

Risk Management Policy

Approved by	Board of Governors (via the Executive and Audit Committee)		
Date approved	March 2018	Status	Approved
Policy owner	Director of Planning	Impact assessed	Yes
Version	3	Date of next review	March 2021

RISK MANAGEMENT POLICY

1. Purpose

- 1.1 This policy explains the university's underlying approach to risk management and documents the roles and responsibilities of the Board of Governors, the Executive and individual Schools and Departments. This policy also outlines key aspects of the risk management process and identifies the main reporting procedures. It should be read in conjunction with other processes which identify and manage risk across the university, most notably the university's health and safety framework.
- 1.2 The policy aims to:
 - 1.2.1 Integrate risk management into the culture of the university.
 - 1.2.2 Manage risk in accordance with good practice.
 - 1.2.3 Consider legal compliance as a minimum standard.
 - 1.2.4 Anticipate and respond to changing social, environmental and legislative requirements.
 - 1.2.5 Prevent injury and damage and reduce the cost of risk.
 - 1.2.6 Raise awareness of the need for risk management.

2. Definition of Risk and Risk Management

- 2.1 Risk is defined as the possibility that an action, event or set of circumstances will affect an organisation's ability to achieve its objectives.
- 2.2 Risk management is defined as the planned and systematic approach to identification, evaluation and control of risk.

3. Key Policy Statements

- 3.1 It is the policy of the university to adopt good practices in the identification, evaluation and cost effective control of risks to ensure that risks are eliminated or reduced to an acceptable level. Within this context it is recognised that some risks will always exist and will never be eliminated.
- 3.2 The university's approach to risk management recognises that to advance and succeed the university needs to strike a balance between innovation and stability. In a changing and challenging

environment risk management helps us to create and seize opportunities in a managed way.

- 3.3 The Board of Governors has responsibility for overseeing risk management within the university as a whole.
- 3.4 The Principal, as the Chief Executive Officer is responsible for ensuring that specific programmes and procedures are developed for establishing and maintaining risk management activities within the framework established by this policy.
- 3.5 As a diverse institution, the university will embed risk management practices effectively within the management structures and through the planning and project management processes adopted by the university.

4 Roles and responsibilities

- 4.1 The Board of Governors has a fundamental role to play in the management of risk. The Board will:
 - 4.1.1 Set the tone of, and influence, the culture of risk management within the university through the approval of an annual risk appetite statement which will be aligned with the university strategy.
 - 4.1.2 Approve annually a strategic risk register and consider regular reports on the management of the risks contained within this register, including approving amendments to it during the academic session..
 - 4.1.3 Approve major decisions affecting the university's risk profile or exposure.
 - 4.1.4 Satisfy itself that risks are being actively managed, with appropriate controls in place and working effectively.
 - 4.1.5 Annually review the university's approach to risk management and approve changes or improvements to key elements of its processes and procedures.
 - 4.1.6 Include a statement covering its responsibilities in relation to corporate governance within the university's financial statements, as required by the Scottish Funding Council.
- 4.2 The Audit Committee of the university has a remit to review and monitor the University's approach to the management of financial and non-financial risk on behalf of the Board of Governors. Specifically, the Audit Committee will:

- 4.2.1 Make recommendations to the Board of Governors on matters related to clause 4.1 above.
- 4.2.2 Undertake an annual review of the effectiveness of the system of internal control and provide a report to the Board of Governors for its consideration in December each year.
- 4.3 The Executive will assume overall responsibility on the management of risk, reporting at least annually to the Board of Governors through the Audit Committee. On an ongoing basis it will provide executive control, guidance and support by:
 - 4.3.1 Overseeing and implementing the university's risk management policy.
 - 4.3.2 Delegating the responsibility for assessments and/or risk management improvement to Schools and Departments or existing university committees as appropriate.
 - 4.3.3 Considering, approving and monitoring improvements identified by Schools and Departments or arising from external surveys.
 - 4.3.4 Allocating available funds to finance such improvements and monitoring results post-implementation.
 - 4.3.5 Identifying and evaluating the significant risks faced by the university for annual consideration, through the Audit Committee, by the Board of Governors.
 - 4.3.6 Overseeing the management of significant risks.
 - 4.3.7 Providing adequate information in a timely manner to the Board of Governors and its committees on the status of risks and controls.
- 4.4 Heads of Schools and Departments are responsible for:
 - 4.4.1 The maintenance of risk registers for their School or Department and will encourage proactive risk management within their Schools and Departments.
 - 4.4.2 Where relevant, ensuring that specific projects maintain a project risk register which are regulated monitored and reviewed through the appropriate project management process.
- 4.5 All employees must understand the nature of risk, highlight it through the management structure, and accept responsibility for managing the risks associated with their area of authority.

5 Risk Management Monitoring System

- 5.1 Annually the university will identify a strategic risk register determined by the university's strategy and the current business plan. This strategic risk register will be developed annually and be submitted for approval by the Board of Governors alongside the updated business plan.
- 5.2 At the same time the strategic risk register is developed, the university's risk appetite statement will be reviewed and, if appropriate, amended.
- 5.3 Responsibility for the management of operational risk is devolved to Heads of Schools and Departments. Each School and Department is required to develop their own risk register as part of the annual planning process based on the content and objectives of their own plan, which shall be approved by the responsible member of the Executive.
- 5.4 The Executive shall keep the strategic risk register under review throughout the year and make recommendations to the Board of Governors on amendments to the register if necessary. At least once during each academic session, usually at the mid-year point, the Executive will review the current strategic risk register, monitoring progress and reporting on improvement actions to the Board of Governors through the Audit Committee.
- 5.5 Schools and Departments are required to report on the management of risk in their areas during the course of the academic session.
- 5.6 Risk Management is one part of the system of internal control at the university. This system encompasses a number of elements that together facilitate an effective and efficient operation. This enables the university to respond to a variety of operational, financial and commercial risks. Various elements of this system include: the setting and implementing of policies and procedures; the academic quality assurance processes; the planning and budgeting processes; the audit committee; the internal audit programme; external audit; and other reports received from time-to-time from third parties.