

A REPORT TO

# Arts University Bournemouth

Internal Audit Report 2013/14-03

**Carbon Management**

March 2014



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## AUDIT CONTROL SCHEDULE

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### Status of our reports

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## 1. Introduction and Background

- 1.1 As part of our internal audit programme for 2013/14, we have undertaken a review of the development of the approach to carbon management at the Arts University Bournemouth (AUB).
- 1.2 Our review was completed in January 2014 and required 3 audit days, which is in line with the budget.
- 1.3 We would like to thank the Head of Facilities, Estates Manager and other staff across the University for their assistance during the course of the audit.
- 1.4 This report is confidential and for the use of the Audit Committee and senior management of the University. The report summarises the results of the internal audit work and, therefore, does not include all matters which came to our attention during the audit. Such matters have been discussed with the relevant staff.

### Background

- 1.5 The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme was introduced with effect from 1 April 2010 as a new regulatory incentive to improve energy efficiency in large public and private sector organisations. It is a mandatory scheme, targeting large energy consumers, which aims to improve energy efficiency and reduce the amount of carbon dioxide (CO<sub>2</sub>) emitted in the UK.
- 1.6 CRC affects large organisations in both the public and private sector. All Universities are considered to be Qualifying Bodies under the CRC regulations. They are only required to participate where they meet the qualification threshold, and AUB does not currently meet this threshold and hence is not participating. Organisations are required to measure their emissions. Measurement is achieved by recording electricity gas and certain other fuel consumption, converting the consumption to tonnes of carbon emitted.
- 1.7 Criminal offences exist for the falsification of evidence or non-compliance with enforcement requirements. Fines and imprisonment are available to the relevant environmental agency under the CRC legislation. Civil penalties will be implemented for the failure to provide compliance or for incorrect reporting.
- 1.8 In the 2009/10 grant letter to HEFCE, the Department for Innovation, Universities and Skills set out its requirements for the higher education (HE) sector in England to implement a carbon reduction target of at least 80% by 2050 against 1990 levels. As a result, HEFCE has announced that, from 2011, capital allocations will be linked to carbon reduction. HEFCE has agreed to a target reduction of 48% by 2020 based on 2005/06 figures.
- 1.9 AUB prepared and adopted its present Carbon Management Plan (CMP) in early 2011. The University was guided in establishing its approach to setting up the CMP by the Carbon Trust, who have assisted many universities in the UK and recognised AUB's work in November 2011. In conjunction with Briar Associates, AUB's environmental consultants, a five-step process has been adopted for the identification and implementation of projects to deliver the planned gains from the CMP.

## 2. Scope and objectives

2.1. Our audit considered the following risks relating to the area under review:

- University key risk C7 - Failure to address sustainable and environmental initiatives and implement carbon management plan;
- The Carbon Management Strategy and Plan may not align with the overall University Strategy;
- There is inadequate evidence to support the figures in the CMP; and
- There may be poor stakeholder involvement in the CMP and its activities;

2.2. The objectives were to:

- a) assess whether there is sufficient evidence to support the Carbon Management Plan and
- b) consider the effectiveness of the steps being taken by the University to ensure that it is able to achieve further savings during a time of growth.

2.3. In reviewing the above risks, we considered the following areas:

- Targets set within the CMP;
- Evidence of outcomes achieved;
- Monitoring of actions in the CMP and environmental initiatives;
- Plans for evidencing and reporting Scope 3 carbon emissions; and
- Plans for further reductions.

2.4. This was an **advisory audit**, which has focused on areas that the University should take into consideration in the development of its approach to carbon management. It was not the purpose of the audit to provide an overall opinion on the adequacy and effectiveness of the current arrangements in place, nor have we sought to validate the figures included in the CMP or subsequently reported. The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.

