

Risk Management Policy and Procedure

September 2024 Update

Contents

Section	Page
1. Introduction	3
2. Aims of the Policy	3
3. Definition of Risk Management	3
4. Roles and Responsibilities	4
5. Approach to Risk Management	6
6. Risk Management Procedure	8
7. Strategic Project and Programme Risk Management	12
Appendices	14

1 Introduction

UWE Bristol encounters numerous risks that could affect any aspect of its academic, administrative or commercial business activities and it recognises that the management of risk is vital to ensure the University is able to achieve its operational aims and strategic objectives.

The Risk Policy identifies a consistent approach towards risk across the institution, defines the responsibilities of senior managers and the Governing Body and outlines risk assurance and risk management processes.

The Risk Policy is designed to enable UWE Bristol to:

- minimise the likelihood and consequence of threat risks and
- maximise the likelihood and benefit of taking opportunity risks

through prioritised and targeted risk mitigation to ensure efficient and effective use of resources.

2 Aims of the Policy

- a) To outline the University's underlying approach to risk assurance;
- b) To document the roles and responsibilities of the Board of Governors, the Vice-Chancellor's Executive and other key committees and individuals;
- c) To outline key aspects of the risk management process;
- d) To identify the main reporting framework and procedures.

3 Definition of Risk Management

3.1 Definition of risk

UWE Bristol defines risk as the possibility that an uncertain event, action or set of circumstances which, if to occur, would have a material adverse or beneficial effect on the likelihood of achieving University, College, Professional Service or project objectives.

The University's intention is not to eliminate risk from its activities, but rather to enable managers to mitigate and manage it appropriately, within the established risk appetite of the University.

3.2 What is Risk Management?

Risk management is the planned and systematic approach to identifying, analysing, evaluating and treating risks at all levels of the organisation.

Risk management involves determining the acceptable level of exposure to risk, which enables the achievement of university objectives whilst achieving a balance between the level of risk exposure and the cost of mitigating actions. Risk management is a process which provides assurance that:

- objectives at all levels are more likely to be achieved;
- damaging events are less likely to occur;
- beneficial events are more likely to occur.

The University's approach to risk management supports the Vice-Chancellor's Executive, Colleges and Professional Services in determining actions for prioritisation. The approach is aligned to the development and delivery of the University's Strategy, Strategic Programmes and College and Professional Service Planning.

3.3 Levels of risk identified at the University

- a) Strategic risks – risks that affect the institution as a whole and the delivery of strategic objectives;
- b) Tactical risks – risks related to achieving functional objectives;
- c) Operational risks – risks that are related to the delivery of College and Professional Service operations;
- d) Compliance risks – risks related to legislative or regulatory compliance;
- e) Strategic programmes and their project outcomes – risks associated with, usually, time limited activities and medium- to long-term delivery of benefits.
- f) The University distinguishes between threat risk and opportunity risk.

4 Roles and Responsibilities

Overall responsibility for risk management within UWE Bristol lies with the Vice-Chancellor, with responsibility for implementation delegated to the Chief of Staff and Clerk to the Board of Governors / Director of Strategy and Governance.

Risk management is the responsibility of everyone at UWE Bristol, not just a small number of named individuals. The University maintains a register of strategic and tactical risks that inform the assessment of risk, which is integrated into the planning and budgeting process.

4.1 Role of the Board of Governors

- 4.1.1 The Board of Governors is accountable for ensuring there is an effective and proactive system of risk management in place by which risks are rigorously assessed, understood and effectively managed across the organisation. It does this by approving the framework within which risk management is conducted and is advised by the Audit, Risk and Assurance Committee on the effectiveness of the framework and its operation.
- 4.1.2 Through approving the Risk Policy, the Board of Governors sets the tone and influences the culture of risk management within the University. This includes determining:
 - a) the risk attitude of the University – understanding the present and foreseeable context to determine how open to risk the University should be.
 - b) suitable process in place for setting risk appetite in relation to specific strategic and tactical risks;
 - c) what types of risk are acceptable and which are not;
 - d) the standards and expectations of staff with respect to conduct and probity in relation to risk management.
- 4.1.3 The Board of Governors is also responsible for:
 - a) determining the appropriate level of risk exposure for the University;
 - b) taking major decisions affecting the University's risk exposure;
 - c) monitoring the management of strategic risks;
 - d) assuring itself that tactical risks and Strategic Programme risks are being actively managed, with appropriate and effective controls in place;
 - e) three year review of the University's Risk Policy to ensure it remains fit for purpose.

