

University of Cambridge Key Risk Register

The first section is a tabular summary of the risks and issues. The second section provides the full risk analysis for each risk, including raw and residual risk scores, control measures, risk indicators, further work required. The scoring matrix is as follows.

Likelihood of risk

- 1 – Very low
- 2 – Low
- 3 – Medium
- 4 – High
- 5 – Very high

If likelihood was assessed as very low (e.g. earthquake) it could be given a score of “less than 1” such that even highest impact risks could attract an overall score of “less than 5”.

Impact of risk

- 1 – Insignificant
- 2 – Minor
- 3 – Moderate
- 4 – Serious
- 5 – Very serious

Total residual risk score (likelihood x impact) – and traffic light

1 – 6	Low	(green traffic light)
7 – 12	Medium	(green or orange light)
13 – 20	High	(orange or red light)
Over 20	Very high	(red light)

Each risk should have only one traffic light colour. The traffic lights are defined as follows:

Green: The risk is under control and represents no immediate threat or impact.

Orange: The risk has the potential to move to red. It needs managing and close monitoring but there is no immediate threat which would have a significant impact.

Red: The risk requires active management. It poses an immediate threat and its impact would be significant.

DEFINITIONS

Risk - “the threat or possibility that an action or event will adversely or beneficially affect an organisation’s ability to achieve its objectives”, (HEFCE, 2001).

Raw risk - the level of risk faced by an organisation before any internal controls are applied.

Residual risk - the level of risk faced by an organisation after internal controls have been applied.

Internal controls - the processes, policies and procedures used to govern the University’s work or any additional controls or mitigating actions taken to deal with a particular situation. A judgement has to be made by the risk owner as to the numerical reduction to the raw risk score to produce the residual risk.

Risk owner - an individual staff member, who is closely involved with the risk, is able to monitor the risk, initiate action if the risk becomes more serious, or escalate to senior management if necessary.

Risk indicators - provide the risk owner with early warning that action may be required to mitigate that risk through stronger internal control or, if it is outside the University’s control to be aware of it and closely monitor. The Risk Steering Committee recommends a minimum of three risk indicators for each risk. These indicators should be measurable and underpinned with data.

RISK STEERING COMMITTEE
KEY RISK REGISTER September 2011 (summary)

Risk no.	Risk name	Risk Owner	Key Issues	Raw Score	Residual Score	Rank (2010)	Status
1	Financial Health	Senior PVC	Deteriorating economy endangering grants, subsidiary income and investment returns. Indirect cost recovery on research. Departmental budgeting.	25	23	1(1)	Red
2	Research Funding	PVC Research	REF methodology, requirements from funders (eligibility and programming), indirect cost recovery, resourcing (staff), industry funding.	22.5	21	2 (2)	Red
3	Government HEI Policy	Vice-Chancellor	HE White Paper focus on undergraduates. Impact of changes to regulatory regime outlined in technical consultations: OFFA strengthened and role of HEFCE changing.	20	20	3 (3)	Red
8	Competition	Senior PVC	Research competitiveness (strategic bids). Impact of visa legislation on international reputation.	15	14	4 (4)	Orange
5	Staffing	PVC Institutional Affairs	Changes to retirement age policy. Impact of visa legislation on recruitment. Pensions.	16	13	5 (5=)	Orange
17	North West Cambridge	Registrary	High financial, operational and reputation risks. Project governance, budgetary planning and control.	22.5	12	6= (7=)	Orange
10	Governance	Vice-Chancellor	Governance structures. Shakeshaft review of Council business, and Yates scoping review of Statutes and Ordinances. Confidence in the Cambridge model strengthened through annual HEFCE review.	16	12	6= (7)	Orange
4	University /College Interface	Senior PVC and PVC (Education)	Review of College Fee Transfer underway. OFFA agreement approved. University-College fundraising MoU.	20	12	6= (7=)	Orange
7	Student Access/Admissions Policy	PVC Education	Ongoing political pressure and scrutiny of admissions. OFFA Agreement approved.	20	12	6= (7=)	Orange
15	Administrative	Registrary	Review of IT management and governance in progress.	16	12	6=	Orange

	Systems					(13=)	
11	Strategy	Vice-Chancellor and Senior PVC	Development of a Research Strategy and a Capital Strategy.	16	10	11 (5=)	Orange
6	Maintenance and Development of the Estate	Senior PVC	HEFCE CIF at risk. Embedding of Capital Planning framework.	16	9	12 (11)	Green
14	Associated Bodies	Senior PVC	Governance issues addressed and improved. Communication with Colleges, CA and CUP.	14	8	13 (12)	Green
9	Health & Safety	Chair of the Health and Safety Executive Committee	Audits continue to indicate good level of awareness and willingness to respond to recommendations. Audit plan for departments balances effort against risk.	16	6	14= (13=)	Green
13	Student Experience	PVC Education	Higher fees raise expectations across the sector.	12	6	14= (13=)	Green
12	Balance between Arts & Humanities and Science/ Technology	PVC Education	Departmental restructuring and new Triposes in Social Sciences.	9	6	14= (13=)	Green
16	Investment management	Director of Finance	Systemic risk of investment is accepted and managed through investment diversification and Investment Board advice and oversight; the key risk is of poor or fraudulent investment transactions.	9	3	17 (17)	Green

RISK STATUS**Red****RISK NUMBER: 1****RISK NAME: Financial Health****OWNER: Senior Pro-Vice-Chancellor****BRIEF DESCRIPTION OF RISK:**

To achieve sustainable operation and the ability to make continued investment in the fulfilment of its mission, the University (Little U) should seek to achieve an annual operating surplus of at least 3% of turnover (i.e. about £20m). The financial health of the institution is at risk if this target is not met. We are currently facing deficits of around £10m pa for the next 4/5 years and although the primary funding cuts are now quantified, there are significant further downside risks.

RAW RISK SCORE

Likelihood	5/5
Impact	5/5
Total raw risk score	25/25

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- A very tight planning envelope was set in the 2010 planning round: -2% cash for 11/12 and +1% for 12/13 and subsequent years.
- A medium term strategic plan formulated by the Finance Strategy Steering Committee in 2009 is underway.
- PRC Working Groups have reported on potential areas to make further savings: a Voluntary Severance Scheme (VSS) and a review of the UAS have been completed and a review of IT is underway.
- Schools and Institutions have cut back budgets and built some small reserves in 10/11 in preparation for 11/12 and 12/13 which will be the most difficult years. They achieved the very tight "Scenario C" planning envelope set in planning round 2010 but some Schools will spend down reserves to achieve this.
- Changes to USS have been agreed, and the University is consulting on changes to CPS
- Recent turmoil in the stockmarkets and global concerns about growth may impact on both CUEF related income and income from CA and CUP.
- Falling growth predictions will also impact on government spending and, in particular, continued capital funding from HEFCE remains a concern.

RESIDUAL RISK SCORE

Likelihood	5/5
Impact	4.6/5
Total residual risk score	23/25

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- Outlook in terms of HEFCE T and fee income is stable, but this is offset by deteriorating economic environment with possible impact on HEFCE CIF, CUEF, CA and CUP.
- Progress is being made on research strategy but indirect income continues to concern.

- Overall residual risk increased by 1 point to 23/25 from 22/25.

RISK INDICATORS/WARNING SIGNS

- Public announcements of cuts in HE Funding.
- Financial modelling and or management accounts predict deficits.
- Performance of investments.
- Capital Projects overspend.
- Changes in HEFCE funding formulae.
- Forecast changes in Pension contributions.
- Below target fundraising.
- Research grant volume and cost recovery.
- Changes to default retirement age.