### 3. Detailed findings

#### Overall conclusion

- 3.1 The University has made a positive start to the achievement of a reduction in its carbon emissions levels, which at a time of growth has necessarily been in terms of relative rather than absolute reduction. The carbon management projects set out in the CMP are largely in place or are currently being concluded, and good use has been made of specific funding that has been available to support these.
- 3.2 The challenge for the University, along with other organisations across the higher education and wider public sector will be how to achieve future reductions in carbon emissions as the availability of specific funding declines. Increasingly, these reductions will need to come from a combination of changes in culture and in procurement practice, alternative sources of project grant funding or self-funded investment in longer-term projects.
- 3.3 In this section, we have commented on key aspects of AUB's approach to carbon management and highlighted a number of areas for future consideration.

#### Governance

- 3.4 The AUB Strategy 2011-16 re-launched the University's environmental policy, which in turn provided the framework for the carbon objectives set out in the CMP.
- 3.5 The CMP itself was published in March 2011 and included a "foreword" from the Principal endorsing the ambitious plans for improved carbon management set out in the document. We understand from our discussions that the Principal & Vice Chancellor is also actively involved in promoting the Plan. In our own experience the "Tone at the Top" helps drive the culture of the organisation and it is important that there continues to be active support for the approach set out and to the integration of 'Carbon Thinking' into the organisation's culture
- 3.6 Delivery of the CMP is vested in the Environment Committee - a cross-campus group of senior staff chaired by the Director of Academic Services. The Committee meets three times annually to consider, *inter alia*, progress against the CMP. There are 15 members of the committee. All areas of the University – administrative, academic and student body – are represented, with technical expertise provided through the Facilities and ITCS departments. We note that, in line with good practice, the oversight group is led by someone outside of the Estates function and also that there is a commitment to making a positive contribution to the environment within AUB
- 3.7 The majority of the mandates within the Terms of Reference for the Committee concern the receipt and consideration of reports. We would suggest that these are relatively passive mandates and that there is scope for these to be made more active, building on the commitment that we note above; for example "To review the Environmental Policy annually (or more frequently if circumstances demand), provide assurance over compliance with it, and recommend changes, together with any consequential amendments to other strategies/policies/targets/ procedures, to Management Group". There is also scope to include a more explicit link to the achievement of the Sustainability Commitment made in the University Strategy, assurance of compliance with the Environment Policy and delivery of the CMP.
- 3.8 As far as we could determine there is no means available to the Committee to obtain assurance that the outcomes asserted by the CMP and project approval

process are achieved. Most organisations of the university's scale have in place some mechanism for post-project benefit realisation testing, through reporting to a Project Office or independently from Internal Audit.

- 3.9 However, AUB is not alone in that in many organisations, projects relating to CMP appear to sit outside the scope of this important performance management control. It is a challenge, as the availability and quality of data in this area is less well developed than in other disciplines. Nonetheless, it is an important test of the effectiveness of the application of limited resource. This issue is recognised within the University.

### **Resources**

- 3.10 Day to day management of environment/sustainability related matters is the responsibility of the Estates Manager, reporting the Head of Facilities.
- 3.11 There is one further post within AUB, that of 'Senior Officer Facilities', which has responsibility for an element of environmental/sustainability work - mainly focussed on the "Scope 3" and "Cultural" matters, as well as operational matters in relation to, for instance, travel and transport. The post has been vacant for some time and may, in part, account for our findings below regarding the lack of significant progress in these areas.

