RISK MANAGEMENT POLICY – (This Version: November 2024)

1. OVERVIEW AND PURPOSE

1.1 Risk can be defined as uncertainty of outcome, which can threaten the achievement of objectives. The University will inevitably be exposed to risks in pursuit of its objectives and therefore it must identify, assess and treat them to ensure that exposure is managed to tolerable levels and that opportunities are taken appropriately.

1.2 The University must have in place appropriate controls for managing risks. A rigorous approach to risk management will protect the University from potentially damaging events, safeguard its reputation and provide assurance that its objectives are likely to be achieved.

1.3 Risk management should be embedded into the management and governance of the University. There should be a clear process for monitoring and reporting risk exposure and the ownership of any mitigating actions should be allocated to a responsible individual.

1.4 The purpose of this Risk Management Policy is to describe the University's approach to risk management, to stipulate the responsibilities and expected standards and to set out the main principles of risk management to promote compliance with good practice. The University's approach to risk management will be underpinned by its Risk Appetite Statement, which describes the level and nature of risk the University is willing to take in order to achieve its objectives.

2. SCOPE

2.1 The University's Risk Management Policy will be applicable across the whole institution and to its subsidiaries. Strategic and University-wide operational risks will be overseen by the University Council and the Vice-Chancellor on the advice of the University Executive Board (UEB). Academic/business unit level risks will be recorded and monitored by the University's Faculties, Professional Service Divisions and by subsidiaries of the University.

3. RESPONSIBILITIES

3.1 Council

3.1.1 Strategic and University-wide risks will be overseen by the University Council and the Vice-Chancellor. [1]

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[1] The CUC Higher Education Code of Governance stipulates that "The governing body needs to understand the external environment and – along with the Executive – identify, understand and manage risk appetite and strategic risks and opportunities for the institution."

3.1.2 The University's Council will be responsible for receiving assurance that the University's risks are being managed effectively and will therefore receive regular reports on institutional risks.

3.1.3 Council is responsible for overseeing the effectiveness of the University's approach towards risk management.

3.2   **Audit and Risk Committee**

3.2.1 The Audit and Risk Committee is responsible for monitoring the University's general arrangements for risk management, and specifically for:

- Advising Council on the effectiveness of University's approach to risk management;
- Reviewing the University's approach to risk management and, if appropriate recommending changes or improvements to key elements of its processes and procedures; and
- Providing a statement to Council annually indicating how the University has complied with good practice with regard to risk management.

3.3   **The Vice-Chancellor**

3.3.1 The Vice-Chancellor on the advice of the University Executive Board will be responsible for:

- Implementing the University's Risk Management Policy;
- Ensuring that the most significant risks are being identified, managed and reported through the Institutional Risk Register;
- Reviewing the contents of the Institutional Risk Register, considering:

  - The articulation of each risk;
  - The accuracy of the likelihood and impact ratings for each risk;
  - The effectiveness of the mitigating activity; and
  - The potential emergence of any other institutional risks.

- The development of the University's Risk Appetite Statement; and
- Ensuring that resources are prioritised to treat risks appropriately and in accordance with the University's Risk Appetite Statement.

3.4   **Executive Deans, Heads of Schools, Professional Services Directors and Directors of subsidiaries of the University**

3.4.1 Executive Deans*, Heads of Schools**, Professional Services Directors and Directors of subsidiary entities will be responsible for:

- Identifying, evaluating, managing and escalating academic/business unit level risks in accordance with the University's Risk Management Policy and Risk Management Guidance.
- Owning and managing academic/business unit level risks which can impact upon their objectives.

- Regularly engaging with their management teams to coordinate risk management and the application of appropriate mitigating actions within their Faculty, School, Professional Service Division or subsidiary of the University.
- Ensuring that all staff understand their responsibility towards risk management and know how to identify and assess risks, opportunities, incidents and near-misses.
- * Executive Deans will be responsible for their Faculty's compliance with the provisions of this Risk Management Policy and the Risk Management Guidance.
- ** Heads of School will be responsible for maintaining their School level risk register and reporting developments to the Executive Dean.

3.5 Senior Risk and Resilience Manager

3.5.1 The Senior Risk and Resilience Manager will be responsible for:

- Maintaining the University's Risk Management Policy
- Raising awareness to promote compliance with the Risk Management Policy across the University.
- Communicating about the University's approach to risk management to staff and other stakeholders as necessary.
- Providing risk management advice and guidance across the University.
- Presenting the information held in the University's risk registers
- Facilitating the recording and monitoring of academic/business unit level operational risks within Faculties, Schools, Professional Services and applicable subsidiaries of the University and if necessary, escalation to the University level.

