1. Purpose

The purpose of this policy is to provide guidance in relation to the management of risk in support of delivery against UoN Strategic Objectives, to ensure financial sustainability and to protect staff, students and business assets.

This Policy:

- Sets out the University’s approach to Risk Management
- Forms part of the University’s internal control and governance arrangements
- Provides a reference for all accountable and responsible risk leads
- Applies to all Institutional activities.

A high level overview of the risk management process can be found on the Risk Management MS Teams site. To note, the appendices presented within the April 2022 PRC update will be included as appendices within this policy.

2. Principles & Scope

An accountable, receptive and transparent approach to identifying, assessing and mitigating risks is essential to the success of an effective Risk Management approach. As such:

(i) The Council, on the advice of the Vice-Chancellor and the University Executive Board, is ultimately accountable for setting the tone for the levels of risk that will be embraced.

(ii) UEB is accountable for ensuring that the University has in place robust mechanisms for the effective identification, reporting and management of risks.

(iii) All levels of management responsible for developing and encouraging a culture of well-informed, risk-based decision making across all institutional activities and operations.

(iv) Based on the assurances it has received during the year, the Audit and Risk Committee will provide an annual view of the adequacy and effectiveness of risk management to the Council as part of the Office for Students annual accountability process.

Performance against strategic objectives is regularly monitored through a set of key performance indicators. Where performance is not at the intended level or shows potential to slip, then relevant risks need to be understood and reflected on.

There may be and threats or risks relating to specific areas of regulation or compliance that require different, or more specific oversight, for example in Health and Safety or Operational Resilience. Registers and reporting may therefore differ slightly in format and nature to the enterprise risk and operational registers and reporting structures.
3. Risk Appetite

The University of Nottingham must strive to achieve its ambitions and objectives set out in the Strategic Plan. However, it must also ensure compliance with laws, regulations, and ensure quality standards. Therefore, the University will consider, manage and mitigate threatening risks, while also maximising opportunities as they arise. The University sets its appetite for risk on an individual risk-themed basis. This appetite, coupled with risk mitigation and assurance, will help to enable the University to deliver on its strategic plan ambitions.

The University will continue to explore risk appetite and tolerance as part of the embedding of a mature risk management framework.

4. Risk Governance

Purpose of Risk Register

Strategic and Operational risk registers are the central tools used to record, manage and oversee Enterprise Risks, for example risks relating to the achievement of strategic objectives, finance and infrastructure and significant operational risks.

The risk register is a live, active document and reflects key management concerns to support decision-making.

Risk Themes

Institutional risks are grouped into high level themes to support thematic reporting and linkage between strategic, operational and project risks. The categories are aligned to the Strategic Plan themes, as follows:

1. Education and Student Experience
2. Research and Knowledge Exchange
3. Financial sustainability
4. People and Culture
5. External Environment (Global and Civic)
6. Infrastructure:
   - Digital technologies
   - Estates related risks
7. Institutional Other:
Cyber Security
Change initiatives
Business interruption
Regulatory and Legislative Compliance
University Reputation

Operational risks will also be recorded on a thematic basis to provide a line of sight and ease of escalation and de-escalation.

Risk Reporting

The purpose of risk reporting is to communicate awareness of key risks, identify dependencies, improve accountability for the ownership and management of risk and the timely completion of actions identified as part of mitigation plans.

Risk registers focus on current and emerging key risks, considered by the University and within faculties and departments to be of high, or medium scores in likelihood or severity in impact. The risk register reflects key management concerns to support and inform decision-making.

Risks are currently reported via Word and Excel templates as a minimum. Some departments (DTS, Finance) also use the current risk repository system, Four-Risk.

Frequency of Reporting

**Strategic Risk Register – Twice per year (as a minimum)**

Members of the University Executive Board are accountable for ensuring the Strategic Risk Register remains relevant, up to date and reflective of key risks and associated mitigations. This process will be supported by the Associate Director of Risk Management and reviewed for assurance biannually by the Audit and Risk Committee. Additional updates will be provided by exception at UEB / PRC and ARC meetings as required, in line with the emergence of new significant risks and the requirement for senior level resolution.

**Operational Risk Registers – Quarterly (as a minimum)**

FPVCs and professional service directors are accountable for ensuring that risk registers are reviewed and maintained as live documents and formally reported via executive, committee and management structures on a quarterly basis as a minimum. Operational management teams will monitor risks on a monthly basis, escalating or reporting by exception as necessary.

The Business Planning Process provides the mechanism for formal operational risk reporting to the University twice per year.

Risk Escalation

The business planning process and existing committee, operational management structures and project oversight boards, there will be clear and fluid escalation routes through management
structures, oversight boards and committees to support this. [See escalation model outlined in appendix 3 of the PRC update paper]

Risk escalation will be based on the following criteria:

(i) Where high scoring risks have multiple impacts across different areas of the university.
(ii) Inability to manage or resolve risks at departmental or faculty management team levels, or at UEB sub-committee level due to limitations in decision-making capability. This may result in the need for UEB level decision-making to resolve risks.
(iii) Where similar, high scoring risks are identified across different operational areas across the university, creating common risk themes.

Until a systematic software solution has been implemented, risk register reporting formats will be consistent across operational, strategic and project environments to facilitate ease and consistency in reporting and escalation.

5. Roles and Responsibilities

Council (Governors)

Council is the overall accountable body for ensuring that the University is aware of its key strategic risks and that these risks are well managed. In doing this, Council:

- Sets the tone and influence the culture of risk management in the University.
- Seeks assurance that major strategic risks are well managed.
- Satisfies itself that operational risks are actively managed through a robust approach to risk management.

