UNIVERSITY OF WARWICK

University Risk Management Policy

Policy Statement

The Council is committed to enabling innovation and decision-making by having a clear understanding of the risks and opportunities the University faces. It will achieve this, in part, through a risk management framework (Appendix A) that clearly sets out the expectations on those individuals who have responsibility for managing risks on behalf of the University.

Scope of the Policy

Efficient and effective risk management is necessary to support the University's core functions and activities, to comply with its legal and regulatory obligations and to contribute to the effective overall management of the institution. This document provides the policy framework through which this effective management can be achieved.

What does the Policy apply to?

The policy applies to all University business activity[1], from delivery of support operations, right through to the strategic prioritisation of resource allocation.   This policy is an integral part of the University's governance and assurance structures.

Irrespective of the level at which risk management is operating, the definition of "risk" used by the University is:

> *"The combination of the probability of an event and its consequence impacting upon the achievement of agreed objectives. Consequences can range from positive to negative"*

The definition of "risk management" used by the University is:

> *"The process by which uncertainty is quantified (where possible), assessed, recorded and managed in order to enable innovation and support good, well-informed decision-making at all levels of the institution"*

Who does the Policy apply to?

The policy applies across all levels of the University, from academic, professional service and, commercial departments, to formal bodies charged with institutional governance, decision-making and institutional strategy-setting.

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[1] Defined as "any activity conducted either in the course of employment or as part of or related to a University course or other University activity that is not purely personal"

Roles and responsibilities

The University's Risk Architecture that details the governance of risk reporting is shown at Appendix B.

The Council is ultimately accountable for ensuring that effective risk management is undertaken by the University and that it considers institutional risk exposure and risk appetite in its decision-making. It will receive twice yearly reports from the strategic risk register – in February and in July. The Council must be kept informed of the University's total risk portfolio when reaching its decisions as well as receiving appropriate reassurance as to the effectiveness of the processes in place to monitor and assess the University's risks. The Council will be invited to undertake a risk horizon scanning exercise annually; the outputs of which will feed into the University's risk management processes.

The Council has delegated to the Audit and Risk Committee the responsibility for concluding on the adequacy and effectiveness of the processes in place for the management of risk.

The Secretary to Council is responsible for:

- The development and effective implementation of a risk management framework.

Internal Audit is responsible for:

- Advising the Audit and Risk Committee on the effectiveness of the University's Risk Management processes;
- Assisting in communicating good practice to departments in relation to risk management.

The Senate and Steering Committee are responsible for:

- Supporting the Council in its governance role through its responsibility for:
  - The identification of risks associated with a new or revised University Strategy (as part of its responsibility for strategic institutional planning and the assessment of strategic opportunities).
  - The oversight of resource prioritisation in a risk/opportunity context.
  - Undertaking regular horizon scanning activities in relation to strategic risk identification.
  - Considering the key risks identified by major stakeholders to determine any related risks facing the University.
  - The oversight of all types of risks, in advance of the Council's consideration of the strategic risk register.
  - The management of the key institutional risks agreed by the Council, including the determination of appropriate risk mitigation.
  - The operation of risk management processes across the University (including responsibility for the approval of the risk management processes and/or guidance that underlie the Risk Management Policy).
- Promoting the value of effective risk management to Heads of Departments and encourages understanding and application of the associated procedures.

The University Executive Board; Education Committee; Research Committee; Academic Resourcing Committee; Professional Services Group; Finance and General Purposes Committee; CCSG Steering, and; the Operational Risk Management Group (ORMG) is responsible for:

- Providing oversight of those risks that sit within their remit;
- Considering risk assessments (for the departmental activity for which they have responsibility);
- Determining whether any departmental risks could have significant institutional impact, and escalate these to the Steering Committee (potentially for inclusion on the strategic risk register);
- Maintaining an oversight of key departmental/Centre risks throughout the year;
- Undertaking risk horizon scanning to ensure that emerging risks are identified and considered and/or assessed for inclusion on department risk registers.

In addition, the ORMG is responsible for:

- Providing oversight for operational, legal and compliance risk identification, analysis, evaluation and monitoring;
- Encouraging the adoption of the principles of business continuity and monitors the University's insurance portfolio.

Heads of Departments are responsible for:

- The consideration and management of risk associated with all departmental activities;
- Ensuring that all strategic proposals from the department take into account the risk appetite and clearly evidence that the associated risks have been considered and are being actively managed;
- Ensuring that the consideration of risk is an integral part of operational practice across all areas of activity;
- Escalation to the relevant Group/Committee (when necessary) of risks at departmental level.
- Ensuring compliance with the risk management policy within their departments.

Risk Owners (as identified on risk registers) are responsible for:

- Managing their assigned risks in line with the agreed risk appetite;
- Assessing the status of risks and the effectiveness of specific mitigating actions;
- Overseeing the satisfactory completion of actions assigned to Action Owners.

Action Owners (as identified on risk registers) are responsible for:

- Ensuring assigned actions are completed within the designated timescale.