FURTHER ACTION REQUIRED/UNDERWAY

- Follow through on PRC Working Groups' savings recommendations.
- Review research funding, especially our ability to plan strategically, support large programme grants and manage our indirect recovery.
- Continue to seek mechanisms to hold down costs.
- Complete review of College Fee Transfer agreement.

SEE ALSO

- Research Funding (#2)
- Government HEI Policy (#3)
- Strategy (#11)
- Investment Management (#16)

Date of update: August 2011

RISK STATUS**Red****RISK NUMBER: 2****RISK NAME: Research Funding****OWNER: Pro-Vice-Chancellor Research****BRIEF DESCRIPTION OF RISK:**

Research income forms an increasingly large fraction of the University's income. Reduction in research income would impact seriously on University finances and reputation. Lack of research funding could lead to reduction in quality of research output. Risks fall into three main categories:

Sponsor requirements:

- Increasing focus of research funding into areas (in particular, highly applied/directed research) which do not match Cambridge strengths
- Changing requirements for funding eligibility from major sponsors e.g. Wellcome Trust
- Increasing requirement for single PI grant applications incorporating the research programmes of multiple established research groups; this will be an increasing factor in our inability to secure large grant awards
- Lack of declared research priorities which are seen to align with those of major sponsors

Research income and resourcing:

- Application success rates decreasing as a result of poorly written grant applications: i.e. not satisfying the remit of the call for proposals.
- Reduction of fec.
- Increased reliance on charity funding, with associated lack of indirect costs.
- Expanded medical funding does not bring indirect costs.
- Reduction in CIF allocation for capital expenditure.
- Lack of effective engagement with industry regarding research funding.
- Economic downturn reduces industry and charity funding.
- Inability to recruit externally at all levels due to insufficiently attractive start-up packages

Research Excellence Framework (REF):

- Lack of engagement of some UoAs in REF with impact assessment process.
- Poor performance in REF arising from inability to retain faculty or make key appointments to enhance UoA submissions
- Poor performance in REF because of lack of planning regarding strategy in preparation period for REF submission.

RAW RISK SCORE

Likelihood	4.5/5
Impact	5/5
Total raw risk score	22.5/25

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE*Sponsor requirements:*

- PVC (Research) co-ordinates research policy and its overlap with University International strategy: requested and approved resources are still not in place.
- Strategic research initiatives and networks are being established to help demonstrate alignment with sponsor priorities and to give credibility to teams that are expected to bid for large grants.
- Some resource in RO now in place support strategic initiatives; additional support funded on EPSRC underspend grant until 31 March 2011.
- PVC (Research) to engage with funding agencies to set up face-to-face meetings with Heads of School and Heads of Department to input/influence the research priorities set by the aforementioned agencies.
- Communicate need for basic research to Government.
- Maintain close relationship with the Department for Business, Innovation and Skills (BIS).

Research income and resourcing:

- RO ensures appropriate overheads charged to research grants.
- RO working with Schools to monitor and enhance cost recovery.
- Schools have been asked to report to RPC on success rates every 6 months; along with strategy to be put in place to improve these where appropriate.
- As of August 2010, we have a proposal in place which enables CTOs to be PIs on grant applications.
- Communicate to Departments their obligations in meeting sponsors' terms and conditions.

Research Excellence Framework (REF):

- PVC (Research) co-ordinates REF discussions through Russell Group.
- Trial run on impact case studies for REF to be completed by each Department by end of academic year 2010-2011. This is to make all academics aware of the challenges involved and whether the University has adequate resources in place to support academics.
- Heads of School requested to produce a list of retentions/appointments that would enhance the quality of REF submissions. The cases need to be made by end Easter Term 2011. A cost-benefit analysis (including the academic value of the case) is to be provided. These requests can then be discussed with the VC and Senior PVC.
- Heads of School have been asked to identify any special cases that need to be discussed with HEFCE re researchers that are not paid on University contracts but whom we wish to declare – to be completed by end Easter Term 2011.
- Research Policy Committee has been asked to consider actions that might be taken to enhance our REF submission.

RESIDUAL RISK SCORE

Likelihood	4.2/5
Impact	5/5
Total residual risk score	21/25

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED*Sponsor requirements:*

- Reluctance to identify cross-School research priorities and to set the agenda with funding agencies at the University level is a weakness.
- Close interaction between PVC (Research) and PVC (International) needed to enhance our research base in Cambridge and our ability to attract best researchers into Cambridge.

Research income and resourcing:

- Indirect cost recovery measurement now in place.
- Volume and value of activations continues to decrease.
- The economic downturn is a large source of concern.
- RO is working to provide more effective grant management software – committee to engage with Schools in doing this has been set up.
- Greater emphasis should be put on attracting research grants from industry, particularly if Research Councils have reduced budgets in the coming years.

Research Excellence Framework (REF):

- RAE performance excellent, recently modified QR allocation is good (issues regarding incentivising Departments which got good RAE results but are not seeing financial return).
- Alignment of CUDO and Communications Office with University research priorities and strategic initiatives.

RISK INDICATORS/WARNING SIGNS AND SOURCES OF DATA

- Analysis and monitoring of reasons for success/failure in bids for research funding and monitoring Government policy on research funding.
- Cost recovery rates.
- Fall in the position of the University in the league tables for research.
- Application rates.
- Quarterly grant awards by value.
- Quarterly grant success rates.
- HEFCE proposals for REF.

FURTHER ACTION REQUIRED/UNDERWAY

- Engagement on REF development.
- Engagement with Government.
- Development of strategic relationship with funders.
- Continual analysis of real costs of research plus effort to recover full cost from funders.
- Attempt to use CIF and endowments strategically to maximise research funding opportunities.
- Improve systems and management information inside RO and communication with Schools and Departments.
- Work with Departments to improve grant and contract administration.
- Work with Research Councils to improve success rates.
- Provide single point of entry for priority industrial research partners.
- Work with Cambridge Enterprise to improve industrial engagement re funding research.

SEE ALSO

- Financial Health (#1)
- Government HEI Policy (#3)
- Competition (#8)
- Strategy (#11)

Date of update: April 2011

RISK STATUS**Red****RISK NUMBER:** 3**RISK NAME:** Government HEI Policy**OWNER:** Vice-Chancellor**BRIEF DESCRIPTION OF RISK:**

The University is heavily dependent for its core mission on funding provided from public sources. It is therefore subject to external regulation and management. Government policy, applied via the HEFCE and other agencies, has the potential to impose requirements, governance arrangements and admissions policy on the University which impinge upon its autonomy and are ill-suited to the pursuit of the University's international mission. Funding from public sources is coming under severe pressure.

RAW RISK SCORE

Likelihood	4
Impact	5
Total raw risk score	20

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- We continue to build relationships with members of the Government, members of Parliament, and the Civil Service, including HEFCE (alone and in conjunction with other institutions and groups). Significant senior effort is devoted to these objectives.
- We seek to reduce dependence on Government by further diversifying our income base through, for example, endowment income, CA/CUP and overhead recovery from research.
- We have developed alternative strategies and models both to support lobbying and to prepare for the future in the new funding and fees environment.

