RISK MANAGEMENT

Risk management concerns the whole of EPFL: Senior Management, central services, the Schools, the Colleges and the outposts. Risk management takes into account both internal and external risks, and all risks are systematically assessed each year.

AIMS

The aim of risk management is to protect everything that adds value to EPFL, including its human capital, reputation, resources (both tangible and intangible) and facilities. Regular reports and documents on the main risks are submitted to Senior Management.

LEGAL BASIS

As the six federal institutes of technology in the ETH Domain are granted autonomy under the ETH Act, they are each responsible for managing their own risks and putting in place measures to mitigate risk. The ETH Board’s Risk Management Directive of 4 July 2006 outlines the principles for managing risk and financing risk management. EPFL also has internal risk management regulations.

GOVERNANCE

The EPFL president informs the ETH Board of EPFL’s main risks and the measures taken to mitigate these risks. EPFL is required to inform the ETH Board if risk occurs that has a significant impact.

ORGANIZATION AND PROCESSES

The Risk Management Committee (RMC) is in charge of piloting risk management at EPFL. It coordinates the activities of its six sub-committees: Safety, Prevention & Health Committee, IT Security Committee, Insurance Committee, Dispute Settlement Committee, Internal Control System Committee, and Audit Coordination Committee.

The RMC informs and advises the president and other members of Senior Management on risk management issues, risk provisions and insurance. It supports all EPFL units in coordinating and organizing risk management. The general counsel is responsible for implementing the risk management policy and has authority to give necessary and appropriate instructions. The RMC identifies and qualifies the main risks, records them in a central catalogue, and assesses how likely they are to occur and the financial and reputational impact they would have.
MAJOR RISKS

EPFL’s main identified risks are:

1. Departure of important staff members, the loss of their expertise and the challenge of finding replacements.
2. Insufficient funding to achieve the school’s objectives and missions.
3. Violence or the threat of violence that endangers people’s physical or mental well-being, perpetrated or suffered by members of the EPFL community.
4. IT-related vulnerabilities: intrusion, loss or disclosure of information, and system breakdown.
5. Scientific misconduct: data falsification, fabricating research results, plagiarism and self-plagiarism, and conflicts of interest.
6. Failure to identify strategic opportunities and/or to adapt the school’s governance to new challenges.
7. Failure to comply with legal and contractual requirements.
8. Failure to provide the necessary resources for teaching: HR, finances and infrastructure.

INTERNAL CONTROL SYSTEM (ICS)

EPFL has an ICS, which is based on the ETH Board’s requirements in this area. The ICS is used to monitor major financial processes and the corresponding risks, which are assessed and covered by key controls. The ICS includes processes and measures to ensure that accounting, financial statements and other financial reporting are compliant. The Swiss Federal Audit Office reviews the ICS as part of its regular audit of EPFL’s accounts. The ETH Board’s internal audit team reviews the processes.
HUMAN RESOURCES

As part of the services it provides, EPFL is required to meet a number of human resources requirements set by the Swiss government, the ETH Board and its own development plan. The Swiss government requires flexible working conditions, an appropriate work-life balance and a salary system geared towards employee benefits. The ETH Board’s requirements are aimed at promoting attractive jobs and ensuring diversity (language, age, culture, gender and social class) and equality. EPFL’s own focus is on developing skills and performance in an extremely competitive international environment, promoting researchers and lecturers through mobility, offering flexible compensation and paying particular attention to training staff and cooperating with employee associations.

KEY EVENTS IN 2016

2016 was a year of transition and consolidation. The new Learning & Development cluster, consisting of Talent Management, the Staff Training Service and apprentice training, became fully operational, with staff-training services being brought in-house in the first half of the year. This cluster produced a number of synergies and led to the expansion of the school’s e-Learning curriculum and the digitization of training programs (staff development and IT). In terms of administrative management, workflows were expanded, the e-Recruiting project was launched and, in the area of training, a Learning Management System project was begun.

Human resources services were improved through a succession planning initiative and a new approach to maternity and long-term sick leave in support of EPFL’s units. The Respect campaign, which was devised and implemented in 2016, brought in a refined categorization of suspected misconduct, a more precise assessment of psychosocial risks and a multi-person reporting system that includes a “person of trust.”

Between 2000 and 2016 (the final year of the previous president’s term), EPFL’s workforce expanded from 2,822 to 5,873 people (+108.1%), while personnel costs rose from CHF 257 million to CHF 613 million (+123%). The total number of employees, including temporary staff, surpassed 8,000. The staff breakdown by nationality was unchanged versus 2015, with 40% Swiss, 39% Europeans and 21% non-Europeans; the number of permits for nationals of countries outside Europe fell from 156 in 2015 to 120 in 2016. There were 2,600 requests for new permits and permit renewals. The percentage of female staff remained flat at 34%.

In 2016, following the ETH Board’s audit of the new pay system, changes were made to the pay system and remedial measures were developed in the event Publica’s coverage ratio were to fall below 100% (at the end of 2016, the average coverage ratio for the 20 pension funds belonging to the collective fund was estimated at 103%). There are now more than 100 apprentice positions, as well as a dozen internships for trade schools. The network of outposts became fully operational, and efforts in the second half of the year focused on reorganizations and internal adjustments in anticipation of the structural changes that would take effect on 1 January 2017.
5873 staff members

- 340 professors (6%)
- 681 scientific staff (12%)
- 861 post-docs (15%)
- 1792 PhD students (30%)

- 1916 administrative and technical staff (32%)

- 585 STI (33%)
- 472 SB (27%)
- 236 ENAC (13%)
- 235 IC (13%)
- 183 SV (10%)
- 23 other (1%)

- 179 SV (21%)
- 79 ENAC (9%)
- 48 IC (6%)
- 12 other (1%)
- 19 CDM (2%)

- 58 CDM (3%)
- 281 other (scient. assistants, apprentices) (5%)

- 1792 PhD students under contract

- 1916 administrative and technical staff (32%)

- 861 post-docs
- 252 STI (29%)
- 272 SB (32%)
- 79 ENAC (9%)
- 48 IC (6%)

- 1792 PhD students under contract

- 1916 administrative and technical staff (32%)

- 861 post-docs