### **The CMP, data and progress reporting**

- 3.12 In our view, the University's CMP compares well with those of similar organisations. We were pleased to note items such as the project specifications appendix which summarises each project, the benefits it will bring, funding implications, resource requirements, its time schedule and the success criteria. From discussion, we understand that this is a summary of the project business case information which is ultimately used to permit the Senior Management Team to make an investment decision. This demonstrates good integration between the general investment decision-making process and that for "Carbon Projects". In other institutions we have seen a weakness in project governance where, as many of the Carbon Projects are Salix funded, they sit outside the normal investment decision making process.
- 3.13 As noted in paragraph 3.8 above, an area where there is scope for further development is in the post-implementation evaluation of the achievement of the benefits that were claimed when making the business case for investment. We would have anticipated that Senior Management would be keen to demonstrate achievement of value for money and justification of the investment decision, and that those responsible for achieving emissions reduction would be keen to have the evidence to support future projects.
- 3.14 Electricity and gas consumption data on which emissions are measured is obtained from seven meters across the campus. All but one of these is of the Automatic Meter Reading (AMR) type. This is positive from the perspective that the reliability of data tends to be much more robust than non-AMR types. The implication is that the data used to establish the CMP and measure progress in achieving it will be reasonably reliable.
- 3.15 Pressure tests of the gas mains have been carried out both pre- and post-meter, to ensure the correct factor is applied by the supplier. The Estates team also correctly uses the calorific conversion rates published by DEFRA for the purpose of converting volumetric consumption figures to the equivalent kWh figure used for the purpose of measuring emissions.
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- 3.16 The University has expanded dramatically over recent years with, *inter alia*:
- A greater number of students;
  - A longer teaching day;
  - Non-term-time utilisation (e.g. summer language school, summer short courses); and
  - Weekend teaching.
- 3.17 We understand that attempting to find a means to recognise the continuing growth of the University and campus and to demonstrate improving emission efficiency has been found to be challenging. For this reason, AUB has tended to report absolute consumption, in terms of emissions per square metre. However, this approach will not properly reflect an improvement in efficiency achieved, for example, where there is a greater throughput of teaching hours.
- 3.18 In our view, having a small set of performance indicators which take account of the varied reasons for growth is essential to demonstrate the improvements achieved and the benefit of the investment made. This can be done by identifying the growth drivers, preferably on a building by building or zone by zone basis - much will depend on how accurately the University can determine consumption (building or building zone). The measure of growth for a particular driver can then be established (e.g. taught hour per term) and that measure then used as the means of achieving the relative measure of performance (kWh per taught hour). Whilst some of these measures may not be reportable due to the way statistics are collected, they would provide an audit trail and strong evidence to support any justification or robust defence of AUB's performance.
- 3.19 Currently, AUB makes operational peer group comparison with five similar institutions. If introducing more robust performance indicators, care needs to be exercised to ensure that the information produced is directly comparable if used in a bench-marking situation.
- 3.20 Other peer group comparisons are available through an annual IPD Estates Performance report undertaken using HESA data. These reports are reviewed by the Estates Committee of the Board of Governors. AUB's performance compares well against two peer groups; the Guild HE peer group (21 others) and the AUB peer Group (8 others). In the Estates and sustainability category, AUB outperforms both peer groups. The unknown factor is whether AUB is coming off a better base performance than these other organisations and if they can achieve faster performance gains relative to AUB.

#### **Investment and financial planning**

- 3.21 The projects proposed in the CMP have relied upon the availability of SALIX funding. SALIX was established in 2004 as an independent, publicly funded company, dedicated to providing the public sector with interest-free loans for energy efficiency projects. Full advantage has been taken of access to SALIX. However, AUB has now largely delivered all projects that would be eligible for SALIX and future projects will be self-funded unless the SALIX criteria are changed or other channels of funding are identified.
- 3.22 As the SALIX-funded projects did not require access to HEFCE capital funding or general private finance they sat outside the normal budgeting and capital expenditure approval process, although a total of £75,000 is set aside annually to



support carbon reduction projects. Given that the other aspects of the investment decision process appear robust, this does not represent a significant weakness. However, it does mean that the capital repayments had not been planned into the AUB medium term financial plans at the point of the projects going ahead. The SALIX capital expenditure was not approved as part of the strategic financial planning of AUB; but as part of, or more as a consequence of, the approval of the Carbon Management Plan. In our view the financial impact of future CMP updates should be taken account of through the University's formal strategic financial planning processes.

