1. Risk management

Given the uncertainties faced by institutions, it is helpful explicitly to identify and address risks. Risk management involves:

- considering activities in a given area or department;
- identifying the risks involved (internal and external) in pursuing these activities;
- assessing the risks for probability and impact;
- eliminating those risks that can and should be eliminated;
- where appropriate reducing the likelihood or potential impact of remaining risks;
- developing contingency plans in case those remaining risks become reality;
- considering whether risks may be transferred by insurance or other contract.

Other important points to note are:

- that risks include lost opportunities;
- it will always be necessary to take some risks;
- risk management is a continual, ongoing process, because risks and uncertainties will change over time;
- all staff should contribute to the risk management process;
- staff should be empowered to implement solutions locally where they can, but to seek help with identified risks when necessary;
- the culture for discussion of risk should be open, positive and blame-free.

2. Reasons for adopting risk management procedures

The University adopts risk management procedures for the following reasons:

- effective risk management is good practice and will improve the way the University is run;
- regular consideration of risks helps heads of department to avoid problems and to plan;
- an understanding of risk areas is essential in developing University strategies and plans;
- regular reports of major risks help the Vice-Chancellor, University Planning and Resources Committee (UPARC) and the Board of Trustees to understand problems in the University;
- regular reporting of risk enables the Vice-Chancellor and the Board of Trustees to make appropriate financial or other provision where it is needed.

3. The University of Bristol’s risk management process and procedures

The University’s Risk Management process is co-ordinated by the Strategic Planning and Governance Office on behalf of the Registrar and University Secretary. The Office provides guidance on risk management at the University. The most up-to-date guidance is provided on the Strategic Planning and Governance website (www.bristol.ac.uk/governance/risk).

3.1 The Risk Register

- The University holds a central Risk Register, which contains risk evaluation forms for the most significant risks facing the University each year.
- The Risk Register is updated annually as part of the Annual Risk Review.
- The Risk Register is divided into risk areas each with its own risk owner. These risk areas loosely align to the University’s Professional Services Divisions and Faculties. The risks areas occasionally change to reflect changes in the
University’s organisation. The most up-to-date list of risk areas and risk owners is included in the guidance mentioned above.

- The Risk Register is held electronically on a shared drive on the University server. It is administered by the Strategic Planning and Governance Office.
- Each risk within the Risk Register is given a reference number. This relates to the year and the risk area (for example HR/14/01 is the first risk in the Human Resources risk area in 2014) and will therefore change from one year to the next.

3.2 Risk evaluation

- Risks to the University are articulated and evaluated using a risk evaluation form (appended to the risk management guidance).
- Each risk is considered in terms of the nature of the risk, the consequence if the risk event occurred, current controls to reduce the risk, planned and potential further actions, contingency plans and warning indicators. Action owners, indicative costs and proposed timelines are identified within the form.
- Each risk is given a gross risk score (if no controls were operating), a net risk score (taking into account the current controls in place) and a residual risk score (based upon planned actions being carried out).
- The scoring is based on the likelihood of a risk materialising and the impact on the University as a whole if the risk were to materialise. Guidance is provided on scoring to ensure a degree of consistency between risks.

3.3 The role of risk owners

Risk owners are responsible for the management of their individual risks. This includes liaising with other action owners identified within their risks.

- Risk owners are expected to update their risk evaluation forms once a year but to consider their risks as part of day to day management. Risk owners are responsible for ensuring that risks are discussed with relevant committees and groups including the relevant committees of the Board/Senate (as appropriate).
- Risk owners are expected to consider their risks in relation to resource and activity planning.

3.4 The Annual Risk Review

- Once a year the Risk Register is updated and a review of all risks and the general risk environment is carried out.
- A Risk Review document is presented to UPARC and the Board. This articulates and discusses key risks and risk themes. It also describes in brief the risk evaluation and management process, and highlights changes within the Risk Register (for example the introduction of new risks, or general increases or decreases in the scoring of risks).
- The University Risk Register is appended to the Risk Review document. All risks with a University-level impact (i.e. an impact score of 3 or higher according to the scoring guidelines) are included in the Register. Risks submitted by faculties are not listed separately where they have also been identified as corporate risks.

4. The role of committees and groups

4.1 UPARC

- UPARC receives a draft version of the Annual Risk Review prior to its submission to the Board of Trustees and has an opportunity to comment and inform the final document presented to the Board. UPARC is able to consider risk management from the perspective of the senior management of the University.
4.2 Committees of the Board of Trustees and Senate

- Those committees of the Board and Senate whose remits align with particular risk areas are consulted on the evaluation and management of the risks pertinent to their area, prior to the submission of the Annual Risk Review to the Board.

4.3 The Board of Trustees

- The Board receives and considers the Annual Risk Review.

4.4 Audit Committee

- Audit Committee is responsible for providing assurance to HEFCE (via its Annual Report, addressed to the Vice-Chancellor and the Board of Trustees) that the University’s arrangements for risk management, control and governance (among other things) are adequate and effective. Such assurance is provided to the Audit Committee each year through the report from the internal auditors following an annual audit of the University’s risk management procedures. The Audit Committee may elect to receive the Annual Risk Review subsequent to or following its presentation to the Board of Trustees, depending on the timing of the internal audit.

5. Risk management at Faculty/ Departmental/ Divisional and project level

Not all risks identified at Faculty/ School/ Divisional level present a significant enough risk to the University as a whole to be included in the University Risk Register. However, all risks submitted by Faculties and Divisions are stored centrally by the Strategic Planning and Governance Office, even if they are not ultimately significant enough to be represented on the University Risk Register as presented to the Board. Divisions, Faculties and Schools are encouraged regularly to review, monitor and manage all identified risks at a local level. The University adopts the Prince II methodology for project management which includes the management of risks associated with programmes and projects.

Approved by the Board of Trustees (then Council)
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