Managing risk in higher education

Higher education sector risk profile 2021

PwC Risk
Introduction and scope

The last 12 months have tested the higher education sector like no other year. The pace and scale of change and the challenges faced by universities is unprecedented; the COVID-19 pandemic has disrupted every aspect of university life and both staff and students have had to show tremendous resilience.

Before March 2020, many universities were already experiencing significant financial pressures, with tuition fees not increasing in line with cost inflation, pension costs threatening to scale out of control, and the potential for fee reductions based on Philip Augar’s review into Post-18 Education. This has been exacerbated by the COVID-19 pandemic, which has resulted in significant cost pressures through accommodation fee refunds, reductions in commercial and enterprise income, a slow down in the delivery of research, and a reduction in international student recruitment.

The student recruitment cycle for the 2020/21 academic year also brought uncertainty, in terms of the number of students accepting offers and enrolling, continued disruption and changes to the expected student experience, and how many students would continue their studies during the academic year. The challenges around exam grades during confirmation only increased this uncertainty further. To compound matters, the sector is still unclear on how exam gradings will be awarded for the 2021 confirmation and clearing round.

The international student recruitment market, which is so important for many institutions, has also been difficult to predict and it will continue to react to changes in the COVID-19 regulations in the coming months.

Operating conditions in the COVID-19 pandemic have paved the way to an increased prevalence of cyber security attacks in the sector. Many universities have been targeted by a number of high profile malware, ransomware and data loss issues in the last 12 months, which has renewed technology investment conversations across the sector.

The volatile environmental and operational issues as described above has meant that universities have constantly needed to update the way that COVID-19 and other broad risks are represented within risk registers. Generally, institutions began the pandemic with a specific risk associated with COVID-19 and, over time, have moved to incorporating risks and mitigations associated with COVID-19 into wider risks.

The good news is that we have continued to see universities seeking to strengthen their risk management processes and this, along with a broader control environment which is robust and effective, will be important factors for success in the years to come. The pandemic has shown us the need to be more agile and forward thinking in managing risks. It is encouraging to see the sector improve in this respect.

Our sample, scope and methodology

We reviewed the risk registers of 22 higher education institutions. For each institution, we examined the issues cited, identified those similar in nature and grouped them by theme. The average likelihood of a risk materialising, and its possible impact were then calculated. This allowed us to determine the greatest threats to an institution and how serious each risk is. The detailed findings of our analysis are set out in the remainder of this paper. We've also included commentary on the top themes, a comparison with prior years, and the types of individual challenges included within each theme.
Risk trends

Year on year trends

The table below summarises the top five themes for the last five academic years, providing an overview of how they have evolved. These are the top five themes noted in terms of both impact and likelihood. Unsurprisingly, 2020/21 has been a year for change in the trends we’ve seen previously, with the top five themes being dominated by the impact of the COVID-19 pandemic.

Student recruitment has been a recurring top five theme across the period but, this year, cyber security and information governance, which first appeared three years ago, has topped the trends, reflecting the increased risk around remote learning and working propelled by COVID-19. This correlates with the high risk issues coming out of internal audit reviews performed during the pandemic, with four out of the top five issues being related to data or IT.

The pandemic has seen pensions drop out of the top five ranking for the first time since 2017/18 and a focus instead on the response to the pandemic itself, although clearly pensions concerns are still significant within the sector. The pandemic also occupies the third and fourth spots through its impact on student experience, and the wellbeing of all those involved in university life.

Financial sustainability and the impact of government policy on future funding remains in the top ten, although the immediate focus on responding to COVID-19 has seen these continue to slide down the rankings for 2020/21.

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<thead>
<tr>
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<tbody>
<tr>
<td>1 Student recruitment and financial sustainability</td>
<td>Government policy and political landscape</td>
<td>Pensions</td>
<td>Pensions</td>
<td>Cyber security and information governance</td>
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<tr>
<td>2 Government policy, public funding and sector reform</td>
<td>Brexit</td>
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<td>3 Investment in IT, cyber security, data and management information</td>
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<td>4 Significant investment and transformational change programmes</td>
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</tr>
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<td>5 Research funding and quality</td>
<td>Organisational change and transformation programmes</td>
<td>Information security/ cyber</td>
<td>Undergraduate student recruitment</td>
<td>Student recruitment</td>
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Key risks facing the sector
The top 10 themes identified across risk registers

Cyber security and information governance
During the pandemic, there has been an increase in the number of cyber attacks and attempts to penetrate university systems. Therefore, it is unsurprising that cyber security and information governance was found to be the top risk identified.

