the centrally-coordinated and funded PGR Fees Scholarship scheme alongside other Faculty interventions. Although some students were still to complete registration and therefore currently excluded from figures, 2018-19 Q1 PGR measures of intake and population were significantly below target and growth in the population was not yet being realised.

## **Court Business Group Report to Court**

### **1. Strathclyde Global Talent Programme**

The Director of Human Resources provided Court Business Group (CBG) with an outline of the intended presentation to Court on the Global Talent Programme (GTAP). It was noted that the programme had successfully achieved a global reach and had attracted diverse applicants and appointees, although further work was in hand to improve the gender balance among applicants.

CBG welcomed the presentation, noting in particular the impactful use of examples of previous appointees through the scheme, and suggested that additional focus might be placed on successful internal appointments through GTAP. It was noted that Court would benefit from future opportunities to meet more of the academic staff appointed through GTAP.

### **2. Financial Statements 2017/18**

The Acting Chief Financial Officer (CFO) presented the draft Financial Statements for 2017/18, noting that these had already been presented to Audit Committee and the Executive Team and hence that they would be recommended to Court for approval. Members noted the following key messages for Court:

CBG welcomed the Financial Statements and noted the strong financial position that they conveyed, with good growth in total income despite continuing constraints in public expenditure. A falling proportion of income received through Scottish Funding Council grants highlighted the strategic importance of future growth in unregulated income. The Treasurer commended the clarity of the Statements and noted that there had been no concerns from the perspective of audit.

CBG discussed whether staff costs as a percentage of turnover could be expected to hit a ceiling. It was noted that some elements of staff costs, in particular pensions costs, were likely to rise further, affecting all universities. Recent investments in staff, while themselves contributing to costs, were already helping to produce the income growth required to deal with these rising external costs.

### **3. Q1 Business Report 2018/19**

The Acting CFO and the Director of Strategy & Policy introduced the Q1 Business Report 2018/19, noting the addition of new indicators on student applications and offers and equivalent 'pipeline' data on research grant applications and awards. **[Reserved]**

CBG welcomed the report, noting in particular that the positive set of indicators in relation to widening access provided further demonstration of Strathclyde's standing as a socially progressive university. The group also discussed research postgraduate (PGR) recruitment, which was flagged as being short of the target, following lower than targeted intakes in recent years, although further recruitment was expected to produce in-year growth. Growth in PGR recruitment was proving to be an issue across the UK higher education sector. International recruitment, typically focused on undergraduates, might need to target research postgraduates to a greater extent in future. CBG recommended that some analysis of patterns of applications and offers be conducted, to probe whether there might be opportunities for higher conversion.

### **4. Strategic Plan 2015-2020: year-end progress report 2017/18**

The Director of Strategy & Policy introduced the year 4 progress report on the 16 KPIs in the University's Strategic Plan. Members welcomed the report and the progress achieved against a range of measures,

noting that the majority of KPIs were 'on track' or ahead of relevant milestones. A small number of KPIs had been flagged to indicate that further work was required and these would be discussed at Court on 29 November 2018.

## **5. Outcome Agreement 2017-2020: Draft Annex 2019/20**

The Director of Strategy & Policy presented an early working draft outline of the 2019/20 Supplementary Annex to the University's Outcome Agreement for 2017-2020. Members noted that the University was in a strong position to be able to address new requirements that had been put in place by the Scottish Funding Council and that the Annex would be developed further. The University was required to submit a 'well-developed' draft to the SFC by 10 December 2018. CBG commended the approach taken to drafting the Annex, recognising that the document provided an opportunity to convey positive actions taken by the University, and noted the context of late provision of guidance by the SFC.

It was noted that the SFC was not imposing any targets on institutions this year, having done so the previous year with respect to one widening access measure. While this was welcome, it remained unclear what degree of commitment might be attached to a specific target or aspiration provided by the University. CBG noted concerns around detailed projections for National Measures where this related to very small numbers of students in certain groups defined by protected characteristics.

## **6. The UK's exit from the European Union**

The University Secretary and Compliance Officer (USCO) introduced this paper which provided CBG with a high-level update on key issues and risks presented by the UK's planned exit from the EU, with mitigating actions, while noting that in many areas specific actions could only be taken once the outcomes of the exit negotiations and future relationship outline were clearer. CBG welcomed the comprehensive work that had been done in this area. It was noted that Audit and Risk Committee had discussed the University's potential need to stockpile certain essential consumables to minimise any disruption to key research activities in the event of a 'no deal' exit and any consequent supply problems.

## **7. Policy@Strathclyde**

The Principal provided an outline of Policy@Strathclyde. This would build on the intent behind the International Public Policy Institute, while taking a new approach that would better integrate with the Strathclyde 2025 vision. The process was being led by the Executive Deans of SBS and HaSS, along with Professor Andrew Goudie. A recruitment plan and a plan for a policy MBA course were being progressed and a broader business plan was under development.

## **8. Corporate Risk Register**

The University Secretary and Compliance Officer (USCO) introduced the latest version of the University's Corporate Risk Register. The number of risks had increased, with the notable introduction of pensions as an individually identified risk. However, the number rated as high risk had not changed (one new high-risk item had been introduced, but another had been downgraded).

CBG noted the updated register and discussed whether the pensions risk might be heightened by the impacts on investments of the UK's withdrawal from the EU. CBG agreed that Court may wish to consider this issue. It was noted that the pensions risk and the industrial action risk might be ameliorated by the sector's broad acceptance of the recommendations of the USS Joint Expert Panel. However, the USS Trustee was still to respond to the latest developments.

#### **9. Draft Court Agendas, 29 & 30 November 2018**

Members considered and **approved** the draft agenda for the Court residential meeting on 29 & 30 November 2018.

#### **10. AOB**

There was no other relevant business.

## Court Membership Group Report to Court

**The following items were discussed by Court Membership Group on 19 November and are recommended for approval by Court:**

- 1) That Marion Venman, Jeremy Beeton and Archie Bethel each be re-appointed to Court for a final term of two years.

**[Reserved]**

**The following items were discussed by Court Membership Group on 19 November and are provided here for Court to note:**

### **1. Court Lay Member Recruitment 2019 – planning**

Court Membership Group (CMG) considered a proposal to re-appoint lay members of Court for additional two-year final terms of office, in order to retain essential skills. The group discussed the potential merits of offering different terms of office to different lay members, in order to stagger the loss of experienced and valued members, but concluded that a strict skills-based approach was more appropriate.

Accordingly, CMG **agreed** to recommend to Court that Marion Venman, Jeremy Beeton and Archie Bethel each be re-appointed to Court for an additional, final term of two years.