4.2 Role of the Vice-Chancellor's Executive

4.2.1 The Vice-Chancellor's Executive is accountable for:

- a) ensuring that strategic and tactical risk descriptors for which they are responsible, are maintained;
- b) implementing policies on risk management and internal control within the areas for which they are responsible to ensure risks are managed effectively;
- c) Identifying and evaluating the strategic risks faced by the University – including the financial and non-financial implications of those risks – as part of its ongoing management activity, for consideration by the Board of Governors;
- d) providing adequate information in a timely manner to the Board of Governors and its committees on the status of risks and controls;
- e) undertaking a review – at least annually – of the effectiveness of the system of internal control and provide a report to the Audit, Risk and Assurance Committee.

4.2.2 The Vice-Chancellor is accountable for risk management at the University.

4.2.3 The Chief of Staff and Clerk to the Board of Governors / Director of Strategy and Governance is accountable for the day-to-day operation of risk management.

4.3 Role of Senior Risk Owners

4.3.1 Each Strategic and Tactical risk has a senior risk owner (SRO). The SRO shall be a member of the Vice-Chancellor's Executive. The SRO is accountable for:

- a) an annual deep dive of the risk descriptor;
- b) an annual review of the risk appetite statement;
- c) ensuring the delivery of critical mitigating actions;
- d) keeping the risk descriptor up to date;
- e) reporting on progress at least every 4 months to align with the Audit, Risk and Assurance Committee reporting cycle;
- f) the escalation of risks through agreed channels:
 - for project risks, through the project governance process;
 - for strategic and tactical risks, through the appropriate University Group or Committee and if necessary the Vice-Chancellor's Executive.

4.4 Role of the Head of Risk, Resilience and Assurance

4.4.1 The Head Risk, Resilience and Assurance is responsible for:

- a) Implementation of the risk management procedures.

5 Approach to risk management

5.1 Risk and Internal Control

The system of internal control is closely related to the planning and budgeting process and is designed to manage and mitigate the risk of failure to achieve aims and objectives and adherence to policies, in an efficient, effective and economic manner. Elements of this system include:

5.2 Policies

Related to significant risks are policies that underpin the internal control process. Policies are implemented by the Vice-Chancellor's Executive and are supported by written procedures were appropriate.

5.3 Reporting

- 5.3.1 Reporting arrangements through senior line management are designed to monitor key risks and their controls. Decisions to rectify problems are made by the member of the Vice-Chancellor's Executive with responsibility for the risk, with reference to other staff and university committees and the Board of Governors as and where appropriate to do so.
- 5.3.2 Risks associated with major university projects will be managed through the appropriate project boards adopting project management methodologies in line with the project management framework and have a distinct section within the risk management procedures document.
- 5.3.3 The strategic risk register is compiled by the Vice-Chancellor's Executive and reported to the Audit, Risk and Assurance Committee. The document is discussed in full at least every 4 months in line with the Committee reporting cycle, and presented to each meeting of the Committee. Emerging risks are added as required, and critical mitigations and risk indicators are monitored on an ongoing basis through line management structures.

5.4 Planning and Budgeting

The strategic planning and annual budgeting process is used to set key objectives in support of the University's strategy ambitions, priorities and enablers, agree action plans and allocate resources. As university strategy is aligned to the risk context of the University, the targets and actions set out in College and Professional Service planning documents also mitigate the risks faced by the University. The annual estimates (macro budget) presented to the Board of Governors contain an analysis of risks inherent in them and how these are mitigated.

Colleges and Professional Services have an essential role in the identification, assessment, treatment and on-going monitoring of tactical level risks.

5.5 Audit, Risk and Assurance Committee

Audit, Risk and Assurance Committee is required to report to the Board of Governors on internal controls and alert it to any emerging issues. The Committee oversees internal audit, external audit and management as required in its review of internal controls. The Committee has responsibility, delegated by the Board of Governors, for governor oversight of risk assurance, ensuring that the Risk Policy is appropriately applied. It directly monitors the management of the most significant risks to the University, as recorded in the Strategic Risk Register.

5.6 Internal Audit

The Chief Financial Officer is the Vice-Chancellor's Executive member responsible for ensuring that an effective internal audit process is in place.

