

University of Cambridge Risk Management Policy

A: Policy Statement

1. The University is committed to ensuring that it has a robust and comprehensive system of risk management in line with the requirements of the Office for Students, and follows good practice in risk management.
2. Effective risk management enables the University to identify, assess and seize opportunities which assist in the delivery of its objectives and improve its performance, whilst protecting the reputation and sustainability of the University.
3. Risk management operates across the University and is central to the achievement of objectives and well-informed decision-making, whether at strategic, operational or project level.
4. This policy sets out the University's underlying approach to risk management and provides guidance on how colleagues are expected to assess and manage risk within their day-to-day activities to ensure that well-informed decisions are made and that the University's activities are sustainable and compliant. The policy forms part of the University's internal control and governance arrangements. It replaces the University's previous Risk Management Policy, which was last reviewed by the Council on 11 December 2017.

B: Application of the Policy

5. This Policy applies to all staff of the University.
 - Staff refers to all individuals working within the University at all levels and grades, including employees (whether permanent, fixed term or temporary), retired but active research staff, other visiting research or teaching staff, staff of subsidiary University companies, workers, trainees, seconded staff, agency staff, agents, volunteers, interns or any other person working in any context within the University.
6. This Policy and associated explanatory guidance have been adopted by the Council and apply throughout the University apart from Cambridge University Press and Cambridge Assessment, which have their own policies and procedures for risk management. This policy and guidance also apply in full to wholly-owned subsidiary companies, unless separate policies have been formally approved and adopted by the Boards of those companies and endorsed by the Council.

C: Definitions of Risk Management

7. The University uses the following definitions relating to risk and risk management:
 - **Risk** is the threat or opportunity that an action or event will adversely or beneficially affect the University's ability to meet its objectives.
 - **Risk management** is the process by which risks are identified, assessed, prioritised and managed in order to support well-informed decision-making and maximise the realisation of opportunities across the University.
 - **Risk Appetite** is the level of risk that the University is willing to pursue or retain.

D: University Statement of Risk Appetite

8. The University will generally accept a level of risk proportionate to the benefits expected to be gained, and the scale or likelihood of damage. The University has a high appetite for risk in the context of encouraging and promoting critical enquiry, academic freedom, freedom of expression, and open debate. The University has a very low appetite for risk where there is a

likelihood of significant and lasting reputational damage; significant and lasting damage to its provision of world-class research or teaching; significant financial loss or significant negative variations to financial plans; loss of life or harm to students, staff, collaborators, partners or visitors; or illegal or unethical activity; and regulatory compliance.

E: Risk Registers

9. The University's risk register identifies those risks that are considered to have a fundamental impact on the University's ability to deliver its mission or to operate effectively.
10. The University risk register will be reviewed at least twice a year by the senior leadership team¹ within the context of the University's priorities. The Audit Committee will receive the risk register at each meeting, and will be responsible for scrutinising the risk register and challenging the senior leadership team on the management of the risks to provide assurance to the Council. The Council will consider and formally approve the University's risk register at least annually.
11. Each School and major Non-School Institution (*NSI*) will have its own risk register which will be reviewed regularly by its relevant management committee (Council of the School or equivalent).
12. In addition, key risks from School and NSI risk registers will be reviewed by the senior leadership team at least annually to ensure that emerging risks are escalated and added to the University's risk register as and when necessary. Improvement actions and risk indicators will be monitored regularly.
13. Risks will vary widely across the University, and Schools, Faculties, Departments and other institutions are responsible for managing risk in a manner appropriate to each institution.

G. Responsibilities

University Council

14. As the principal executive and policy-making body of the University, the Council is responsible for risk management in accordance with the Office for Students' Terms and Conditions.
15. The Council will receive reports on the University's risks at least biannually, and will seek assurances over risk management and controls from individuals identified as accountable for risks. The Council will also define and keep under review the University's risk appetite.
16. The Council will review this policy at least every three years. Such reviews will take into consideration the latest guidance on best practice issued by relevant external bodies.

Audit Committee

17. The Council has delegated to the Audit Committee the responsibility for reviewing the University's risk management processes to ensure that they are adequate and effective.
18. The Audit Committee will consider the University's risk register as a standing item in its meetings to ensure routine monitoring, and will report to the Council on internal controls and alert the Council to any emerging issues as necessary.
19. In addition, the Audit Committee will formally review the University risk register at least twice a year, and make a recommendation to the Council as to whether the risk register, and the management of risks, is appropriate.