The Risk and Resilience Team (based in the Secretary to Council's Office) is responsible for:

- Helping the institution manage risk through communicating and encouraging understanding of risk management across the University and facilitating the sharing of good practice. This will involve the co-ordination of risk management training and the provision of associated guidance and support;
- Undertaking initial assessments to determine whether risks are being appropriately considered by Committees/Groups and works with relevant colleagues to ensure the outcomes of Committee/group discussions are appropriately communicated to relevant stakeholders;
- Maintaining the strategic risk register;
- Preparing twice yearly (February and July) and *ad hoc* reports from the strategic risk register to key committees and groups.

Risk Management at Warwick

Core principles of risk management

Risk management operates on a set of principles that have been developed to establish the foundations of the successful management of risks across the institution:

- **Proportionate** to the level of risk with the institution
- **Aligned** with other business activities
- **Comprehensive**, systematic and structured
- **Embedded** within the business processes of the institution
- **Dynamic** and responsive to emerging and changing risks

Given that risk is associated with uncertainty, the aim of risk management is to identify and control uncertainties. The Council recognises that the application of risk management principles and practices should not and will not eliminate all risk exposure. Moreover, through the application of the risk management approach identified in this policy, the University aims to achieve a better understanding of the risks it faces and their implications for the business, thus informing decision-making.

The processes and procedures to assist with University risk management are detailed within the Risk Protocols as found at Appendix C.

Risk Appetite

The University's Risk Appetite Framework is currently under-development and will be published when approved.

Links to related policies and procedures

The University has developed policies and procedures that cover the other aspects of risk management, such as the Travel Risk Management Policy, the Health and Safety Policy and the

University's Research Code of Practice. These documents should be taken into account when referring to and complying with the Risk Management Policy.

Where to go for help

If you require any help or advice on any aspect of this policy, please contact the [Secretary to Council's Office](#) in the first instance.

Standards and Best Practice

The University aims to adhere to the following guidance and best practice when managing University risks and when providing risk management advice and guidance. The following standards and documents have been used in the development of this policy:
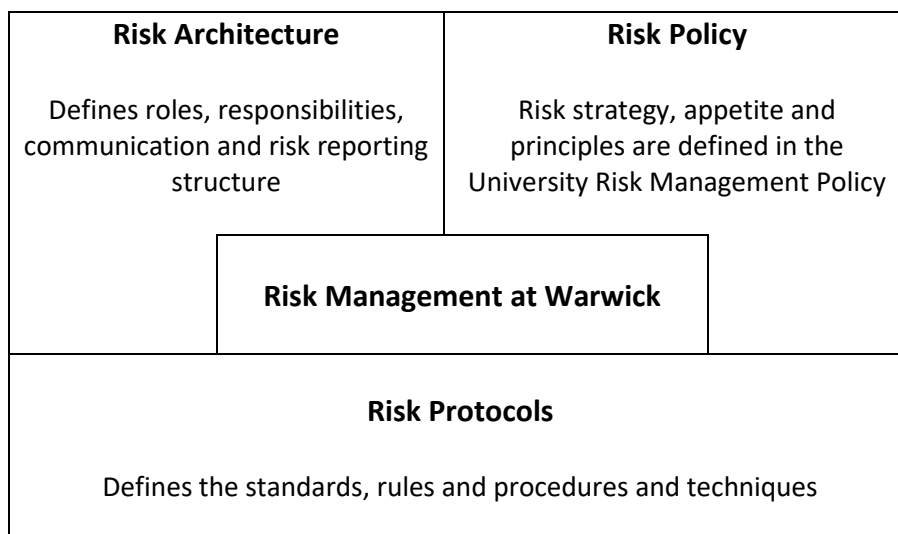
- Institute of Risk Management (IRM) – Risk Management Standard (accessed February 2018)
- HM Treasury – "The Orange Book", Management of Risk – Principles and Concepts (accessed August 2017)
- Chartered Institute of Internal Auditors – risk based internal auditing (RBIA).
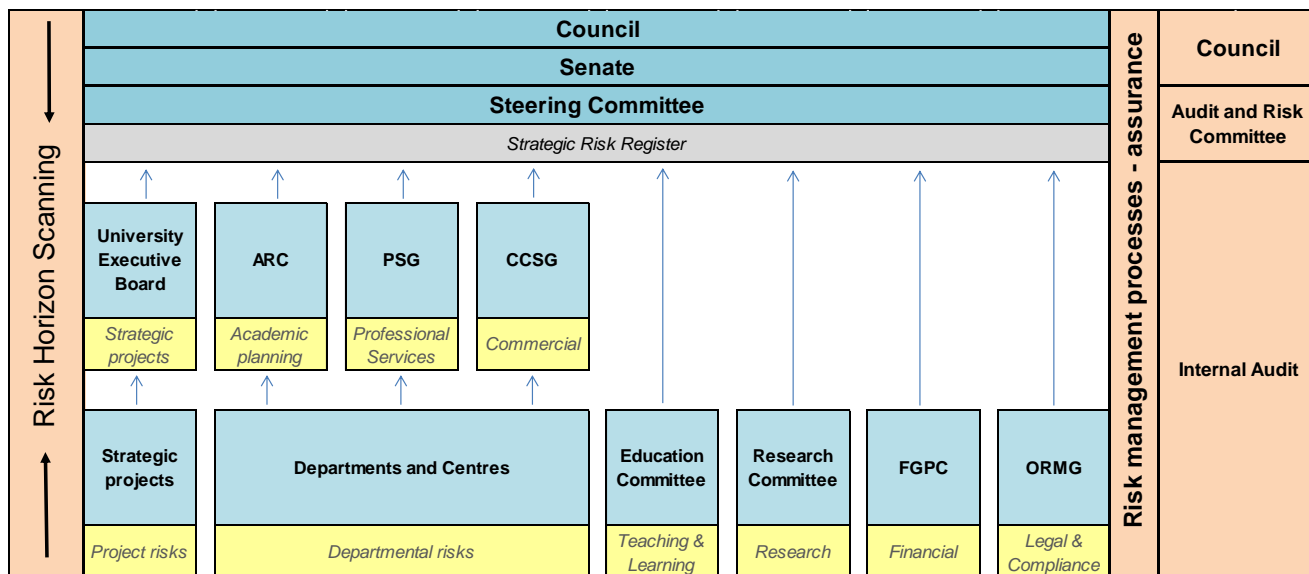
Maintenance