It was noted that this would create a vacancy for a lay member from 2019/20. CMG considered the use of an external agency as part of the required recruitment exercise, noting that this would help to demonstrate transparency of process and bring an element of independent judgment, while also helping to ensure an appropriate degree of consistency with the previous recruitment exercise. An external agency might also help to identify a good pool of potential candidates for future recruitment rounds, in addition to filling the current vacancy.

Noting the importance of clarity over the agency's brief and of ensuring sufficient time to develop a tailored service, CMG **agreed** that the agency should be involved in the early stages of recruitment, including placing advertisements in the name of the University, but should not carry out interviews.

CMG considered and **endorsed** the draft timeline provided for the recruitment process.

## **2. Higher Education Governance (Scotland) Act 2016: Senior Lay Member**

CMG considered proposed amendments to the University's governing instruments in order to clarify the role, period of appointment and process for determining the remuneration of the Senior Lay Member (SLM, a position created by the 2016 Act), as well as requirements for filling a vacancy for a SLM and for removal of a member of Court.

### **[Reserved]**

CMG considered the remaining proposals in the paper and **agreed** to make the requested recommendations to Court as detailed above.

## **3. Any other business**

The University Secretary and Compliance Officer noted that both CMG and the Court Business Group (CBG) had vacancies for staff members of Court and proposed that Kathy Hamilton be offered the position on CMG and Amanda Corrigan the CBG position. The Convener invited the Principal to comment, both of the proposed nominees being Senate members. The Principal warmly commended both appointees for the respective roles. CMG **agreed** both appointments.

## Report to Court from Audit and Risk Committee

The Audit and Risk Committee met on 1 November 2018.

**Audit and Risk Committee makes recommendations to Court in regard to the following items:**

### 1. Financial Statements 2017/18

Prior to the meeting, the members of the Audit and Risk Committee met in closed session with the Head of Internal audit and the External Auditor to discuss the draft Financial Statements. This allowed the Internal and External Auditors the opportunity to raise any issues of concern with members of the Audit and Risk Committee. No matters were reported to the Audit and Risk Committee as requiring further consideration.

The draft Financial Statements and accompanying commentary from Finance were presented during the main meeting. Following discussion amongst members, the presentation from Finance and the assurance provided by the report from the External Auditors, the Audit and Risk Committee **recommends** to Court that:

- I. The draft Financial Statements for 2017/18 be approved (subject to final minor amendments and presentational details); and
- II. The relevant officers be authorised to sign the printed statements in due course.

### 2. Appointment of External Auditors

The Committee noted that the 2017/18 audit process had gone well and that the performance of the External Auditors had been satisfactory.

On this basis, the Audit and Risk Committee **recommends** to Court that Ernst & Young LLP be retained as the University's External Auditor for the audit of the 2018/19 Financial Statements, noting that a full tender process would be undertaken in late 2019.

**The following items were discussed by the Audit and Risk Committee and are provided here for Court to note:**

### 3. SIMS Project

The Associate Principal updated the Committee on the progress of SIMS phase 2. Work on all of the workstream areas was progressing well and the overall project end date remained on track.

The Core Student Record workstream was currently in the development build phase and it had been agreed that the implementation date for Core Student Records would be November 2019. The legacy VAX system would be switched off in this timeframe, thus removing a significant risk in the use of an outdated system.

The Admissions workstream was on track, following removal of the UCAS work package. This work package would be planned and implemented as a parallel project due to the delay in release of the required functionality and technical information by UCAS.

SIMS Phase 2 had a detailed operational risk and issues log which was reviewed and updated on a weekly basis and reviewed fortnightly by the Operational Management Group. The key project risks,

informed by the detailed operational risk and issue log, were reviewed by the Executive Steering Group on a quarterly basis.

The Committee welcomed the report and was pleased to note that a full staff complement was now in place with the right skills to enable the project to progress.

#### **4. Review of Corporate Risk Register**

The USCO introduced the Corporate Risk Register, reminding Members that it related to a particular point in time. The overall number of risks had increased by one to 17 with the decision to treat Pensions as a risk in its own right, following changes in staff pension schemes and the level of uncertainty associated with the impact on the budget. There was no change to the number of risks rated as high, which remained at 6 as Pensions had been added as a new high risk and Student Information Management System (SIMS) had been downgraded to a medium risk following the completion of Phase 1 of the project.

The Committee noted the following:

- The potential impact of a Brexit 'no deal' outcome was being addressed through scenario planning, ongoing clear communication with stakeholders, engagement with sector bodies, EU partner institutions and the Scottish and UK Government: Members raised the issue of potential delays on the import of equipment and substances vital for research and the need to prepare now.
- The risk of action by UCU and Unison following national pay negotiations for 2018/19 had been removed while the potential continuation of UCU action on changes to the USS pension scheme remained.
- The recent Home Office UK Visa and Immigration audit for students had gone well although the final report had not yet been issued.
- The response to the risk relating to the Student Experience would be reviewed in light of the NSS results.

The Committee **endorsed** the University's top risks and mitigating actions for onward transmission to Court.

#### **5. IAS Activity Report**

The Committee noted that all reports from 2017/18 were now completed and that IAS had completed two reviews from the 2018/19 Audit Plan. In addition to this, all key risk based reviews for 2018/19 had been fully scoped, audit sponsors identified, and work scheduled within the IAS team.

The Head of Internal Audit had also completed the Council for Higher Education Internal Auditors (CHEIA) self-assessment, had prepared evidence to support each of the responses and requested external, independent validation from another Head of Internal Audit, in order to meet the requirement for external review of the IAS during 2018/19. The results indicated 38 areas of best practice, 20 areas of compliance and 2 areas of partial compliance, with no areas of non-compliance. While this demonstrated good performance it was slightly behind that of the peer institutions recorded in the benchmarking data. An action plan was being prepared to identify the steps required to enhance operations and internal processes to ensure that the results of the 2019 self-assessment were more closely aligned to the sector averages.

#### **6. IAS Management Action Update Report**

The Head of IAS noted that since the last Management Action Update report, 21 recommendations had been implemented, thereby improving the internal control environment. There were now 52 outstanding

recommendations, 80% of which related to recent reports where follow up work had still to commence. Of the 10 that related to earlier reports, there were no high risks, five medium risks and five low risks.

#### **7. Internal audit - Review of Sales to Cash**

Members noted the Report on the review of Sales to Cash and the overall grading of reasonable assurance. Ten recommendations had been made, four medium risk and six low risk. Members noted that the introduction of the Financial Management System (FMS) had been a significant improvement from the previous system and that work would continue in advancing the use of the system's functionality and in tightening up processes.