Yet cyber security and information governance is an area that covers several aspects, and we found that the detail underpinning the respective risks we reviewed were varied as to the specifics they considered. We have summarised the detail below into what the risks captured:

I Limited protective controls in place

II Immature Information Security Risk Governance and Framework

III Cyber security incidents affecting a university remain undetected

IV Restricted visibility of the change and projects across a university’s IT estate to its governance

V Not all changes and projects within a university’s IT constituents are effectively reviewed for compliance and risk

VI Inefficient funding model for information security

VII A lack of security controls to monitor and manage university-provided and personal smartphones and tablets

VIII No current method to ensure that personal devices that join a university network adhere to a baseline security standard

IX Vulnerability scans are performed in an ad-hoc manner

X Lack of accountability over information security within a university’s leadership team

While cyber security and information governance were undoubtedly areas of focus for the sector, the pandemic has accelerated the impetus it is now being given. Previously there may have been a fragmented IT set-up, but now we are seeing universities give this area much more focus and resource. For many organisations, investing in cyber security historically meant buying digital tools. But investing in cyber security technology is only half the battle. Cyber security needs to strike a balance between technology, process and people. Universities will need to understand the root causes driving particular behaviour and ask themselves whether their culture encourages good security practices. If not, why not? And what can be done to encourage a more secure culture? Senior stakeholders have an important role to play here, through consistently role-modeling, incentivising and encouraging secure behaviour.
COVID-19
The impact of the COVID-19 pandemic on an institution’s ability to deliver its “business-as-usual” has been unprecedented. This has included moving to online teaching, remote working for staff and academics, and responding often quickly to changing guidance. Even institutions with well established crisis management teams and business continuity plans have had to evolve their approaches to manage the prolonged impact as the COVID-19 pandemic situation has unfolded.

COVID-19 is an area which has had a pervasive effect on risks that apply to universities. Of note, this has affected the use of buildings and facilities on a campus (such as teaching, laboratories, retail, theatre, offices, restaurants, library, etc.). In the short-term, institutions needed to apply relevant government guidance by detailing a risk assessment on a building-by-building basis with appropriate consideration to sign in/sign out, hand sanitation, one way systems, lift capacities, personal protective equipment (PPE), etc.

However, in the long-term, there will be implications for future space demand for institutions with large campuses as they evaluate the optimum balance of on-site versus distance learning and/or remote working. This may result in the change of use of some buildings/facilities and will have implications for campus master planning. Nevertheless, this presents an opportunity to optimise estate investment to support the new curriculum model and student expectations of a modern campus.

Student experience
2020/21 is possibly the most difficult academic year in the modern history of the higher education sector for ensuring a consistent and high quality student experience, and the inclusion of this risk high on institutional risk registers is to be expected. There are numerous links to other risks identified, showing the breadth of challenge to an institution’s ability to manage continued high quality delivery.

In particular, institutions have commonly identified risks around maintaining student engagement, and the impact of this on academic achievement, student wellbeing, the National Student Survey and league tables. Ensuring that institutions are engaging regularly with all students and tracking interactions with students are key risk mitigations, both in terms of preventing the risk from being realised and limiting the impact of any associated complaints if issues do arise.

The quality of a student’s experience is more linked than ever to the quality of an institution’s IT systems and infrastructure. This is likely to remain the case post-COVID. It means that institutions who previously delayed investments in this area now have a critical need to do so.

Mental wellbeing
The importance of mental wellbeing has been on the HE agenda for a number of years with steady increases in the numbers of reported mental health conditions in students – analysis by the Office for Students (OfS) indicates an increase from 1.5 per cent to 4.4 per cent over the five years from 2013/14 to 2018/19.

The COVID-19 pandemic has brought health and wellbeing into focus more as students adapt to new ways of living and studying, including remote and blended learning, and potential periods of self isolation. Universities have had to react quickly and adapt the support mechanisms on offer to ensure these can be accessed by students on and off campus.

Across the sector, key areas of focus for institutions include:
- The adoption of a ‘whole institution’ approach, supporting students and staff struggling with their mental health as a strategic priority.
- The development and strengthening of links between support service teams and student facing staff in faculties and departments, supplemented by the provision of training and resources for staff to better enable them to appropriately signpost or refer students.
- Regular assessment of the existing student wellbeing support provision, including consideration of staff and students expectations, feedback and accessibility.
- Using more intelligent data analysis to identify those in need more quickly.

