RISK MANAGEMENT POLICY

(V 0.15)

This document describes the processes which the University will use to evaluate the effectiveness of risk management within the institution identifying the roles of the University Board of Governors, Vice-Chancellor, Senior Management Team, departments / schools and senior managers. It also describes the University's system of internal control and defines the risk appetite for opportunity and risk for the institution.

Contents

Introduction

The University's Risk Management Policy describes the processes which the University will use to evaluate the effectiveness of risk management within the institution and sets out the roles and responsibilities of the University's Board of Governors, the Audit Committee, the Senior Management Team and senior managers.

The University works within the principles of Managing Risk as set out in the HM Government's Orange Book as set out by the Office for Students (OfS), in its Framework Document. Risk is simply defined as:

> "the effect of uncertainty on objectives. (Risk is usually expressed in terms of causes, potential events, and their consequences)

The objectives are those published in the current Growth Plan, and the management of risk is the systematic analysis of policies, practices and procedures to optimise the advantage to the University in meeting its objectives and KPIs, either by exploiting positive opportunities or mitigating the effects of negative influences.

Risk Management is the exercise in preventing potential uncertain scenarios becoming real issues and also the careful management of taking advantage of opportunities within the university risk appetite.

The Board of Governors is ultimately responsible for the system of risk management and internal control. This document outlines key aspects of the risk management process and identifies the main reporting procedures.

Value Alignment

The University values are at the heart of everything we do and they are inspired by our ambitions for the future, encouraging both the ability and the aspiration to improve lives for all. We endeavour to approach risk management with our values in mind.

Humanity: Our aim is to ensure our risk management is conducted with the welfare of people uppermost in our thinking.

Ambition: Our ambition is to ensure risk management mitigation is proportional to secure outcomes so we continue to push boundaries.

Curiosity: We will explore new ways to mitigate risks to enable us to make decisions to secure positive outcomes, rather than allowing risk to stifle us.

Independence: We want to encourage strong independent thinking in relation to the management of risks to drive resilience in everything we do.

Scope

The University is accountable to a number of internal and external stakeholders, including the Office for Students, students, staff, the public and the Board of Governors. The environment in which the University operates is subject to a wide range of risks, and the need for risk management has been highlighted in guidance from the OfS, who have adopted the HM Government Orange Book Management of Risk Principles and Concepts.

Risk management forms an important part of the University's internal control and corporate governance arrangements and is the responsibility of **all** staff, irrespective of their role. Risk management is a continual, ongoing process, as risks and uncertainties will change over time and all staff should contribute to the risk management process. Risk management is also about taking opportunities in a risk managed way. Appendix E provides an outline of governance arrangements and responsibilities for risk management.

This Policy will apply to the University and its related companies. For these purposes, a related company is defined as any entity where the institution has or exercises a substantial degree of influence over that related company's activities. This may include companies that are not 'subsidiary' companies as defined in accounting terms, but for which the University exercises a degree of control – for example partnerships or joint ventures.

The University makes prudent recognition and disclosure of the financial and non-financial implications of risks and complies with the Terms and Conditions of Funding agreed with the funding bodies, in particular the OfS

The University has no direct management control over the activities of the Students' Union. However, there is clearly a reputational and possible financial risk from their activities. The University will require the Students' Union to have robust risk management procedures in place as a condition of their grant. The University reserves the right to ask the internal auditors to confirm that the processes within the Students' Union offer adequate protection to the University.

Context and Appetite

Risk Appetite is "the amount of risk that an organisation is willing to seek or accept in the pursuit of its long term objectives" as defined by the Institute of Risk Management - Risk Appetite and Tolerance Guidance Paper (2011)

The risk appetite specifies how much risk the University is willing to seek or accept through conducting its activities and in pursuit of its objectives.

The Board of Governors has approved the following as the University's **risk appetite**:

> *'The University's appetite for risk overall is toward the prudent end of the spectrum consistent with being entrusted with public funds, but not so extreme as to stifle the creativity and flair vital to individual initiatives, provided the maximum downside risk of such initiatives can be reasonably contained without unduly prejudicing the University's financial and operating strategies'.*

While 'prudence' is generally advised, there is however an appetite for higher levels of risk where appropriate in order to deliver upon strategic aims, objectives, and targets in a planned or if unforeseen opportunities should arise. The University's approach to risk taking will continue to be managed within our established risk management policy, framework, and process. As such, higher levels of risk will only be accepted on the basis of a comprehensive understanding of the exposures involved, potential benefits arising and subject to appropriate mitigation, control responses, and approval arrangements being in place.

Risk appetite is further defined by the risk score attributed to that activity. The risk appetite classifications at Appendix C are intended to act as a guide to staff and committees providing an indication of where innovation is encouraged, where caution is required and where risk should be avoided.

In approving the above approach to risk appetite, members of the Board of Governors added that the University's position should not be characterised as being risk averse in respect of general operational developments and activities, but the Board recognise that a zero tolerance approach to risk is necessary in respect of some issues, including health and safety. The University is driven to pursue its distinctive mission and goals, through seizing developed and presented opportunities, but it also has to protect its core business and values.