4. RISK MANAGEMENT POLICY

4.1 General Principles

4.1.1 The management of risk is key to ensuring the University successfully achieves its objectives whilst protecting the interests of its stakeholders. Good risk management will allow the University to:

- have increased confidence in achieving its objectives
- effectively control foreseeable threats to acceptable levels; and
- take informed decisions about exploring opportunities.

4.1.2 The University's approach to risk management is based on the following principles:

- Ownership and Accountability

  - Ownership and accountability for the management of risks is essential;
  - Risks are owned and managed by those who can make decisions and allocate resources to treat them in accordance with the University's risk appetite; and
  - Reported appropriately.

- Proportionality

  - The management of risks will be proportionate to their potential impact upon the University's objectives; and
  - Resources will be allocated to treat risks in accordance with the University's risk appetite.

- Process and Consistency

  - Risks will be rated according to the potential likelihood and impact in accordance with the University's Risk Scoring Matrix (see Fig.1 below).

Fig.1 – University of Sussex Risk Scoring Matrix

LIKELIHOOD				1	2	3	4	5
Event is **expected** to occur imminently	>90%	Almost Certain	5	5	10	15	20	25
Event will **probably** occur at some point	50-90%	Likely	4	4	8	12	16	20
Event **could** occur in the future	30-50%	Possible	3	3	6	9	12	15
Event is **not expected** to occur	10-30%	Unlikely	2	2	4	6	8	10
Event would only occur in **exceptional** circumstances	<10%	Rare	1	1	2	3	4	5
				1	**2**	**3**	**4**	**5**
				Minor	**Moderate**	**Significant**	**Major**	**Severe**
		Oversight		Resolution would be achieved through normal activity	Resolution would require input from Head of School or Director	Resolution would require action approved by UEG	Resolution would require direction from Council	Intervention by Council and possibly external bodies (e.g. OfS)
		Cost		Under £50k	£0.05m to £0.5m	£0.5m to £5m	£5m to £25m	Over £25m
		Reputation		Negligible reputational damage, reputational building	Reputation damage unlikely, potential to build reputation	Some adverse publicity, but short-lived reputational damage	Some adverse publicity, but short-lived reputational damage	Substantial and prolonged reputational damage
		Achievement of Objectives		Negligible impact of School/Divisional objectives	School/Divisional objectives compromised	Some impact upon the University's strategic objectives	Major impact upon the University's strategic objectives	Failure of strategic objectives, requiring fundamental revision
				IMPACT				

4.2   Risk Management Guidance

4.2.1 This Risk Management Policy is supplemented by the University's Risk Management Guidance. The purpose of the Risk Management Guidance is to promote consistency in detecting, assessing and treating risks and to set out the method of and systems available for maintaining risk registers at the academic, business unit and institutional level. The Risk Management Guidance is available on the University's website.

5.   **EXPECTED STANDARDS, REGULATORY REQUIREMENTS AND GOOD PRACTICE**

5.1   The University's Risk Management Policy will aim to align with good practice and will take account of all relevant legislative and regulatory requirements which apply to the UK Higher Education sector.

5.2   As registered UK Higher Education Institution the University will comply with the Public Interest Governance Principles, including the principle which requires it to:

- *"Operate comprehensive corporate risk management and control arrangements (including for academic risk) to ensure the sustainability of the provider's operations, and its ability to continue to comply with all of its conditions of registration."*

5.3   As an adaptive learning institution, the University will strive to raise awareness and continually improve risk management across the institution. Risk management should be embedded in to the routine planning activities that take place within the University's Faculties, Schools, Professional Services and relevant subsidiary entities.

5.4   5.4.1 Members of the University's Executive Board will be expected to:

- identify and assume ownership of risks which can affect their objectives;
- assess the likelihood of risks occurring and their potential impact;
- employ suitable measures to treat risks appropriately;
- monitor and review progress in managing risks; and
- report risks which may require escalation.

5.5   It is an expected that all staff, with an appropriate level of support, will be able to identify risks and escalate them appropriately. Managers will evaluate and monitor risks within their areas of responsibility and implement appropriate mitigation measures in accordance with this Risk Management Policy and the University's defined risk appetite.

Review / Contacts / References	
Title:	Risk Management Policy
Date approved:	18 November 2024
Approving body:	Council
Last review date:	November 2024
Next review date:	October 2027
Related internal policies, procedures, guidance:	- The University's Risk Appetite Statement - The University's Risk Management Guidance - The University's Policy for Financial Administration and Controls - The University's Internal Audit Policy - The University's Health and Safety Policy - The University's Business Continuity Management Policy - The University's Management Compliance Handbook
Division:	GCGC
Owner:	General Counsel and Director of Governance and Compliance
Point of Contact:	Senior Risk and Resilience Manager