

Integrated Risk Management Policy

Policy Category:	Governance
Subject:	Risk Management
Approving Authority:	University Executive
Responsible Officer:	President & Principal
Responsible Office:	Strategy, Planning & Analytics
Related Procedures:	Enterprise Risk Management Procedure Operational Risk Management Procedure
Related College Policies:	Procurement Policy Business Continuity Policy
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I. Purpose & Scope

This policy supports the management of risk according to applicable legislative and regulatory standards and codes to which the university is subject. Universities are required by the regulator, the Office for Students, to have a risk management framework in place. Risk management is one of nine public interest governance principles applicable to all registered HEIs¹.

The objectives of this policy are to:

- Outline the university's approach to risk management
- Align the university with the recognised good practice of risk management
- Establish the roles and responsibilities of staff in risk management

This policy applies to all staff, students and affiliates of the university, and to people authorised to undertake university business.

II. Definitions

Risk management – co-ordinated activities, systems and processes for managing risk in the context of the university's vision, strategy, objectives and targets.

Issue – something that has happened or is happening.

Risk – in accordance with the ISO31000 (2018) definition, King's College London defines risk as the potential "effect of uncertainty on objectives", where an effect is a deviation from an intended or expected outcome.

Integrated Risk Management Framework – a framework which articulates the whole system by which the university manages risk.

¹ https://www.officeforstudents.org.uk/media/1092/ofs2018_02.pdf

- The Framework encompasses this Risk Management Policy, a number of procedures on the process and responsibilities for managing the various types of risk across the university, our enterprise risk register and risk appetite statement.
- The integrated risk management considers 'top down' strategic risk, 'bottom up' operational, partnership, project and programme and other risks and the capture and monitoring of emerging risks

Enterprise Risk – risks that are institutionally significant and relate to the achievement of the ambitions of the university.

- These risks may emerge from both external and internal influences:
 - External influences are those which occur outside of the organisation but have a direct impact on university business.
 - Internal influences are a combination of business planning round and operational risks, where the combination of such threats would significantly impact the financial, legal and/or reputation standing of the university.

Strategic Risk – risks to being able to deliver the strategic objectives set out in our current Vision and Strategy. By their nature strategic risks are institutionally significant and therefore are also captured in the Enterprise Risk Register. The Integrated Risk Management Framework uses the term 'strategic' risk, however 'corporate' risk is occasionally used synonymously in the organisation.

Partnership Risk – risks that arise from partnership activity.

Operational Risk – risks relating to delivery of the core operations of the university. Core operations are those operations, procedures and processes that support the delivery of teaching and research.

Project & Programme risk - risks relating to projects and programmes.

Emerging Risk – potential risks that do not yet pose a clear threat to the institution but should be closely monitored. Emerging risks are captured and monitored through external horizon scanning, risk review points, and via the Integrated Planning Process.

Risk Appetite – the level of risk that the university is willing to tolerate or accept in the pursuit of its strategic aims. When considering threats, risk appetite defines the acceptable level of exposure deemed tolerable or justifiable by the institution; when considering opportunities, risk appetite defines how much the university is prepared to actively put at risk in order to realise the potential or expected benefits.

Risk Owner – the risk owner is the person(s) *accountable* for the effective management of risk – both monitoring any changes on likelihood and impact, and initiating, adapting and overseeing mitigating actions as appropriate.

Risk Manager – the risk manager is the person(s) who is *responsible* for the effective management of a risk.

Key Operational Risks – a risk that if realised will disrupt the service or processes that are essential for delivering an excellent student and staff experience or significantly impact financial or business operations.

Issue Management – where a risk has been realised and is currently happening (impacting the university), it is an issue and needs further mitigations to reduce the threat to the organisation. It is no longer a risk when it has been dealt with and the level of impact to the university is within its risk tolerance as defined in the local and overarching risk appetite statements.