RESIDUAL RISK SCORE

Likelihood	4
Impact	5
Total residual risk score	20

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- Decisions about the University's response to Government proposals have been hampered by imperfect information. The HE White Paper focuses entirely on Undergraduates. Policy statements on research and innovation and postgraduates expected in later autumn.
- The White Paper was accompanied by technical consultations on the new regulatory environment, possible VAT exemptions for cost-sharing initiatives and the Government's policy on early repayment of student debts. Council will be submitting a response but few changes likely to be made to the general thrust of the policies.
- The conditions under which student fees of >£6k may be charged have been politicised and the role of OFFA in determining Access Agreements is critical in agreeing targets and spend on bursaries, outreach, etc. Access Agreements now need to be agreed annually. The appointment of a new Director of OFFA is pending. OFFA is to be strengthened and the new regime may be more directive and intrusive.

- The University has agreed to set fees at £9k and an Access Agreement has been agreed with OFFA for 2012/13.
- Concerns about policy with regard to T have occluded wider concerns about R funding and policy with regard to the REF in 2013 and the strategies of the Research Councils and other funding bodies.
- Government policy on immigration and visas has been a serious concern and arguably has greater negative impact on the long-term health of the University than the fees debate.
- Changes in senior civil servant roles and responsibilities in BIS have made building relationships harder.
- Relationships with HEFCE are good and mutually informative. But the role of HEFCE will be changing significantly in the future and there could be key staff changes that will lead to less benign understanding of the aims of Cambridge.

RISK INDICATORS/WARNING SIGNS

- Political rhetoric and statements about widening participation, admissions and fees.
- Analysis of intelligence-gathering by Cambridge, Russell Group, UUK, etc. from common and particular contacts from government, the Civil Service and research funding bodies.
- Divergence between Council and other senior bodies of the future direction for Cambridge strategy in response to government policy on the key questions of future funding and the distribution of cutbacks.
- Growing evidence of the impact of visa policy across the University hampering recruitment and retaining key staff in particular.

FURTHER ACTION REQUIRED/UNDERWAY

- Support the continuation of HEFCE as an effective regulator that can shield HEIs from short-term political interference while not increasing burdens on individual universities. Risk-based approaches to regulation and quality should be helpful to Cambridge.
- Convince politicians of the importance of the dual funding model in maintaining world class universities and attempt to expand the debate beyond undergraduate fees.
- Lobbying effort on visas nationally and locally has brought concessions – monitoring is still required to measure the impact on staff recruitment.
- Continue work on a financial strategy for the University that addresses core questions such as student balance, numbers and fee policy (the latter within the limitations of current and future legislation where that applies). This work also needs to include management of the balance sheet to support the University's strategy and mission.
- Persuade the University community (Council, Regent House) of the need for alternative strategies if the current government coalition is short-lived or if the new regulatory requirements are antipathetic to the pursuit of the University's international mission.
- Continue activities with politicians, advisers and HEFCE to press the case for Cambridge.

SEE ALSO

- Financial Health (#1)
- Research Funding (#2)
- Staffing (#5)
- Student Access/Admissions Policy (#7)
- Governance (#10)
- Strategy (#11)

Date of update: August 2011

RISK STATUS**Orange****RISK NUMBER: 4****RISK NAME: University/College interface****OWNER: Senior Pro-Vice-Chancellor and Pro-Vice-Chancellor (Education)****BRIEF DESCRIPTION OF RISK:**

- Success of Cambridge as a collegiate university depends on common sense of purpose and agreed strategic aims. External and internal pressures may lead to tensions between University and Colleges, and failure to co-operate.
- Increasing numbers of academic staff have no college affiliation/little engagement in college activities, and poor appreciation of the role of colleges in the University.
- Financial pressures may prevent agreement on college fee transfer and Memorandum of Understanding following changes to student funding regime.
- University and Colleges may compete in fund-raising.
- Demands from HEFCE/Government on the University to develop access/admissions policy may conflict with independence of colleges, and delivery of University commitments on access relies primarily on the Colleges.
- Financial stringency in academic departments (and implementation of the RAM) creates pressure to expand postgraduate education and overseas student numbers in the absence of agreed education strategy.
- Tension created by adverse publicity as a result of the activity of a college.
- Increase in student numbers is putting pressure on the interface.

RAW RISK SCORE

Likelihood	4
Impact	5
Total raw risk score	20

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- College representation on key policy-making committees. Of limited value unless representatives can speak for all or most colleges.
- Appointment of PVCs with remit to develop policy in conjunction with colleges.
- Attendance of Pro-Vice-Chancellor for Education at Senior Tutors' Committees.
- Joint University/Colleges Standing Committee (UCJC) has been reconstituted to be more effective and to focus on key policy areas.
- Replacement of the Joint Admissions Committee with Undergraduate Admissions Committee.
- Creation of Postgraduate Admissions Committee
- Memorandum of Understanding between the University and the Colleges for the 800th fundraising campaign.
- Working Parties to review governance, research and teaching have reported. Review of College Fee Transfer is underway.
- New Memorandum of Understanding between the University and the Colleges for fundraising.

RESIDUAL RISK SCORE

Likelihood	3
Impact	4
Total residual risk score	12

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- No change to the score with little substantive change to the current issues.
- The UCJC continues to work reasonably well and good progress has been made on a number of tasks in the agreed Work Plan. However, the CTO issues remain unresolved with no clear vision of a way forwards.
- Dependence of some Faculties on CTOs for delivery of core teaching and examining, and unsatisfactory/inconsistent career structure for CTOs are potential sources of tension. This has been highlighted by the review of English where the problem is extreme. The response to that review is being developed, outcome remains unclear.
- There is a clear commitment by Chair of Colleges Committee and the VC through the PVCs to make progress on key issues.
- Increased understanding that Colleges are also under threat by spending cuts and close cooperation by University will be essential to future well-being.
- College Fee Transfer review now underway with a commitment to complete it by April 2012.
- Proportion of staff with no College association remains a problem.
- College capacity for graduate students insufficient to meet School wishes.

RISK INDICATORS/WARNING SIGNS

- Failure to develop or implement policy because of University/College disagreement.
- Failure of colleges to reach agreed position on policy issues.
- Proportion of academic staff without college affiliation increases or fails to decrease.
- Adverse publicity resulting from regulatory non-compliance or management failure by a college.
- Protracted negotiations on college fee transfer or other financial agreement.

FURTHER ACTION REQUIRED/UNDERWAY

- Continue to make progress on the UCJC workplan

SEE ALSO

Date of update: August 2011

RISK STATUS**Orange****RISK NUMBER: 5****RISK NAME: Staffing****OWNER: Pro-Vice-Chancellor (Institutional Affairs)****BRIEF DESCRIPTION OF RISK:**

Difficulty in recruiting new staff and retaining existing staff, especially at professorial level. This due to the following:

Retirement policy:

- The removal of the national default retirement age (DRA) will reduce the opportunity to appoint new staff to roles which otherwise would have been vacated by retirees.

Visas:

- Immigration controls and restrictions on numbers and timescales will affect the University's ability to recruit staff internationally. The additional administration could make the UK an unattractive proposition for eminent academics.

Pensions:

- Pension tax changes will reduce the annual and lifetime allowances, making it more difficult in some instances to appoint new starters to senior roles, to promote individuals, and fill fixed duration senior roles.
- Proposed changes to CPS may create a difficult Industrial Relations climate which could impact on our ability to recruit non-academic staff.

Staff retention:

- Salaries particularly at the top of the professorial scale remain weak in comparison to business/professional sectors in competitor US and Asian markets, and some competitor academic institutions. This has probably worsened with the low increases in 2009 and 2010.
- Some Universities may wish to recruit our staff in advance of the REF exercise.