Risk management involves:
- Considering the activities of the University as a whole, or a given area, school or department.
- Identifying the risks involved (internal and external) in pursuing these activities.
- Assessing the risks for probability and impact.
- Eliminating those risks that can and should be eliminated.
- Where appropriate reducing the likelihood or potential impact of remaining risks.
- Developing contingency plans in case those remaining risks become reality.
- Considering whether risks may be transferred by insurance or other contract.
- Managing the risks associated with taking opportunities regardless of how they may come about.

It should also be noted that:
- The level of effort and resource put into managing particular risks should be proportionate to their potential impact on the organisation.
- Risks include lost opportunities.
- It will always be necessary to take risks, but these should be appropriately managed.
- Risk management is a continual, ongoing process, as risks and uncertainties will change over time.
- All staff should contribute to the risk management process.
- Staff should be empowered to implement solutions locally where they can, but to seek help with identified risks when necessary.
- The culture for discussion of risk should be open, positive and blame free.

Reasons for adopting risk management procedures:
- Effective risk management is good practice and will improve the effectiveness of the University.
- Regular consideration of risks helps staff in positions of responsibility to avoid problems and to plan.
- An understanding of risk areas is essential in developing strategies and plans.
- Regular reports of major risks aid the Board of Governors to understand the external and internal pressures and opportunities/threats that the University faces, and to make appropriate financial and other provision where it is needed.

Aims and Objectives

The key aims and objectives of the Risk Management Policy are:-

1. To explain the University's underlying approach to risk management
2. To document the roles and responsibilities of the Board of Governors, the Audit Committee, the Senior Management Team and senior managers within the institution
3. To outline key aspects of the risk management process
4. To identify the main reporting and review procedures

Aim 1: To explain the University's underlying approach to risk management

The University's general approach is to minimise its exposure to unacceptable risk. It will seek to recognise risk and to mitigate the adverse consequences. However, the University recognises that, in pursuit of its corporate objectives, it may choose to accept an increased level of risk through an assessment of the University's risk appetite. It will do so, subject to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

The University will ensure that a full and rigorous risk assessment is made for all key projects and capital works that are conducted on site. These risk assessments will be reviewed, evaluated and monitored by the relevant committee or working group that has been set up to manage the project. All such risk assessments and projects will be reported on regularly, as good practice, to the Board of Governors, via the Finance & Resources Committee, as necessary.

The following key principles outline the University's approach to risk management and internal control:

- The Board of Governors has ultimate responsibility for defining the institutions' risk appetite, and overseeing risk management within the University, including ensuring an effective risk management process is in place and is regularly reviewed. The Board of Governors is responsible for agreeing the risk appetite of the University (and its subsidiary companies).
- The Board of Governors devolves responsibility for ensuring that the correct processes are in place and are regularly reviewed by the Audit Committee of the Board of Governors.
- The Audit Committee evaluates and discloses the financial and non-financial implications of risks through the Annual Audit report. The Audit Committee is also responsible for annually reviewing the effectiveness of internal control of the institution and advising the Board of Governors on the committee's view of the Risk Management Policy, content of the Strategic Priority & Risk Register and issues relating to monitoring and control of risk.
- The Senior Management Team (SMT) is responsible for ensuring that the risks identified on the Strategic Priority & Risk Register reflect the principal risks that face the University in its continued operation, ensuring that effective mechanisms are in place to manage these risks. These risks must clearly relate the key aims and objectives as set out in the Strategic Plan. The SMT is responsible for the publication and review of the Risk Management Policy in conjunction with the Audit Committee and subject to approval by the Board of Governors.
- Senior managers at the University are responsible for encouraging good risk management practice within their areas of responsibility and that it is regularly monitored through the use of operational risk registers and embedding risk in each service or school as appropriate
- The Internal Auditors role is to provide assurance to the Audit Committee that the process is operating effectively and to review specific systems as part of the planned internal audit review.

Aim 2: To document the roles and responsibilities of the Board of Governors, the Audit Committee, the Senior Management Team and senior managers within the institution