### Procurement

- 3.23 AUB has developed a list of considerations to be taken into account during procurement which is published on the intranet. However, there is no mandated set of criteria which forms part of the basis of procurement decisions. Consequently, carbon management is only likely to be considered to the extent it does not impinge on price or the technical specification; it does not form part of the technical specification *per se*. Consequently, this may result in decisions which do not fit well with AUB's policy on sustainability, though delivering on a highly competent technical specification and price point.
- 3.24 The IT Department of the University does look at certain aspects of power consumption when undertaking procurement of IT equipment. Also, its virtualisation of AUB's server farm has made a good contribution to the overall reduction of emissions on the campus.
- 3.25 There was a general view from those charged with delivering the emissions reductions that the "low-hanging fruit" have now been harvested and that to a certain extent the real work begins now. Therefore, any cost-effective means of delivering emissions savings should be considered; i.e. embedding an approach to procurement which delivers not only on qualitative (specification) and financial (price) measures, but on environment too.
- 3.26 There are a number of documented case-studies using the "Marrakech Approach" to sustainable procurement. For the item being procured the emissions impact is considered at each of four life-cycle stages - Raw materials; Manufacture and logistics; Use; and End of life. For example:
- One large international supermarket chain identified that the power consumption of one of the components (i.e. a raw material) of the PC engine in its till systems was, we understand, 25% more than one of a slightly higher specification which cost a small amount more. Whilst spending marginally more on the capital investment, the revenue spend and therefore the power consumption and emissions, was significantly less; an overall saving.
  - A local authority in Scotland used a local supply chain for supply and delivery of furniture. Again this was more expensive than using the previous national process but reduced the overall life cycle cost of the procurement and materially reduced the emissions impact of that procurement.
- 3.27 Marrakech is not the only approach that can be considered. One major UK high street brand has used BS8903 (Sustainable Procurement) as the foundation of its approach. Rather than looking at life-cycle, this organisation uses a values-based approach around the following "seven pillars":
- Involving our customers;



- Making our approach how we do business;
- Climate change;
- Waste;
- Sustainable raw materials;
- Trading fairly;
- Healthy living.

3.28 Whilst no one approach is right, the above illustrates the importance of embedding an approach to procurement that delivers emissions benefits as well as on specification and finance i.e. it needs to be embedded into 'business as usual' rather than be a separate set of issues to think about.

### **Development of the Estate**

3.29 Related to the foregoing are current and future building projects and the contribution which they are making to the emissions reductions at AUB. It is the University's policy that all new build is to BREEAM (Building Research Establishment Environmental Assessment Methodology) Excellent standard. Achieving Passivhaus accreditation (a voluntary standard for energy efficiency in a building) is desirable but not appropriate in all developments. The new studios at AUB are accredited Passivhaus and their emissions performance is impressive, receiving recognition from the LABC Southwest Awards 2013 for Best Sustainable Development. This was the first UK University to adopt this standard for teaching accommodation. The new Photography Infill building will be constructed to BREEAM Excellent and the New Student Services Centre may be constructed to Passivhaus standards.

3.30 There is an element of Marrakech in the way the new 400-unit Residence has been developed. More than 80% of the construction supply chain has been sourced locally, as has the bedroom fit-out.

### **Organisational culture**

3.31 The second principal driver of future emissions savings has to be a development of the organisational culture.

3.32 AUB's Environmental Policy is explicitly linked to the strategy, that emissions management is one of only eight operational imperatives and that there is a specific commitment under the banner of sustainability:

*We are committed to the continuous improvement of our environment and, wherever possible, to exceeding sector benchmarks and promoting environmental awareness throughout AUCB.*

With this in mind, we would have anticipated a stronger expression of that commitment in the two published value sets of the University, namely:

- |  |                             |
|--|-----------------------------|
| • One thing brilliantly;                 | • Creativity;               |
| • Power of the practical;                | • Excellence;               |
| • Creativity thrives in the right space; | • Innovation;               |
| • Best tools for the job;                | • Enterprise;               |
| • Stronger when connected.               | • Employability;            |
|  | • Specialism;               |
|  | • Complementarity;          |
|  | • Ambition and opportunity; |
|  | • Student engagement;       |

- Professionalism; and
- Community

- 3.33 Currently, none of the organisational values explicitly promote behaviours required to achieve the University's environmental ambitions. Indeed the text supporting one or two of the values may act against the environmental objective (e.g. we send our students out in to the world with experience of the latest technology and facilities).
- 3.34 Some good work has been undertaken to develop the culture of the organisation to reflect this commitment. But as we explain in the following paragraphs, it is inconsistent, periodic and not part of an overall framework integrated to the technical projects aimed at delivering emissions reduction.
- 3.35 From our review of the Environment Committee minutes the need to develop the culture of the organisation has been recognised. However, the same matter was discussed at two meetings 6 months apart with little progress. No indication was given if this was due to Management Group resistance or a resource short-fall.