The long term impact of changes in teaching models and student time on campus is unknown but will likely require universities to adapt how services are delivered and accessed long term. Technological advances such as artificial intelligence, cloud services and advanced data and analytics all provide opportunities to change the way in which services are delivered and accessed, presenting opportunities for universities to create a more compelling experience.

Student recruitment
Student recruitment risk is one of the highest recurring risks across institutional risk registers and the message is relatively simple: ‘student recruitment targets are not met’. Student recruitment risk has been a constant over the years where we have published our sector risk benchmarking. With market competition increasing year on year, the perceived risk has been further heightened with the referendum result and negotiations over the UK’s withdrawal from the EU and subsequent trade deal. But the uncertainty of Brexit paled into insignificance when compared with the potential uncertainty caused by the impact of the COVID-19 pandemic.

Universities have been agile in their response during the pandemic in relation to recruitment; whether this is how universities have adapted their marketing and approaches to reaching out to applicants, for example through online open days; the response to the A-Level results announcements and how a number are now using the pandemic as an opportunity to re-focus their recruitment strategies and targets.

Yet our review suggests there is more that universities can do in articulating where their particular vulnerabilities are on student recruitment and, in turn, be clear on the intervention needed in risk registers to manage these.

While student recruitment risk is perceived to be high, this may be as a result of the importance attached to achieving student number targets to ensure long term sustainability rather than an actual dip in overall numbers. Indeed, undergraduate applications increased in 2020 by 1.6% with record numbers now attending university. Where there have been falls in international student recruitment, this has, in the main, been offset by a stronger domestic market, although a number of institutions are acutely aware of their reliance on the international student recruitment market.

Universities are expecting 2021/22 to be a tough year for recruitment – the ongoing measures to combat the virus; the negative impact on the student experience; and the new points based immigration system are all expected to adversely impact the demand for places. There are some encouraging signs from early figures in the admissions cycle, but many institutions, quite rightly, are keeping a very close eye on applications and recruitment activity as we enter 2021/22.
Equality, diversity and inclusion (EDI)
Widening access to minority groups of students which are under-represented in HE is a strategic priority across the UK. Retention, attainment and employability is also important and, nationally, certain groups achieve lower attainment or are less likely to enter graduate level employment. This poses a risk to institutions as it may adversely impact on an institution’s overall success rates if they do not seek to widen access.

In England, Access and Participation plans set out how higher education institutions will improve equal opportunities for underrepresented groups. Universities in England have set their own targets, working towards the Office for Students’ national targets and addressing areas where there are specific gaps in equality and opportunity in their own institution.

Some universities and colleges receive more intensive monitoring by the OfS if they present an area of risk. This is called enhanced monitoring.

Universities and colleges need to submit and publish an impact report each year on widening participation. This needs to focus on the outcomes achieved including progress towards their targets and commitments.

Institutions have commonly identified risks around failure to meet targets to widen access and participation and failure to demonstrate progress towards targets and to deliver commitments.

The Research Excellence Framework (REF) is the process for assessing the quality of research in higher education institutions. A range of equality and diversity requirements were included as part of REF. However, there continue to be disparities in submission rates by different protected groups and this poses a risk to universities in terms of achieving the EDI requirements of REF.

Institutions will need to continue to embed equality into research careers in order to nurture the potential of all its research staff, and for these staff to contribute fully to the institution’s success in any future REF exercise.

Climate change
Climate change is the largest risk to global health and equality, but also poses risks to universities more directly. Higher education institutions are beginning to recognise the associated risks to their reputation, operations and recruitment:

- Given the growing global focus on climate change, stakeholders including government, staff and students increasingly have expectations that institutions decrease their carbon footprint with a view to become net zero. More than 40 UK institutions have set firm targets for carbon reduction, and failing to make and meet these commitments could seriously impact institutions’ stakeholder relationships.
- Institutions should not forget operational risks, which can come through the impact of changing environmental and economic conditions on supply chains or volatility in energy costs. The most direct impact of climate change is potentially the changing conditions on campuses or to accommodation, such as through an increased risk of flooding.
- Finally, the impact of climate change may result over time in the substantial movement of people internationally, which may have a long term impact on the international student recruitment market.