#### **8. Internal audit - Review of International Student Recruitment**

Members noted the Report on the review of International Student Recruitment and the overall grading of reasonable assurance. Nine recommendations had been made, three medium risk and six low risk. The Committee noted that the report highlighted a lot of good work, that recommendations focused on tightening processes and that the development of the Student Recruitment Strategy was progressing.

#### **9. Internal audit - Review of Scholarships, Bursaries & Fee Waivers**

Members noted the Report on the review of Scholarships, Bursaries & Fee Waivers and the overall grading of reasonable assurance. This had been an extensive review due to the devolved nature of the handling of Scholarships and Bursaries. Six recommendations had been made, two medium risk and four low risk. It was noted that controls were considered to be adequate and that the recommendations highlighted opportunities to enhance processes.

#### **10. Audit & Risk Committee Annual Report 2017/18 – Final Draft**

The Committee noted and **approved** the Annual Report 2017/18 and its submission to Court (see Annex A).

#### **11. IAS Annual Report 2017/18**

The Committee noted and approved the IAS Annual report 2017/18.

**UNIVERSITY OF STRATHCLYDE**  
**AUDIT & RISK COMMITTEE ANNUAL REPORT TO COURT**  
**Year ended 31 July 2018**

This is the University of Strathclyde Audit & Risk Committee's Annual Report for 2018 covering the financial year 1 August 2017 to 31 July 2018.

**1 INTRODUCTION**

- 1.1 As a leading international technological university, Strathclyde has a very clear focus on the delivery of world-leading research, knowledge exchange and teaching and learning programmes augmented by partnerships with business, industry and government.
- 1.2 The University's investment in campus infrastructure and management information systems continues in order to develop a dynamic, technology-enabled and sustainable environment for staff, students and partners. It is also pursuing new opportunities in support of its ambitions and strategic objectives, building upon existing strengths.
- 1.3 The Audit & Risk Committee has continued to fulfil its role by providing an objective assessment to the University Court on the adequacy and effectiveness of the University's systems of internal control. Under the Audit & Risk Committee's direction, the continued review of management practices, operations, systems and procedures (including risk management, control and governance) by the Internal Audit Service (IAS) allowed for the timely identification of risks, opportunities, and issues. In addition, Audit & Risk Committee members visited key operational areas of the University and met with leaders of key initiatives throughout the year.
- 1.4 During 2017/18, under the Audit & Risk Committee's direction, IAS continued to focus resources on the three major aspects of audit work – *key risk based audits, recurrent audit activities, monitoring and advisory work*. Implementation of the University's Accountability & Assurance Framework helped to support a continually developing culture of good governance and sound internal control. Through this framework, the Principal is supported in the requirement for him to certify the Statement of Internal Control in the University's Annual Report and Financial Statements by Assurance Statements provided by the Acting Chief Financial Officer, University Secretary and Compliance Officer, Chief Commercial Officer, Vice Principal and the Executive Deans.

**2 MEMBERSHIP AND TERMS OF REFERENCE**

- 2.1 The membership of the Committee in 2017/18 is detailed below with the Terms of Reference (as reviewed by the Committee on 7 September 2017) appearing in Appendix 1.

<b>Name</b>	<b>Position</b>	<b>Term of Office</b>
Paula Galloway (Convener)	Lay Member of Court	01/08/17 – 31/07/18
Kerry Alexander	Lay Member of Court	01/08/16 – 31/07/19
Alison Culpán	Lay Member of Court	01/08/17 – 31/07/18
Jane Morgan	Lay Member of Court	01/08/16 – 31/07/19
Les Campbell	Co-opted Member	01/08/17 – 31/07/18

**3 MEETINGS IN 2017/18**

## **Audit & Risk Committee Annual Report to Court 2017/18**

- 3.1 The Committee met on five occasions during the year:
- 7 September 2017  
2 November 2017  
8 February 2018 (Annual Workshop)  
22 March 2018  
24 May 2018
- 3.2 The Head of Internal Audit, the Chief Financial Officer, the University Secretary and Compliance Officer and the Committee Manager were also in attendance. The Principal attended meetings in September, March and May. Other members of senior staff were invited to attend when appropriate. Representatives from the University's External Auditors, Ernst & Young LLP, attended four meetings during the year, including the Committee's Annual Workshop (September, November, February and May).
- 3.3 The Committee members took the opportunity to meet privately, prior to the start of each meeting, without University officers in attendance.
- 3.4 Prior to the November 2018 meeting (where the 2017/18 Financial Statements were discussed) the members of the Committee met in closed session with the Internal Auditor and with the External Auditors.
- 3.5 As part of its 2017/18 programme of meetings the Committee visited different areas of the University, including:
- MBA Unit to meet senior staff and discuss recent and planned major initiatives/partnerships, key risks and challenges and relationship management.
  - School of Psychological Sciences and Health to meet senior staff, discuss recent and planned major initiatives/partnerships, including the new Sport and Health Building, and increase Audit & Risk Committee awareness of how the School is developing and the ongoing opportunities and challenges.
- 3.6 The Committee also received presentations from members of senior staff on a range of strategically important activities and key areas in the Corporate Risk Register, providing an opportunity to scrutinise the arrangements for governance and internal control:
- Student Information Management System (SIMS) Project - following a report to the Executive Team, some key business risks and project governance issues had been identified. A detailed review was initiated resulting in a number of immediate and longer term actions intended to support the mitigation of risk.
  - Business Continuity Management (BCM) - following the IAS review of BCM in 2017, the University's approach to BCM was reviewed and updated to reflect the current ISO standard, where appropriate.
  - Institutional Research Audit 2017 - key changes which were anticipated for the Research Excellence Framework (REF) 2021 and the University's preparedness for a future REF.
  - International fee income – the activities ongoing in faculties to increase international student numbers and the data driven approach being used to target specific markets.

## **Audit & Risk Committee Annual Report to Court 2017/18**

- Estates Strategy – update on the ongoing development of the University Estate the backbone of which is the Estates Development Framework, key risks and challenges in delivering the Estates Strategy.
- Information Security - the cyber risks facing the University and the processes and plans in place to mitigate these. (see paragraphs 9.7-9.9)

### **4 INTERNAL AUDIT SERVICE 2017/18**

- 4.1 The University is required by the SFC's Financial Memorandum to have an effective internal audit function. This is provided at the University of Strathclyde by an in-house team. The previous Head of Internal Audit retired in 2017 and a fixed-term appointment led the Unit during 2017/18. The Unit was also staffed during the 2017/18 financial year by two Senior Internal Auditors (1.6 staff FTE).
- 4.2 As part of the Internal Audit Quality Improvement Programme, it was agreed that the Head of Internal Audit would carry out a review of the options for future delivery of the Internal Audit Service. The options were previously considered in 2010, when a decision was taken to keep the service in-house. The review recommended that the current in-house provision of the Internal Audit Service be continued. This proposal had the support of the University's Executive and Audit & Risk Committee endorsed the proposal at its meeting in February 2018.

