

RISK MANAGEMENT POLICY

Purpose

This risk management policy is set out in four parts and aims to:

1. Explain the University's approach to risk management in order to protect the institution and its stakeholders from unforeseen or unacceptable exposure to risks;
2. Document the roles and responsibilities of Council and its sub-committees, the Senior Leadership Team (SLT) and other relevant bodies;
3. Outline the main aspects of the risk management process;
4. Highlight the main reporting procedures in line with the Integrated Planning Process.

Scope

This risk management policy forms part of the University's internal control and corporate governance arrangements. It applies to strategic, portfolio, departmental, faculty and project risk management.

The CUC Higher Education Code of Governance (2014) states that 'the governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy'. In addition, it needs to be assured that 'appropriate steps are being taken to deliver them and that there are effective systems of control and risk management'. The Governing body should also, via its Audit Committee, 'seek assurance that decisions which might have significant reputational or financial risks undergo a rigorous process of due diligence'.

Audit Committee is therefore responsible for the approval and review of the Risk Management Policy and for ensuring that it is implemented appropriately.

1. The University's underlying approach to risk management

1.1 The Resilience Framework

The management of risk across the University is one element of the University's Resilience Framework which was introduced in 2017. The Framework, which is governed by the Resilience Committee, comprises Risk Management, Business Continuity and Crisis Management.

1.2 Linking risks to objectives

If Ulster University is to implement an effective risk management process, it must commence with a clear understanding of what it is trying to achieve. Robust risk management is about managing the threats that may hinder the delivery of our objectives, and maximising the opportunities that will help to deliver them.

In its Strategic Plan, Five and Fifty, launched in 2016, the University embarked on an ambitious journey to be Northern Ireland's civic university, 'and deliver outstanding research and teaching that encourages the innovation, leadership and vision needed to help our community thrive'.










Our approach to managing risks is therefore aligned to the following key strategic priorities within Five and Fifty:

- Civic Contribution
- Global Vision
- Research Excellence
- Teaching Excellence
- Operational Excellence

1.3 Application of risk appetite to the objectives within Five and Fifty

In order to achieve the ambitious targets outlined in our Strategic Plan, the University has adopted a **risk appetite-based** approach to its risk management processes. We have developed an institutional risk appetite statement as well as assigning one of five risk appetites to the main strategic priorities as outlined below, (for clarity, risk appetites have been assigned to each of the constituent elements within Operational Excellence). In addition, risk appetite statements for each of the 16 areas of focus within 5&50 have also been developed, and a risk category applied (See Appendix 1).

The risk profile of Ulster University lies within risk environments from risk averse, through to risk-seeking.

	Risk-seeking	Risk-taking	Cautious	Risk-minimising	Risk-averse	Residual Risk Tolerance/ Threshold Level	Likelihood x Impact
Civic Contribution						15	5x3 or 3x5
Teaching Excellence						15	5x3 or 3x5
Research Excellence						15	5x3 or 3x5
Global Vision						20	5x4 or 4x5
People and Culture						12	4x3 or 3x4
Reputation						15	5x3 or 3x5
World Class Infrastructure						15	5x3 or 3x5
Financial Sustainability						8	4x2 or 2x4
Compliance, Regulation & Ethics						8	4x2 or 2x4

1.4 Benefits of Risk Management

The importance of developing and embedding a systemic risk management process must not be under-estimated. Each step of the process, from identifying risks, assessing risks, to agreeing mitigation strategies, has its own benefits but these can be summarised as follows:

- Enhanced decision-making by forecasting important threats and opportunities;
- A more effective use and allocation of resources;
- A recognition of responsibility and accountability;
- A more targeted, risk-based internal audit plan;
- An enhanced communication and escalation of significant risks from within operational and tactical areas.

