



Risk Management Policy

Policy Owner:	Strategic Planning and Projects Officer
Executive Sponsor:	Chief Operating Officer
Accountable Committee:	Council
Legal review required:	No
Review due date:	December 2026
Recent update history:	Originated by Audit Committee: 17 September 2008 Approved by Council: 6 October 2008 Approved by Council 23 Nov 2020

To discuss receiving the document in an alternative format, please contact the University's [Governance & Legal Office](#).

Risk Management Policy

1. Purpose of this document

- 1.1. This Risk Management Policy (“the Policy”) forms part of the University’s internal control and corporate governance arrangements.
- 1.2. The Policy explains the University’s underlying approach to risk management and documents the roles and responsibilities of the Council, the Vice-Chancellor, the University Executive Board and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.
- 1.3. In addition, the Policy describes the process the Council will use to evaluate the effectiveness of the University’s internal control procedures.

2. Underlying approach to risk management

- 2.1. The following key principles outline the University’s approach to risk management and internal control:
 - the Council is accountable for risk management within the University as a whole
 - the Council adopts an open and receptive approach to managing and discussing risk with the University Executive Board
 - the Council approves the University’s strategic plan and considers any risks that may arise when monitoring the achievement of the objectives and indicators set out in the plan
 - the Vice-Chancellor and the University Executive Board supports, advises and implements policies approved by the Council
 - the University has a framework for agreeing a risk appetite for each category of risk
 - within academic schools and faculties, Deans are responsible for good risk management practice
 - within professional service departments, Directors are responsible for good risk management practice
 - within Colleges, Heads of College are responsible for good risk management practice
 - risk indicators will be identified and closely monitored on a regular basis.

3. Role of the Council and the Audit Committee

- 3.1. The Council has a fundamental role to play in the identification and management of risk. Its role is to:
 - set the tone and influence the culture of risk management within the University including setting the standards and expectations of staff with respect to conduct and probity
 - approve major decisions affecting the University’s risk profile or exposure
 - monitor the management of strategic risks
 - satisfy itself that operational risks are being actively managed, with the appropriate controls in place and working effectively.

3.2. Audit Committee is responsible for:

- undertaking an annual review of effectiveness of the system of internal control and providing a report to the Council
- the formal review of the Strategic risk Register at each meeting, and recommending it for approval at Council
- the formal review of a 'deep dive' into a selected risk at each meeting.

4. Role of the Vice-Chancellor and University Executive Board

4.1. The key roles of the Vice-Chancellor and the University Executive Board are to:

- implement policies on risk management and internal control
- identify and evaluate the strategic risks faced by the University for consideration by the Council
- provide adequate information in a timely manner to the Council and its committees on the status of risks and controls
- secure appropriate insurance coverage to ensure reasonable coverage of insurable losses relating to key risks.

5. Role of the Deans

5.1. The Dean of each academic School or Faculty is responsible for identifying and managing the risks specific to their areas in accordance with this policy.

6. Roles of the Directors and Heads of Professional Service Departments

6.1. The Director of each professional service department is responsible for identifying and managing the risks specific to their areas in accordance with this policy.

7. Role of the Heads of College

7.1. The Head of each College is responsible for identifying and managing the risks specific to their College in accordance with this policy.

8. Risk management as part of the system of internal control

8.1. 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:

8.1.1. Culture, systems and training

The University Executive Board, Deans, Directors and Heads of College are responsible for maintaining an organisational culture that supports effective internal control, including developing systems, processes and ways of working to support effective operations.

8.1.2. Training

The University Executive Board, Deans, Directors and Heads of College are responsible for establishing a framework of mandatory and targeted training that supports effective risk management, and for ensuring that staff complete and apply that training.

8.1.3. Policies and procedures

The University has a series of policies that underpin the internal control process. The policies are approved by the Council (or a body or individual with delegated authority) and implemented and communicated as appropriate to staff and students.

8.1.4. Periodic reporting

Periodic reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the University Executive Board, Senate, Audit Committee and the Council, if appropriate.

8.1.5. Business planning and budgeting

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly. Departmental risks are considered during this process.

