

Risk Management Policy

Contents

| | | |
|---|--|---|
| 1 | Purpose of Policy..... | 2 |
| 2 | Underlying Approach to Risk Management | 2 |
| 3 | Strategic Risk Appetite | 3 |
| 4 | Risk Registers..... | 3 |
| 5 | Roles and Responsibilities..... | 3 |
| 6 | Risk Management as part of the System of Internal Control..... | 6 |

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| Ownership | Ms Sally Priddle |
| Policy contact | Head of Secretariat |
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1 Purpose of Policy

This risk management policy (the policy) forms part of the College's internal control and corporate governance arrangements. The policy explains the College's underlying approach to risk management, documents the roles and responsibilities of Council, the Audit and Risk Committee, the Senior Management Team, and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures. In addition, it describes the process the Council will use to evaluate the effectiveness of the School's internal control procedures.

The College uses risk management to identify, assess, rate, manage and review risk that might impact achievement of its strategic aims. The risk management arrangements form part of the wider system of internal control and should be understood in that context.

Risk management contributes to the processes of business planning and budgeting with the objective of achieving a risk based approach to management.

2 Underlying Approach to Risk Management

The following key principles outline the College's approach to risk management and internal control:

- 2.1 Council has responsibility for overseeing risk management within the institution as a whole
- 2.2 an open and receptive approach to solving risk problems is adopted by Council
- 2.3 the Warden and the members of Senior Management Team support, advise and implement policies approved by Council or those committees with delegated powers
- 2.4 the College makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks. Each paper to Council and College committees is required to include a section on any key risks in relation to the proposal
- 2.5 risk register owners are responsible for encouraging good risk management practice within their areas of responsibility
- 2.6 key risk indicators will be identified and closely monitored on a termly basis by the Senior Management Team and the Audit and Risk Committee

3 Strategic Risk Appetite

Risk appetite conveys the Goldsmiths' attitude to how much of what type or risk it is willing to take, and is considered in terms of both opportunities and threats that will invariably impact the performance and reputation of the College.

Goldsmiths recognises that a risk-free environment is unattainable, and that its size and the likely public funding regime in the next few years mean that a certain amount of risk is unavoidable. A level of risk associated with the achievement of Goldsmiths' mission for creative, radical and intellectually rigorous thinking and practice is accepted. However, any action or judgement that has the potential to harm the College's reputation and/or business continuity stands outside the College's defined tolerance level.

4 Risk Registers

There is a Strategic Risk Register that records activities or events that present a threat to the aims/ objectives/business of the College, the level of risk they present and the agreed actions being taken to manage and mitigate those risks. It is viewed as a working document which changes to reflect the current position. It features on the agenda of every meeting of the Senior Management Team and Council as well as meetings of Audit and Risk Committee.

All departments are required to undertake risk management to ensure that risks are effectively identified, assessed and, where possible, mitigated. Brief risk registers are required and should be reported to School meetings on a termly basis and Audit and Risk Committee on an annual basis.

In addition, risk registers are established for all strategic projects and are overseen and maintained by the Strategic Projects Office.

5 Roles and Responsibilities

5.1 Council

Council is responsible for ensuring that the College has a robust and comprehensive system of risk management. Its role includes:

- 5.1.1 Set the tone and influence the culture of risk management within the College. This includes:
 - 5.1.1.1 determining whether the School is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue;
 - 5.1.1.2 determining what types of risk are acceptable and which are not
 - 5.1.1.3 setting the standards and expectations of staff with respect to conduct and probity
- 5.1.2 Determine the appropriate risk appetite or level of exposure for the College
- 5.1.3 Approve major decisions affecting the College's risk profile or exposure
- 5.1.4 Monitor the management of significant risks to reduce the likelihood of unwelcome surprises
- 5.1.5 Satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively
- 5.1.6 Annually review the School's approach to risk management and approve changes or improvements to key elements of its processes and procedures
- 5.1.7 Approve the Strategic Risk Statement and receives the Strategic Risk Register at each of its meetings.
- 5.1.8 Receive reports on risk management from the Audit and Risk Committee.