While there are risks, there are also opportunities. Research undertaken in the higher education sector will be critical to combating climate change, and research funding in this area is likely to continue to grow over the coming years. In addition, institutions with strong sustainability credentials, or strong course offerings in sustainability and climate change, or who incorporate this into a range of courses, may be able to develop a competitive advantage in recruiting students as a result.
Academic quality

Academic quality risks revolve around an institution’s failure to deliver an excellent teaching and learning environment for all its students, but also the likelihood of this occurring by not attracting diverse, high calibre staff.

The introduction of the Teaching Excellence Framework (TEF) was intended to demonstrate a commitment to recognise excellence and to promote enhancement of the educational experience and outcomes for students. But the key is to provide a rating that is both meaningful and useful for students. This was illustrated recently by the Government’s response to the independent review of the TEF, led by Dame Shirley Pearce. This confirmed that the subject-level TEF assessment will not proceed, while four new TEF grades are to be created with new names.

The importance of academic quality is not going to go away. This is shown by how the TEF’s primary purpose has been reconfirmed as enhancing quality. The OfS has also emphasised its focus is on quality, as highlighted by recent letters sent to institutions by the OfS detailing the importance of quality of provision. The risks associated with this will inevitably increase with more regulatory scrutiny.

UK visas and immigration

The UK’s departure from the EU and the end of the transition period on 31 December 2020 introduced changes to the requirements for EU students to study in the UK. EU students arriving in the UK from 1 January 2021 will need visas if they are on a course longer than six months (with some exemptions).

The new student route visa works on a points-based system, with students being required to meet English language requirements and prove they have enough money to support themselves and pay for their course (again, with some exemptions). Universities or higher education institutions trusted with immigration compliance can assess a student’s English-language ability themselves. Records need to keep demonstrating a student’s engagement, how their English language ability was determined, and monitor their academic progress.

These additional requirements may affect UK universities’ ability to attract EU students, impacting student numbers.

The UK Government has also temporarily adjusted required right to work checks to make these easier for employers to carry out during the COVID-19 pandemic. This includes allowing checks to be carried out by video call and scanned, or pictures of, documents being accepted, rather than original copies being required. Retrospective checks must be carried out within eight weeks of the COVID-19 measures ending. Universities have a responsibility to ensure checks are carried out thoroughly, however, care should be taken to ensure no-one is discriminated due to difficulties providing documentation. Ongoing uncertainty in this area and complications with compliance checks may impact on universities’ ability to recruit and retain staff. Failure to adhere to requirements can result in reputational damage as well as fines and penalties.

Financial sustainability

The higher education sector is facing unprecedented financial uncertainty and instability as it deals with the impact of the COVID-19 pandemic. Each provider is facing its own unique financial challenges but common areas include the need for better grip over cash flow management and bank covenant compliance as well as having to develop or refresh cost savings and restructuring plans. The impact of increasing pension costs is also a concern.

Although the sector has faced challenges to financial sustainability in recent years, the impact of the COVID-19 pandemic has thrown the sector into levels of uncertainty and disarray not previously experienced. We have started to see an increased use of scenario and contingency planning as well as an increased frequency of budget and cash flow re-forecasting throughout the year. These processes and controls, if embedded going forward, will put the sector in good stead for continuing to mitigate against its financial sustainability risks.

Although the full financial impact of the pandemic may not be understood for some time, we have seen that, at least in the short term, initial ‘worst-case’ scenarios were mostly prudent, in particular around student numbers. Looking to the future, however, the sector cannot be complacent. It is important for universities to start to challenge the value of the activities being delivered. For example, the move to an unprecedented level of online learning over the past year should allow for an opportunity to re-shape the traditional model, which may grant access to new markets and reduce the cost base.
Other common risk areas

**IT capability and infrastructure**

The higher education sector has been embracing digital transformation over the recent years, ranging from simple automation and online lecture capture and delivery to better utilising data to enhance the student journey.

The COVID-19 pandemic has accelerated this trend as organisations have seen the benefit and resilience of technology during lockdown periods. It has also increased the focus on the importance of IT platforms, systems and applications to deliver daily services and operations, with large scale remote working, teaching and access now in place.

The pace of digital transformation will only increase going forward as institutions adapt to the new normal and create a competitive advantage in the global education space. In doing so, they will need to be mindful that pace without appropriate governance can introduce significant risks impacting the success of technology change, business resilience and exposing potential security weaknesses e.g. data loss or leakage. In an effort to get ahead, organisations are deploying new technologies without appropriate enterprise change, reducing the impact and benefits expected from sizeable financial investments.

