

RISK MANAGEMENT POLICY

Purpose and Context

The University manages risk in the context of its institutional strategy to identify, address and mitigate risks to the achievement of that strategy, including in the context of risks to institutional-level activities and where opportunities may be missed or foregone. This policy has been created to ensure compliance with the University's approach to risk management, including alignment of School and Service risk assessments with the University Strategy, and an understanding of the University's assessment of risk appetite. It draws on best practice from the sector and beyond, and on many years of proactive development and implementation risk management in the institution.

Scope

The Policy applies to all those involved in risk management at the University, including those involved in development and maintenance of risk management in individual Schools and Services.

1.0 Introduction

The University's risk management policy outlines the institution's approach to risk management in relationship to the University Strategy Map. The policy indicates the approach to the definition of risk and risk appetite. It further mandates the process by which risk is managed, especially the creation and development of risk registers and a statement of risk appetite, and their use in the annual cycle of business in the institution.

Likelihood and impact are key parameters in the assessment of each risk, and this policy outlines the University's approach to defining them. The policy further indicates the overall format to be adopted in creating risk registers and statements of risk appetite.

2. Relationship to University Strategy Map

Risk management is organised around the delivery of the Strategy Map, and includes management of risk and the capacity to realise fundamental opportunities:

- Teaching and Learning – satisfaction; continuation; employment; engagement.
- Research and Enterprise – staff research activity; income.
- International – recruitment; international standing.
- HR – development of talent, especially in management/leadership.

- Finance – cash generation for investment.
- Growth and Efficiency – taught-student income growth; estates functionality and condition; business-process efficiency, with digital-led improvements; compliance.

The close relationship to the Strategy Map requires risk owners to consider how and why a risk is relevant to the fundamental purpose and function of the institution. Although some risks to the functioning of the University may not immediately appear to align with the presentation of spheres of work according to the Strategy Map, these connections should be considered carefully. Below corporate level, Risk Registers allow for a more detailed account of how these risks manifest and their mitigation.

The risk management regime is more generally operationalised through a set of policies and procedures including a teaching & learning strategy, strategies for research, knowledge exchange, and public engagement, international strategy, devolved revenue model, scheme of delegation, and collaborative provision strategy.

3. Risk

Risks are identified and managed at the appropriate levels in the institution. The focus of the institutional-level risk management approach, and hence of the University's Risk Register and associated statement of risk appetite, is on corporate-level risks, relating to factors that threaten the institution's existence and its continuing development under the Strategy Map. Corporate-level risks that are identified under this approach are associated with regularly reported metrics which allow for real-time rather than retrospective identification of risk indicators.

Similarly, at School and Service level the focus is on risks which threaten the business unit's existence and function, and its continuing development contributing to the overall achievement of the Strategy Map. Indicators of impact, described below, are identified as proportionate to the work of the business unit in question.

3.1 Risk Appetite

The statement of risk appetite aligns with the Risk Register to which it is appended. The statement identifies the amount and type of risk the University is willing to take to meet its Strategy Map objectives.

4. Risk Owners

Risk ownership is an important element to the strategic leadership of the University, and so ownership is distributed amongst members of the Strategic Leadership Team. The risk owner for each School is its Dean, and for each Service its Director. The executive-level risk owners are the leads for each area of the Strategy Map.

5. Process

Risk management is an ongoing process in the context of a structured annual review. Schools and Services (led by the relevant risk owners in their structure)

review and develop their risk registers towards an annual submission and discussion at executive level through the planning rounds, alongside their other planning submissions (usually in late autumn for Schools, and early spring for Services). Learning from this process, alongside an institutional review and horizon-scanning process, each exec-level strategic lead develops their section of the institutional register, coordinated by the Deputy Vice-Chancellor. The results are then embedded in proposed revisions to the University's Risk Register and statement of risk appetite, which is presented for approval to the Senior Leadership Team, and with their recommendation to Audit Committee and Council for final approval, usually in March of each year.

At both institutional and School/Service level, the register and statement of risk appetite then support relevant interventions, including in ongoing monitoring of delivery of plans by Schools and Services and providing a framework for the construction of the agenda for internal audit during the following year. Again, the responsible individuals are the relevant risk owners in Schools and Services, and the executive leads for each area of the Strategy Map. The register and statement of risk appetite also provide a structure for discussion in Audit Committee and where necessary Council.

Governance is delivered through the Audit & Risk Committee, which considers the register and statement of risk appetite at each meeting. It also has oversight of the internal audit programme, which is structured in response to the corporate risk register and statement of risk appetite. Audit & Risk Committee provides challenge to the University executive on the management of risk, including in annual review of the register and statement of risk appetite as mentioned above.

5. Likelihood and impact

The University describes the likelihood and impact of identified risks according to a carefully defined schema. For example, the likelihood of a risk manifesting is indicated according to a scale of frequency in percentage terms, and the impact is defined either in terms of percentage of institutional turnover or of reputational effects, calibrated according to types of media presence.

Similar scales are used in Schools and Services, calibrated in a way which is appropriate to the structure and volume of activity in each.

6. Format of Documentation

Each section of a relevant Risk Register should indicate:

Strategic Enabler: the section(s) of the Strategy Map affected, and where appropriate of the School or Service strategy

Risk Status: Raw and Residual ratings, according to the traffic light system

Risk Description: a short description of the risk identified

Risk Owner: the senior manager(s) responsible for the management of the risk

Risk Governance: the relevant committee(s) involved in oversight of the area of risk

Each section of the register should then:

- describe each risk
- provide 'raw' unadjusted scores for likelihood and impact
- indicate the mitigations in place, and
- the mitigated risk scores for likelihood and impact after the application of those mitigations.

The statement of risk appetite is appended to the Risk Register, and provides:

- a set of definitions of risk appetite, ranging from 'Averse' to 'High Risk' (each of which is associated with a set of risk profiles aligned with the approach in the Risk Register)
- a set of risk statements structured around the Risk Register and Strategy Map, and
- an appetite score providing an indication of the tolerated risk in each area, juxtaposed with the current rating for the relevant section in the Register. This is to provide a clear indication of where mitigated risk levels are aligned with appetite, and where they exceed it.

POLICY SIGN-OFF AND OWNERSHIP DETAILS

Document name:	Risk Management Policy
Version Number:	1.0
Equality Impact Assessment:	Complete
Privacy Impact Assessment:	NA
Approved by	Senior Leadership Team, Audit Committee
Date Approved:	5 th October 2023
Date for Review:	5 th October 2026
Consulted with (Departments / Area of Service / Job Title):	The policy builds on practice which is well established, and which involves senior colleagues in the VCO, and others in the SLT especially Deans and Directors
Author:	Deputy Vice Chancellor
Owner (if different from above):	
Document Location:	
Compliance Measures:	Annual completion of revision to institutional risk register (Mar) and School (Dec) and Service (Feb) registers.
Related Policies/Procedures:	NA

REVISION HISTORY

Version	Date	Revision description/Summary of changes	Author
V1.0	September 2023	First draft of new policy	Deputy Vice Chancellor