In addition to its programme of probity and value for money work, internal audit is responsible for aspects of the annual review of the effectiveness of internal control systems. The internal audit plan is guided by, but not limited to, the assessment of risks identified through the University's risk management procedures.

5.7 External Audit

The Chief Financial Officer is the Vice-Chancellor's Executive member responsible for ensuring that an effective external audit process is in place.

External Audit provides feedback to the Audit, Risk and Assurance Committee on the operation of internal financial controls reviewed as part of the annual audit.

5.8 Annual Review of Effectiveness

The Vice-Chancellor's Executive prepares a report of its review of the effectiveness of the internal control system annually for consideration by the Audit, Risk and Assurance Committee.

The Committee is responsible for reviewing the effectiveness of internal control of the institution, based on information provided by auditors, senior management and the Chief Financial Officer.

For each strategic risk, the Audit, Risk and Assurance Committee will:

- review the previous year and examine the institution'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.

In so doing, the Audit, Risk and Assurance Committee will consider:

- the University's objectives and its financial and non-financial targets;
- the University's performance in the timely identification, assessment and reporting of significant risks;
- prioritisation of risks and the allocation of resources to address areas of high exposure;
- the effectiveness of the control environment.

5.9 Setting the Risk Attitude of the University

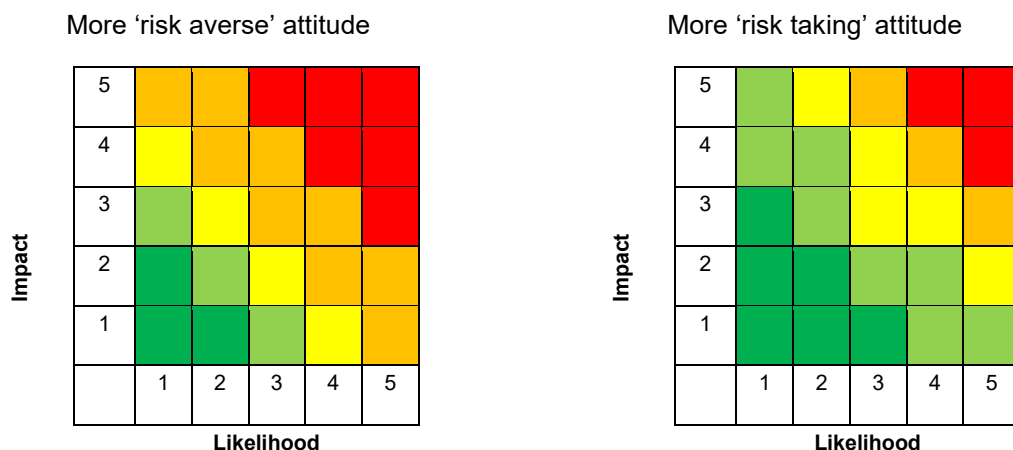
Risk attitude describes an organisation's overarching attitude to risk and establishes its capacity to tolerate an overall level of risk.

The Board of Governors sets the risk attitude of the university based on an assessment of current performance within the context of the University's operating environment including political, economic, societal, technological, legal and environmental factors. Risk attitude is reviewed annually by the Board of Governors, or following a significant event.

The University uses a heat map to describe its risk attitude. A risk averse organisation will present a heat map with more zones coloured red and amber, with less green. A risk aggressive organisation will present a heat map with more green. An example is presented in Figure 1, below.

The capacity of an organisation to tolerate risk is indicated by the green and yellow zones on the heat map. The more risks that are plotted within the red and amber zone the more an organisation is exceeding its capacity to tolerate risk.

Figure 1: Example Risk Attitude Heat Maps



If the risk attitude of the University changes, the heat map will be updated to be either more risk averse or more risk aggressive. Risk owners will be required to establish the actions required to mitigate the risk to the level appropriate to within the revised heat map.

6 Risk Management Procedure

The University's risk management procedures are approved by the Vice-Chancellor's Executive.

6.1 Risk identification

The University identifies and considers emerging risk through the following means:

- Senior Management engagement in internal and external networks.
- KPMG Higher Education Risk report.
- Board of Governors meetings and Strategic Away Day.
- Board of Governors Committee meetings.
- Vice-Chancellor's Executive meetings.
- University Groups or Committees.
- Internal Audit reviews.
- Deep dive risk reviews.
- College and Professional Service exec meetings.
- Escalation of operational risks.
- Identification of risk by any individual at the University.
- Sector networks.