Aim 2 fits neatly with the principles and concepts of the three lines of defence as outlined in the Orange Book, Annex 2.
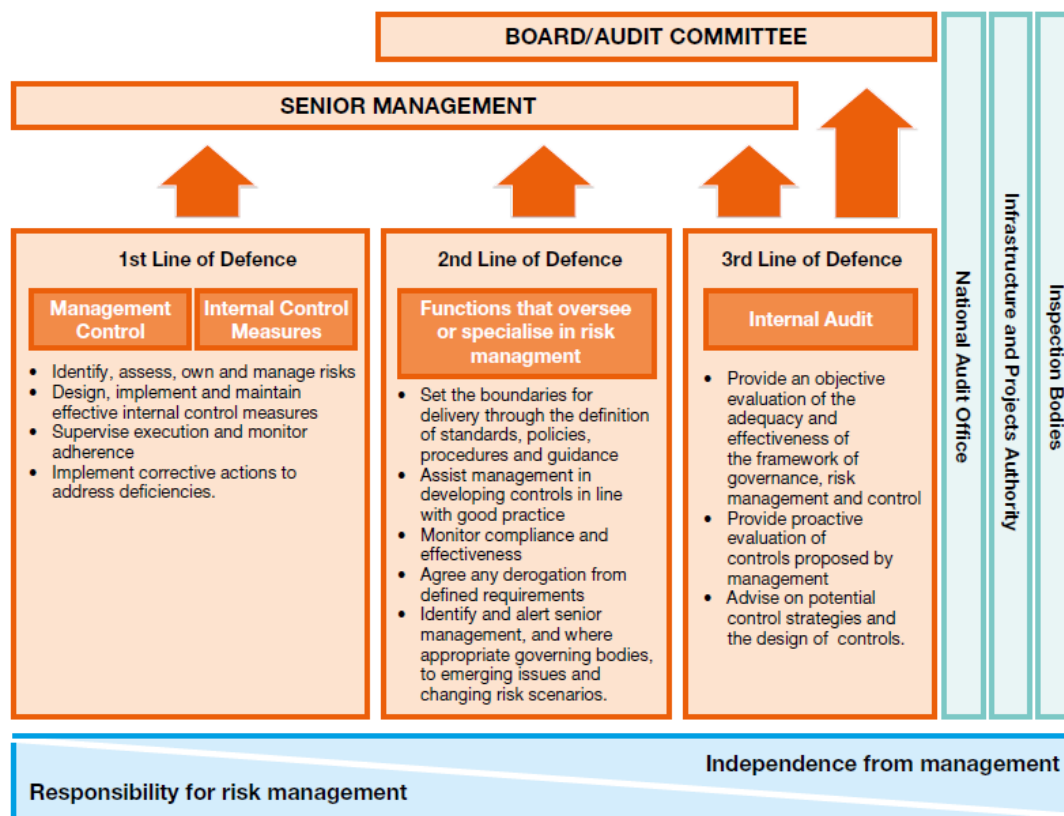
The **Board of Governors** has a fundamental role to play in the management of risk. Its role is to:
- Approve the arrangements for risk management within the University
- Approve major decisions affecting the University's risk profile or exposure
- Determine the nature of the University's risk appetite
- Monitor the management of significant risks, as advised by the Audit Committee and / or Vice-Chancellor
- Review the University's approach to risk management and approve changes or improvements to the arrangements for risk management
- Receive regular updates on the significant risks affecting the University from the Strategic Risk Register

The Board of Governors has designated the Vice-Chancellor overall responsibility for risk management, and the effectiveness of the University's risk management processes will be monitored through the Audit Committee.

The Board of Governors will receive an updated Strategic Priority & Risk Register for the University at least once a year, normally at the first formal meeting of the academic year and will coincide with the formal review of the Strategic Plan. This will ensure that the budget and revised corporate objectives for the coming year are informed by the risk environment in which the University is operating. At this meeting, any changes to the 'risk appetite' will be considered. At interim meetings, the Board of Governors will receive assurance on risk management through the minutes of the Audit Committee. The Annual Audit Committee Report will present a full report on the process of internal control and the risk management process and will normally be considered at the November meeting of the Board.

The role of the **Audit Committee** in accordance with the *Higher Education Audit Committees Code of Practice* (May 2020) published by the Committee of University Chairs (CUC) and the *Handbook for Members of Audit Committees in Higher Education Institutions* [February 2008/06], published by the Committee of University Chairs (CUC), is to provide an opinion to the Board of Governors of the adequacy and effectiveness of the institution's arrangements for the following:

- Risk management, control and governance (the risk element includes the accuracy of the statement of internal control included with the annual statement of accounts) and
- Economy, efficiency and effectiveness (value for money).

Furthermore, the Higher Education Code of Governance 2020 also stipulates:
- there is an effective and proactive system of risk management in place and risks are rigorously assessed, understood and effectively managed across the organisation.

In order to do this, the Audit Committee's terms of reference include, *inter alia,* the responsibility to:
- To review the internal auditors' audit risk assessment and strategy
- To keep under review the effectiveness of the risk management, control and governance arrangements, and in particular to review the external auditors' management letter, the internal auditors' annual report, audit reports and the management responses.

Further guidance for the members of the Audit Committee can be found in annex 1 of the HM Government Orange Book: Management of Risk – Principles and Concepts

The Audit Committee is responsible for:
- Advising the Board of Governors on the arrangements for risk management
- Drawing to the Board of Governor's attention all matters which may have major effects on the University's risk profile or exposure
- Preparing the Annual Audit Report
- Considering and recommending the Risk Management Policy
- Considering and recommending the Strategic Priority & Risk Register
- Conducting periodic evaluations of the risk management process
- Liaising with internal auditors on risks identified and to be included in the internal audit and assurance plan

The **Vice-Chancellor** is the Designated Officer under the Terms and Conditions of Funding of the OfS.