5.2 **Audit and Risk Committee**

Audit and Risk Committee, acting on behalf of Council, is responsible for monitoring the College's risk management activities. Its role includes:

- 5.2.1 Recommends the Strategic Risk Statement to Council
- 5.2.2 Receives the Strategic Risk Register at each meeting alongside reports from members of the Senior Management Team
- 5.2.3 Advises Council on the effectiveness of the risk framework and its operation
- 5.2.4 Receives and considers reports from the Internal Audit service, which reviews risk management as part of its annual audit programme
- 5.2.5 Report annually to Council on the School's systems of internal control and Risk Register.

5.3 **Senior Management Team (SMT)**

The Senior Management Team has the executive responsibility for risk management. Its role includes:

- 5.3.1 Implementing arrangements that will ensure effective risk management
- 5.3.2 Keeping the Audit and Risk Committee and Council advised on risk management matters.
- 5.3.3 Supporting managers and risk owners in ensuring appropriate action is taken to reduce and mitigate risk.
- 5.3.4 Review the existing risks and considering emerging risks and the associated ratings.
- 5.3.5 Receive regular highlight reports from all Strategic Projects each of which maintains its own risk register as part of the normal project management governance arrangements.
- 5.3.6 Members of SMT ensure that risk management is embedded within the areas and departments for which they have individual responsibility.
- 5.3.7 Provide adequate information in a timely manner to the Audit and Risk Committee on the status of risks and controls.
- 5.3.8 Undertake an annual review of effectiveness of the system of internal control and provide a report to the Audit and Risk Committee and from that committee to Council.

5.4 Professional Services Senior Team (PSST)

Members of PSST are responsible for encouraging good risk management practice within their directorate or department. Its role includes:

- 5.4.1 Ensuring local registers are maintained within their own department.
- 5.4.2 Identifying risks that should be escalated to the Strategic Risk Register.

5.5 Heads of Department

Heads of Department are responsible for encouraging good risk management practice within their department. Their role includes:

- 5.5.1 Ensuring department risk registers are maintained and reviewed at each Department Board.
- 5.5.2 Department Board reports include any risks for escalation to Academic Board.
- 5.5.3 Where required, Departmental risks are reported to School meetings and Audit and Risk Committee.

5.6 **Strategic Projects Office**

5.6.1 Staff in the Strategic Projects Office are responsible for ensuring that all strategic projects maintain a risk register as part of the normal project management governance arrangements. They will also ensure that any risks associated with the project that need to be escalated, are identified and reported to the Strategic Programme Board and thence to SMT, Audit and Risk Committee and Council as appropriate.

5.7 **All staff**

5.7.1 Members of staff are encouraged to identify risks and to raise them either within their department.

6 **Risk Management as part of the System of Internal Control**

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the School to respond to a variety of operational, financial, and commercial risks. These elements include:

6.1 **Policies and procedures**

Attached to significant risks are a series of policies that underpin the internal control process. The policies are set by the Senior Management Team and implemented and communicated by senior management to staff. Written procedures support the policies where appropriate.

6.2 **Termly reporting**

Comprehensive termly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Team and the Audit and Risk Committee.

6.3 **Business planning and budgeting**

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly.

6.4 **Risk methodology (Annex A)**

Risk register owners develop and use this framework to ensure that significant risks in their area of responsibility are identified, assessed and monitored.

6.5 Audit and Risk Committee

The Audit and Risk Committee is required to report to Council on internal controls and alert governors to any emerging issues. In addition, the committee oversees internal audit, external audit and management as required in its review of internal controls. The committee is therefore well-placed to provide advice to Council on the effectiveness of the internal control system, including the College's system for the management of risk. The committee reviews the School's Risk Register each term.

6.6 Internal audit programme

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the College.

6.7 External audit

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

6.8 Third party reports

From time to time, the use of external consultants will be necessary in areas such as health and safety, and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system. Occasionally the College will be subject to audit from third parties, such as UKRI, RCUK or the QAA, and these may provide some review of the College's risk arrangements

Document history

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| 1.0 | October 2019 | Audit and Risk Committee | Sally Priddle | 11/11/2019 |