6.2 Health and Safety Risk Escalation

The University's health and safety management system uses a comprehensive approach to health and safety risk assessment incorporating general risk assessment, COSHH, manual handling, stress and mechanical equipment.

Health and safety risks that cannot be mitigated at the College, Professional Service or other established group or committee and / or have a residual health and safety risk score of 'high' (amber) or 'intolerable' (red) will be reported to the Health and Safety Executive Committee.

Where further mitigation does not satisfactorily reduce the level of risk, such risks will be escalated to the Vice-Chancellor's Executive and added to the Health and Safety tactical risk descriptor.

6.3 Risk Registers

The University maintains several levels of risk registers:

6.3.1 Strategic Risk Register

The strategic risk register contains risks considered to be a threat or opportunity relating to the achievement of strategic objectives and is owned and reviewed by the Vice-Chancellor's Executive.

6.3.2 Tactical Risk Register

The tactical risk register contains risks considered to be a threat or opportunity relating to key functions of the University. Senior Risk Owners are responsible for reviewing and updating tactical risks. The tactical risk register is reported to the Vice-Chancellor's Executive. Any tactical risks rated high or very-high risk are reviewed by the Vice-Chancellor's Executive.

6.3.3 Operational Risk registers

Operational risk registers contain risks considered to be a threat or opportunity relating to College and Professional Service operational objectives. Operational risk registers are managed locally. Operational risks can be escalated to appropriate university groups or committees and where necessary on to the tactical risk register.

6.3.4 Compliance Risk Register

Compliance Assurance Assessments and registers of legislation are used to identify risk relating to compliance with legislative or regulatory duties.

6.3.5 Programme and Project Risk Registers

Programme and project risk registers contain risks considered to be a threat or opportunity relating to strategic programmes and projects. Programme and Project risk registers are maintained by the appropriate project or programme board.

6.4 Issue Management

An issue is either a risk that has been realised, (i.e., it is no longer something that may happen, because it has happened), or it is an unforeseen event that was not on the risk register. The main difference in managing an issue is the speed at which action needs to be taken.

When an issue is identified, the risk lead will escalate the issue to the Senior Risk Owner. To effectively manage the issue an appropriate level team will be convened to work through the issue, to understand what has happened, who is affected, what the impact is and develop an action plan.

6.5 Risk Descriptors

All strategic and tactical risks must be adequately described using the risk descriptor template.

6.5.1 Threat Risks

Threat risk descriptors identify the significant threats that are likely to cause the risk to be realised. Current controls, control gaps and further actions are identified for each threat to achieve adequate risk mitigation within risk appetite.

6.5.2 Opportunity Risks

Opportunity risk descriptors identify the opportunities that need to be achieved to enable the benefits to be realised. Current controls, control gaps and further actions are identified to achieve adequate risk mitigation within risk appetite.

6.6 Risk Appetite

Each strategic and tactical risk has its own, specific, risk appetite statement. The risk appetite statements shape the extent of controls necessary to achieve the tolerable or target risk level. The target risk level relates to where on the heat map the risk must be mitigated to.

Risk Appetite	Risk Appetite statement that shapes the extent of controls necessary to achieve...	Tolerable risk level
Risk averse	Avoidance of the risk.	
Minimal risk	Preference for ultra-safe approach with very low level of residual risk.	
Measured	Preference for safe delivery methods with low level of residual risk.	
Open to risk	Willingness to accept the risk may manifest.	
Risk taking	Full acceptance that the risk will manifest.	

The risk appetite statement will provide an outline of:

- the tolerance boundaries that distinguish between each risk appetite level
- the residual risk being tolerated at each level
- indicative level of risk controls required
- agreed risk appetite level

Risk attitude and accompanying risk appetite statements are reviewed annually (or following a significant event) by the Senior Risk Owner and the appropriate university group or committee.

If the risk attitude of the University changes, Senior Risk Owners will be required to mitigate the risk to within the updated risk attitude level.

6.7 Risk Scoring Methodology

The level of risk is quantified using the University's risk scoring methodology (see appendix A). The risk level is calculated by multiplying the likelihood score by the impact score to give a risk level between 1 and 25, which can be plotted on a heat map (see figure 1).

6.7.1 Scoring of risk likelihood

The risk descriptor is used to score the current likelihood of each significant threat being realised (individually) based on the current level of controls, i.e., before further mitigations. The score from the highest scoring threat is used to set the overall risk likelihood level; this is to ensure that all significant threats are sufficiently mitigated before the risk level is reduced.