The Vice-Chancellor, in conjunction with the **Senior Management Team** is responsible to the Audit Committee and the Board of Governors for:
- Implementation of the Risk Management Policies as agreed by the Board of Governors
- The identification and evaluation of any new significant risks facing the University and identification of the mitigating factors and impact of identified risks
- Monitoring of the Strategic Priority & Risk Register a minimum of four times per annum
- Preparation of the Strategic Priority & Risk Register for review by the Audit Committee and approval by the Board of Governors and to draw attention to all matters which may have major effects on the University's risk profile or exposure
- Communicating to the wider institution that risk management must be included in the Annual Business Planning process and this must be linked to the Strategic Plan
- Consider and monitor the management of critical risks and track the implementation of mitigating actions
- Arranging training for key staff and for wider involvement to ensure the culture of risk is embedded in the planning and management culture of the University

Senior Managers within the institution are responsible for:
- Continually assessing their areas of responsibility to ensure that current and new risks are identified and are entered onto their faculty / departmental risk registers, and that controls / mitigating actions appropriate to the level of the risk are in place. For significant risks, this will mean having contingency plans in place
- In accordance with the University's Annual Business Planning cycle, formally review and update risks on at least an annual basis, in line with the current Strategic Priority & Risk Register and Strategic Plan objectives
- Consult with staff on a more frequent basis about risks within their area
- With relevant members of staff, consider how to reduce the risks, in terms of both their likelihood and their impact

The **Internal Auditors** have an interest in the effectiveness of the internal control processes of the institution.

The **system of internal control** incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the University to respond to a variety of operational, financial and commercial risks. These elements include:
- Policies and procedure - Attached to significant risks are a series of policies that underpin the internal control process. The policies are agreed by the Board of Governors and are implemented and communicated to staff by senior managers. Written procedures support the policies, where appropriate.
- Regular review of the Strategic Priority & Risk Registers - The SMT will regularly and comprehensively review the Risk Registers in line with the policy.
- Annual Business Planning and budgeting - The Annual Business Planning and budgeting process is used to set objectives, agree action plans and allocate resources. Progress towards meeting business plan objectives is regularly monitored.
- Audit Committee - The Audit Committee is required to report to the Board of Governors on internal controls and to alert members to any emerging issues. The Audit Committee should also express its opinion on internal control systems and management's attitudes to risk management.
- Internal audit programme - Internal audit is an important part of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the control system within the University.
- The Chief Operating Officer & Finance Director is the SMT lead responsible, on behalf of the Vice Chancellor, for ensuring the processes associated with risk management are designed to be robust and are completed routinely and to a required standard.

External auditors provide feedback to the Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit completed for the University and related companies.

Third party reports are necessary from time to time and the use of external consultants may be necessary in areas such as ICT, health and safety, security and human resources issues. The use of specialist third parties can increase the reliability of the internal control system.

Aim 3: To outline key aspects of the risk management process

Identifying and scoring risks and the Strategic Priority & Risk Register
The University must ensure that all significant risks are identified and evaluated on an ongoing basis. To achieve this, a Strategic Priority & Risk Register has been constructed and will be reviewed and updated on an ongoing basis. The Vice-Chancellor has ultimate responsibility for managing the University's corporate risks. In order to recognise devolved responsibility, the Strategic Priority & Risk Register will be the responsibility of the SMT with the Chief Operating Officer & Finance Director taking the lead for SMT to ensure risk management processes are taking place and reported.

Risk Management Policy July 2023.docx

The Priority & Risk register is separated into the following categories:

1. Key risks (most significant) – those deemed the biggest risks with the highest probability or impact
2. Tolerable risks – risk deemed tolerable, following mitigating actions and less probable or impactful
3. Contextual Risks – risks considered 'outside of our control' despite mitigating actions but monitored carefully

SMT Leads are responsible for ensuring departmental risks are also monitored and held separately and risk management is embedded in processes and practices as appropriate.

Assessment of Risk

Probability and Impact
Once risks have been identified, an assessment of the probability of the risk occurring and the impact of the risk occurring needs to be made. These, multiplied together, provide the '**Overall Gross Risk Score**'.

The probability and impact of each risk will be assessed in two stages, taking into account both the gross and net risks. Gross risk represents the assessment of a risk before the introduction of controls and actions to mitigate or manage the risk. Net risk represents the risk arising after implementing controls or mitigating actions and is also referred to as the 'residual risk'.

The **probability** of the risk occurring is assessed using a set of probability ratings as described in Table 1 below.

Table 1 – Guidelines for Assessing the Probability of a Risk Being Realised (probability):

SCORE	PROBABILITY	DESCRIPTION
1	Unlikely	Risk has a low probability of occurrence
2	Possible	Risk may happen
3	Likely	Risk is more probably than not going to happen
4	Very likely	Risk has a high probability of happening

The **impact** of a risk occurring is assessed as described in Appendix B.
Overall Gross Risk Score
The calculations for the Overall Gross Risk score are in Appendix A. Using the probability scores and impact scores the Overall Gross Risk score can be calculated.