2. Roles and Responsibilities

2.1 Role of the Executive

2.1.1 Led by the Vice Chancellor, SLT members are responsible for effective risk management in their areas of responsibility, in accordance with this risk management policy and procedures. Key roles of SLT are to:

- Review annually the institutional risk appetite statement and appetites assigned to the strategic priorities of Five and Fifty, for consideration and approval by Council;
 - Twice yearly, identify and evaluate all significant strategic risks faced by the University for consideration by Audit Committee and Council;
 - Provide accurate information on the status of risks and controls to allow timely reporting to SLT, Audit Committee and Council;
 - Undertake training and development activities associated with risk management;
 - Ensure the adoption of risk management amongst their staff.
- 2.1.2 All senior officers are required to undertake regular reviews and assessment of key risks within their areas of operation as part of routine management arrangements.
- 2.1.3 The Deputy Vice Chancellor, Chief Operating Officer and Pro Vice Chancellors are responsible, as project leaders, for the risk management of major institutional projects
- 2.1.4 The Chief Operating Officer is responsible for ensuring that the University operates effective procedures relating to risk management and for undertaking formal reviews on behalf of Council of the risk management policy. Staff within Audit, Risk and Business Continuity will provide on-going training to risk owners in order to facilitate the effective operation of risk management across the University.
- 2.1.5 The Resilience Committee will, bimonthly, review the strategic, tactical and operational risk registers to ensure that they are operating within agreed risk tolerances and significant risks are being escalated on a timely basis.
- 2.1.6 Audit, Risk and Business Continuity will regularly produce reports for all risk owners highlighting any significant risks across the university that relate to their area of responsibility.

3. The Risk Management process

3.1 Identifying risks

The identification of risks follows the same methodology throughout all levels of the university with risks being recorded in standardised templates residing on Sharepoint. (Appendix 2)

Risks **should always be related** to objectives. When a risk is identified:

- it may be relevant to more than one of the University's objectives;
- its potential impact may vary in relation to different objectives;
- and the best way of addressing the risk may be different in relation to different objectives.

It is also possible that a single treatment may adequately address the risk in relation to more than one objective.

When stating risks care should be taken:

- to avoid stating **impacts** which may arise as being the risks themselves;
- stating risks which **do not** impact on objectives;
- defining risks with statements which are simply the converse of the objective.

A statement of a risk should therefore encompass **the cause of the impact**, and the **impact to the objective** which might arise. The following simple table explains:

Objective - to travel by train from A to B for a meeting at a certain time	
Failure to get from A to B on time for the meeting	✗This is simply the converse of the objective
Being late and missing the meeting	✗This is a statement of the impact of the risk, not the risk itself
There is no buffet on the train so I get hungry	✗This does not impact on the achievement of the objective
Missing the train causes me to be late and miss the meeting	✓This is a risk which can be controlled by making sure I allow plenty of time to get to the station
Severe weather prevents the train from running and me from getting to the meeting	✓This is a risk which I cannot control, but against which I can make a contingency plan

The table below illustrates a University-relevant example:

Objective - Attract international academics and hence provide opportunities for Faculty staff to engage with their peers internationally.	
Failure to attract international staff	✗This is simply the converse of the objective
Failure to provide opportunities for Faculty staff to engage with peers internationally	✗This is a statement of the impact of the risk, not the risk itself
Failing to identify and establish appropriate institutional partnerships	✗This does not impact on the achievement of the objective
Declining subject reputation resulting in the inability to attract international academics to foster collaboration.	✓This is a risk which can be controlled by ensuring there is no decline in the performance and therefore reputation of the subject
Brexit-induced restrictions on the mobility of international academics	✓This is a risk which I cannot control, but against which I can make a contingency plan

3.2 Assessing risks

The University uses a 5x5 risk rating matrix when assessing Likelihood and Impact using the criteria outlined in Appendix 3.

3.3 Accountability and Escalation

The application of risk appetites to the assessment of risks after controls helps to identify those thresholds beyond which a risk is unacceptable and therefore requires escalation. (Appendix 4). This method ensures a consistent approach to managing risk across the university by always highlighting those risks that have breached their tolerance level. It also ensures that accountability and responsibility for managing risks is unambiguous.

4 Risk Reporting and the Integrated Planning Process

The University's risk appetite-based framework is designed in such a way to allow the identification and escalation of those risks that have exceeded the tolerance level of acceptance. Therefore, in order to maximise the real benefits of risk management (listed in 1.4 above), it is essential that risk owners engage fully with the process so that the reporting, and consequently the effective management of risk is optimised.