Staff recruitment:

- The difficult financial conditions will reduce the opportunities to appoint new staff to vacancies.
- Housing costs in Cambridge remain relatively high and in the current climate of low mortgage lending could threaten the University's ability to recruit and retain staff.

RAW RISK SCORE

Likelihood	4
Impact	4
Total raw risk score	16

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE*Retirement policy:*

- HR Committee (HRC) has set up a DRA Working Group which is producing a Consultation Joint Report; this includes options for an Employer Justified Retirement Age (EJRC) for some or all categories of staff
- Interim Retirement Policy in place.

Visas:

- The design and terms of reference of a Certificate of Sponsorship Allocation Group have

been agreed should this be needed. There are currently sufficient Tier 4 and Tier 5 Certificates for our estimated requirements. Tier 1 changes have been confirmed by UKBA.

Pensions:

- Proposed changes to the CPS scheme have been as a result of negotiations with the Trade Unions (via a Special Joint Negotiating Committee) and staff consultation will precede any changes.

Staff retention:

- Minor changes from the Senior Academic Promotions Review have been implemented and substantive changes will be taken for agreement in Lent term 2012.
- Improved promotion schemes for academic staff are being implemented.
- Extensive staff development programme.
- Shared equity scheme to assist staff with obtaining mortgages.

Staff recruitment:

- Recruitment incentive packages and reimbursement of expenses.
- Voluntary Severance Scheme (VSS) will reduce pay budget and may provide opportunity for recruitment.
- Further accommodation for staff being developed (in addition to property already available for rent) in North West Cambridge.
- Promote advantages of a world class university, facilities, college system and reputation.
- Improving the University's image as a good place to work – widening CAMbens.

RESIDUAL RISK SCORE

Likelihood	3.3
Impact	4
Total residual risk score	13

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- A case due to be considered by the Supreme Court may limit the opportunity for an employer to implement an EJRC.
- Tier 1 changes have been confirmed although there is concern about how the Competent Bodies will operate in practice. Restricted Tier 2 applications must be approved by UKBA subject to a monthly limit. There are further restrictions on timescales.
- Current USS difficulties (with the Trade Unions) could result in a delay to any USS Scheme rule changes for individuals affected by the Pension Tax changes.
- Turnover of staff remains low (and is likely to remain low as vacancies in HE freeze with financial cutbacks) but will be closely monitored. Number of vacancies may decrease as pressure on funding rises. However competition from overseas universities is growing.
- Increasing pressure on departmental budgets may make it difficult to offer enhanced packages to attract and retain the best candidates
- Likely pay 'freezes' for the HE sector may threaten our ability to be competitive internationally.
- General financial downturn and unemployment statistics may mitigate the risk in the short to medium term –for retention purposes.
- Housing and childcare remain crucial problems.

RISK INDICATORS/WARNING SIGNS

- Monitoring of staff turnover rates.
- Number of roles vacated by leavers not filled.
- Number of vacancies filled through redeployment of staff due to restructuring.

- Low number of suitable applicants and positions remain unfilled for longer than normally expected. Re-advertising positions. High volume of low quality applications.
- Successful international applicants are unable to take up their positions and the number of international applicants falls.
- University remuneration packages (in all staff groups and at all levels) monitored against market rates for divergence and market supplements are regularly reviewed.
- Significant increase in grievance and appeal procedures.

FURTHER ACTION REQUIRED/UNDERWAY

- A decision will be required as to whether an EJRC will be put in place for some or all staff at the University.
- Staff Consultation communication has been sent out for proposed changes to CPS Pension Scheme.
- Awaiting USS paper on changes to scheme rules for affected individuals.
- Reviewing pay arrangements on allowances paid for fixed duration senior appointments.
- Senior Academic Promotions – approval of major changes (scoring model and FPC configuration)
- Ultimate solutions require rebalancing resource cost with available funding.
- Need more flexibility in creating solutions for staff groups where the problems are most acute.
- Managing the University's image as a good place to work.
- Housing and related facilities need to be developed.
- Develop appropriate HR policies and processes to support Schools and Departments while managing the desired size and shape of the academy.
- Better workforce planning including early discussions on retirement plans to ensure the recruitment and retention of the best staff.

SEE ALSO

- Financial Health (#1)
- Government HEI policy (#3)
- Competition (#8)

Date of update: September 2011

RISK STATUS**Green****RISK NUMBER:** 6**RISK NAME:** Maintenance and Development of the Estate**OWNER:** Senior Pro-Vice-Chancellor**BRIEF DESCRIPTION OF RISK:**

The Estate is a key operational asset of the University. The risk is that the University does not invest sufficiently in new buildings and the on-going maintenance of its unique estate leading to the decay of business critical infrastructure.

The University has typically spent around £65m pa over last decade on new building and about £15m on maintenance. HEFCE recommends expenditure of at least 1.5% insurance replacement cost (IRC) of the Estate as an appropriate maintenance budget. This would represent £25m+, however this is offset by our relatively high rate of replacement which adds significantly to the overall condition of the Estate. The primary risk here is the inability to continue to fund new build and maintenance at these levels.

RAW RISK SCORE

Likelihood	4
Impact	4
Total raw risk score	16

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Analysis and understanding required to ensure an appropriate level of spend is provided through the Annual Estate survey of 20% of the Estate on a rolling basis; annual assessment of maintenance and detailed consideration of annual maintenance report by Buildings committee and PRC.
- A Capital Planning framework has been established, a Capital Group now meets regularly and the Capital Plan will be reviewed annually by PRC.
- Capital fund established with recurrent funding from the chest plus a loan facility agreed in principle by Finance Committee.
- Maintenance budget is being maintained at level which is acceptable to EM and Buildings Committee; and which is consistent with the Capital Plan.
- Renewal of the New Museum's site has been agreed as part of the Capital Plan and this will offset some of the most significant maintenance risks.

RESIDUAL RISK SCORE

Likelihood	3
Impact	3
Total residual risk score	9

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- CIF is the most vulnerable of all HEFCE's funding streams and the deteriorating economic outlook will put increased pressure on HEFCE to reduce costs further.
- To offset this, the Capital Planning framework is becoming embedded and renewal of the New Museums site has been agreed as part of the Capital Plan.
- Management of capital planning and maintenance continues to be extremely professional and

benchmarking against Russell Group indicates Cambridge in top 4.

- Given the above, the residual risk has been further reduced to 9

Notes:

i) The Capital Plan is reviewed annually by PRC as part of the planning round.

ii) The condition of the Estate is reviewed by external consultants on a rolling programme. 20% of the estate is reviewed annually.

RISK INDICATORS/WARNING SIGNS

- Inability to fund new buildings which are necessary to deliver our Research and Teaching Strategies
- Inability to refurbish or renew buildings which are not fit for purpose
- Annual maintenance report indicates increasing backlog.
- Annual Estate survey indicates deterioration.
- Benchmarking against Russell Group indicates loss of position.
- Allocation of funds for capital investment falls below £50m pa.
- Allocation of recurrent funds for maintenance falls significantly below Buildings Committee recommendations.