Risk Matrix
The Risk Matrix uses the Overall Gross Risk score to calculate the level of risk, e.g. tolerable, moderate, substantial and extreme. The Risk Matrix is shown in Appendix A. The Risk Matrix is used to calculate risk both before and after mitigation (gross and net risks).

Priority & Risk Register
The Strategic Priority & Risk Register will record the risk scores as identified above and record essential information on the risk owners, potential immediate and long term impact, the action plans to mitigate the risk and the review period. Any changes in risk scoring are also included to provide a bigger picture of developments with each risk and opportunity.

Aim 4: To identify the main reporting and review procedures

The risks facing the University will change from year to year and there is therefore a need to formally review the content of the Strategic Priority & Risk Register, the effectiveness of the controls in place and the need for alternatives and improvements on at least an annual basis. This is done in line with the Annual Business Planning process and review of the Strategic Plan. The processes for reporting and review are highlighted above.

Annual Review of Effectiveness

The Board of Governors is responsible for reviewing the effectiveness of the University's internal controls based on information provided by the SMT, the Audit Committee and the internal / external auditors on an annual basis. The annual review of effectiveness produced by the Audit Committee will include a review of the management of significant risks during the previous year including the effectiveness of the controls that are currently in place and will be completed in line with the preparation of the annual accounts and statement on corporate governance.

In summary, risk will be reviewed as follows:-

The Board of Governors
- Annual review and approval of the Strategic Priority & Risk Register – including the elimination of those risks that can and should be eliminated
- Annual review and approval of the Audit Committee's Annual Report and systems of internal control
- Annual review and approval of the risk management processes that are in place and agreeing the University's risk appetite
- Interim review of assurances on risk through the minutes of the Audit Committee
- Interim review of the significant risks affecting the University from the Strategic Priority & Risk Register

Audit Committee
- Review of the Strategic Priority & Risk Register at every meeting
- Annual review of the Risk Management Policy
- Annual review of the effectiveness of internal control of the institution

Senior Management Team
- Review of the Strategic Priority & Risk Register a minimum of four times per annum, to ensure the principal risks facing the institution are reflected, taking into account the gross and net probability and impact, using the Risk Matrix
- Annual review of the Risk Management Policy, communicating any changes to the Audit Committee
- Ensuring effective mechanisms are in place to manage risks through monitoring of the Annual Business Planning processes
- Monitoring and arranging, where necessary, training for key staff on the culture of risk within the institution

Through the processes of internal audit, the effectiveness of the risk management arrangements at the University will be monitored annually.

The integration of risk management into the Annual Business Planning processes and procedures will ensure that senior managers, faculties and service departments are regularly monitoring risks and reporting on these on an annual basis and incorporating them into faculty / departmental risk registers. It also ensures that the key objectives of the Growth Plan are being monitored in terms of risk.

Monitoring and review

The Risk Management Policy will be reviewed on an annual basis and, where changes are necessary; these will be recommended by the Audit Committee for approval by the Board of Governors.

This policy is effective for five years in line with the University's regulations, but subject to annual review.

Communication of policy

The Vice-Chancellor, in conjunction with the SMT, will implement the Risk Management Policy as agreed by the Board of Governors and communicate to the wider institution that risk management must be included in the annual Business Planning processes.

The SMT is also responsible for arranging training for key staff and for wider involvement to ensure the culture of risk is embedded in the planning and management culture of the University

This policy will be published on the University's Website and Intranet.