In addition to the regular reviewing of risks, Deans, Directors, and Portfolio leads (DVC, COO, PVCs) will also formally report on their risks as part of the revised Integrated Planning Process.

4.1 Strategic Risk Register

The Strategic Risk Register is formally reviewed at the commencement of each academic year by SLT. It is then presented to Council each September to inform the high level strategic priorities as part of the pre-planning stage of the Integrated Planning Process.

4.2 Portfolio Risk Registers

These are reviewed regularly by the portfolio leads and their management teams. Very High and High risks from within portfolio risk registers are reported monthly to SLT as part of the DVC, COO and PVC updates. SLT will determine the impact, if any, on the strategic risks and amend the Strategic risk register accordingly.

4.3 Faculty and Departmental Risk Registers

Deans and Directors are required to regularly review and update their risk registers at management meetings.

4.4 Project Risk Registers

Project risk registers are the responsibility of each project board, but reside within the reporting framework to ensure that Very High and High risks are reported to the Portfolio leads and onwards to SLT if required.

4.5 Risk reports

In addition to risk registers, a suite of reports mapping risks to the areas of focus within Five and Fifty are generated and issued regularly based on the updated data within all tactical and operational risk registers.

4.6 Governance

The University has a robust mechanism to ensure the effectiveness of its risk management processes. All senior officers are required to submit Stewardship Statements annually to provide assurance of their effective management of risk. In addition, Audit Committee and Council undertake the following responsibilities:

4.6.1 Role of the Council

- To set the tone and influence the culture of risk management within the scope of its remit.
- Determine the level of risk that the University will carry in relation to specific major activities or projects and across the institution as a whole.
- Approve major decisions affecting the University's risk profile or exposure as set out in the delegated authority framework.
- Satisfy themselves that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.
- Annually review the University's approach to risk management and approve changes or improvements to key elements of its processes and procedures.
- Publish statements of assurance that the University operates a robust system of internal control and comment on the management and mitigation of any risks that have arisen during the accounting period.

4.6.2 Role of the Audit Committee

- In light of its responsibility to oversee the internal and external audits of the University, to provide advice to Council on the effectiveness of the University's system for the management and control of risk.
- Undertake an annual review of the effectiveness of the risk management process and provide a report to Council

Institutional Risk Appetite Statement
Ulster University's approach is to minimise its exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of its vision as Northern Ireland's Civic University and the objectives outlined in the Five & Fifty Strategic Plan. It recognises that its appetite for risk varies according to the activity undertaken and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risks are established and implemented.

Strategic Priority	Risk Appetite
Civic Contribution	Risk-taking
Employment and Widening Access (EWA)	Risk-taking
Through enhanced widening access and participation in higher education and improved learning gain through employment of our graduates from diverse backgrounds, Ulster University aims to make a substantial contribution to social mobility across Northern Ireland. The University recognises that the challenge involves accepting degrees of risk but that this will be balanced by the outcomes of success; specifically: esteem, opportunity (participation) and learning gain (graduate employment) for our students, and meaningful connections with schools, community, employers and government. The University is comfortable in accepting this risk subject to oversight and authorisation of interventions and that sensible measures to mitigate risks are established.	
Social and Economic Development (SED)	Risk-taking
Ulster University aims to make a significant, sustainable and socially responsible contribution to the betterment of the Northern Ireland economy and civic society. This ambition will involve close interaction with stakeholders across the policy making family and in wider civic society. The challenging nature of many of the socio-economic questions upon which the University will focus its attention will generate a degree of intuitional, reputational and, to a lesser degree, financial risk. The university is comfortable in accepting this risk due to the new mechanisms in place to fully consider and mitigate the risk throughout the lifecycle of our research and policy engagement in this area.	
Campus Identities (CI)	Cautious
Ulster University in its goal to make a durable and sustainable contribution to the betterment of the Northern Ireland economy and civic society aims to develop and further capitalise on the unique identity of each campus. In line with the 5 & 50 vision, each campus will deliver specific areas of academic excellence and civic contribution, serving the needs of the local community, whilst keeping its eyes on its global mission. To this end, the University has invested in experts (Provosts) whose job it is to seek out ways to achieve high reward at low risk.	
Meaningful Networks (MN)	Cautious
Ulster University aims to establish close, deep lasting networks across all elements of civic society. These relationships are critical for Ulster to understand the needs, challenges and opportunities faced amongst our civic colleagues and therefore they are central to our ability to make a substantial and lasting civic impact. The scale of the University and the wide range of touch points make management of effective networks liable to a degree of risk with respect to deliverability, co-ordination and potential conflicts or misalignment. The University is comfortable with dealing with the level of risk due to new procedures and structures that have been established to ensure a more joined-up approach and greater clarity around network development and stakeholder engagement.	