6.7.2 Scoring of risk impact

The risk impact is scored using a methodology incorporating the level of financial, operational, reputational and compliance impact that could be experienced taking into account the current level of controls.

6.8 Risk Assurance

6.8.1 Board Assurance Framework

A Board Assurance Framework is in place to ensure that assurance across the University's strategy, strategic risks and legislative/statutory requirements is captured appropriately through the responsibilities and business of the Board of Governors and its Committees.

6.8.2 Three Lines of Defence

6.8.2.1 The role of risk leads (First Line of Defence)

Day to day management of risk, including the implementation of actions, maintaining ongoing controls, and the monitoring and reporting risk indicators.

6.8.2.2 The role of Executive or Academic Committees (Second Line of Defence)

Each Strategic and Tactical Risk is overseen by an appropriate Executive or Academic Committee. The Executive or Academic Committee is responsible for:

- Monitoring and pursuing the completion of critical actions;
- Monitoring risk indicators;
- Reviewing the annual deep dive;
- Identifying the need for necessary assurance reports and the review of such reports to seek assurance that risk controls and further mitigations are operating effectively.

6.8.2.3 Internal Audit (Third Line of Defence)

Strategic and tactical risk descriptors are utilised to inform the annual internal audit programme with the University's internal auditors.

6.8.3 Key Risk Indicators (KRIs) and Key Control Indicators (KCIs)

Indicators are identified for each strategic and tactical risk and these are recorded on each risk descriptor. In most cases indicators will align to relevant Corporate Scorecard indicators. The relevant University Group or Committee is required to identify the indicators necessary to monitor risk.

6.9 Update and review

Strategic and tactical risks are reviewed and updated every four months. Strategic risks are reviewed on a four-monthly basis by the Vice-Chancellor's Executive, to consider the adequacy of risk descriptions, progress with critical actions, the assurance processes in place, and if any new risks have been identified. In addition, where significant changes occur on a more frequent basis, revisions to the strategic risks are recommended to the Vice-Chancellor's Executive for consideration and approval. Each College and Professional Service is also required on a four-monthly basis to review and update their risk registers.

Where the risk, mitigating actions or the assurance of mitigating actions have not changed, Colleges and Professional Services are required to indicate that they have reviewed the risk by entering the date of review.

The Director of Professional Service or Pro Vice-Chancellor and Head of College is responsible for their operational risk registers, but may delegate the maintenance of the register to another member of the management team.

6.10 Annual Deep Dive

On an annual basis a full review of strategic and tactical risks is held with the Senior Risk Owner, the risks lead, the Head of Risk, Resilience and Assurance and any other key stakeholders.

6.11 Risk Escalation process

Risks are reported to Executive and Academic Committees and the Vice-Chancellor's Executive regularly throughout the year. Reporting a risk does not infer the escalation of a risk.

A risk can be escalated at any time. When a risk is escalated it shall be clear why the risk is being escalated, who it is being escalated to and what the expected outcome should be. It should be established who now owns the risk and the resulting mitigating action(s).

7 Minimum Requirements for Risk Management for Strategic Projects and Programmes

7.1 Risk Assurance

7.1.1 1st Line of Defence (Project Team)

- A project will have a competent individual responsible for maintaining a risk register and ensuring that it is a dynamic living document that helps Project Board decision making.
- The risk register should meet the minimum content requirements outlined below.
- The risk register should be updated regularly, and at least before each Project Board meeting.

7.1.2 2nd Line of Defence (Project Board)

- A Project Board should be in place.
- The Board will:
 - Regularly, perhaps monthly, track critical actions.
 - Periodically, perhaps quarterly, review the entire risk register.
 - At least annually deep dive the risk register.
 - Strengthen the alignment of assurance reporting to the effectiveness of risk controls.
 - Identify and monitor risk indicators.
- The project risk lead should meet regularly with the University's Head of Risk, Resilience and Assurance.
- A summary risk report will be required for reporting to Audit, Risk and Assurance Committee three times a year.

7.1.3 3rd Line of Defence (Independent Review)

- Depending on the scale and complexity of the project, the Project Board should identify key milestones or significant activities within the project where independent review will enhance the management of the project.
- This may be achieved through the university's internal auditors or through an alternative external subject matter expert.

7.2 Risk Identification

An initial risk workshop involving relevant stakeholders will be used to identify project risks.