Related Documentation

HM Government Orange Book: Management of Risk – Principles and Concepts
CUC Higher Education Code of Governance, 2020
CUC Higher Education Audit Committees Code of Practice (May 2020)
LFHE – Getting to Grips with Risk
Handbook for Members of Audit Committees in Higher Education Institutions [February 2008/06], published by the Committee of University Chairs (CUC)
https://www.advance-he.ac.uk/guidance/governance/governing-bodies/audit-committee
https://www.marjon.ac.uk/about-marjon/governance--management/university-board-of-governors/Marjon-Growth-Plan---May-2019-accessible.pdf
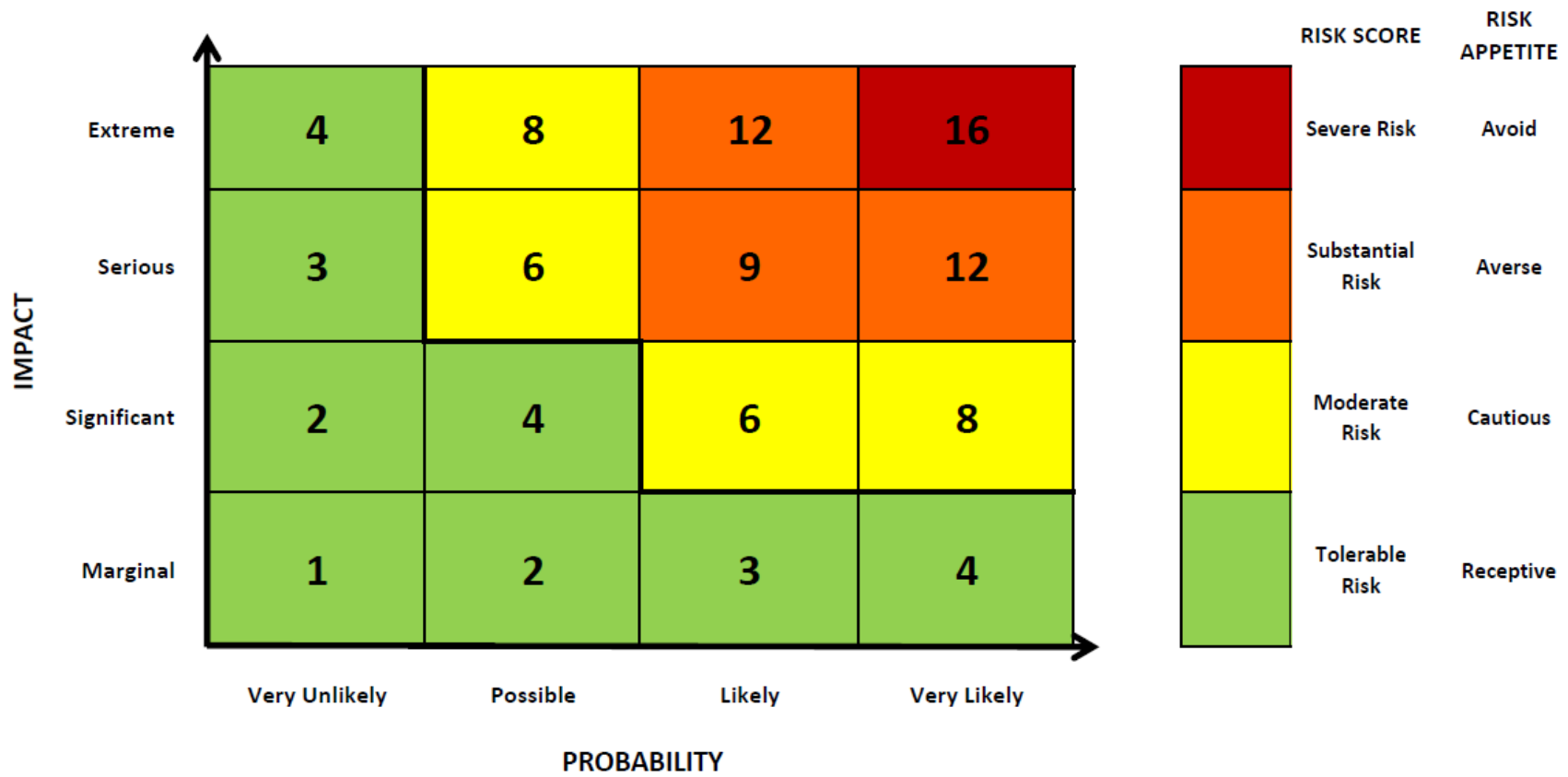
Appendices

· Appendix A: Overall Gross Risk Score Calculations
· Appendix B: Guidelines for Assessing the Impact of a Risk Being Realised
· Appendix C: Guidelines for risk appetite and tolerance
· Appendix D: Guidance Note
· Appendix E: Governance & Frequency of Review

Appendix A - Overall Gross Risk Score Calculations

Appendix A: Overall Gross Risk Score Calculations   OVERALL GROSS RISK SCORE CALCULATIONS

IMPACT	Very Unlikely	Possible	Likely	Very Likely
Extreme	4	8	12	16
Serious	3	6	9	12
Significant	2	4	6	8
Marginal	1	2	3	4

PROBABILITY

	RISK SCORE	RISK APPETITE
	Severe Risk	Avoid
	Substantial Risk	Averse
	Moderate Risk	Cautious
	Tolerable Risk	Receptive

Appendix B – Guidelines for assessing the impact of a risk being realised

Appendix B: Guidelines for Assessing the Impact of a Risk Being Realised

RISK IMPACT SCORING ASSESSMENT

Score	Impact	Strategic Objectives	Financial Impact	Reputational Impact	IT Impact	Legal/Regulatory/ Governance Requirements
1	Marginal	Very minor impact on University's strategic objectives and/or moderate impact on the strategic objectives of the faculties or service departments	Actual/potential loss less than £100k	Limited potential for adverse publicity	Loss of minor data system and/or loss of a critical system or data which causes a minor operational impact	Minor or partial non compliance with legal/ regulatory/ governance requirements which have a limited effect
2	Significant	Actual/potential adverse impact of a moderate to significant nature affecting University's strategic objectives and/or significant impact on the strategic objectives of the faculties or service departments	Actual/potential financial loss of £100k - £1m	Actual/potential for significant adverse publicity in the local media	Loss of a critical system or data which causes a significant operational impact	Partial non compliance with legal/ regulatory/ governance requirements which have a significant effect
3	Serious	Actual/potential significant adverse impact to the achievement of the University's strategic objectives	Actual/potential financial loss of £1m - £2.5m	Actual/potential for significant adverse publicity in the local media or moderately adverse publicity in national media	Loss of a critical system or data for more than one day which causes a serious operational impact	Non compliance with specific legal/ regulatory/ governance requirements of a serious nature
4	Extreme	Actual/potential very significant or extreme adverse impact to the achievement of the University's strategic objectives	Actual/potential financial loss of over £2.5m	Actual/potential for very adverse or extreme publicity in the local media or national media	Loss of a critical system or data for more than one week which causes a very significant operational impact	Non compliance with specific legal/ regulatory/ governance requirements of an extreme nature (such as a large fine or criminal prosecution)