Academic Excellence	Risk-taking
Teaching Excellence (TE)	
<p>The University has already committed to an ambitious programme of change through its investment in new teaching spaces and portfolio rationalisation. Additionally, new senior appointments further prepare the ground for new ways of working and new aspirations in relation to curriculum design and innovative delivery of programmes. A degree of risk is implicitly built into new approaches and intended change. The University wishes to challenge the status quo and take advantage of the potential that innovation in teaching excellence is likely to bring. Such risk will be mitigated through drawing from the experience of new appointments and learning from proven effective practice from other universities within the sector.</p>	Risk-taking
Student Experience (SE)	
<p>The University has already committed to an ambitious programme of change through its investment in new teaching spaces and the restructuring of many student-facing services. The University is committed to further development of facilities and support arrangements for the student learning and living experience. The University accepts that student support, especially in relation to the anticipated growth in international student numbers, will need to change to meet emergent need and that innovation will be required to deliver our business needs. We will maintain a generally good appetite for risk in this area so as to avail ourselves of the opportunities to effect necessary change.</p>	Risk-taking
Research with Impact (RI)	
<p>The University is committed to empowering its people to undertake interdisciplinary research in a supportive environment to produce internationally excellent and world leading outputs and transformative impact including: achieving international recognition for its excellence and leadership in distinctive research themes that create local and international capability and societal value and have global relevance; translating research into value to the economy, society, culture, public policy or services, health, the environment or quality of life beyond academia; ensuring that our research outputs are cited and research funding is leveraged from prestigious sources; ensuring world-class professional services and infrastructure are in place to support and enable the research and impact ambitions of Ulster's researchers. The University recognises that this will involve an increased degree of risk in developing research subject to: limitation imposed by ethical considerations and ensuring that potential benefits and risks are fully understood before developments are agreed and that appropriate measures to mitigate risk are established.</p>	Risk-taking
Researcher Development (RD)	
<p>The success of Ulster University is dependent on the quality and performance of its people. Ulster University is committed to ensuring that the ambitions of its staff and students are realised by recruiting, rewarding and retaining the very best people in terms of their ability and potential; enhancing the skills of its academics and providing them with the tools and flexibility necessary to respond to the opportunities and demands of a globally engaged research-led university; ensuring that the highest standards are observed by its researchers and that integrity is recognised as an essential aspect of research quality. The University recognises that this will involve an increased degree of risk in developing research subject to: limitation imposed by ethical considerations and ensuring that potential benefits and risks are fully understood before developments are agreed and that appropriate measures to mitigate risk are established.</p>	Risk-taking