¹ For the purposes of risk management, the senior leadership team is defined as the Vice-Chancellor, Pro-Vice-Chancellors, Heads of Schools, the Registrary, the Chief Financial Officer, the Director of Communications and the Director of Development and Alumni Relations.

General Board

20. The General Board will receive regular reports on School and NSI risks, and will seek assurances over risk management and controls from Heads of Schools and NSIs as appropriate.

Senior Leadership Team

21. The senior leadership team is responsible for identifying and managing risks across the University's activities. In order to achieve this, the senior leadership team will review and update the University's institutional risk register at least twice a year. The senior leadership team will also consider risks identified by Schools and Non School Institutions, Committees, and other bodies, as appropriate. Such risks will have been informed by the risk registers of Divisions, Departments, Faculties or sections (as appropriate).

Heads of Schools and NSIs

22. Heads of Schools and NSIs are responsible for:
- a) ensuring that their institution's risk register provides a high level summary of the risks faced by the School/NSI and is informed by the University risk register and their respective Faculties and Departments (as appropriate);
 - b) encouraging good risk management practice within their Schools or NSIs (as appropriate);
 - c) ensuring that the fundamental risks faced by the School or NSI are identified, assessed and monitored; and
 - d) ensuring that, when necessary, risks should be escalated for consideration via the senior leadership team.

Heads of Institutions

23. Heads of Institutions are responsible for:
- a) encouraging and implementing good risk management practice within their Divisions, Departments, Faculties or sections (as appropriate);
 - b) ensuring that the fundamental risks faced by the institution are identified, assessed and monitored, using a risk register or equivalent;
 - c) ensuring that, when necessary, risks should be escalated for consideration via the Head of School or NSI (as appropriate).

Risk Owners

24. Risk owners are responsible for monitoring their risks and ensuring that the risk is managed appropriately, including liaising with colleagues to ensure that risks are mitigated across departmental boundaries.
25. To ensure that key risks on the University's Risk Register are managed appropriately, responsibility for each risk has been delegated to an appropriate academic lead, supported by an administrative lead and a Committee that will have responsibility for oversight of the risk. Their respective responsibilities are outlined in the table below.

Delegated Academic Lead	A Pro-Vice-Chancellor with strategic responsibility for monitoring and managing the risk and providing guidance to the Senior Leadership Team and the administrative lead over actions that could be taken to mitigate the risk. The academic lead will also be responsible for reporting on the current status of the risk and any mitigating actions at the Senior Leadership Team meeting, and will therefore need to liaise with the administrative lead for the risk as appropriate.
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Delegated Administrative Lead	Senior Officer(s) with operational responsibility for managing the risk and delivering against the further mitigating actions that have been identified, so as to bring or keep the risk within the University's risk appetite (where possible). The administrative leads are also responsible for briefing the academic lead on the current status of the risk in advance of the Senior Leadership Team meeting. This may involve liaising with other colleagues who are responsible for delivering specific mitigating actions. Where multiple Senior Officers are identified for a single risk, those individuals are expected to liaise and collaborate with colleagues to ensure that appropriate action is being taken to mitigate the risk.
Committee	Nominated committee(s) with responsibility for having oversight of a particular risk, relating to its area of business. Each committee should: <ul style="list-style-type: none"> • be aware of the risk register and current risk environment in all of its decision-making activity; • review thoroughly those University risks for which it has oversight, on at least an annual basis; and • monitor mitigating actions and risk indicators for the risks it has oversight of, and make recommendations to the senior leadership team and risk owners as and when necessary.

Internal Auditors

26. The Internal Auditors provide independent and objective assurance that the University's risk management, governance and internal control processes are adequately designed and operating effectively. The internal audit strategy will be developed around the University's priorities and the assessment of fundamental risks. The work programme will include an assessment of the effectiveness of the risk management process.

Governance and Compliance Division

27. A senior officer in the Governance and Compliance Division is responsible for:

- a) ensuring that this Policy is maintained and that appropriate explanatory guidance and training is provided;
- b) co-ordinating the reporting of risks to the Senior Leadership Team, the Audit Committee and Council; and
- c) reviewing School and NSI risk registers to ensure that there is a consistent approach to risk management and to identify any risks or trends from across the institution that may require escalation and consideration by the senior leadership team.

H: Related Policies and Further Guidance

28. Further guidance on the University's risk management processes, including training and practical tools, are provided by the Governance and Compliance Division and can be found on the [University's risk management webpages](#).

29. Please contact Riskmanagement@admin.cam.ac.uk for further information.