**Brexit**

With Brexit came a wide-ranging impact on the higher education sector, affecting not only students and staff, but research too. The UK retracted from the Erasmus+ programme at the end of the transition period, meaning the cultural student (and later staff) mobility exchanges that were possible for over thirty years will no longer be possible to the same extent.

EU students starting their course after August 2021 will be subject to fees set by universities themselves, as well as needing to apply for a student visa. The challenge will be for UK universities to remain an attractive study option, as for many EU students, the fees they may be facing could be prohibitively expensive. The Turing Scheme is planned to be the UK’s new alternative to Erasmus+, but as the details are still being worked through, the impact on student numbers, and thus income, over the coming years remains uncertain.

Although there were enormous doubts over the financial sustainability of institutions brought about by potentially no longer being able to participate in EU research programmes, the deal reached does mean that the UK will participate in Horizon Europe. This will likely go some way to providing some certainty to universities and research staff; however, as with many things post-Brexit, the full impact of this is yet to be understood.

**Reputational risk**

With the higher education sector under ever increasing scrutiny and pressure due to the changes and uncertainty in the economy, the reputation of higher education institutions will be tested and will play a key role in the operational stability and the achievement of institutions’ objectives across the UK. Many feel that the UK university ‘brand’ and the perception of the contribution universities make to the community and UK economy, has been eroded.

Reputational risk arises from fundamental aspects of a university’s operations including financial sustainability, business continuity, student experience, regulatory compliance, research and strategic partnerships. Failure to manage these areas effectively could result in significant damage to a university’s reputation and profile, but more widely to the sector as a whole.

**University funding and student finance**

The COVID-19 pandemic has necessitated unpredicted levels of government spending to support individuals/organisations that have been required to stop their work during multiple lockdowns. However, this cannot continue indefinitely and will result in the government having to make difficult decisions regarding departmental spending. This, in turn, may result in reductions on the central funding available to the higher education sector.

The COVID-19 pandemic, alongside Brexit, is also impacting on the potential availability of broader research funding. Cash constraints and legislative change are resulting in a reducing pot of available research funding and an innovatively tougher market to try and obtain what is left. Higher education institutions may need to reassess their balance of income streams if longer term financial sustainability is to be obtained.
Business continuity management (BCM)

A key tool that helped universities respond to the pandemic was implementing their BCM plans. However, very few acknowledged the scenario of a global pandemic. Nevertheless, it was impressive how quickly universities amended plans, and stood up ‘Gold’ or ‘Silver’ teams to react and respond to the initial phases of the pandemic and subsequent Government announcements.

The challenge now is to learn the lessons from the pandemic and think through what other areas could be overlooked from a BCM plan. This includes:

- Continuing to reflect on lessons learned from each wave of the pandemic, such that the lessons (both positive and negative) are addressed to ensure continuous improvement of a university’s business continuity management capability.
- Ensuring universities have the right balance of capacity and capability to address and manage additional crises or continuity incidents that may emerge.
- Risks and threats that existed pre COVID-19 (such as cyber threats, IT disasters, physical threats e.g. fire flooding, reputational events such as negative PR) all still exist and need management attention.

Occurrence of risks

Whilst our analysis is based upon averaging out risk ratings, it is also worthwhile noting the number of times that issues occur on registers.

Below are the top risks based purely on the number of registers they appear on.

<table>
<thead>
<tr>
<th>Risk area</th>
<th>Occurrence (% of risk registers)</th>
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<tbody>
<tr>
<td>1 Financial sustainability</td>
<td>100%</td>
</tr>
<tr>
<td>2 Student recruitment</td>
<td>86%</td>
</tr>
<tr>
<td>3 Business continuity management (BCM)</td>
<td>77%</td>
</tr>
<tr>
<td>4 Staff recruitment, retention and culture</td>
<td>73%</td>
</tr>
<tr>
<td>5 COVID-19</td>
<td>68%</td>
</tr>
<tr>
<td>6 Research targets – high quality research</td>
<td>68%</td>
</tr>
<tr>
<td>7 Cyber security and information governance</td>
<td>50%</td>
</tr>
<tr>
<td>8 Mental wellbeing</td>
<td>50%</td>
</tr>
<tr>
<td>9 Student experience</td>
<td>50%</td>
</tr>
<tr>
<td>10 Brexit</td>
<td>41%</td>
</tr>
</tbody>
</table>
2021 Higher education sector risk profile