Global Vision	Risk-seeking
Global Citizenship (GC) The university wishes to enable both staff and students to succeed as global citizens, making an active contribution to the university and to society as a whole. In order to do this, the University will drive forward the internationalisation of its curriculum and support an even greater number of international experiences for our staff and students. In doing so, the University will demonstrate a strong appetite for the development and delivery of both.	Risk-seeking
International Networks (IN) The University will seek to develop a strong international network through the creation of sustainable and mutually beneficial partnerships in teaching and research, through collaborative delivery and through exchange. There is a strong appetite to extend and deepen our partnerships with like-minded organisations to engage in innovative and creative modes of partnerships. There is a more cautious attitude toward high risk partnerships which may carry heavy reputational risks.	Risk-taking
Global Challenge, Local Impact (GCLI) The University must seek to make a difference in areas where it matters most, and deliver economic, social benefits which are felt both locally, nationally and internationally. The University must demonstrate a strong appetite in delivering and improvement for the benefit of all.	Risk-seeking
Diverse University Community (DUC) The University has stated ambitious targets with regards to the strategic growth of its global student community; making clear that international student recruitment is of critical importance to both the financial health and intellectual richness the institution. As such, the University must adopt a high degree of ambition and a strong appetite for the delivery of targets in this area.	Risk-seeking
Operational Excellence	
People and Culture (PC) The University aims to value, support, develop and utilise the full potential of our staff to make the University a stimulating and safe place to work. It places importance on a culture of academic freedom, equality and diversity, dignity and respect, collegiality, annual reviews, the development of staff, and the health and safety of staff, students and visitors. It has a low appetite for any deviation from its standards in these areas.	Risk-taking
Reputation (R) The University has an established track record for world-class research, innovative learning and teaching, and a commitment to the broader student experience. The Five & Fifty commits the University to both new market entry and penetration, in addition to opportunities for thought leadership and civic contribution. As we build and consolidate our brand equity, there is a low appetite for risks which would impact negatively upon its reputation, credibility and brand experience and which could lead to adverse publicity, reputational damage or a loss of market and stakeholder confidence in our ability to deliver on our promises and on expectation. However, inherent in the desire to break new ground, to innovate and develop a truly differentiated proposition, carefully assessed risks may be considered where there is opportunity to enhance reputation.	Cautious
World-Class Infrastructure (WCI) The University is committed to providing a quality physical environment and safe and efficient operations. It is risk-taking in its approach to new developments and provision of services required to support future business needs whilst being cautious about any adverse risks to the safe operation of its campuses.	Risk-taking
Financial Sustainability (FS) The University operates a sustainable finance strategy by which it aims to generate sufficient cash reserves to meet its capital development plans. In doing so it must operate within the requirements of the Financial Memorandum with DFE and other financial covenants.	Risk-averse
Compliance, Regulation & Ethics (CRE) The University is committed to maintaining the highest standards of integrity, compliance, and ethics. The University has no appetite for any breaches in statute, regulation, academic quality, professional standards, research ethics, bribery or fraud.	Risk-averse

Risk-averse	Avoidance of risk and uncertainty is a key organisational objective
Risk-minimising	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
Cautious	Preference for safe delivery options that have a low degree of inherent risk and may only have a potential for limited reward.
Risk-taking	Willing to consider all potential delivery options and chose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).
Risk-seeking	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).

FACULTY RISK REGISTER

Faculty
Fac-LHS

Completed By	
Date	DD/MM/YYYY

Objective	ID

Area of Focus Impacted
Appetite

Risk Owner
Risk Proximity

Risk Assessment	L	I	P
Before Controls			0
After Controls			0

Risk	ID
Risk 44	Risk 44

Is this a project related risk? (if yes, please select)

