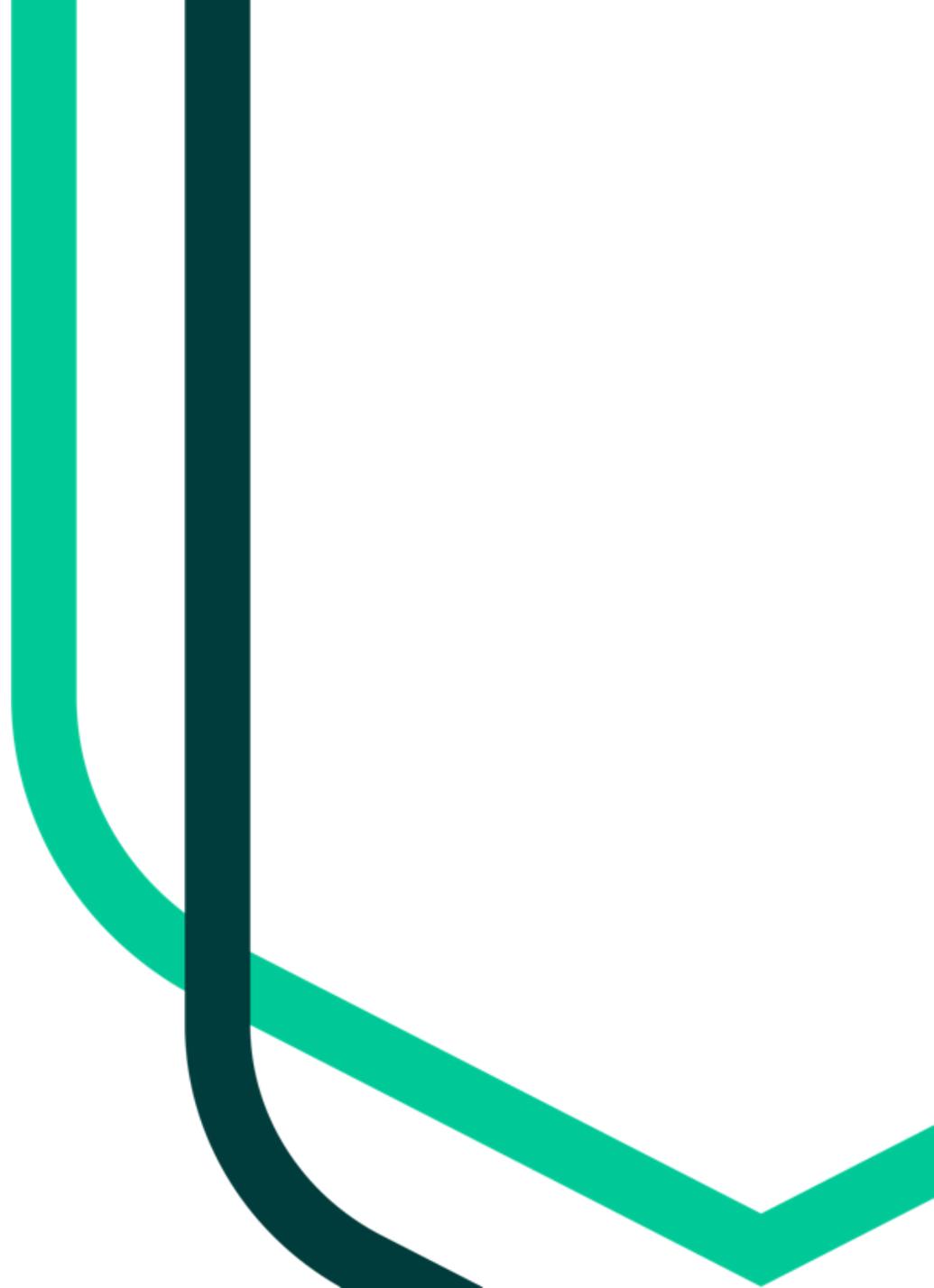


University  
*of Exeter*

# **Risk Management**

**Guide for all staff**



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# Definitions – “risk” and “risk management”

What is risk?

**“The effect of uncertainty on objectives”** (*ISO31000*).

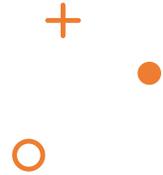
This can be seen as something with the potential to cause harm or impact. In the context of the University, it could be anything that may prevent us from meeting our strategic objectives, or providing core services, or it could be something that may cause physical or psychological harm to individuals.

What is risk management?