FURTHER ACTION REQUIRED/UNDERWAY

- Continue to develop the Capital Programme
- Ensuring minimum levels of capital and maintenance within budget process
- Seeking agreement to borrow if necessary to maintain quality of estate

SEE ALSO

- Financial Health (#1)

Date of update: August 2011

RISK STATUS**Orange****RISK NUMBER:** 7**RISK NAME:** Student Access/Admissions Policy**OWNER:** Pro-Vice-Chancellor (Education)**BRIEF DESCRIPTION OF RISK:**

- Risk that the University admissions policy is perceived by Government/media to be elitist, discriminatory and non-transparent, particularly when selecting students from state sector.
- Risk to reputation, and potential financial risk due to withholding of HEFCE funds and adverse effects on fund-raising.
- Higher fees may have an impact.

RAW RISK SCORE

Likelihood	5
Impact	4
Total raw risk score	20

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Existing code of practice (Code of Practice for Undergraduate Admissions to the Cambridge Colleges).
- Guideline for admission interviewers (The Conduct of Cambridge Admissions Interviews: Guidelines for Interviewers).
- Undergraduate Admissions Committee to oversee policy.
- Availability of more detailed information of applicants' academic performance.
- Subject moderation.
- Operation of new Intercollegiate pool arrangements.
- Adoption of on-line application.
- Improved publications and website.
- Communications Office involvement/Director of External Relations and Communications directly involved; and roadshows explaining admissions process designed to change potential students' perceptions.
- Matriculation requirements amended.
- Appointment of Director of Undergraduate Recruitment.
- Abolition of CAF.

RESIDUAL RISK SCORE

Likelihood	3
Impact	4
Total residual risk score	12

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- Ongoing political pressure for WP, Social Mobility and provision of further information to prospective undergraduates.
- OFFA Agreement approved.

RISK INDICATORS/WARNING SIGNS

- Increase in level of adverse publicity

- Drop in application rates, and therefore in admission rates, of under-represented groups.
- Imposition of penalties if all reasonable efforts are not made to meet OFFA milestones.
- Negative feedback from applicants/schools
- Fall in recruitment of highly qualified students generally

FURTHER ACTION REQUIRED/UNDERWAY

- Monitoring of applications and admissions
- Sustained Cambridge-focussed widening participation and outreach work
- Analysis of applications and admissions information
- Employability information to be provided.

SEE ALSO

- Government HEI Policy (#3)
- Competition (#8)
- Student Experience (#13)

Date of update: August 2011

RISK STATUS**Orange****RISK NUMBER:** 8**RISK NAME:** Competition**OWNER:** Senior Pro-Vice-Chancellor**BRIEF DESCRIPTION OF RISK:**

- The University is at, and wishes to remain at, the forefront of world universities. It is in competition with the major private universities in the US, and closer to home with institutions such as Oxford, Imperial and UCL. In the long-term universities in, for example, China will emerge as competition.
- Current and aspiring competition will seek to attract outstanding staff, the highest quality students, and the attention and support of benefactors, businesses and governments.
- There is a risk that competition will move ahead in reputation, quality of academic output in research and education, financial capacity and physical resources. There is room for only a limited number of truly world-class institutions.

RAW RISK SCORE

Likelihood	3
Impact	5
Total raw risk score	15

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Strategic framework, Staffing and Financial Health managed as key risks
- A number of new initiatives have been introduced to improve our research competitiveness
- Work is starting on improving our management information to include comparative data on the performance of our UK peer group
- Communications office and PRAO continue to assess the factors which affect our league table placings; and to manage the Cambridge brand
- Colleges are a key asset that cannot be reproduced by most competitors.
- Modest investment is in place to optimise REF performance
- Agreement to run a deficit budget in short term to avoid unnecessary damage to our operation and performance as a world class institution
- Plans for NW Cambridge development will improve our ability to attract the best Post-Docs and graduate students.

RESIDUAL RISK SCORE

Likelihood	2.8
Impact	5
Total residual risk score	14

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

Our research funding continues to be a cause of concern relative to our main UK competitors: there is growing evidence that we are losing ground in terms of research funding. A particular concern is our ability to compete effectively in winning large Research programme grants. However, initiatives are in place to address these issues and overall it is appropriate to leave the residual risk unchanged at 14.

RISK INDICATORS/WARNING SIGNS

- International and national league tables
- Citations and prizes deterioration
- Benefaction levels decline
- Application rates of quality students – UK and overseas
- Inability to recruit and retain high quality staff
- Research income falls compared with UK and US competitors
- Inability to maintain adequate levels of capital and recurrent funding

FURTHER ACTION REQUIRED/UNDERWAY

- Development of research themes and framework to support large programmes
- Provision of additional fully-funded post graduate scholarships and analysis of the impact.
- Close monitoring of impact of funding cuts on retention, recruitment and new initiatives.
- Development of NW Cambridge site for Post-Docs and increased provision of graduate accommodation generally.

SEE ALSO

- Research Funding (#2)
- Staffing (#5)
- Student Experience (#13)

Date of update: August 2011

RISK STATUS**Green****RISK NUMBER: 9****RISK NAME: Health and Safety****OWNER: Chair of the Health and Safety Executive Committee****BRIEF DESCRIPTION OF RISK:**

On-going risk (short/med/long term) requiring constant monitoring. If this risk were to crystallize to any great degree the medium to long term consequences could have serious financial and reputational damage.

Areas of concern include:

- non-compliance with Health and Safety law by University leading to loss of licence, other licensing issues, fines, penalties, reputational harm and loss of research monies;
- accident, injury or death to visitor, students or staff;
- inability to keep abreast of changes in Health and Safety law across University as a result of lack of Health and Safety resources at departmental level and outstanding risk assessments.

RAW RISK SCORE

Likelihood	4
Impact	4
Total raw risk score	16

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Division of Health and Safety (Director and Safety Advisers) measures including Safety Office
- Health and Safety network
- Training via website/pamphlets and direct contact
- Strategy for Safety Management
- Annual report and regular statistics and surveillance
- Regular audit of departments and other institutions
- Health and Safety Executive Committee reviews strategy, reviews safety audits and is briefed by H&S Director
- Full -time, well qualified Safety Officers appointed to Schools of Biology and Clinical Medicine
- Two School safety officers, 4 permanent Health and Safety officers at the departmental level/ 2 further Health and Safety officers as second jobbers
- Full time fire safety team in EMBS report to each HSEC meeting
- Counselling Service and Occupational Health Service report annually to HSEC and identify trends in health problems relating to work
- Move of license holder to Director of H&S
- PRC agreement to redevelop Animal Housing as a high priority.

RESIDUAL RISK SCORE

Likelihood	1.5
Impact	4
Total residual risk score	6

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- Residual risk unchanged since last review
- Low frequency of major incidents
- Audits continue to indicate good level of awareness and willingness to respond to recommendations and audit plan for departments balances effort against risk.
- Accident rates per thousand staff below national average.
- No current regulatory issues.
- Annual Reports indicate good level of fire safety and decreased allergen exposure.
- Commitment to redevelop animal housing
- Attendance at training sessions has improved.

RISK INDICATORS/WARNING SIGNS

- Increase in numbers of incidents of non-compliance, breach of regulations or complaints above normal expected levels in a time period;
- Increase in the rate of non-attendance of students and staff at training sessions;
- Unfavourable comparisons of University Health and Safety statistics/standards to that of other Universities, and
- Audits reveal safety system failure.

FURTHER ACTION REQUIRED/UNDERWAY

None.

Date of update: August 2011

RISK STATUS**Orange****RISK NUMBER: 10****RISK NAME: Governance****OWNER: The Vice-Chancellor****BRIEF DESCRIPTION OF RISK**

The Cambridge governance model encourages excellence in research and teaching through academic self-governance and openness. The cost of these principles can be high because of a tendency to eschew senior leadership exercised on behalf of the University, and the potential for inertia in timely decision making. Less responsible use of Discussions, challenges to decisions (Statue K.5 for example) and ballots can lead to adverse publicity and reputational and financial harm.