This policy will be reviewed by the SCO no less than every 3 years. Any amendments or additions will be submitted to the University's Council for approval on the recommendation of the Steering Committee and the Audit and Risk Committee.

Document Control			
Date	Version	Author	Comments
February 2015	V1	Deputy Registrar's Office	Risk Management at Warwick Policy approved by Council
12 December 2017	V2	Ben Pithouse	Revised draft presented to Secretary to Council for comment.
4 June 2018	V3	Ben Pithouse	Draft policy presented to Steering Committee for consideration with subsequent changes made to risk appetite statements.
13 June 2018	V4	Ben Pithouse	Draft policy presented to Senate for consideration with subsequent changes made to risk appetite statements.
10 July 2018	V5	Ben Pithouse	Draft policy presented to Audit & Risk Committee for consideration.
11 July 2018	V5	Ben Pithouse	Draft policy presented to Council for consideration and approval.

Appendix A – Risk management framework

Risk Architecture	Risk Policy
Defines roles, responsibilities, communication and risk reporting structure	Risk strategy, appetite and principles are defined in the University Risk Management Policy

Risk Management at Warwick

Risk Protocols

Defines the standards, rules and procedures and techniques

Appendix B – Risk Architecture

Risk Horizon Scanning									Risk management processes - assurance	
	Council									**Council**
	Senate									
	Steering Committee									**Audit and Risk Committee**
	Strategic Risk Register									
	University Executive Board	**ARC**	**PSG**	**CCSG**						**Internal Audit**
	Strategic projects	*Academic planning*	*Professional Services*	*Commercial*						
	Strategic projects	**Departments and Centres**			**Education Committee**	**Research Committee**	**FGPC**	**ORMG**		
	Project risks	*Departmental risks*			*Teaching & Learning*	*Research*	*Financial*	*Legal & Compliance*		

Appendix C – Risk Protocols

Risk Identification

Sets out to identify an organisation's exposure to uncertainty. Colleagues responsible for risk management should approach risk identification in a methodical way; identifying all significant business activities (strategic, operational, financial etc.) and their associated risks. A clear risk description should be captured; focussing on the actual risk, rather than a wide-ranging statement and recorded on a risk register. An example risk register template is available from the Secretary to Council's Office or via the Risk and Resilience webpages.

Risk Assessment

Once identified, each risk should be assessed using the University's agreed risk scoring criteria (see risk register template). When deciding upon the impact and likelihood scores, colleagues should choose the rating that best describes the risk. The "initial risk" is the risk status without any mitigation being in place. The "current risk" is the risk status after existing mitigation is taken into account. The "net risk" is the risk status after all future, planned mitigation has been taken into account. Typically, it would be expected that the risk scores reduce as mitigation is applied. If the assessment is that the risk won't reduce, consideration should be given to reviewing the mitigation (current and planned).

If a risk is assessed as being outside of the University's Risk Appetite Statements, consideration should be taken to terminating the activity that that risk relates to, or escalating to the relevant Committee for further consideration.

Risk Reporting and Communication

The Risk Architecture (Appendix B) shows the governance of the management of risks. As per the roles and responsibilities as detailed in this policy, risks should be monitored, reviewed and reported regularly to ensure that they continue to reflect the University's risk profile. The Council will receive twice-yearly reports from the strategic risk register – in February and July.

To ensure consistency, colleagues are encouraged to manage their relevant risks through the use of the risk register template that is available via the Risk and Resilience webpages.

Part of the monitoring of risks should involve regular review of their status in relation to the University's Risk Appetite Statements. Any risks that are close to or fall outside of the upper or lower tolerance limits of the risk appetite should be escalated to the relevant Committee for further consideration.