**“Coordinated activities to direct and control risks within the organisation”** (*IRM, a Standard for Risk Management*).

This encompasses steps that are taken to identify, assess, evaluate, manage and monitor potential risks at all levels of the organisation. The purpose of risk management is to reduce any possible negative impact a risk may have on the University, and to seize opportunities that arise.

# Fundamental Principles



- Risks to the University are managed with visibility to the Senior Leadership Team across all areas of University activity, acknowledging that risks are inherently interconnected and not managed in silos
- Risk management is achieved both from a “top down” (senior leadership oversight/direction) and “bottom up” (operational identification of risk) approach to enable full opportunity for risks to be identified and managed
- All levels of management have an open and receptive attitude to managing risks, ensuring that they are identified, assessed, managed and reported appropriately across all levels of the organisation.
- Risks will be scrutinized during the risk cycle, to ensure there is an accurate record of the risks that exist within the organisation.
- Training, support and risk management tools are available to all staff to ensure competency in risk management, registration and reporting.

# How Operational Activity Manages Risk



**Risk: Something with the potential to cause harm or impact.** In the context of the University, this could be anything that may prevent us from meeting our strategic objectives or providing core services.



All activity at the University is aimed at meeting targets and objectives, so that core services are delivered, and that we have the best chance of meeting our strategic objectives. Therefore, all activity can be seen in some way as risk management.



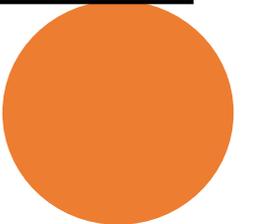
From this perspective, ensuring that policies are adhered to, and processes are as effective as possible are key to good risk management.

# Risk Ownership

There are two levels of risk reported at the University:

- **Corporate risk** – risks that pose a threat to the ongoing activity of the University, or that materially impact the University as a whole, managed/overseen at a senior leadership level
- **Operational risk** – risks associated with operational activity/objectives within Faculties and Divisions, managed/overseen locally.

Corporate Risks	Operational Risks
<b>Register</b> owned by the Vice-Chancellor	<b>Register</b> owned by the Director (Faculty or Division)
<b>Risks</b> owned by members of the University Executive Board	<b>Risks</b> owned by Managers of relevant operational activity



# Roles and Responsibilities

Role	Responsibility
<b>Risk Register Owner</b> (Faculty/Divisional Directors and/or senior leadership team)	<ul style="list-style-type: none"><li>• Consider, assess and manage known and emerging risks to the objectives of their area, and to the overarching University strategy</li><li>• Prioritise risks requiring resource and action plans to improve their controls</li><li>• Provide assurance on the management of their risks to the Governing body</li><li>• Hold risk owners accountable for effective risk review and risk action plan completion</li><li>• Assess and manage risks associated with new strategic decisions</li></ul>
<b>Risk Owner</b> (member of UEB, Directors, and Managers of relevant operational activity)	<ul style="list-style-type: none"><li>• Develop controls and action plans to manage their owned risks</li><li>• Ensure that team objectives are set aimed at controlling risk for best potential of achieving targets</li><li>• Keep owned risks registered and up to date for onward reporting</li><li>• Ensure that risk action plans are completed within target dates, or that justification for extension is sought</li><li>• Escalate to the risk register owner if a new key risk arises, or an existing risk is increasing</li></ul>
<b>All Staff</b>	<ul style="list-style-type: none"><li>• Understand how the activity that they complete helps to manage risk and achieve objectives</li><li>• Know how to tell if there is a risk to the team objectives being met (an emerging risk)</li><li>• Raise any emerging risks with their manager for onward consideration against the relevant risk register</li></ul>

# Identifying and reporting risk



Something that doesn't feel or look right and may impact the ability for University targets to be met (a risk) or have the potential to cause physical harm (a hazard).



Articulating a risk/hazard well will help to ensure that it is assessed and managed appropriately.



The next slide looks at identifying risk.



# Identifying risk

You may notice gaps, inefficiencies or emerging changes that left unchecked could negatively impact your departments objectives or the University strategy. This could relate to the potential for (not exhaustive):

- Financial losses
- Health and/or safety issues
- Service disruption
- Inadequate or unacceptably slow delivery of core elements of service
- Compliance breach
- Breach of contract

It's important that risks are reported to management for assessment, to establish whether they should be recorded in the risk register and have controls applied to reduce the likelihood of their occurrence, or to limit the impact that they would have if they cannot be prevented.

So that the risk can be assessed effectively, some key information should be reported, as set out on the next slide.