#### **Staff and students**

- 3.36 New-start staff induction includes a 45 minute session on the University's environmental policy. This is largely delivered through an online modular training system (Praxis42) and a presentation by one of the Estates team. These provide a good introduction to the importance of environmental matters at AUB. [NB At the point when PRAXIS42 was introduced, all incumbent staff were re-inducted on environmental matters. This was very good practice].
- 3.37 There have also been a number of good one-off events and campaigns. For example, 'AUB Pull the Plug Friday' and 'Environment Weekend'. Our concern is that these have been developed in isolation, rather than as a part of an integrated framework of culture change and communication. The risk is that the long term-potential benefit does not become embedded and short-term gains are subsequently lost.
- 3.38 By comparison, student induction is more passive in nature, with events being focused on the Fresher's Fair. There is no mechanism to formally re-induct 2<sup>nd</sup> and 3<sup>rd</sup> year students, unless they happen to visit the Fresher's Fair. Students are involved in the events campaigns noted above. A small number of events and campaigns have also been promoted by the Students' Union. (Anecdotally, these are more generic and concerning the SU promotion of a wider national environmental agenda rather than being AUB-related).
- 3.39 One mandate of the Environment Committee concerns the incorporation of AUB's environmental agenda into the curriculum and teaching provision. Whilst there are technical projects on-going which will improve the emissions efficiency of some parts of the curriculum, these are largely technical in nature and driven by other functional areas such as ITCS and the consolidation of the server rooms. This represents an opportunity for AUB to engage with its student body in certain areas of the curriculum as to how the environmental agenda can be progressed. We are aware of at least one similar university that is pursuing this type of agenda.
- 3.40 The rapid growth in availability and adoption, by both staff and students, of tablets and smart-phones has created a perceived increased demand in energy from the need to charge-up these devices. Individually, chargers draw modest power, but concerns have been voiced over the potential on-going impact if there is further growth in the numbers of devices being charged on-site. Typically, these chargers draw:

- Phones and tablets - c5W draw and will consume c16kWh per annum per item, assuming a 1 hour charge per item per day on average;
- Laptops – c60W draw and will consume c75kWh per annum per item assuming a 4 hour charge per item per day on average.

Source: <http://www.eu-energystar.org/>

3.41 Assuming that a third of staff and students charge laptops and 50% charge a phone or tablet, the impact is c140,000kWh per annum. This equates to about 6% of total electricity consumption on site. We raise this more from an awareness perspective than one on which you will necessarily be able to take direct action. Prohibition would simply transfer the burden to potentially less green supply and cause “dissatisfaction” among staff and students; it is nonetheless a “hidden” energy cost for the institution which needs to be factored into growth plans (academic hours and the increased adoption of devices) for the future.

### **Scope 3 emissions**

3.42 Scope 3 emissions cover all indirect emissions due to the activities of an organization. These include but are not limited to Operational Transport, Business Travel, Employee Home to Office (HOTO) Travel, Waste, Suppliers, Investment, etc.

3.43 At present HEFCE is encouraging the reporting of Scope 3 emissions (reporting of Scope 1 and Scope 2 is already a requirement). At present AUB does not monitor or report its Scope 3 emissions. However, staff have been undertaking some good contributory work which will assist it putting in place Scope 3 reporting. These activities include:

- An excellent scheme with the local bus companies incentivising a transport mode change;
- University Transport policy setting out its expectations of staff and students in terms of HOTO travel, business travel, etc.;
- Salary sacrifice scheme for the discounted purchase of a bike for HOTO commuting;
- The University vehicle review which assesses the environmental merits of each vehicle in the fleet and the reporting of fleet utilisation statistics;
- Outsourced grounds maintenance contract;

3.44 We would encourage AUB to begin at least internal reporting of Scope 3 information it can produce as soon as possible in order to derive full benefit of the contribution of its Scope 3 reduction to its overall target.