![Risk Profile Diagram]

- Change programmes
- IT capability and infrastructure
- Equality, diversity and inclusion (EDI)
- Mental wellbeing
- COVID-19
- Cyber security and information governance
- Political uncertainty (UK and overseas)
- Academic quality
- Climate change
- UK visas and immigration
- Student experience
- Staff recruitment, retention and culture
- Reputational risk
- Financial sustainability
- Environmental issues
- Capital programme
- Graduate outcomes
- GDPR
- Access and participation plans
- Fraud and irregularity
- Research targets – high quality research
- Brexit
- University funding and student finance
- Enterprise and innovation
- Regulatory breach
- Business continuity management (BCM)
- Strategic partnership
- Data and information
- League tables
There is a clear variation in the way pervasive risks are represented in risk registers. COVID-19 is represented as an individual risk within the risk registers of 68% of institutions, whereas Brexit is represented as an individual risk within 41% of institutions’ risk registers. Both of these issues represent some level of risk to all institutions, across a wide range of operational areas. However, as the operating model changes required to mitigate the risks associated with these challenges bed in, it is clear that institutions are increasingly removing these individual risks in favour of including commentary around COVID-19 and Brexit within the descriptions of other risks. Over the coming months, we expect the prevalence of these risks in risk registers to decrease as mitigations are embedded, and we would encourage institutions to reflect on whether these risks are represented appropriately.

The diagram below compares the occurrence of risk in the risk registers we reviewed with the average risk score. The bubble size represents the average risk (i.e. likelihood multiplied with impact) averaged across the number of universities.
Appendices
Appendix A – Risk themes and subcategories

Below we provide examples of the anonymised risks included on institution’s risk registers to give some context for the individual risks within risk themes. This is not an exhaustive list, and is included for illustrative purposes.