Appendix C – Guidelines for risk appetite and tolerance

Appendix C: Guidelines for risk appetite and tolerance   **RISK APPETITE**

Risk Score = Risk Appetite   **Guidance**

Risk Score = Risk Appetite	Guidance
Severe = Avoid	Risks or opportunities within this category should be avoided. As much as possible should be done to reduce the risk probability or impact associated with this activity
Substantial = Averse	Risks considered too high, avoid risks and potential opportunities. Careful consideration and monitoring required for risks and opportunities with this score.
Moderate = Cautious	Maxium risk that can be tolerated. Willing to consider opportunities with acceptabel level of reward and limitedassociated risks. Should be pursued with prudence.
Tolerable = Receptive	Receptive to any risk. Opportunities are free to be pursued. Eager to be innovative and choose options offering potentially higher business rewards.

Appendix D – Short Guidance Note

Responsibility & Review
The risk owners detailed in the register are expected to regularly review, monitor and report on their risks, the interventions or mitigating actions and the scoring given on the register. This should also take place within teams and departments to ensure that all staff are aware of and able to contribute to discussions surrounding risk. SMT members should also monitor departmental risks within their teams, reporting to the relevant committees as required. SMT members should also inform the Clerk if any additional institutional risks or opportunities arise.
Committees are also required to review the risks regularly and this should be detailed within the committee's cycle of business.
Finally the Board of Governors and its committees should then receive regular assurance that risk is regularly and appropriately reviewed and addressed.
The Director of Finance is responsible for maintaining the latest version of the Priority & Risk Register and implementing any changes and updates to the register, as well as reporting regularly to the Board of Governors and its sub-committees.
A copy of the latest Priority & Risk Register is always available. Please contact the Vice Chancellor or the Chief Operating Officer & Finance Director.

The Register
The register has a number of risk for consideration
1. Key risks (most significant)– those deemed the biggest risks with the highest probability or impact
2. Tolerable risks – risk deemed tolerable, following mitigating actions and less probable or impactful
3. Contextual Risks – risks considered 'outside of our control' despite mitigating actions but to monitor carefully

Risk scoring
The gross risk score reflects the likelihood and impact of the risk occurring without any controls in place. The net risk scores takes into account internal controls and mitigating actions currently in place and it is therefore the net risk score that gives the current status for each risk.

Risk Appetite
The Risk appetite for various activities is outlined in the risk appetite statement. This provides an indication of the level of risk the institution is willing to take for its activities.
Risk appetite is also defined for specific risks in line with the given risk score. Appendix C provides further detail.

Risk Management Policy July 2023.docx

Appendix E - Governance & Frequency of Review

Committee	Responsibility	Reports	Meeting Frequency
Board of Governors	Devolved responsibility to Audit committee, the Annual Audit Committee Report provides a full report on the process of internal control and the risk management process.	Annual Audit report received	Annually – Autumn
	Overseeing risk management within the University - review and approve changes and improvements for risk management arrangements including policy and processes.	Receive for approval Risk Management Policy	Annually – Autumn
	Receive regular assurance on risk management through the minutes of the Audit Committee	Minutes of Audit committee	Each meeting
	Responsible for agreeing the risk appetite of the University	Risk appetite statement within Risk Management policy received	Annually – Autumn
	Receive regular updates on and monitor the management of significant risks - as advised by the Audit Committee and / or Vice-Chancellor	Report on Significant risks within the register	As required
	Approve major decisions affecting the University's risk profile or exposure	Proposal on major decisions affecting risk exposure or profile	As required
	Receive and approve updated Strategic Priority & Risk Register for the University - including approving the elimination of those risks that can and should be eliminated	Full register received for approval with cover paper identifying all significant moments, changes and any risks proposed to be eliminated	Annually – Autumn
Audit Committee	Advising the Board of Governors on the arrangements for risk management	Within Annual audit report	Annually – for Autumn Board
	The Annual Audit Committee Report will present a full report advising the Board of Governors on the committee's view of on: the arrangements, adequacy and effectiveness of - Internal control	Review of effectiveness	Annually – for Autumn Board Autumn