#### **Role of the Internal Audit Service**

- 4.3 The primary role of the IAS is to provide an objective assurance and opinion to the Principal and Court, via the Audit & Risk Committee, on the adequacy and effectiveness of the University's systems of risk, governance and internal control. This is obtained through conducting audit reviews of management practices, operations, systems and procedures (including risk management, control and governance), and measuring and evaluating the effectiveness of these controls and systems in achieving the University's strategic objectives.

#### **Internal Audit Assurance Strategy and Plan for 2018/19**

- 4.4 At its May 2018 meeting the Committee considered and endorsed the Internal Audit Assurance Strategy and Plan for 2018/19. The strategy was structured around three major aspects of audit work:
- Key risk based audits
  - Recurrent audit activities (including VFM)
  - Monitoring and advisory work
- 4.5 The plan was developed to allow IAS to focus more strategically on priority areas and, specifically, would allow IAS to concentrate resources on areas of strategic risk to the University whilst retaining the flexibility to respond to a changing environment. Maximising the available audit resources in this way was intended to provide a comprehensive annual audit opinion, covering the whole of the risk management, control and governance arrangements of the University.
- #### **Annual Report from Internal Audit Service 2017/18 and Audit Assessment**
- 4.6 The Committee received the IAS Annual Report 2017/18 at its meeting on 5 September 2018. The Report served to provide an independent opinion on the adequacy and effectiveness of the University's arrangements for governance, risk management, control and value for money. It also provided a summary of the activity and resources of the IAS during 2017/18.

## **Audit & Risk Committee Annual Report to Court 2017/18**

4.7 In its Report, the IAS provided assurance that the University had a framework of controls in place that provided reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks. This assessment was based on:

- all reviews undertaken as part of the 2017/18 Internal Audit Plan;
- any scope limitations imposed by management;
- matters arising from previous reviews and the extent of follow-up action taken including 2017/18 reviews;
- expectations of senior management, the Audit & Risk Committee and other stakeholders;
- the extent to which internal controls address the University's risk management / control framework;
- the effect of any significant changes in the University's objectives or systems;
- the internal audit coverage achieved to date; and
- the signed Statements of Assurance provided by Heads of Department or equivalent, Directors, Executive Deans, the Vice Principal, the University Secretary & Compliance Officer, Acting Chief Financial Officer, and Chief Commercial Officer.

### **Accountability & Assurance Framework (Key Controls Checklist)**

4.8 A revised Key Controls Checklist document was issued to every Head of Department/School and Professional Services Director, and a number of other managers identified as being in charge of significant stand-alone functional areas, in June 2018. This self-assessment document covers key areas of internal control and governance.

4.9 Statements of Assurance were then provided to the Executive Deans, Acting Chief Financial Officer, Chief Commercial Officer, Vice Principal and the University Secretary and Compliance Officer. These officers in turn signed Statements of Assurance addressed to the Principal, Audit & Risk Committee and University Treasurer to confirm compliance with key University policies and procedures within their area of control.

4.10 This provides the Principal, as signatory of the University's Annual accounts, with an additional degree of confidence that the important internal controls are operating effectively throughout the University. The process also serves as a means by which any areas of concern can be referred upwards for consideration at a higher level. The Audit & Risk Committee was apprised of the details of this process for 2017/18 and provided with the signed Statements of Assurance from Deans, Acting Chief Financial Officer, Chief Commercial Officer, Vice Principal and the University Secretary and Compliance Officer.

### **Internal Audit Performance**

4.11 The staffing complement in IAS was 2.4 FTE and was considered adequate for delivery of the 2017/18 Audit Plan. The temporary Head of IAS left the University at the end of June 2018 and a new Head of IAS took up post in August 2018.

4.12 During 2017/18 the Head of Internal Audit introduced a Quality Improvement Programme to the Internal Audit Service and carried out a self-assessment of the service, with a view to an external assessment being carried out in 2018/19.

4.13 In 2017 the Council for Higher Education Internal Auditors' (CHEIA) produced a re-designed tool for use in carrying out assessments within the Higher education sector

## **Audit & Risk Committee Annual Report to Court 2017/18**

which was used for the Self-Assessment exercise during 2017/18. This concluded that, for the 60 questions asked, the Strathclyde IAS displayed best practice in 34 areas, was fully compliant in 22, partially compliant in 4 and that there were no areas of non-compliance.

- 4.14 IAS also carried out a survey of key stakeholders in April/May 2018. Survey questionnaires were issued to 48 stakeholders and 35 of these (73%) were completed. The responses showed a high regard for IAS and some useful comments were also provided as feedback. The results of the survey were provided to Audit & Risk Committee at its meeting in May 2018.

### **5 EXTERNAL AUDIT**

#### **External Auditors**

- 5.1 Following their re-appointment in 2011-12 for a period of five years, Ernst & Young LLP continued to act as External Auditors to the University. The audit of the Financial Statements for 2015-16 had marked the end of the original appointment of the External Auditors. At its meeting on 10 November 2016, Audit & Risk Committee agreed to recommend to the University Court that Ernst & Young LLP be reappointed, as permitted by the conditions of the original appointment, for two years and three months. This would allow a future tender process to begin later in 2018 with a view to recommending a new appointment to Court in February 2019.
- 5.2 During 2017/18, the Chief Financial Officer (CFO) signalled his intention to retire at the end of the current session. Audit & Risk Committee therefore requested that the possibility of delaying the tendering process for a year, to allow a new CFO to be in post, be investigated. The University discussed this with the Scottish Funding Council (SFC) who agreed that this was a reasonable course of action in the circumstances. It was therefore agreed to extend the appointment of Ernst & Young LLP by one further year subject to the Audit & Risk Committee's annual consideration of the performance of the External Auditor being satisfactory.
- 5.3 Mr Stephen Reid fulfilled the role of Audit Partner for 2017/18 and Mr Rob Jones was the Engagement Manager.

#### **Non-Recurring Audit Services Provided by the External Auditor**

- 5.4 In 2017/18, there were no non-recurring audit services provided by the External Auditor. The total value of audit and audit related assurance services provided was £55,200 plus VAT.