8.1.6. Strategic risk register

This register is compiled by the University Executive Board and helps to facilitate the identification, assessment and ongoing monitoring of risks significant to the University. The document is reviewed formally at each meeting of Audit Committee and an annual 'blank sheet exercise' is conducted.

8.1.7. Audit Committee

Audit Committee has responsibility to monitor and review risk management, control and governance arrangements annually on behalf of Council. It is required to report to the Council on internal controls and alert Council members to any emerging issues. In addition, the Committee oversees internal audit, external audit and risk management as required in its review of internal controls.

8.1.8. Internal audit programme

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the adequacy and effectiveness of the internal control system within the organisation.

8.1.9. External audit

External audit provides feedback to the Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit

8.1.10. Third party reports

From time to time, the use of external consultants may be necessary. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

8.1.11. Insurance

Insurance is a means of mitigating the impact of risks occurring. The University Executive Board ensures that appropriate insurance coverage is in place to ensure reasonable coverage of insurable losses relating to key risks. Insurance arrangements are overseen by the Audit Committee on behalf of Council.

9. Business Continuity Management, Emergency Response and Recovery

9.1. There is a direct link between Risk Management and Business Continuity Management, Emergency Response and general operational recovery. The University has an emergency response procedure in place and all departments are expected to have business continuity plans in place.

10. Health and Safety

10.1. The University has a comprehensive Health, Safety and Wellbeing Policy in place which describes its approach to managing health and safety.

11. Risk Registers

11.1. At University level, the key identified and prioritised risks are contained within the University's Strategic Risk Register. The University Strategic Risk Register is reviewed and updated regularly.

12. Risk appetite

12.1. Risk appetite can be defined as 'the University's willingness to accept risk in pursuit of its objectives before action is necessary to reduce the risk'. The University's risk appetite is varied based upon the specific area of activity and can increase or decrease for a range of environmental reasons. The definitions of appetite are set out in table 1. Each risk in the strategic risk register should have a risk appetite score noted against it which aligns with the following score.

Table 1 Definitions of risk appetite

Risk appetite	Description
1	Very low level risk is acceptable.
2	Low level risk is acceptable.
3	Balanced risks are acceptable.
4	Moderate risks are acceptable.
5	Significant risk is acceptable.

13. Projects and Other Proposals

13.1. Risk identification and control are major considerations in planning and budgeting processes at all levels in the University. They should be considered and documented proportionately as part of the justification for all new activities (i.e. academic programmes), investments and projects. Each proposal for a new activity should

contain a section addressing any risk issues, and all new capital project proposals must consider fully any potential risks.

14. Risk Management Framework

14.1. The University Executive Board will review the risks recorded in the Strategic Risk Register, with particular emphasis on the substantive risks at least three times a year.

14.2. Once a year, the University Executive Board will undertake a blank sheet exercise of the strategic risk register.

15. Reports from Council Committees to Audit Committee

15.1. From time to time, the Chairs of Council committees may inform the Audit Committee of any additional risks or amendments to existing risks which in their judgement should be brought to the attention of the Audit Committee and/or Council.

16. Annual review of effectiveness

16.1. The Audit Committee and Council should receive assurance on the effectiveness of internal control of the University from the University Executive Board.

16.2. For each strategic risk identified, the Council will:

- review the previous year and examine the University's track record on risk management and internal control
- consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective

16.3. In making its decision the Council will consider the following aspects:

16.3.1. Control environment:

- the University's objectives and its financial and non-financial targets
- organisational structure and approach of the senior management team
- culture, approach, and resources with respect to the management of risk
- delegation of authority
- public reporting

16.3.1. On-going identification and evaluation of strategic risks:

- timely identification and assessment of strategic risks
- prioritisation of risks and the allocation of resources to address areas of high exposure

16.3.1. Information and communication:

- quality and timeliness of information on strategic risks
- time it takes for control breakdowns to be recognised or new risks to be identified

16.3.1. Monitoring and corrective action:

- ability of the University to learn from issues identified
- commitment and speed with which corrective actions are implemented

16.4. The University Executive Board will prepare a report of its review of the effectiveness of the internal control system annually for consideration by Audit Committee and Council.