# Reporting a risk

Give as much information as you can to your manager on the following (note that this is an extreme and fictitious example for illustrative purposes):

Risk Event	Cause	Impact
<b>What could go wrong?</b> E.g. a means of registering students for a key programme may run out of space to record new data	<b>Why?</b> E.g. use of inefficient methods such as excel, which has a limited data capacity	<b>Why does it matter?</b> <ul style="list-style-type: none"><li>• Students unable to register for specific programme</li><li>• Potential consumer rights claims</li><li>• Negative student experience, impacting NSS</li><li>• Negative press leading to reputational issues</li></ul>

## What are the benefits of setting a risk out in this format?



The crux of the risk is clear to any audience



Consideration can be given to how the cause can be limited/prevented, e.g. purchase of a new system (although this will not be instant)



Consideration can be given to limiting the impact if we can't immediately prevent the risk event, e.g. second spreadsheet and manually collating data (although resource intensive)

# What happens to reported risks?

Reported risks will be assessed by a manager responsible for the objective impacted by the risk. They will decide whether:

- The risk is already known and included in the risk register
- The risk was unknown, is material and will be added to the register
- The risk does not meet the criteria to be added to the register

If the risk is included in the register, it will be allocated a risk owner. This person will assess the risk in more detail, and will develop controls to manage it, and keep it under review.

If the risk could have a material impact on the overarching University strategy, it will be reported to the University Executive Board, and may be included in reports to Council.



# Risk Reporting

Key risks are reported termly to the following Committees:

- Compliance Committee, Chaired by the Registrar and Secretary
- University Executive Board, Chaired by the Vice-Chancellor
- Audit and Risk Committee, Chaired by an Independent Lead
- Council as the University Governing Body

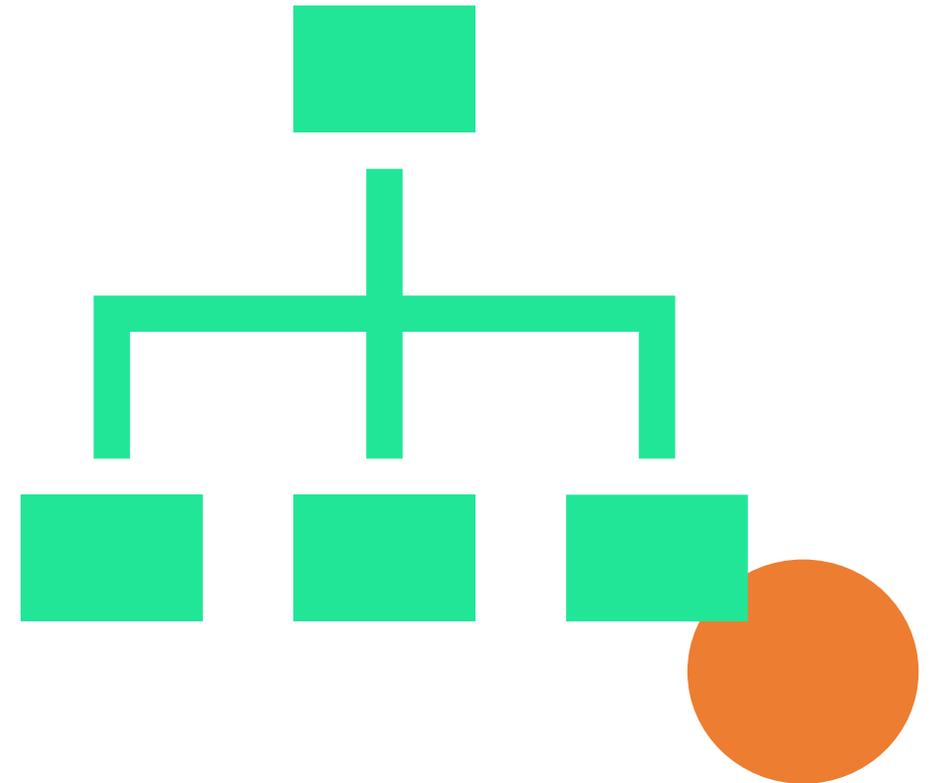
Other Committees of the University with oversight of key strategic areas have access to risk reporting throughout the year. These Committees are responsible for seeking assurance that risk is managed effectively.



# Supporting Tools and Guidance

Further detail on the risk management arrangements at the University and supporting guidance:

- [Risk Management Policy](#)
- [Risk Management Web Page](#) (tools and guidance)





## Contact us

If you have any questions regarding risk management, please contact either:

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