#### **Non-Audit Services Provided by the External Auditor**

- 5.5 During 2017/18, the University appointed Ernst & Young LLP to provide consultancy advice in relation to various tax matters and various other reporting matters. These appointments were fully compliant with the University's Policy on the Provision of Non-Audit Services by the External Auditor. The total value of non-Audit services provided was £60,630 plus VAT.
- 5.6 Ernst & Young LLP confirmed that audit work was performed by team members separate from those providing non-audit services and the Audit & Risk Committee was satisfied on the objectivity and independence of the external auditor in relation to non-audit services supplied.

#### **External Audit Plan 2017/18**

- 5.7 At its May 2018 meeting the Committee considered and approved the External Auditors' Audit Plan for 2017/18, including the proposed approach for the audit of the 2017/18

## **Audit & Risk Committee Annual Report to Court 2017/18**

financial statements. This was aligned with the requirements of the auditing standards and other professional requirements and also aligned with the Audit & Risk Committee's service expectations.

- 5.8 Key areas of focus included accounting for property, plant and equipment, income recognition, risk of fraud in revenue recognition, accounting for pension obligations and management override of controls.

### **Review of Performance of External Auditors**

- 5.9 At its November 2018 meeting, the Audit & Risk Committee considered and discussed the performance of the External Auditors. Overall, the view was that the External Auditors were performing well and the Committee was satisfied with their work. Ernst & Young LLP were therefore appointed as External Auditor for the 2018/19 financial year with a tendering process planned for later in 2018/19 with a recommendation for a new appointment to be made to Court in February 2020.

## **6 RISK MANAGEMENT**

- 6.1 In accordance with its Terms of Reference, the Committee kept under review the effectiveness of the University's risk management arrangements, receiving and discussing the Corporate Risk Register at regular intervals throughout 2017/18. The Committee was satisfied that processes were in place to ensure the identification of key risks and that appropriate mitigating actions were planned and undertaken in response. In addition, a number of risk owners and senior officers were invited to attend meetings to discuss the management and mitigation of selected strategic risks (see 3.6 above).

## **7 VALUE FOR MONEY**

- 7.1 The University's Internal Audit Service (IAS) has, as a key objective in every audit review, the aim of ensuring that the University obtains best value from the use of its resources and includes in every review consideration of VFM and awareness of fraud and corruption risks. Some reviews are also undertaken with a clear focus on value for money issues. Recent reviews in this category include:
- Alumni and Development Services
  - Scholarships, Bursaries and Fee Waivers
  - Major Capital Project Management
  - Senior Staff Expenses
- 7.2 The University's commitment to achieving value for money from all of its activities is clearly articulated in the Strategic Plan and is also demonstrated in its wider governance structures and in a wide range of policies, procedures and business processes, as outlined below.
- 7.3 Annual Plans and Budgets specifically require that 'all efforts should be made in achieving value for money in our operations', whether by increasing income generation relative to cost or through explicit cost reductions and other efficiency savings.
- 7.4 Quarterly Business Reports provide detailed performance information on financial and key business targets, including a range of Key Performance Indicators and other metrics, which have been developed in support of the University's Strategic objectives, including, in particular, those in support of the Strategic Theme of Operational Excellence.

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- 7.5 Staff costs are the single largest expenditure item for the University. Annual Development Reviews (ADRs) support the University in seeking to realise the potential of all staff and to maximise performance across the whole University. Investing strongly in staff and supporting staff development to achieve high performance directly supports value for money objectives.
- 7.6 The University's Procurement Strategy, Policy and Procedures reflect specifically the requirement in relation to all non-staff spending to "maximise value for money by working collaboratively with Faculties, suppliers and other public bodies to implement efficient and cost-effective sustainable procurement practices."
- 7.7 Estates costs are one of the most significant areas of University expenditure. Since 2010, the University's capital programme has seen an investment of over £250m with further significant investment planned. All aspects of the University's Estates Strategy are rigorously tested and challenged to ensure value for money. Detailed options appraisals are undertaken to validate proposed activity before approval is sought; projects are competitively tendered; and expenditure against agreed plans is closely monitored until completion of the project.
- 7.8 The University is also making a significant continuing investment in Information Systems and Infrastructure, with the Information Services Directorate's objectives specifically requiring the delivery of 'efficient and effective services which provide value for money to the institution'. The delivery of new and enhanced information systems directly facilitates value for money, with new systems supporting improved and more efficient ways of working.
- 7.9 The University's Continuous Improvement Directorate provides leadership and direction to the University's continuous improvement activity and national Higher Education agendas including value for money. The Director is a member of the Lean HE Global Steering Group, Universities Scotland Efficiencies Taskforce and is convener of the Scottish HE Improvement Network.
- 7.10 The Directorate has undertaken specific improvement reviews as well as supporting and coaching continuous improvement projects in a number of areas including Estates Services and AFRC. The Team has also been involved in guiding and influencing Executive Team strategic projects.

## **8 FINANCIAL STATEMENTS**

- 8.1 As part of its review of the Financial Statements, the Audit & Risk Committee reviewed the draft Statement on Corporate Governance and Internal Control at its meeting on 5 September 2018 before it was incorporated into the Financial Statements. The Committee considered the draft Financial Statements for the year ended 31 July 2018 at its meeting on 1 November 2018.

## **9 OTHER BUSINESS**

The Committee considered a range of other relevant business during 2017/18, including the following:

### **University Financial Position**

- 9.1 During 2017/18 the Committee received updates, as appropriate, on the University's financial position.

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- 9.2 At its meeting on 1 November 2018, the Committee provided scrutiny of the Financial Statements for the year ended 31 July 2018, in the presence of the External Auditors. A pre-meeting with the Internal and External Auditors (see 3.4 above) provided the opportunity to raise any issues of concern with members of the Audit & Risk Committee. No matters were reported to the Audit & Risk Committee as requiring further consideration.

### **University of Strathclyde Students' Association (USSA) Review**

- 9.3 A report on the review of USSA, which had covered the Governance arrangements between USSA and the University and the controls and processes associated with Cash Handling in USSA's main trading operations, was considered at the March meeting of Audit & Risk Committee. Overall assurance on the review of Governance was Substantial and on the review of Cash Handling was Reasonable. Usually only one assurance judgement was made but the areas concerned, in this case, were too disparate to combine in this way. The review of Cash Handling would also be considered by USSA's own Audit Committee. The recommendations being made, particularly around security arrangements, were standard and there were no significant concerns.

- 9.4 The scope of IAS included a review of USSA which had been carried out annually. In recent years this included a full review of the financial position of USSA, due to the financial situation, but a full annual review of the financial position was not a requirement. The work done in 2017/18 had been for the assurance of both the University and USSA.