<table>
<thead>
<tr>
<th>Risk theme</th>
<th>Subcategories of risk</th>
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</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>• A failure in safety or regulatory procedures that leads to a failure of an inspection, a procedural breach or a health and safety disaster</td>
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<td></td>
<td>• Demands to satisfy increasingly complex requirements for regulatory compliance become excessive</td>
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<td></td>
<td>• Failure to meet statutory obligations required under GDPR</td>
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<td></td>
<td>• Research projects are not yet fully documented (as is legally required) in the information asset register and therefore the institution is currently vulnerable in this regard</td>
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<td></td>
<td>• The university community includes students and/or employs staff that do not comply with requirements of UK Visa and Immigration, resulting in reputational damage and loss of overseas students</td>
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<td></td>
<td>• Failure to retain or protect the wellbeing of academic and/or Professional Services staff, impacting on delivery of the strategy</td>
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<td></td>
<td>• Failure to meet increasing demand for student mental health and welfare services</td>
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<td></td>
<td>• The university suffers a major data loss, breach of security or loss of systems availability</td>
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<td></td>
<td>• Data protection breach from unsecure research data storage</td>
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<tr>
<td>External environment</td>
<td>• The university fails to adapt to the emerging landscape resulting from the COVID-19 situation</td>
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<td></td>
<td>• Failure to manage COVID-19 outbreaks in university accommodation</td>
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<td></td>
<td>• Brexit’s impacts on a range of the university’s daily support service operations, student recruitment, research income and international operations</td>
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<td></td>
<td>• Failure to implement effective processes/contingency planning to monitor, analyse and respond to the potential threats of UK withdrawal from the EU</td>
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<td></td>
<td>• Changes in the local, national and international policy environment</td>
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<td></td>
<td>• Government policy detrimentally affects the university</td>
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<td></td>
<td>• Consequences of the geopolitical situation, e.g. Brexit, on student and staff recruitment, research funding, and league table position</td>
</tr>
<tr>
<td>Academic and student life</td>
<td>• Failure to achieve an excellent teaching and learning environment for all students</td>
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<td></td>
<td>• Failure to meet academic quality of a high standard threatens reputation</td>
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<td></td>
<td>• Failure to achieve student retention and success targets</td>
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<td></td>
<td>• Meeting student expectations (TEF rating, NSS survey)</td>
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<tr>
<td></td>
<td>• Poor/declining graduate outcomes</td>
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<td></td>
<td>• Employability</td>
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<tr>
<td></td>
<td>• Student engagement</td>
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<td></td>
<td>• Failure to maintain and build on progress made in terms of our inclusion agenda</td>
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<tr>
<td></td>
<td>• Access and participation plan targets not met</td>
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<tr>
<td></td>
<td>• Failure to exploit the breadth of skills and experience available across the diverse organisation</td>
</tr>
<tr>
<td>Risk theme</td>
<td>Subcategories of risk</td>
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<td>-------------------------</td>
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</tr>
<tr>
<td>Student recruitment</td>
<td>• Inability to recruit students to meet agreed growth targets – income growth needed to meet increased costs</td>
</tr>
<tr>
<td></td>
<td>• Failure to achieve student recruitment targets</td>
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<tr>
<td></td>
<td>• There is a risk that the university will not meet its student number targets as outlined in the university approved budget forecast</td>
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<td></td>
<td>• Inadequate MSc student recruitment threatens HE status</td>
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<tr>
<td></td>
<td>• Inability to recruit and retain students to meet the student number targets (Home/EU/International – UG and PG)</td>
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<tr>
<td></td>
<td>• Poor portfolio planning and lack of market development threatens opportunity to recruit</td>
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<tr>
<td></td>
<td>• Inability to recruit home and international students leading to failure to achieve the annual financial targets</td>
</tr>
<tr>
<td>Finance and legal issues</td>
<td>• All threats over short, medium and long term, that may affect the long term financial stability of the university</td>
</tr>
<tr>
<td></td>
<td>• Failure of faculties and directorates to successfully balance their budgets may detrimentally impact on the university’s financial position</td>
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<td></td>
<td>• Failure to adequately address changeable recruitment outlook threatens ability to meet financial targets</td>
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<td>• Inadequate cash balances to meet operational needs</td>
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<td>• Rising pension costs</td>
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<td></td>
<td>• Failure to effectively manage potential financial liability and increasing costs arising from changes to pension schemes</td>
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<td>• Risk of fraud</td>
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<td>• Employee litigation</td>
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<td>• Financial failure of a partner institution resulting in inability to pay invoices</td>
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<tr>
<td>Information technology</td>
<td>• Failure of IT infrastructures due to end of life condition such that service delivery is disrupted</td>
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<td></td>
<td>• Usual technology replacement programme stops for extended period, leading to failures and poor back office and user technology</td>
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<td>• Investment in IT infrastructure and systems development does not provide a high quality student experience</td>
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<td>• The digital infrastructure is inadequate to support blended learning</td>
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<tr>
<td>Risk theme</td>
<td>Subcategories of risk</td>
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<td>-------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tbody>
</table>
| Organisational    | • Governance structures are not effective  
                   • Information provision not adequate to provide assurance  
                   • Poor collaboration leads to potential reputational and Quality Assurance Agency issues  
                   • Business interruption plans do not ensure sufficient business continuity  
                   • Failure to maintain sufficient cyber and information security leads to major data breach  
                   • Crisis management/business continuity arrangements prove to be inadequate  
                   • Failure to ensure operating systems are safe and secure leading to vulnerability to external cyber related threats                                                                 |
| Research          | • Failure to deliver on external grant funded projects  
                   • Failure to develop research sufficiently leads to reputational risk  
                   • Insufficient recognition of strengths in research and enterprise limits future opportunities  
                   • Failure to maintain high standards of research governance and integrity; failure to meet funders’ terms and conditions  
                   • Failure to grow our international research and research networks  
                   • Failure to retain research active staff with the capability of attracting external grant income and delivering projects and impact  
                   • Insufficient management of clinical trials and research governance                                                                                           |
| Infrastructure     | • Failure to develop an estates masterplan to meet the university’s strategic plan  
                   • Learning infrastructure fails to meet students’ expectations  
                   • Failure to effectively deliver the masterplan  
                   • Inability to ensure security and safety of the estate during university closure/restricted access period  
                   • Disruption of the Capital project planning and development portfolio                                                                                                                                 |
| People issues      | • Funding and pay issues cause industrial relations problems  
                   • Lack of appropriately skilled and knowledgeable academic and support staff leads to poor student experience and attainment  
                   • Lack of succession planning causes disruption  
                   • Resourcing or people management practices become inadequate  
                   • Failure to ensure the appointment and retention of high-calibre staff in time for the Research Excellence Framework 2021                                                                 |
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