Risk Management Policy

Policy Statement

The University is committed to enabling innovation and decision-making by having a clear understanding of the risks and opportunities the University faces.

Context

Efficient and effective risk management is necessary to enable the University to achieve the objectives of its Corporate Plan, to support the University's core functions and activities, to comply with its statutory, regulatory and contractual obligations and to contribute to the effective overall management of the institution whilst also maximizing the opportunities that arise. This document provides the policy framework through which this effective management can be achieved.

The University will set an appetite for risk, which may vary by risk. This appetite, along with risk mitigation and assurance will help to enable Cranfield University to deliver its Corporate Plan and focus attention appropriately, including on opportunities.

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 be positive or 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 and professional service units to formal bodies charged with institutional governance, decision-making and institutional strategy-setting.

[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

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 the University Major Risk Register annually, normally in July. The risk management framework is summarised at Annex 1.

Council has delegated to Audit Committee the responsibility for monitoring and reporting on the adequacy of the risk register and the effectiveness of risk management arrangements.

The Chief Executive and Vice-Chancellor is accountable to the Office for Students (OfS) for discharging the University's risk management responsibilities as set out by OfS.

The role of the Executive, led by the Chief Operating Officer is to lead the process for the recognition, assessment and management of risks and opportunities:

i. To ensure that the key risks attached to each aspect of existing activities are identified and monitored;
ii. To ensure that local level risk registers are reviewed and inform the University Major Risk Register; and
iii. To ensure that the overall level of risk within the Operating Plan each year is acceptable.

Internal Audit is responsible for:

i. Advising Audit Committee on the effectiveness of the University's risk management processes;
ii. Assisting in communicating good practice in relation to risk management.

Risk-related management bodies (School Executives, Professional Service Unit (PSU) Management teams and other relevant bodies reporting to Executive) are responsible for:

i. Providing oversight of those risks that sit within their remit;
ii. Considering risk assessments (for the organisational activity for which they have responsibility);
iii. Determining whether any School or Professional Service Unit risks could have significant institutional impact, and escalating these to the Executive (potentially for inclusion on the University Major Risk Register);
iv. Maintaining an oversight of key Theme/Centre/major project risks throughout the year;
v. Undertaking risk horizon scanning to ensure that emerging risks, including those associated with new opportunities are identified and considered and/or assessed for inclusion in local risk registers.

Senate has delegated authority from Council for the oversight of academic matters and reports annually to Audit Committee and Council on risks around academic governance including research ethics.

Pro VC Schools and the Chief Operating Officer are responsible for:

i. The consideration and management of risk associated with all School/PSU activities;
ii. Ensuring that, in consultation with other risk owners, all strategic proposals from the Schools/PSUs take into account the risk appetite and clearly evidence that the associated risks have been considered and are being actively managed; and
iii. Ensuring that the consideration of risk is an integral part of operational practice across all areas of activity.

PSU Directors are responsible for:

i. Escalation to the relevant Group/Committee (when necessary) of risks at School/PSU level;

ii. Ensuring compliance with the risk management policy within their Schools/PSUs; and
iii. Appointing an appropriate person to support the risk management process at a local level.

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

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

Risk Management Training

Guidance seminars on risk management will be provided at least annually to those with risk management responsibilities. This is cascaded to those with local risk register responsibilities by School and PSU risk managers.

Risk Management Process

This Policy allows for flexibility, but requires some standardisation in identifying, assessing, measuring and reporting of risks. A risk register template will be provided to ease preparation and to aid consistency - and thus to assist the scrutiny and oversight of the University's aggregate risk position. The template includes guidance on risk scoring methodology.

The University's Major Risk Register is a summary of the key risks facing the University as a whole and is the document used by Council to review risks and assess the level of outstanding risk. The Audit Committee receives the University Major Risk Register at least annually and when significant new risks arise.

Local risk registers are maintained at School, Professional Services Unit and major project level. A risk map is also used to summarise the risks, together with the current 'direction of travel' of the particular risk. These local risk registers are expected to be reviewed regularly (every 6 months and/or when significant new risks arise).

The Executive considers all the significant risks facing the University, including those arising from new opportunities, when preparing the Operating Plan for Council approval in July each year. Appropriate significant new risks identified through this annual Operating Planning process are incorporated into the University Major Risk Register.

Internal Audit maps its rolling programme of work to the risk registers to ensure all major risks are reviewed in their plan. The frequency of audits is altered to correspond with new risk profiles identified through this annual process. Internal Audit also issues an overall report to Audit Committee for its meeting, usually in December each year. This report provides an opinion on the adequacy and effectiveness of risk management, control and governance, economy, efficiency and effectiveness (value for money) and the management and quality assurance of data.

Audit Committee, at its annual December meeting, considers the Internal Audit report on the overall risk management process together with reviews of the risk registers.

Where to go for help

If you require any help or advice on any aspect of this policy, please contact the Chief Operating Officer in the first instance: p.aspinall@cranfield.ac.uk.

Document control

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Signature	
Name	Professor Karen Holford CBE FREng
Title	Chief Executive & Vice-Chancellor
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Document Review

Version	Amendment	By	Date
1.00	First published version (no amendments).	Chris Thompson	Feb 2023

Council

Chief Executive and Vice-Chancellor: *OfS Risk Responsibilities*

University Executive: *University Major Risk Register*

Bodies reporting directly to Council	Bodies with oversight of risk registers feeding directly into University Major Risk Register, Finance; People	
Senate	School Execs and MK:U Board	Professional Services Executive; COO
Key areas of risk; risk owners		
Academic, Research ethics and integrity PVC R & I; PVC E	School, MK:U, Theme, Centre PVC School; CEO MK:U, Theme Director	Professional Services PSU Directors

Other bodies reporting into Executive

Innovation Committee	Apprenticeships Steering Committee	Energy and Environment Committee	Health and Safety Committee	National Security Committee	Information Assurance Committee	IT Strategy Committee	Safeguarding Committee	Prevent Duty Committee	Capital Planning Committee	International Committee
Key areas of risk; risk owners										
Innovation PVC R & I	Masterships; other apprenticeships COO; PVC E	Energy and environment Exec E&E champion	Health and safety Exec H&S champion	Security, including personal security Exec Security champion	Information security, IT security COO	IT strategy Exec IT champion	Safeguarding Safeguarding Exec Lead	Prevent duty Prevent Exec Lead	Infrastructure COO	International PVC I

Risk management processes - assurance

Council

Audit Committee & Finance Committee

Internal Audit

Risk and resilience horizon scanning