### **Transparent Approach to Costing (TRAC)**

- 9.5 The Committee considered and approved a report on the University's TRAC submission to the Scottish Funding Council (SFC). The final figures in the TRAC return had been audited and approved by the IAS.

### **Institutional Efficiency return**

- 9.6 The Committee considered and approved a report on the details of the University's contribution to the Scottish Government's efficiency objectives. There was a standard approach that must be followed and specified categories of efficiency savings. The final return had been reviewed by the IAS to ensure the guidance had been followed.

### **Information Security and Risk Analysis**

- 9.7 The Committee continued to offer robust scrutiny of this area during 2017/18. Members sought assurances that the University was appropriately managing information security risks and was suitably equipped to respond to incidents, should they occur. (see 3.6 above)
- 9.8 Audit & Risk Committee was pleased to note that Strathclyde had acted quickly when the WannaCry attack surfaced and had not been affected. A comprehensive cyber security plan was now in place.
- 9.9 Awareness raising was key and ongoing with online training being rolled out to staff and students. Several technical projects were ongoing to secure the network including rolling out virus checking and malware software and monthly, in house penetration testing which supplemented external testing and allowed greater frequency of testing and improved speed of resolution.

### **Other Reviews**

- 9.10 In addition to the activity described above, a number of other key audit reviews were undertaken across the University in 2017/18. Subsequent findings were reported to the

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Committee by the IAS in each case. The Committee also received updates at its November and March meetings on the implementation status of agreed Management Actions in completed audit reports. Additional areas where management practices, operations, systems and procedures were reviewed in 2017/18 included:

- Review of Alumni and Development
- Review of Business Continuity Management
- Review of USSA (see 9.3-9.4 above)
- Review of Digital Health & Care Institute
- Review of University Preparations for GDPR
- Review of UKVI Compliance
- Review of Science Faculty
- Review of Major Capital Project Management
- Review of Scholarships, Bursaries & Fee Waivers
- Review of International Student Recruitment
- Review of Sales to Cash

### **Annual Workshop**

- 9.11 The Committee held its Annual Workshop on 8 February 2018 which focused on the main risks facing the University. The Committee received presentations and held strategic discussions on 5 of the 15 risk areas on the Corporate Risk Register including: International Student Recruitment, Estates Strategy, Information Security, REF Preparation and the SIMS Project. (see 3.6 above) The Committee also received input from the External Auditor covering: through the audit lens, risks and disruption factors, Board priorities for 2018 and GDPR.
- 9.12 The Audit & Risk Committee had been included in the externally facilitated review of the effectiveness of Court and its committees which took place in the summer of 2017. The final report of this review concluded that the Committee worked well, carried out its responsibilities with care and diligence and had an appropriate membership including provision for two external co-opted members with highly relevant experience. During 2017/18, the Committee used a self-assessment tool developed by PricewaterhouseCoopers LLP (PwC) to assist with the effectiveness review of an Audit Committee. All members responded and the majority assessed the Audit & Risk Committee's performance as 'above average' or 'fully satisfactory'.

## **10 OPINION**

- 10.1 On the basis of the information presented to the Committee by the University management, IAS, Ernst & Young and other sources, and the discussion and review of that information within these groups, it is the Audit & Risk Committee's view that the University's arrangements for:

- Risk management;
- Internal control;
- Corporate governance;
- Economy, efficiency and effectiveness (VfM)

during the year 2017/18 were adequate and effective and can be relied upon by the Court.

- 10.2 The Committee is satisfied that, during 2017/18, the University has complied with and applied the principles set out in the Scottish Code of Good Higher Education Governance 2013 and was working, with the oversight of the Governing Body, to ensure compliance with the 2017 Code. Areas of the 2017 Code where there remained non-

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compliance are detailed in the Statement of Corporate Governance and Internal Control within the Financial Statements.

- 10.3 The Committee is also satisfied that the Governing Body's responsibilities, as defined in the Statement of Primary Responsibilities of the University Court in the Financial Statements and to the extent covered by the Audit and Risk Committee's remit, have been satisfactorily discharged.

Ms Paula Galloway  
Convener of the Audit & Risk Committee  
November 2018

## **Audit & Risk Committee Annual Report to Court 2017/18**

### **Appendix 1: Audit and Risk Committee**

#### *Terms of Reference*

#### **Purpose**

- 1.2.7 The Audit and Risk Committee reports to the University Court and oversees the arrangements for risk, internal control and governance, including the associated assurances related to these systems.
- 1.2.8 The committee is authorised by Court to obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Principal and/or convener of Court.
- 1.2.9 It is also authorised to investigate any activity within its terms of reference and to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the committee.

#### **Main Duties**

- 1.2.10 The specific duties of the Audit & Risk Committee shall be to:

#### **Internal Controls**

- (a) keep under review the adequacy and effectiveness of the University's corporate governance arrangements, and its financial and other internal controls systems,
- (b) consider the effectiveness of the University's policy on whistleblowing and its arrangements for the prevention, detection or investigation of questions of fraud or other financial irregularities and be notified of any actions taken in line with such arrangements
- (c) to monitor and be satisfied that suitable arrangements are in place to promote economy, efficiency and effectiveness (value for money) in the management of the University's resources
- (d) ensure the appropriate investigation of significant losses and that the relevant parties have been informed

#### **Internal Audit**

- (e) consider and advise the Court on the criteria for the selection and appointment of the Head of the Internal Audit Service or the appointment and terms of engagement of the internal audit service
- (f) review and endorse the Internal Audit Service's draft assurance strategy and annual plans; consider major findings of internal audit reviews and management's response and be satisfied that appropriate action is taken
- (g) monitor the implementation of agreed audit-based recommendations
- (h) consider if the resources made available to the Internal Audit Service are sufficient to meet the University's needs and make recommendations to the Court, if appropriate
- (i) promote co-ordination between the internal and external auditors

#### **External Audit**

- (j) advise the Court on the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal of the external auditors

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- (k) discuss with the external auditors, before the annual audit begins, the nature and scope of the audit
- (l) review the annual financial statements, prior to submission to the Court, in the presence of the external auditors and alongside the auditors' formal opinion, the Management Letter and the Statement of Corporate Governance and Internal Control, in accordance with the Scottish Funding Council's accounts direction, financial memorandum and other relevant direction and guidance
- (m) discuss with the external auditors any issues and reservations arising from the annual audit, including a review of the management letter, incorporating management responses and any other matters the external auditors may wish to discuss (in the absence of management where necessary)
- (n) to review and approve policy on the engagement of the external auditors to supply non-audit services
- (o) monitor annually the performance and effectiveness of the external auditors, including any matters affecting their independence or objectivity, and make recommendations to the Court concerning their reappointment, where appropriate