3.45 In that context, we would refer to the fact that the CMP, which was prepared in 2010 and published in 2011, states that the Scope 3 plan will be prepared within a “couple” of years. That published timeframe has now passed and little work has taken place to establish the Scope 3 plan. When discussed with the team, it was apparent that this whole area falls within the remit of the Senior Facilities Officer post which is presently vacant.

### **Areas for further development**

3.46 We have identified some areas where there is scope for further development of the approach to carbon management. The matters arising have been discussed with management, to whom we have made a number of recommendations. The recommendations have been, or are being, addressed by them as detailed in the

management action plan (Section 4 below).

3.46 Our recommendations are graded as follows:

Priority rating	Definition	Number of recommendations
1 (High)	The matter identified represents fundamental control weakness, which exposes the organisation to a high degree of risk and requires urgent attention by management	None
2 (Medium)	The matter identified represents a significant control weakness which exposes the organisation to a moderate degree of risk and requires management attention to remedy the situation within a reasonable period of time.	7
3 (Low)	The matter identified does not expose the organisation to any significant risk, but there are opportunities to improve controls, in line with good practice, either to improve efficiency or effectiveness, or to further reduce exposure to risk.	1
<b>Total</b>		<b>8</b>

## 4. Action Plan agreed with Management

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
1	<p><i>Observation:</i> The Terms of Reference for the Environment Committee are largely passive. There is scope to make these more active, by including specific requirements to review the CMP on a regular (at last Annual) basis, to provide assurance over compliance with it etc. There is also scope to include a more specific link to the achievement of the Sustainability commitment in the University Strategy.</p> <p>At present, HEFCE is encouraging the reporting of Scope 3 emissions (indirect emissions) but it is not yet mandatory. In the CMP, reference is made to a plan being in place within "a couple of years" for Scope 3 emissions. However, whilst a number of actions have already been taken in this area, no plan is yet in place and the deadline set has now passed. This is evidence of the more passive approach to monitoring the CMP.</p> <p><i>Risk:</i> The work of the Environment Committee risks being overly consultative in nature, rather than a driving force for change.</p> <p>The CMP action has not been achieved. The University will not be in a position to monitor or report its Scope 3 emissions, if this becomes a mandated requirement.</p>	<p>The mandate for the Environment Committee is reviewed to ensure that it clearly reflects its responsibility for ensuring that AUB is able to deliver on its carbon management plan.</p> <p>The Environment Committee should review the action that is being taken in relation to Scope 3 emissions and ensure that a new timetable is agreed for implementation of an appropriate plan. The CMP should be updated accordingly</p>	<p>3</p> <p>2</p>	<p>Agreed; the terms of reference are currently under review by the Management Group. This action covers both recommendations.</p>	<p>Director of Academic Services, by July 2014</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
2	<p><i>Observation:</i> There does not appear to be a means by which the Environment Committee can obtain assurance that the planned reductions in emissions asserted in the CMP and project approval process are achieved.</p> <p><i>Risk:</i> AUB is not able to reliably and consistently demonstrate that the planned reduction in emissions which were used to justify investment decisions have actually been achieved. This may impact on the ability to attract alternative sources of grant funding in the future if AUB were to be required to demonstrate its track record.</p>	AUB should consider the introduction of a mechanism for post-project benefit realisation testing to provide evidence for the Environment Committee that planned reductions have been achieved.	2	Agreed.	SMT, to agree approach by July 2014
3	<p><i>Observation:</i> Due to the expansion of the University over recent years, emissions are growing in absolute terms despite the actions that are being undertaken to reduce them. At present only one consumption metric is used (emissions per square metre) which is not always able to properly reflect improvements in efficiency achieved.</p> <p><i>Risk:</i> AUB is perceived as being insufficiently active in reducing emissions and is unable to demonstrate improved emission efficiency.</p>	Additional performance indicators should be developed which take into account the various areas of growth and the benefit of investment made. Whilst some of these indicators would not necessarily be reportable, they would provide an audit trail and strong evidence to explain the impact of growth on AUB's performance.	2	Agreed; various indicators are available through a annual EMS reports, and the University will agree the indicators which will be most appropriate to provide the necessary evidence base.	SMT, to agree by July 2014