III. Policy

1. Principles

- 1.1 Risk is managed in accordance with the university's Integrated Risk Management Framework of which this policy forms the central part.
- 1.2 The university's Integrated Risk Management Framework consists of:
 - 1.2.1 *Integrated Risk Management Policy (this document)* – provides guidance regarding the management of risk to support the achievement of the university's vision, strategy, objectives and targets, and form the central part of the Integrated Risk Management Framework.
 - 1.2.2 *Enterprise Risk Management Procedure* – sets out how responsibilities and procedures are managed for enterprise risk. The procedure should always refer to the policy document.
 - 1.2.3 *Operational Risk Management Procedure* – sets out how responsibilities and procedures are managed for operational risk.
 - 1.2.4 *Other or Related Procedures* – any other procedures relating to the management of specific risks or risk categories.
 - 1.2.5 *Risk Appetite Statement* – sets out the extent to which the university is willing to take risks to meet its strategic objectives as outlined in Vision 2029.
 - 1.2.6 *Enterprise Risk Register* – the register of strategic and operational risks which present a material threat or opportunity to the institution as a whole. The exact criteria for a risk to be included on the Enterprise Risk Register is specified in the Enterprise Risk Management Procedure.
 - 1.3 King's approach to integrated risk management is designed to establish ways of mitigating the impact of adverse events, or methods of avoiding the events completely, providing the institution with a solid base from which to conduct its business. It is, therefore, the responsibility of management to understand the risks to the business it is operating and to manage those risks in a proactive, rather than reactive way.
 - 1.4 The risk management considers 'top down' strategic risk, 'bottom up' operational, partnership, project and programme and other risks and the capture and monitoring of emerging risks
 - 1.5 The University Executive acts as the main risk management committee of the university, ensuring this policy and associated procedures are followed.

2. Roles, Responsibilities and Governance

- 2.1 The management of risk takes place at all levels of the university but as the university's governing body, Council has the ultimate responsibility for the Integrated Risk Management Framework and the oversight of risk management.
- 2.2 The Audit, Risk and Compliance Committee (ARCC)
 - The Audit, Risk and Compliance Committee (ARCC) has delegated authority from Council for regularly assessing the effectiveness of the Integrated Risk

Management Framework, along with its constituent parts, and advising Council accordingly.

- The ARCC may also monitor the management of significant and/or complex enterprise risks to provide assurance to itself and Council that unwelcome consequences are effectively managed

2.3 President & Principal

- Responsible on behalf of the Council for ensuring that integrated risk management is undertaken effectively across King's and in accordance with the policy.

2.4 University Executive

- The University Executive, chaired by the President & Principal, acts as the university's Risk Management Committee, and is accountable for overseeing the day-to-day management of enterprise risks across the university ensuring that the Integrated Risk Management Framework is fit for purpose and applied.
- Individual members of University Executive are responsible for the management of individual enterprise level risks (they are the Risk Owners).
- University Executive will be supported in the management of particular risk categories (e.g., partnership, project & programme) by relevant advisory committees.

2.5 Senior Vice President (Operations)

- The Senior Vice President (Operations) is responsible to the President and Principal for the effective implementation and operation of the Integrated Risk Management Framework.

2.6 SPA

- SPA supports the University Executive in effectively discharging their duties including though maintaining the enterprise risk register, risk appetite and supporting regular review.

2.7 Department Heads/Directors

- On-going risk management forms part of the day-to-day operational resilience planning and service delivery in faculties, directorates and business units and is the responsibility of the relevant Executive Dean/Head of Directorate/Programme Manager.

2.8 Business Assurance

- Business Assurance are responsible for working with the ARCC, Senior Vice Principal (Operations) and the Director of Strategy, Planning and Analytics to ensure the Integrated Risk Management Framework is fit for purpose as well as undertaking regular reviews relating to risk management on behalf of Council and ARCC for assurance and continuous improvement purposes.

3. Monitoring and Review

- 3.1 The Audit, Risk and Compliance Committee will monitor the overall risk profile for the university on behalf of the Council and report termly to Council. The Audit, Risk and Compliance Committee is also responsible for reviewing the Integrated Risk Management Framework, and its constituent parts, on an annual basis and will make any recommendations for approval and amendment to both Council and the President & Principal.
- 3.2 The University Executive will ensure it has captured, and has a collective understanding of, the university's enterprise risks. It will review risk as a standing item on its agenda and will undertake a periodic review of the Integrated Risk Management Framework and its constituent parts with particular consideration of the Risk Appetite Statement and the Enterprise Risk Register.
- 3.3 The University Executive will report on risk once a term to the Audit, Risk and Compliance Committee via the Senior Vice President (Operations).
- 3.4 Named risk owners and risk managers will review their risk registers regularly to ensure that risk mitigation strategies and the associated 5x5 RAG scoring are still relevant and remain well managed.
- 3.5 The Business Assurance function will be responsible for monitoring the overall risk management framework.