### **Risk Management**

- (p) to monitor and ensure the effectiveness of the University's approach to risk assessment and management through regular review of the Corporate Risk Register and reports from relevant University officers or committees.
- (q) to review the prioritisation of risk management focus via the Corporate Risk Register, taking into account financial, reputational and commercial risks.
- (r) to ensure that audit work is informed by risk management

### **Reports**

- (s) consider the impacts of reports or guidance issued by relevant external bodies, including the Scottish Funding Council, and make recommendations to the Court, where appropriate
- (t) to receive, as appropriate, reports on the implementation of major projects within the University covering progress, risks and mitigations.
- (u) to receive reports, as appropriate, where there is a potential reputational, commercial and/or financial risk to the University.
- (v) Prepare and present to Court, and subsequently to the Scottish Funding Council, an annual report covering the University's financial year and any significant events up to the date of preparation. The report should express opinions in relation to the committee's review of the effectiveness of institutional arrangements for:
  - i. Risk management, control and governance (including the adequacy of the governance statement)
  - ii. Economy, efficiency and effectiveness (value for money)

### **Other**

- (w) consider such other topics as may be remitted by the Court from time to time
- (x) review, on an annual basis and in consultation with Court, the committee's own performance against accepted good practice

## **Audit & Risk Committee Annual Report to Court 2017/18**

### **Composition**

- 1.2.11 The Committee shall consist of no fewer than four lay members of the Court, of whom one shall be Convener. At least one member shall have recent relevant experience in finance, accounting or auditing. The Committee may co-opt up to two further individuals external to the University, who should not have significant interests in the University, for a period of time to be determined by the Committee. The convener of Court should not be a member of the committee.

### **Meetings**

- 1.2.12 Meetings shall normally be held at least four times each financial year. The external auditors or head of internal audit may request a meeting if they consider it necessary.
- 1.2.13 The committee should meet with the external and internal auditors, without any officers present, at least once a year.
- 1.2.14 There shall be a quorum at any meeting of the Committee when not less than 3 members, at least 2 of whom are members of Court, are present. In the absence of a quorum no business shall be transacted other than the adjournment of the meeting.

*Approved by Court: 28/09/17*

**Enterprise & Investment Committee**  
**[RESERVED ITEM]**

## MATTERS TO BE NOTED FROM THE STAFF COMMITTEE MEETING HELD ON 13 NOVEMBER 2018

The following items are provided for Court's information.

- **STRATEGIC RECRUITMENT**

The Director of Human Resources advised Staff Committee that the 2018/19 global talent strategic recruitment campaign had closed on 4 November. The campaign had attracted 518 applicants and initial analysis suggested a very international field with 29% of applicants being from the UK, 23% from the EU and 47% from non-EEA countries. The next stages were longlisting, shortlisting and interviews. A further update would be made to the next meeting of Staff Committee.

- **NATIONAL PAY NEGOTIATIONS AND INDUSTRIAL ACTION**

The Director of Human Resources reported that, following a ballot of its members for industrial action in relation to pay, UCU had not achieved the 50% turnout threshold required to allow them to take strike action. The UCU ballot was held institution by institution with 8 of 147 universities achieving the required 50% turnout. UCU nationally had confirmed an intention to redefine the dispute, with a focus on "casualisation, equality, pay and workload", and to conduct a new ballot in the New Year. In addition, Unison's national ballot had not met the required 50% turnout threshold. Unite had chosen to hold strike ballots in a small number of universities and Strathclyde was not one of them.

- **PENSION PROVISION**

The Director of Human Resources and Acting Chief Financial Officer provided an update on pension provision to Staff Committee, which contained a number of elements.

In relation to USS (the Universities Superannuation Scheme), as a result of the failure to conclude the 2017 valuation, the USS trustee board had triggered 'cost sharing' provisions which required each USS employer to undertake a 60-day consultation with staff and their representatives on significant increases to both the employees' and employers' contributions to USS, commencing from 1st April 2019. In parallel with this, a Joint Expert Panel (JEP), with members nominated by Universities UK, on behalf of the Higher Education employers, and the University and College Union (UCU), who represent all USS members, was established to review the 2017 valuation of USS. The JEP report was published in September and UUK had been consulting with USS employers on its recommendations. The University had responded positively to the consultation on the JEP outcomes since they were aligned with what the University had consistently told staff and UUK; that we wished to retain a meaningful defined benefit element within the Scheme and were prepared to pay a higher level of employer's contribution to the Scheme. The JEP recommendations, if accepted, would, ultimately, result in lower levels of increase to the employees' and employers' contributions to the Scheme than those envisaged within the 'cost sharing' provisions. If accepted by the employers, the JEP recommendations were likely to trigger a new 2018 valuation.

The Director of Human Resources reminded Staff Committee that, between 2002 and 2017, the University had enrolled all staff on Grades 1 to 5 into USS rather than the Local Government Pension Scheme (LGPS). From January 2017, Grades 1-5 staff joining the University had been enrolled into LGPS. USS employee contribution rates were now higher than LGPS, leaving staff in the same roles paying differing contribution rates into different schemes, depending on their start date with the University. As a socially progressive employer, the University had engaged with Unite and Unison to discuss how this issue might be addressed. The Executive Team had considered a number of options and agreed that USS should be asked to change their exclusivity rules to enable staff in Grades 1 to 5 who commenced employment between 2002 and 2017 to have the option of ceasing to be active members in USS and to commence accruing benefits in LGPS. Discussions with USS had commenced. Staff Committee **welcomed** this development.

## **Report to Court from Estates Committee**

The Estates Committee met on 25 October 2018 and the following items were among those discussed:

### **For Noting by Court:**

#### **1. Confucius Project – Stage 2 Report**

The Committee considered a presentation by the Project Manager for the Confucius Project, which detailed progress to date and advised that the Stage 2 Report had been completed in May 2018, following extensive consultation with, and review by, all the key stakeholders. The Committee was appraised of the historical importance of the 'A' Listed Ramshorn building, which was approximately 190 years old and one of the most prominent buildings within the Merchant City area, notable for its Gothic tower and graveyard. The Ramshorn building had lain vacant for a period of time. As a result, specialist surveys of the building had been necessary to ascertain the level of dilapidation, as had a number of statutory consents, namely Change of Use Application, Planning and Listed Building Consents, and Building Warrant. This had resulted in the project running later than the original programme. It was confirmed that the Planning and Building warrants had been secured on 5 October 2018.