Risk Management Policy July 2023.docx

		Risk management process (including the accuracy of the statement of internal control included with the annual statement of accounts) - Economy, efficiency and effectiveness (Value for money) - Governance - Evaluates and discloses the financial and non-financial implications of risks	Receipt of Value for Money Report Preparation of Annual report Approval of Annual report	Autumn Annually for Autumn Board
		Review the Strategic Priority & Risk Register	Receive full register Cover paper with updates/ movement/notable changes	Every meeting **Autumn/Spring/Summer**
		Drawing to the Board of Governor's attention all matters which may have major effects on the University's risk profile or exposure	Prepare report on significant matters	As required **Autumn/Spring/Summer**
		Considering and recommending the Risk Management Policy	Receipt of Risk Management Policy from SMT - with track changes/ cover paper	Annually - Summer for Autumn Board
		Liaising with internal auditors on risks identified and to be included in the internal audit plan	Internal Audit Plan	Annually – Summer
		Review the external auditors' management letter, the internal auditors' annual report, and management responses.	External Audit reports	Annually – Autumn
		Review the internal auditors' audit risk assessment and strategy	Internal Audit reports	Annually – Autumn
VC		The Vice-Chancellor has ultimate responsibility for managing the University's corporate risks. In order to recognise devolved responsibility, the Strategic Priority & Risk Register will be the responsibility of the SMT	Reports via SMT/Audit committee	Review within SMT cycle of business
SMT		Responsible to the Audit Committee and the Board of Governors		Ongoing
		Implementation of the Risk Management Policies as agreed by the Board of Governors and publication of these.	Risk Management Policy and documentation - on website and intranet	Ongoing
		Communicating to the wider institution that risk management must be included in the Annual Business Planning process	Publication of Risk Management Policy	Annually – Summer and ongoing

	Monitoring and arranging training for key staff and for wider involvement to ensure the culture of risk is embedded in the planning and management culture of the University	Discussion and implementation of training	Annually – May
	Annual review of the Risk Management Policy, communicating any changes to the Audit Committee	Receipt and review of Risk Policy	Annually – April (for June Audit)
	Updating and monitoring of departmental risks not held on central register	Receipt and review of departmental risks	Annually – June
	Regular monitoring and review of register to ensure it remains up-to-date.	Receipt and review of Risk register	4 times per year minimum **August, November, February, May**
	Annual thorough review and approval of register for review by the Audit Committee and approval by the Board of Governors: - Responsible for the identification and evaluation of any new significant risks facing the University and identification of the mitigating factors and impact of identified risks - ensuring that the risks identified reflect the principal risks that face the University in its continued operation, ensuring that effective mechanisms are in place to manage these risks - draw attention to all matters which may have major effects on the University's risk profile or exposure. - Consider and monitor the management of critical risks and track the implementation of mitigating actions - ensure the principal risks facing the institution are reflected, taking into account the gross and net probability and impact, using the Risk Matrix - Ensure risks clearly relate to the key aims and objectives as set out in the growth plan	Amended register Full annual report	Annually – Summer for contribution to the Audit Committee Report (Autumn) in preparation for new Academic year for Board approval (Autumn)
Senior Managers / Department Heads	Consult with staff on a more frequent basis about risks within their area	Discussion of risk within teams	Each meeting
	Encouraging good risk management practice within their areas of responsibility and that it is regularly monitored.	Receipt of risk management policy and guidance, reminder to teams	Annually – May

	Continually assessing their areas of responsibility to ensure that current and new risks are identified and are entered onto their faculty / departmental risk registers, and that controls / mitigating actions appropriate to the level of the risk are in place. For significant risks, this will mean having contingency plans in place. With relevant members of staff, consider how to reduce the risks, in terms of both their likelihood and their impact	Review of departmental risks	Each meeting
	Formally review and update risks on at least an annual basis	Review of relevant institutional risks on register	Annually – May
Finance & Resources Committee	Ensure risk management systems used in all risks falling within the responsibility of the Committee, in particular financial risks, as identified in the Register.	Receipt and review of relevant risks on register	Four scheduled meetings per year
	Receipt of risks assessment for all key projects and capital works that are conducted on site. These risk assessments will be reviewed, evaluated and monitored by the relevant committee or working group that has been set up to manage the project.	Receipt of risks assessments for key projects for review	As required
Remuneration Committee	Responsibility for specific risks as detailed within the register, monitoring, updating and mitigating actions.	Receipt and review of relevant risks on register	Two scheduled meetings per year
Governance & Nominations Committee	Responsibility for specific risks as detailed within the register, monitoring, updating and mitigating actions.	Receipt and review of relevant risks on register	Autumn and Spring
Estates Development Task Group	Responsibility for specific risks as detailed within the register, monitoring, updating and mitigating actions.	Receipt and review of relevant risks on register	Via F&R committee
Senate	Should contribute to the risk management process. Responsibility for specific risks as detailed within the register, monitoring, updating and mitigating actions.	Review of relevant risks within register, reporting any recommendations to the Clerk to the Board	Quarterly
Other internal Committees	Should contribute to the risk management process. Responsibility for specific risks as detailed within the register, monitoring, updating and mitigating actions.	Review of relevant risks within register, reporting any recommendations to the Clerk to the Board	As required

All Staff	Should contribute to the risk management process	Be aware of the policy, key risks and risks within your department. Contribute to discussion surrounding risks within your teams and with managers.	As required

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