Strategic KPI(s)	ID

Potential Cause

Early Warnings

Current Controls

Potential Cause

Early Warnings

Current Controls

Potential Cause

Early Warnings

Current Controls

Potential Cause

Early Warnings

Current Controls

Additional Actions/Controls

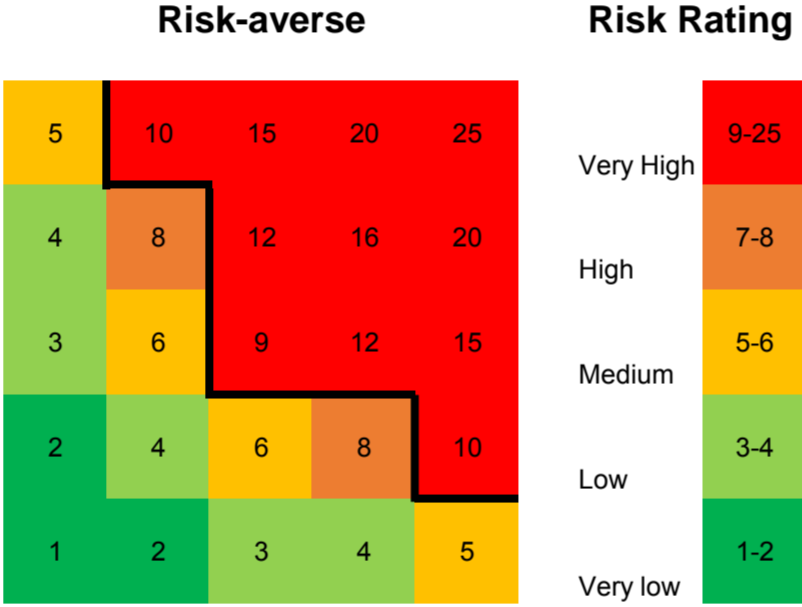
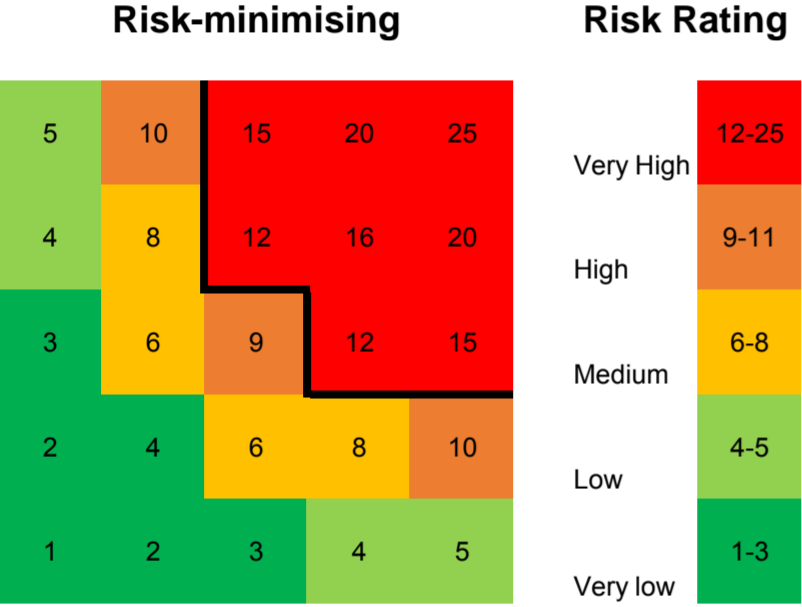
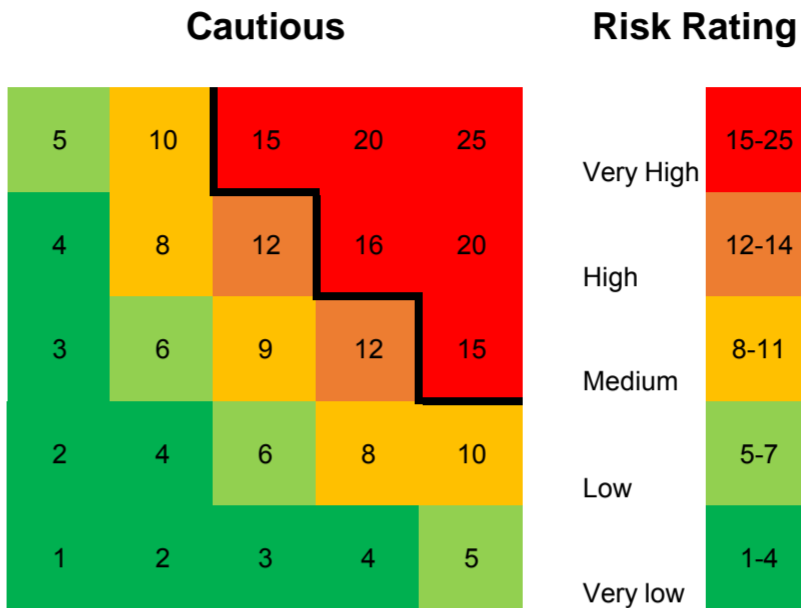
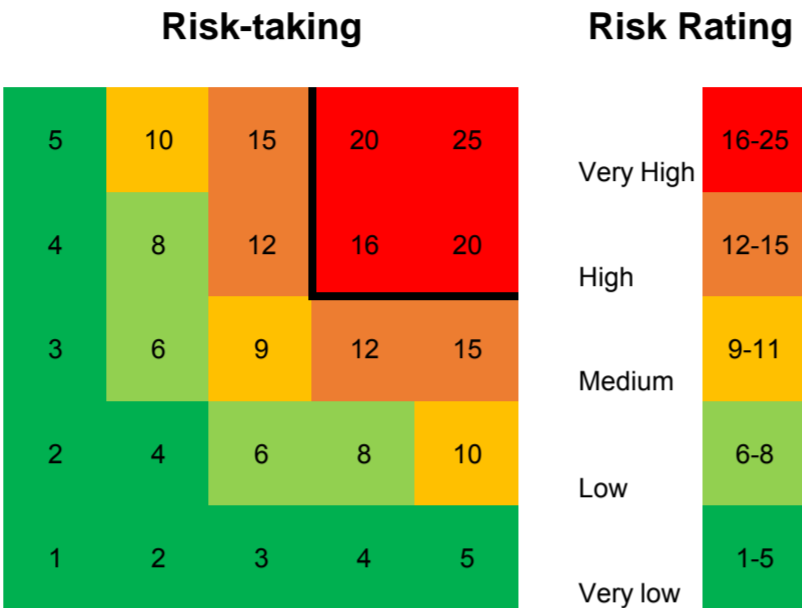
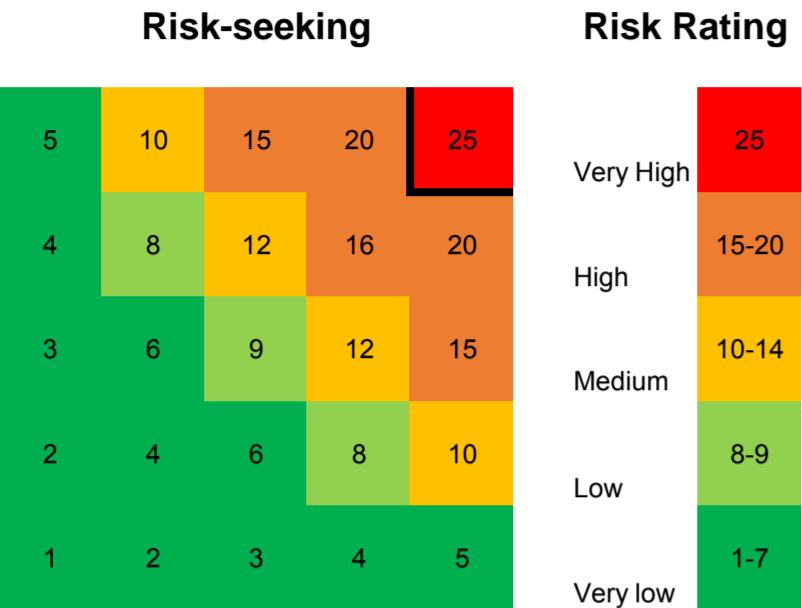
Group Responsible/Lead Reporting Agent