The works to be carried out to the building included asbestos clearing works within the plant room, the installation of a new lift, alterations to the entrance area to improve the accessibility, creation of a flexible facility which would enable multi use performances, creation of a tea ceremony area, and the installation of a reception area. It was reported that the users were delighted with the proposals to date. The procurement for the Main Contractor had commenced in September and would conclude in November 2018, with an anticipated twenty week construction period programmed to complete in April 2019.

The Estates Committee noted the complexity of the project, in light of the age of the building and its lack of accessibility, and commended the Project Manager on the progress to date and the innovative plans for the building. The Committee approved the completion of the Stage 2 report noting the status of consents and progression of the procurement process.

#### **2. Residences Upgrading Programme**

The Committee was reminded that in 2014 the Estates Committee and Executive Team had approved a Residences Strategy which laid out the terms of a 25 year modernisation plan, broken down into five year stages, the aim of which was to secure the upgrade, retention of, and investment in, the residences. As part of that process the Committee was now presented with the annual report on progress. It was reported that a surge in the number of private providers within the locality had impacted on the Residences in general over the past two academic years, resulting in an unusually high level of voids, equating to a reduction in income of circa £500k per annum. As a result, a decision had been taken to pause the strategy and shift the focus to works that addressed essential requirements. Strategic action had been taken for 2018/19 to mitigate the drop in usage, including the closure of James Blyth Hall, the freezing of student rents and the inclusion of a one off free membership for Strathclyde Sport for all residents, all of which had helped to eliminate the voids and bring the income level back to the target level of 98% occupancy.

Details were provided of the works completed in summer 2018 and the works planned for summer 2019. Of the latter, particular emphasis was drawn to the plan to provide Wi-Fi in all student bedrooms; this being considered vital to attracting and retaining students.

The Student President welcomed the news of these improvement plans, noting the very positive pastoral care of students in University residences compared to the purely commercial relationship students had with private accommodation providers. Furthermore, the free membership for Strathclyde Sport had been very welcome to the student body, with strong use of the membership. Some concern was raised regarding problems arising from drainage issues affecting Birkbeck Court, but reassurance was provided that there were already plans to replace the infrastructure in the ground floor flats and that regular maintenance and repairs would be carried out in the interim to keep the drains clear and prevent problems.

In response to the ongoing concerns regarding the number of private providers which had built or were planning accommodation in the area, it was reported that a number of plans for private halls of residence had stalled recently and that some of those in existence were struggling to reach capacity. The Committee noted that a watching brief would be kept on this and that the option might exist in the future for the University to take on any failing private offerings.

### **3. NMIS – Feasibility and Business Case**

The Committee was presented with a verbal report by the Chief Commercial Officer which detailed progress on the Business Case for the NMIS project. Work on the Business Case had been proceeding since February 2018, to tie in with the funder's timeline. The construction of the NMIS facility, which would be larger than AFRC, was being funded in the main by the Scottish Government. The presentation of the Business Case to the Committee followed the granting of approval by the Scottish Enterprise board, allowing work to commence on the detailed design of the facility and on the recruitment of the Leadership Team.

The project was now in delivery mode, with the Scottish Government's target completion by early 2021 presenting a challenging timescale. The recruitment of the NMIS Leadership Team, followed by many of the wider team, including the Business Engagement staff, prior to the opening of the facility, was intended to ensure that operational activities could begin at the facility very rapidly once construction of the facility was complete.

The Director of Estates Services delivered an update on the feasibility design. The key components of the facility were discussed, including the Digital Factory, an industry led centre; the Innovation Collaboratory, a centre for manufacturing technology applications and process development; and the Manufacturing Skills Academy, which will develop the skills set of Scottish manufacturing. The Committee was shown the masterplan for the layout of the various blocks and the concept of the 'Street', which will be at the heart of the facility. Sketch views of the facility were also presented. The glass walls at either end were especially highlighted as a key feature to allow people to see what was happening within the facility. The aim was to have the Planning Application lodged by May 2019, with full completion of the facility scheduled for August 2021, and a desire that at least some of the facility could be opened earlier in 2021.

The Committee engaged in some discussion as to whether it would be beneficial to lease or purchase the land, though it was noted that either option would be viable for the University. It was also stressed that while the Government was funding the construction of the facility, the ongoing operational financial commitment would be the University's responsibility, and was being planned for.

The Committee noted the progress made to date.

#### **4. The Heart of the Campus, Stage 2 Report**

The Assistant Director (Sustainability), in his role as Project Sponsor, gave a presentation on the plans for the pedestrianisation and re-landscaping of Rottenrow Gardens and the surrounding area and advised of the completion of the Stage 2 Report. He commenced the presentation by providing a brief history of the development of the gardens and its environs and highlighted the complexity presented by the topography of the campus.

Signage and wayfinding improvements had been undertaken since 2014 and it was noted that the aim was now to improve the gardens and streets. The desire to improve accessibility by means of creation of direct routes, lessening of gradients, improved sightlines and better lighting was highlighted. Pedestrians would be at the heart of the strategy and the Committee was informed of the wider project context alongside the City Development plan and the City Deal funded 'Avenues' project. The plan was to tap into the available City Deal and Community Links funding and to work collaboratively with the Glasgow City College and the City Council, which also wished to improve the local streetscape and urban realm.

Among the detailed plans which were illustrated was a 70% increase in grassed and seating areas, and a similar increase in event space. The Committee was shown illustrations of the hard and soft landscaping plans for Montrose Street and North Portland Street with biodiversity at their heart. It was noted that consultations were currently ongoing with Glasgow City Council's Roads Department, which was indicated to be supportive of the plans regarding the University 'adopting' the roads around Rottenrow Gardens. It was recognised that assuming greater control over the area through the adoption process was positive, although it did attract corresponding liabilities. The Committee was advised that a further period of consultation with staff and students would be undertaken over the coming two months. It was anticipated that the Planning Application would be submitted in early 2019 and that the programme of works could be completed by September 2020.

The Committee recognised that these works formed a key part of the development of the campus. It welcomed the proposals as laid out and applauded the commitment to addressing the issue of inclusion. It was noted that the design of spaces could be an important influence on the mental wellbeing of students. The President of USSA was in favour of the project, in particular the proposals on pedestrianisation. Additionally, it was suggested that this project could assist in creating a festival feeling on campus on open days, something which the present layout struggled to support. The Committee did caution against trying to do too much within the relatively small space, and recommended making early decisions as to the main priorities to ensure a focus on meeting those priorities well rather than trying to do too much. Additionally, flexibility was advocated in any plans, in order to allow repurposing over time.

The Committee thanked the Assistant Director for the quality of his presentation and looked forward to receiving regular updates on the project.