7.3 Risk Register

The university will maintain a risk register for each strategic project and programme.

Minimum requirement for the content of a risk register include:

- Description of the risk, including causes and impacts.
- The name of the risk owner.
- Existing critical controls, which the Project Board will seek to monitor ongoing effectiveness.
- Current risk level.
- Critical further mitigations, that are SMART and assigned to a UWE action owner.

7.4 Risk Scoring

A consistent methodology will be used to score the likelihood and impact of risk.

7.5 Risk Escalation

Risks are escalated when:

- The Project Board is unable to mitigate the level of risk to a satisfactory level;
- A higher level of decision-making is required with respect to agreeing proposed mitigating actions;
- There are challenges with the implementation of critical risk mitigations that now require a higher level intervention; or
- There is a proposal to tolerate or transfer a high level of risk.

The project should have an established reporting structure, for example:

Project Board >> Programme Board >> Portfolio Board

When appropriate, the Chair of the Project Board should escalate risks to the Programme Board risk register. It must be clear what is being escalated, what the expectation is, who now owns the escalated risk and how progress continues to be monitored and recorded. An escalated risk shall remain on the project risk register if it continues to represent a risk to the project.

Appendix A: Risk Scoring Methodology

Likelihood scoring

Generic Term	Measure	Score
Very Unlikely	Almost certain not to happen	1
Unlikely	Less than 50 / 50	2
Possible	50 / 50	3
Likely	More than 50 / 50	4
Almost Certain	Almost certain to happen	5

Impact scoring

Generic Term	Score	Financial Impact	Operational Impact	Reputational impact	Legislative / Regulatory Compliance
Very Low	1	Up to £1.5m (or 0.5% turnover)	<ul style="list-style-type: none"> Minor impact to services or objectives Risk occurring would represent a minor revision to planned outcomes. 	<ul style="list-style-type: none"> No negative impact on university league tables or staff survey. Little or no disruption to student, staff or partner experience. 	<ul style="list-style-type: none"> No legislative, regulatory or contractual duty applies.
Low	2	Up to £3m (or 1% turnover)	<ul style="list-style-type: none"> Some limited impact on services or objectives. Risk occurring may detract slightly from the desired quality of the outcomes. 	<ul style="list-style-type: none"> Unlikely to negatively impact university league tables or staff survey. Limited number of complaints. 	<ul style="list-style-type: none"> Possible breach of UWE compliance policy or procedure, that may also be reportable, but is unlikely to attract regulatory attention. Fines or compensation claims up to £3m.
Medium	3	Up to £6m (or 2% turnover)	<ul style="list-style-type: none"> Short-term disruption to critical services. Risk occurring would detract from the desired quality of the outcomes but not detract from the overall purpose of the activity. 	<ul style="list-style-type: none"> Possible negative impact to university league tables or staff survey. Potential for short term local media or social media attention. Larger number of complaints 	<ul style="list-style-type: none"> Possible enhance monitoring, improvement notices or localised prohibition notices / similar. Fines or compensation claims up to £6m.
High	4	Up to £15m (or 5% turnover)	<ul style="list-style-type: none"> Significant disruption to critical services. Key College / Service objectives affected. Risk occurring would significantly detract from the original desired quality of the outcomes and may reduce the viability of the activity as outcomes require revision. 	<ul style="list-style-type: none"> Probable significant negative impact to university league tables or staff survey. Significant disruption to student experience. Prolonged local media or social media attention. Brand damage is possible. Likely to affect student recruitment. 	<ul style="list-style-type: none"> Possible imposition of specific conditions of registration, prohibition notices / similar with widespread implications for the University. Fines or compensation claims up to £15m.
Extreme	5	Over £15m (or over 5% turnover)	<ul style="list-style-type: none"> Total and sustained disruption to critical services. Significant impact on key University objectives. Risk occurring would reduce quality of desired outcomes to such an extent that it negates the benefits of activity. 	<ul style="list-style-type: none"> Almost certain significant negative impact on university league tables or staff survey. Potential for loss of credibility with stakeholders. Significant and prolonged disruption to student experience. Significant and long lasting brand damage almost certain. Prolonged national or international media attention. 	<ul style="list-style-type: none"> Almost certain enforcement action due to a breach of a condition, prohibition notice / similar with widespread implications for the University almost certain. Fines or compensation claims over £15m. Potential custodial sentence for accountable Directors.