Timescale

RISK IMPACT CATEGORIES						
Category →	Student Experience	Strategy and Policy	Financial	Operational Performance/Business Continuity	Reputation/Publicity	Legal/Regulatory Compliance / Governance / Health & Safety
Impact ↓						
Insignificant (1)	Minor impact affecting single programme but which is unlikely to have a material impact on NSS scores or retention	Impacts on minor part of one strategic priority but not significant enough to require modifying the strategy	Impact on budget or additional expenditure/(income): Capital <£100k Revenue < £25k recurrent	Disruption to potential customer/contract/bid. Manageable disruption to minor services resulting in no obvious loss of performance. Interruption of critical services >1 hour.	Negligible criticism / (praise) in specialist local press. Negligible impact on student recruitment, relationship with funding bodies or partners. Fully recoverable within 1 day.	Minor impact. No reprimand, sanction or legal action. Some superficial injuries.
Minor (2)	Minor impact affecting several programmes/large group of students but which is unlikely to have a material impact on NSS scores or retention	Impacts on some aspects of one or more strategic priorities but not significant enough to require modifying the strategy	Impact on budget or additional expenditure/(income): Capital £100k-£500k Revenue £25k-£100k	Unhappy customer/partner. Loss of potential new customer/contract/bid. Manageable disruption to some services resulting in no loss of performance but requiring additional staff and interim working arrangements. Interruption of critical services >3 hours	Programme / discipline area criticised / (praised) in local press. Short term disruption to student recruitment, relationship with funding bodies or partners. Recoverable within 1 week.	Moderate impact leading to warning. Some minor reversible injuries.
Moderate (3)	Moderate impact affecting local programme area which will have a material impact on the programme level NSS scores and/or retention	Restricts ability to achieve one or more strategic priorities requiring some modification to parts of strategy.	Impact on budget or additional expenditure/(income): Capital £0.5M-£1M Revenue £100k-£500k recurrent	Loss of minor customer/contract/partnership/bid. Moderate disruption to some services resulting in temporary loss of performance affecting some programmes. Interruption of critical services >6 hours	University criticised / (praised) in local press. Medium term impact on student recruitment, relationship with funding bodies or partners. Recoverable within 1 month.	Significant legislative breach resulting in investigation. Major reversible injury to staff, student or member of public. Not life threatening.
Major (4)	High impact affecting large number of students which will have a significant affect on overall School level NSS scores and/or retention	Prevents successful achievement of one strategic priority resulting in parts of strategy needing to be revised.	Impact on budget or additional expenditure/(income): Capital £1M-£5M Revenue £0.5M-£1M recurrent	Loss of mid-sized customer / contract/partnership/bid. Inability to deliver core service resulting in noticeable loss of performance affecting ability to deliver programmes Interruption of critical services >12 hours.	University criticised / (praised) in national press. Long term impact on student recruitment, relationship with funding bodies or partners. Recoverable within 6 months.	Serious legislative breach resulting in intervention, sanctions and legal action. Major irreversible injury or death of staff, student or member of public.
Severe (5)	Severe impact affecting large numbers of students which will have a significant affect on University level NSS scores and/or retention	Prevents successful achievement of several strategic priorities resulting in strategy needing to be revised.	Impact on budget or additional expenditure/(income): Capital >£5M Revenue>£1M recurrent	Loss of major customer / contract/partnership/bid. Inability to deliver core service resulting in stopping delivery of programmes. Interruption of critical services >24 hours	Severe criticism / (praise) in national press. Permanent impact on student recruitment; irreparable damage to relationships with funding bodies and significant partners. >12 months to restore level of credibility	Major legislative breach resulting in suspension of business. Multiple major irreversible injuries or deaths of staff, students or members of the public.

QUANTATATIVE MEASURES OF LIKELIHOOD		
Score	Descriptor	Description
Very remote (1)	<5%	1 in 20 chance or less
Remote (2)	6% - 25%	1 in 20 chance to a 1 in 4
Possible (3)	26% - 50%	1 in 4 chance to a 1 in 2
Probable (4)	51% -75%	1 in 2 chance to a 3 out of 4
Highly likely (5)	> 75%	3 out of 4 chance or more

Scoring Methodology and Reporting Framework based on Residual Risk



Reporting Framework based on Residual Risk Assessment

Very high	Unacceptable level of risk exposure that has exceeded the tolerance level. Frequently monitored with ongoing mitigation to reduce exposure with regular reporting to Accounting Officer and Audit Committee for upward reporting to Council.
High	Acceptable level of risk exposure that requires close monitoring and controls in place to reduce exposure with regular reporting to SLT
Medium	Acceptable level of risk exposure subject to regular active monitoring and reporting to Resilience Committee
Low	Acceptable level of risk exposure subject to regular active monitoring and reporting to Director/Dean
Very Low	Acceptable level of risk exposure subject to regular passive monitoring by Head of School/Department