Governance problems include:

- complexity in decision-making within the University and within the collegiate University;
- complexity of committee structures leading to misconceptions as to the role and authority of individual bodies and persons (this has been noted in the UAS Review);
- inability to react quickly to opportunities and threats in the external environment;
- lack of transparency and accountability due to complexity and lack of understanding of governance structures and roles;
- proportionally small numbers of the members of the Regent House may initiate proposals, call for amendments to Graces and require ballots;
- over-committed academics with limited support from trained professionals on Council and committees;
- level of investment or quality in the central administration to provide professional and effective support;
- HEFCE preference for [Committee of University Chairs](#) (CUC) Code.

RAW RISK SCORES

Likelihood	4
Impact	4
Total raw risk score	16

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Five Pro-Vice Chancellors, led by a senior PVC, with defined portfolios to support the Vice-Chancellor in institutional leadership;
- Appointment of two additional external members to the Council; establishment of the role of Deputy Chairman of the Council normally to be held by one of the external members;
- Establishment of a Remuneration Committee of the Council;
- Cambridge conforms with all principal elements of the CUC Code except for external majority on Council and independent Chairman of the Council; confidence in our model has been strengthened by annual accountability exchanges with HEFCE.
- Continuing discussions with key stakeholders to explain Cambridge's position and plans;
- Greater clarity of the executive role of the Heads of the Schools;
- Statutory provision for delegation to individuals (not just committees);
- Improved induction for members of the Council and management of committee business;
- Unification of external audit for all components of the University group (CA, CUP and University activities)
- Agreement on and publication of a statement of principal responsibilities and code of conduct for the Council that is reviewed and re-affirmed annually

RESIDUAL RISK SCORE

Likelihood	3
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Impact

4

Total residual risk score**12****NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED**

- The second of three annual accountability meetings with the HEFCE took place in March 2011 resulting in only trivial requirements.
- The last annual accountability meeting will be in 2012 but HEFCE wishes the University to review its governance arrangements by the end of 2013/14 and advise of the conclusions. This signals a different approach to our governance arrangements from external bodies which should be welcomed.
- The consultation on the new regulatory framework deriving from the Government's policies for England's HE sector will bring in significant changes in the role of the HEFCE and the general applicability of the CUC Code.
- Approval of the setting of undergraduate fees, the financial arrangements to be made for student support, and the reaction of groups within the University to the Government's proposals for future HE funding and direction led to a series of ballots and the absorption of the Council's time and those of senior leadership. These votes – including the “no confidence” motion about the Minister of University and Skills which was a tie – supported the views of the Council.
- The Yates scoping review for the review of the Statutes and Ordinances is underway and has published some consultative material. This is not addressing significant reform of the substance of the Statutes and Ordinances but only their taxonomy, brevity and lucidity.
- Some changes have been made to Council committees; further reforms are planned and should be enacted.
- The Shakeshaft review of Council business will bring in reforms that will focus better the role of Council in terms of the items before it for discussion and decision, and may be followed up by further discussion on how the Council operates within the overall governance arrangements at Cambridge.

RISK INDICATORS/WARNING SIGNS

- Negative external or internal publicity on poor governance.
- Number of conflict/disagreements between senior management and Council or Regent House over structure/governance.
- Number of Graces voted/balloted in Regent House.
- Negative commentary from external agencies (e.g. HEFCE, CUC)
- Reputational harm and adverse publicity due to governance problems, real and perceived, and change proposals.
- Lack of understanding between staff and central bodies leads to loss of common purpose.
- Failure to sustain academic performance in the long term
- Criticism by HEFCE, BIS or other government or independent agencies

FURTHER ACTION REQUIRED/UNDERWAY

Action is needed to consider what would be in scope for the review requested by the HEFCE and, separately, to consider whether our current procedures are apt for the changing circumstances that we can anticipate or wish to avoid from the significant changes to the role of the HEFCE and Government in a more plural and – in one sense of the meaning – deregulated sector.

SEE ALSO

- Strategy (#11)

Date of update: August 2011

RISK STATUS**Orange****RISK NUMBER:** 11**RISK NAME:** Strategy**OWNER:** The Vice-Chancellor and Senior Pro-Vice-Chancellor**BRIEF DESCRIPTION OF RISK:**

There is widespread understanding within the University of the vision and purpose of the institution. Traditionally, the University has been a 'bottom up' organisation whose success in research scholarship and teaching has been achieved through the initiatives of individual academics and institutions. There is now an increasing need for a strategic planning framework and various strategies are being developed. The risks here are that an integrated strategy may not be developed quickly enough and that the traditional bottom-up culture leads to a divergence between strategic plans and actual behaviour. Further pressure to develop our strategy is emerging in several areas including research support from foundations and research councils; and cost effective IT provision.

RAW RISK SCORE

Likelihood	4
Impact	4
Total raw risk score	16

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Council devotes two "away days" per year to strategic discussions.
- Annual submission of School and Institution Plans gives a stronger sense of Institutional purpose and strategy.
- Estate strategy embodied in published estate plan linked to School / Institution plans.
- Representation of Academic Schools and other Institutes, including colleges, on key committees ensures broad understanding of priorities and aspirations of the University.
- Vice-Chancellor holds regular meetings with Heads of Schools and all Heads of Departments to discuss strategic matters and forth-coming issues.
- Pro-Vice-Chancellors are developing strategic plans; they meet each week to ensure linkage between different aspects of University plans and activities.
- Regular meetings of Pro-Vice-Chancellors with Heads of Schools and senior administrators ensure common understanding of key issues.

RESIDUAL RISK SCORE

Likelihood	2.5
Impact	4
Total residual risk score	10

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- Good progress has been made in developing a Research Strategy and a Capital Strategy.
- New Vice Chancellor is rapidly developing and articulating his strategic vision.
- Residual risk has been decreased to reflect the above.
- Internal agreement on critical infrastructure and business processes requires a more clearly articulated IT strategy.

- Board of Scrutiny generally supportive.

RISK INDICATORS/WARNING SIGNS

- Major unresolved disagreement among Chairmen of Schools/Heads of Institutions as to future teaching/ research plans.
- Serious concerns in Regent House (i.e. signature collection/formal ballots) with respect to future plans.
- Major unresolved disagreements between Chairmen of Schools and Pro-Vice-Chancellors.
- Criticism from the Board of Scrutiny.
- Criticism from external stakeholders.

FURTHER ACTION REQUIRED/UNDERWAY

- Development of a more detailed research strategy
- Development of a strategy for IT

SEE ALSO

- Research Funding (#2)
- Governance (#11)

Date of update: August 2011

RISK STATUS**Green****RISK NUMBER: 12****RISK NAME: Balance between Arts/Humanities and Science/Technology****OWNER: Pro-Vice-Chancellor (Education)****BRIEF DESCRIPTION OF RISK:**

The University has always maintained a balance between Arts/Humanities and Science/Technology and the mission statement states that Cambridge will remain a broad based University.