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4	<p><i>Observation:</i> Energy efficiency projects proposed through the CMP have been funded through interest free loans from SALIX and have sat outside the normal budgeting and capital improvement approval process. The Estates Committee has earmarked an annual budget of £75k for carbon reduction activities. However, it is likely that future projects will require additional funding as they may be larger in scale to achieve carbon reduction.</p> <p><i>Risk:</i> Difficulty in the future of ensuring that cash flows are properly anticipated, financial performance remains within agreed metrics and liabilities are properly acknowledged.</p>	The financial impact of future CMP updates should be considered and approved as part of AUB's formal strategic financial planning process	2	Agreed.	Director of Finance and Planning, July 2014
5	<p><i>Observation:</i> Carbon management is not currently included among the list of mandated criteria that require to be considered in any procurement decision.</p> <p><i>Risk:</i> Procurement decisions may be made that do not fit well with AUB's policy on sustainability.</p>	A set of procurement criteria on Carbon consumption and emissions should be developed and integrated into the core procurement policy and process. Depending on what is being acquired, it may be appropriate to incentivise those purchasing in some way.	2	Agreed. The appointment of a new Procurement Manager within the Finance and Planning Directorate, to start in April 2014, will provide a clearer focus on carbon management in procurement.	Procurement Manager, by Dec 2014



	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
6	<p><i>Observation:</i> Currently, none of AUB's organisational values explicitly promote behaviours required to achieve the University's environmental ambitions.</p> <p>Furthermore, a number of activities are undertaken to raise awareness of the environmental agenda with both staff and students – ranging from staff induction training and information made available at the Freshers' Fair to campaigns on specific issues. However, at present the programme of activities does not appear to be integrated and, in the case of students is more passive in nature.</p> <p><i>Risk:</i> The cultural values of the University are not aligned with its environmental objectives and may be in conflict with them.</p> <p>Long-term potential benefits do not materialise as awareness of the environmental policy and carbon management does not become embedded and short-term gains are subsequently lost.</p>	<p>AUB should review its current published value sets and ensure that they are fully aligned with its environmental ambitions. As part of this the University should set out a comprehensive approach to tackling the cultural elements of the environmental agenda. It should identify actions that have already been taken and proved successful and build on these. The approach should cover both staff and students</p>	2	<p>Agreed; sustainability is an essential part of the strategy which is being developed for the University. The cultural elements will be taken forward by the Environment Committee.</p>	<p>Director of Academic Services, by July 2014</p>
7	<p><i>Observation:</i> The post of Senior Officer Facilities has been vacant for some time. The responsibilities of this post include the development of the cultural aspects of the environmental agenda and Scope 3 emissions. Both of these have been identified as areas which require further attention, going forward.</p> <p><i>Risk:</i> AUB does not have the necessary staffing resources in place to enable it to meet its commitments regarding the environmental agenda or to ensure that awareness becomes embedded across the organisation. .</p>	<p>The situation should be reviewed to assess whether the lack of a post-holder has impacted on the achievement of the areas of the environmental agenda highlighted. If this is the case, steps should be taken to recruit to the vacant post or, alternatively, the responsibilities relating to environmental and sustainability work should be re-assigned</p>	2	<p>Agreed. The transfer of responsibility for procurement to a new post within Finance and Planning has left some duties unallocated, and this requires further consideration by the University.</p>	<p>SMT, by July 2014</p>