Council approves and keeps under review the University’s risk appetites. It also reviews annually the approach to risk management and will receive an annual opinion on the adequacy and effectiveness of risk management from the Audit and Risk Committee.

Audit and Risk Committee

The Audit and Risk Committee will:

- Provide an annual opinion to the Board of Governors regarding the adequacy and effectiveness of the University’s risk management arrangements, as part of the OfS annual accountability process.
- Receive regular assurance reports on the adequacy and effectiveness of the University’s control environment - including its risk management process.

The Committee will seek information and assurance from members of UEB, other Committees of the Board, and the University’s assurance providers (including regulatory bodies) to ensure that the risk management process is operating as designed.
University Executive Board (UEB)

UEB are:

- Accountable for the active management of Institutional level risks, responding to and planning for these accordingly. It reviews and agrees the University Strategic Risk Register and provides assurances to the Audit and Risk Committee that risk management practices are well embedded across the Institution. As noted above, UEB leads are also accountable for ensuring that strategic risks are identified, kept under review, and are updated with effective mitigations and actions to demonstrate that risks are well managed and under control.

- Accountable for advising Council and the Audit and Risk Committee on the University’s risk management policy and process. This includes the policy, procedures, guidance notes and training provided to staff to facilitate the embedding of risk management.

The UEB also defines risk appetite for the University as a whole and across each strategic theme.

Vice-Chancellor

Accountable to the Board and is the accountable officer for OfS. The Vice-Chancellor sets the tone for ensuring that the University fulfils its risk management responsibilities.

Registrar

Accountable for ensuring the Risk Management Policy is implemented and maintained, and that members of staff have the appropriate guidance and support to deliver this Policy.

Internal Audit

Accountable for providing assurance that the risk controls and mitigations identified are in place for high risk areas and are sufficient to manage institutional risks. Internal Audit will achieve this via the design of a programme of audits that supports the University to satisfy itself that mitigations are operating as designed and are effectively mitigating the risk.

Deputy Vice-Chancellor, Pro-Vice Chancellors and Professional Service Directors

Accountable for ensuring that the Risk Management Policy is implemented, resourced and followed in their respective faculties, departments, portfolio areas and within the strategic delivery themes and foundations that they have leadership of.

Operational Risk Leads

Working within each Faculty (FOD) or service department (lead identified locally) are responsible for ensuring that risk management practice is well embedded across operational areas, in line with this Policy and associated governance requirements. Operational leads will demonstrate leadership, have the knowledge and access to resources and support to implement this Policy.
Operational leads are responsible for maintaining risk registers by articulating, assessing and reporting risk on behalf of their school or professional service department. High level risks are escalated by risk leads to university committees or UEB via:

(i) Their faculty management reporting structures
(ii) Via faculty or departmental business planning round review meetings or
(iii) Directly with the Registrar and Associate Director of Risk Management.

Every staff member

Is responsible for familiarising themselves with this Policy, undertaking appropriate training and being aware of the risks that are relevant to the role that they perform.

6. Integration with Institutional Processes and Internal Control

Risk management is part of the system of internal control. It incorporates a number of elements which help facilitate an effective and efficient framework, enabling the University to identify and respond to a variety of risks. These elements include:

- The University’s Business Planning Process, which supports the agreement of objectives and resource allocation for each area of the University. Aligned with this process, major risks to the delivery of objectives will be identified and where appropriate added to the University’s risk register.
- The University is establishing a process for overseeing the delivery of objectives. Key performance indicators are monitored and will be used to indicate where risks are developing.
- The University will implement changes in order to achieve its targets. Projects and programmes will follow standardised processes to identify and monitor risks throughout the duration of the delivery. Where appropriate these risks are added to the University’s risk register or may be captured in an aggregated risk for a portfolio or programme of work.
- Informs Internal Audit plans to provide assurance to UEB and ARC that risks are well managed via robust controls and mitigations identified within risk registers and reports.

7. Definitions

For the purposes of this policy, the following definitions apply:

Risk (ISO31000 definition)
Simply defined as ‘the effect of uncertainty on objects’, resulting from ‘the effect of incomplete knowledge of events or circumstances on an organisation’s decision-making’.

Strategic Risk
Risks which threaten the Institution’s plans to achieve its strategic ambitions, objectives and KPIs. These risks may arise from poor decision-making, resulting from information gaps or lack of
consideration of broader context or threats. They may also be the result of unforeseen changes and impacts from the external environment, which have implications on all or part of the achievement of the Institution’s strategic plan. Strategic risks are broad, often cross-cutting and significant in terms of severity.

**Operational Risk**
Risks which threaten the achievement of operational (faculty, departmental) objectives and performance indicators, as outlined within operational business plans. These may also result from disruptions to day-to-day business operations. Operational risk provides a more “ground level” view of the Institution’s risk profile, among faculties and departments. These risks relate to anything that can affect ongoing business activities and are categorised by the strategic risk themes. Operational risks are largely overseen and managed by faculty or departmental management teams, and escalated once the severity has increased to a level that requires university level oversight and decision-making.

For consistency, project related risks are also considered and reported as ‘operational’, unless they are escalated to the Strategic level for oversight and resolution.

8. Document Review

This Policy will be reviewed annually by the Associate Director of Risk Management in response to statutory changes, changes in university procedures or structures or as a result of the monitoring of the application of the policy. Updates will be incorporated into this document and republished. Significant modifications or additions will be approved by the Registrar.

The main source of guidance for the identification, measurement and recording of risk is found on the Risk Management MS Teams / SharePoint.

Any queries relating to this policy and its implementation should be directed to Kevin Thompson, Associate Director of Risk Management at Kev.Thompson@nottingham.ac.uk.