Inability to maintain the traditional balance arises through:

- Disproportionate amount of research money flowing to Science & Technology
 - o 'arts' councils have less funds to disseminate;
- Internal/external tensions and competitive pressures in favour of universities with science and technology focus rather than a broad based university;
 - o Increased weight is now given to STEM QR weightings.
- Lack of "business case" for Arts & Humanities departments;
 - o Relatively small size of many Arts and Humanities institutions makes them vulnerable
 - o Arts and Humanities are particularly vulnerable to threatened reductions in undergraduate funding.
- Loss of educationally important subject areas;
- Loss of posts in Arts and Humanities;
- Colleges unable to finance College Teaching Offices (CTOs), on whom some Arts and Humanities subjects depend for teaching.

RAW RISK SCORE

Likelihood	3
Impact	3
Total raw risk score	9

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- General Board and Council retain ultimate control of resource allocation and responsibility for academic development; and
- New building programme for Arts/Humanities/Social Sciences.
- Continued recruitment of high calibre University Teaching Officers (UTOs) generally less of an issue in Arts and Humanities disciplines than in the Sciences.
- Major embedded institutions in the University such as the University Library and the Fitzwilliam Museum act as an important resource for Arts/Humanities subjects.
- Colleges provide attractive facilities for Arts/Humanities staff.

RESIDUAL RISK SCORE

Likelihood	2
Impact	3
Total residual risk score	6

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- Further reductions in funding for teaching.

- Relatively higher fees for Arts undergraduates

RISK INDICATORS/WARNING SIGNS

- Developments in secondary education leading to significant changes in student knowledge base and patterns of recruitment.
- Mismatch between resources and buoyancy of high quality demand.
- Damage to the educational operation and delivery of Faculties and Departments within the Schools, particularly Arts and Humanities, as a result of devolved budgeting under the RAM.
- Significant systemic differences in research income and research funding.
- Fluctuations in the numbers of CTOs and pools of qualified supervisors.

FURTHER ACTION REQUIRED/UNDERWAY

- Research Office assistance in identifying the greatest opportunities for Arts & Humanities research funds.
- Consideration by central bodies of the potential impact on the Arts and Humanities arising from the need for further savings.
- Departmental restructuring and new Triposes in Social Sciences.

SEE ALSO

- Staffing (#5)
- Competition (#8)
- University College interface (#4)

Date of update: August 2011

RISK STATUS**Green****RISK NUMBER:** 13**RISK NAME:** Student experience**OWNER:** Pro-Vice-Chancellor (Education)**BRIEF DESCRIPTION OF RISK:**

- Quality of provision of undergraduate or post-graduate courses falls below expectation.
- Quality of pastoral care becomes inadequate.
- Student expectation is increased as the costs of education (undergraduate or postgraduate falling on students) rises.
- Shortage of funds may lead to decreased quality of provision.
- Unsatisfactory student experience may lead to loss of reputation in relation to national and international competitors.
 - o Risk may be particularly high in the case of overseas students taking one-year courses.
- Lack of career opportunities on graduation.

RAW RISK SCORE

Likelihood	3
Impact	4
Total raw risk score	12

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Undergraduate course quality monitored closely by Education Committee. Evaluation element included in Quality statements.
- Progress of individual undergraduates monitored by colleges via Directors of Studies and supervisors. Pastoral care monitored by Tutors.
- Feedback from students (NSS, PGEs, International Student Survey) analysed and passed to faculties with follow up systems in place.
- Enforcement of Board of Graduate Studies Code of Practice.
- Value for money to be included in Learning and Teaching Reviews.
- Regular contact between Education Section and CUSU.

RESIDUAL RISK SCORE

Likelihood	2
Impact	3
Total residual risk score	6

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- National Student Survey (NSS) scores good; employment data good
- Postgraduate Research Experience Survey (PRES) scores weak
- Postgraduate Taught Experience Survey (PTES) scores satisfactory
- Number of applications (u/g and p/g) continue to rise
- Higher fees may raise expectations across the sector.

RISK INDICATORS/WARNING SIGNS

- Rise in volume of exam appeals (undergraduate and postgraduate)
- Rise in volume of complaints against the University
- Downward shift in examination performance
- Rise in numbers of students seeking counselling
- Volume of reports of student dissatisfaction
- Reduction in numbers of student applications

FURTHER ACTION REQUIRED/UNDERWAY

- Learning and Teaching Reviews of existing courses
- Dialogue with colleges as to the quality of pastoral care/progress
- Monitoring for postgraduate students, particularly overseas students.
- Development of co-ordinated University support services for students
- Improvement in CamGRAD for tracking postgraduate experience

SEE ALSO

- Government HEI Policy (#3)
- Student Access/Admissions (#7)

Date of update: August 2011

RISK STATUS**Green****RISK NUMBER:** 14**RISK NAME:** Associated bodies**OWNER:** Senior Pro-Vice-Chancellor**BRIEF DESCRIPTION OF RISK:**

- Many bodies are closely associated with the University but are subject to separate governance and management structures. They play an important role directly or in support of the University.
- The associated bodies include: Cambridge Assessment, Cambridge University Press, Gates, Commonwealth, Overseas and similar trusts, subsidiary companies such as IFMECS.
- Colleges are associated, with particular risk of admissions and student care impacting the University.
- There are reputational risks deriving from the association. In particular the University is typically strongly represented in the management of associated bodies.
- There are financial risks since the University is supported by many of these bodies, or is implicitly responsible for their financial soundness.
- Associated bodies operate under “ the Cambridge brand”.
- Embedded companies require health and safety and other University support.

RAW RISK SCORE

Likelihood	3.5
Impact	4
Total raw risk score	14

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- University good practice extended to associated bodies (e.g. risk management, audit committees).
- Appointment of sound syndics, trustees and directors and representation.
- Regular meetings between V-C and CEOs of major subsidiaries (CA and CUP)
- Monitoring of financial position by Finance Committee.
- Review Group on Governance of Subsidiaries has completed its work and the Audit Committee has accepted its recommendations.

RESIDUAL RISK SCORE

Likelihood	2
Impact	4
Total residual risk score	8

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- Risk has reduced since last review.
- Governance of Subsidiaries has been improved
- Relationship with Colleges continues to be good. UCJC is working well and cooperation over OFFA Access agreements has demonstrated a will to work together.
- Communication between University and CUP and Cambridge Assessment continues to be good. Chairs of the CA and CUP Audit Committees attend the University Audit Committee.

RISK INDICATORS/WARNING SIGNS

- Disagreement at meetings with University representatives
- Adverse press comment
- Litigation instances (students, examinees, H&S)
- Financial results and trends
- Concerns raised by syndics and board members

FURTHER ACTION REQUIRED/UNDERWAY

- Improve and open information flows between University and Associated Bodies.
- Care in appointing University representatives to Associated Bodies.
- Review governance arrangements for subsidiary companies.

Date of update: August 2011

RISK STATUS

Orange

RISK NUMBER: 15

RISK NAME: Administrative Systems

OWNER: Registry

BRIEF DESCRIPTION OF RISK:

- Insufficient or inadequate administrative systems such as Financial (CUFS), Student Records (CamSIS), HR and payroll (CHRIS), Research systems (pFACT), telecoms, Library systems, leading to:
 - Poor delivery of services in support of the business (Operational risk)
 - Adverse image of University and its administration impacting existing and potential staff and students and external funders and other stakeholders (Reputational)
 - Inadequate information in decision support causing poor decisions or no corrective action (Operational, Financial risk);
- Poor implementation or development of systems, not based on improved business processes and user need, little consideration of usability and accessibility, leading to inadequate management information and breakdown in confidence in the University's administrative leadership.
- The complexity of the University structure and the College dimension for certain systems adds to the risk. Systems in support of administrative services must be fit for purpose and fit for expectations.
- Risk of catastrophic systems failure or loss of database resulting in, for example, failure to pay employees or suppliers, breakdown of student records systems at critical times, loss of records. (Operational, Financial and Reputational risks.)

RAW RISK SCORE

Likelihood	4
Impact	4
Total raw risk score	16

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Rigorous project methodology for implementation and development projects.
- Adequate strategic planning for capital investment in systems.
- MISD and other divisions and departments adequately resourced.
- Back-up, disaster recovery and business continuity plans and procedures.
- Communications within University and involvement of users in design and configuration.
- Establishment of ISSS to oversee major projects and joint IT/IS developments between UCS, MISD and CARET.

RESIDUAL RISK SCORE

Likelihood	3
Impact	4
Total residual risk score	12

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- Continued good progress through ISSS, project boards and the management of major projects through MISD and USC for the reduction of unnecessary risk.
- CamSIS now live in all Colleges and University institutions.

- Vulnerabilities discovered in CHRIS self-service and online application modules.
 - o Alternative software being developed in-house.
 - o Review underway to establish best way forward re HR software
 - o Delays impacted work on simplifying staff recruitment
- Work on establishing business needs prior to re-implementation of CUFS in 2013 on track
- Project X5 has been initiated as the replacement for pFACT in formal collaboration with Oxford and a commercial company, Unit 4.
- Support for CamTools has passed from CARET to MISD. Business systems resilience concerns have been addressed, concerns about user interfaces remain.
- Data returns are deemed “credible” by major agencies and internal audit of processes suggests low risk of failing to satisfy agencies in this regard.
- Significantly-improved involvement of users in system design and projects, e.g. >50 staff consulted on Finance and HR Systems project; online expense initiatives (40), appraisal recording (35), leave booking (35), recruitment steering group (15).
- Terms of reference and the membership of a committee to review the management and governance arrangements for IT within the University have been agreed by the PRC. The review is expected to report during the Lent Term 2012.

RISK INDICATORS/WARNING SIGNS

- Missed project plan milestones
- Project Board overruns
- Service delivery failure (e.g. Payroll payment dates missed; Student Records information inadequate)
- Concerns by internal auditors on project implementation or fitness for purpose
- Reduced budget for renewal/replacement of administrative systems
- System technical failure
- System functional failure
- Data integrity audit failure
- Poor feedback from users

FURTHER ACTION REQUIRED/UNDERWAY

- Divisional Directors in the UAS are charged with ensuring that business processes are simplified and made more efficient through exploitation of major IS developments so as to reduce risk, complexity and cost; this is a key factor in the redesign of business processes currently underway as part of the UAS strategy to create an integrated services division based at Greenwich House. As noted by the UAS Review, more can still be done to extend these principles particularly at the interface where centrally-determined processes meet locally-determined ones;
- Divisional Directors are also charged with building on existing disaster recovery plans so as to have business continuity plans that address the wider risks;
- Project management and business analysis training is now available to, and has been taken up by, a wide range of staff so as to make them more effective in development projects;
- Strong project management models, using PRINCE methodology have been adopted;
- The implementation and rollout of new systems and facilities is increasingly governed by the attainment of quality goals, as assessed through project governance arrangements, rather than by artificially imposed timescales;
- Further progress will be limited on the overall coherence of the University's future approach to IT structures, management and effectiveness until after the IT Review referred to above.

Date of update: August 2011

RISK STATUS

Green

RISK NUMBER: 16**RISK NAME:** Investment Management**OWNER:** Director of Finance**BRIEF DESCRIPTION OF RISK:**

The University's investment assets are substantial and growing and provide important flows to the operating budget. The CU Endowment Fund now includes investment by some Colleges and Cambridge Trusts. The Investment Office manages the endowment directly in complex model with oversight by the Investment Board, to maximise investment returns for a particular investment risk profile. The systemic risk of investment is a component of the Financial Health risk. However there are risks of poor or fraudulent investment transactions and of failures in governance.

Inadequate internal controls leading to:

- Financial loss
- Adverse image of University impacting external funders and other stakeholders (Reputational)
- Breakdown in confidence in the University's leadership (Reputational).

RAW RISK SCORE

Likelihood	3
Impact	3
Total raw risk score	9

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Investment Office properly resourced.
- Segregation of duties
- Approval procedures for investment decisions and the oversight by a strong Investment Board.
- Risk management constraints (e.g. on overall currency exposure, leverage, manager concentration)
- Back-office work carried out by Finance Division
- Transactions reporting.
- Annual internal audit reviews
- FSA compliance requirements

RESIDUAL RISK SCORE

Likelihood	1
Impact	3
Total residual risk score	3

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

No changes made to assessment.

RISK INDICATORS/WARNING SIGNS

- Fund managers failures
- Number of investment transactions
- Increasing use of derivatives, futures, currency contracts and other mechanisms
- Investment Office staff turnover
- Finance Division Treasury and Investments staff turnover

FURTHER ACTION REQUIRED/UNDERWAY

- Ongoing development of internal procedures and controls
- Internal audits at least annually, as agreed by Audit Committee

SEE ALSO

- Financial Health (#)

Date of update: August 2011.

RISK STATUS**Orange****RISK NUMBER: 17****RISK NAME: North West Cambridge development****OWNER: The Registry****BRIEF DESCRIPTION OF RISK:**

The University proposes to redevelop its land of 150 hectares in North West Cambridge, with a project build life of around 15 years and at gross cost to the University of around £500m. It is envisaged in the Area Action Plan that the site will include:

- Up to 1500 homes for University staff and accommodation for 2000 postgraduates
- 50,000 sqm of academic facilities
- Up to 1500 private houses for sale
- 50,000 sqm of research and development space
- Community facilities such as a primary school and shops
- An hotel
- Sustainable transport provision including cycle ways
- Public open space

Financial risk

Poor financial appraisal and/or execution of project, or adverse movement in market (market housing sales; long-term rents) so that the development does not give an acceptable financial outcome

Operational risk

Poor design and/or execution so that ambitions for the development as a mixed and vibrant community are not achieved, and it is not a desirable place to live or work.

Reputational risk

Adverse image of University impacting external funders and other stakeholders. Breakdown in confidence in the University's leadership.

RAW RISK SCORE

Likelihood (the project is fundamentally large, costly and complex)	5
Impact (the project has the potential to impact severely the University financially and operationally)	4.5
Total raw risk score	22.5

INTERNAL CONTROL MEASURES/MITIGATION ALREADY IN PLACE

- Project governance (Project Board, and in due course Syndicate or other arrangements).
- Project Office professionally resourced.
- External expertise engaged.
- Strong financial appraisal.
- Sound planning.
- Budgetary control.

RESIDUAL RISK SCORE

Likelihood	3
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Impact	4
Total residual risk score	12

NARRATIVE ON KEY CHANGES IN SCORE, ASSESSMENT OR RISK FACTORS SINCE LAST REVIEWED

- An outline planning application has been submitted to Cambridge City Council and South Cambridgeshire District Council. A decision on the application should be made by Spring 2012.

RISK INDICATORS/WARNING SIGNS

- Project Office staff turnover.
- Planning negotiations and approvals difficult
- Financial appraisal results fluctuate.
- State of Cambridge housing market.
- Regent House uncertainty.

FURTHER ACTION REQUIRED/UNDERWAY

- Resourcing of Project Office
- Develop financial appraisal further.
- Regent House approvals
- Finalise governance structure.

SEE ALSO

- Development and Maintenance of the Estate (#6)

Date of update: September 2011