

ROYAL VETERINARY COLLEGE RISK MANAGEMENT STRATEGY AND POLICY

Part A. Risk Management Strategy

Part B. Risk Management Policy

1. Risk appetite
2. Roles and responsibilities
3. Risk management process

Status	Draft
Responsible Officer / Department	COO (Governance)
Approvals	College Executive Committee – 04 th September 2024
	Audit & Risk Committee – 19 th September 2024
	Council – 27 th November 2024
Review Date	3 years from Council approval or sooner as required

A) RISK MANAGEMENT STRATEGY

In accordance with Office for Students requirements, its duties as a public body, the CUC Higher Education Code of Governance, and in meeting its responsibilities to key stakeholders, the RVC provides assurance to Council via a robust and comprehensive system of risk management and control environments.

Although not all risks can be eliminated, effective risk management is a fundamental element of good management and provides a framework for prioritisation of activities, how they may be best supported and protected from threats. The objectives of the RVC risk strategy are to:

- Ensure that key risks are identified and managed appropriately
- Enhance quality of decisions where both opportunities and risks are present
- Assist in better prioritisation of resources to support strategic objectives
- Create a culture of accountability and risk thinking
- Integrate risk management with planning activity, including development and implementation of the strategic plan, operational plans and performance monitoring
- Comply with best practice, including the CUC Higher Education Code of Governance

The RVC's risk management process includes a framework allowing for risk identification, assessment of likelihood and impact of the risk, identification of controls and indicators, a decision regarding appropriate mitigation (reduce, transfer, avoid or accept) and ongoing monitoring and review. A risk owner is identified to ensure accountability for managing the risk. This document sets out the policy and procedures for risk management at the RVC and replaces earlier documentation.

B) RISK MANAGEMENT POLICY

This policy supports the risk management strategy, ensuring that the RVC has the skills and structures in place for effective risk management. It allows information regarding internal capability and resilience to external changes to enhance decision making and support the strategic objectives of the RVC.

1. Risk Appetite

An institution's willingness to accept risk in pursuit of its objectives is known as a risk appetite. The RVC's risk appetite is set by Council and it informs the approach to risks that the RVC should consider in pursuit of its strategic objectives. Any significant exposures to risk are brought to the consideration of Council as it is ultimately responsible.

2. Roles and Responsibilities

The roles and responsibilities supporting the RVC risk management policy are as follows:

2.1 Council is ultimately responsible to ensure that the system of risk management, control and governance is adequate, rigorous and effective so that the RVC is appropriately managing its risks and integrates risk considerations into strategy and operations. In order to fulfil its duties, Council delegate risk management assurance duties to the Audit and Risk Committee: They also:

- Approve the institutional risk appetite on an annual basis to ensure tolerance levels are appropriately defined
- Review and approve the risk management strategy and policy
- Approve major decisions affecting the RVC's risk exposure to ensure appropriate due diligence
- Review the Strategic Risk Register
- Identify areas of risk for focussed discussion as required
- Sign off the statement of control in the corporate governance section of the audited financial statements based on the work of the internal and external auditors and reports from the Audit and Risk Committee

2.2 Audit and Risk Committee is responsible to Council for seeking assurance on the adequacy and effectiveness of the RVC's arrangements for risk management and control environments. Its remit includes:

- Review the work of internal and external auditors along with relevant management responses and implementation plans
- Ensure that management has in place a process that appropriately identifies, evaluates, manages and reports on key risks and within the RVC's risk appetite
- Agree and review the institutional risk appetite
- Review and approve the risk management strategy and policy
- Review the Strategic Risk Register and the risk management strategy, policy and methodology, to ensure they are appropriate and effective
- Report to Council on any issues that may affect the RVC's strategic objectives or risk exposure through the submission of minutes, verbal briefings by the Chair of the Audit and Risk Committee.

At every meeting the Audit and Risk Committee receives an updated Strategy Risk Register. These updates include moments to net risk scores, confirmation of implemented and to be implemented mitigating actions, and new risks added to the register.

2.3 Other Sub-Committees of Council are responsible for reporting risks to the Head of Governance and Risk.

2.4 The University President & Principal is responsible to Council for the leadership of the RVC, including ensuring that the RVC has implemented and is operating an effective system of risk management. In order to fulfil those duties, the **University President & Principal** is supported by the College Executive Committee.

2.5 The College Executive Committee [CEC] will identify, evaluate and manage strategic and operational risks, and provide assurance to Audit and Risk Committee and Council regarding risk management measures and their effectiveness. In doing so the CEC will:

- Identify, evaluate and manage strategic risks, and provide timely reporting to Audit and Risk Committee and Council regarding the RVC's exposure and implemented controls
- Ensure risk management is linked to strategic planning and RVC priorities
- Identify and instruct functional leads, department heads, project leads, affiliate directors to complete operational risk registers and ensure these insights are connected and fed into strategic risk considerations
- Review operational risk registers and emerging risk assessments, identify significant risks, assign risk owners and based on RVC risk appetite, direct mitigating actions, timelines and reporting requirements

- Maintain the Strategic Risk Register and report it to Audit and Risk Committee and Council
- Review RVC's risk strategy and policy and ensure it is fit for purpose
- Review the risk appetite statement and ensure RVC activities are compliant

2.6 Functional leads, HODs/Cost Centre Managers, Project Leads and Affiliate directors and others as identified by CEC, will:

- Submit operational risk registers bi-annually
- Identify, monitor and manage internal unit level risks
- Propose risk owners, mitigation and resources required to manage risks identified

2.7 Risk Owners are responsible for ongoing risk monitoring, management and reporting to functional leads and CEC of the status and effectiveness of controls

2.8 Head of Governance and Risk

- Ensures that RVC risk management supports strategic and resource planning objectives by supporting the risk strategy and policy
- Supports efficiency and effectiveness of risk management systems and tools by translating ongoing feedback into system/tool improvements
- Receives and collates all risk registers for submission to CEC/Audit and Risk Committee/Council, and that the insights arising are provided for further decision-making
- Ensures the Strategic Risk Register is up to date and that recommendations arising from reviews are completed by risk owners
- RVC resource for risk management queries, toolkits and training

2.9 RVC Employees are encouraged to remain aware of potential risks in their day-to-day work and should report risks to their supervisor or the relevant risk contact. Where appropriate, employees can also use the whistleblowing process to share risks of concern

2.10 Internal Auditors

- Determine the internal audit plan through a risk-based approach
- Provide reports and assurances to Audit and Risk Committee with respect to RVC's arrangements for risk management, control and governance.
- Produce an Annual Report for Council and University President & Principal and for consideration by the Audit and Risk Committee that includes an opinion on the adequacy and effectiveness of the RVC's arrangements for risk management, control and governance

2.11 External Auditors

- Consider whether the statement of control included in the corporate governance section of the audited financial statements, with regards to risk management, is consistent with their knowledge of the RVC

3. Risk Management Process

The RVC uses a method of risk management whereby risk-related information is regularly reported through existing management structure across all levels of the institution and Council. The structure also accommodates unanticipated emerging risks.

The RVC uses risk management tools that are meaningful and standardised across the RVC, creating a sustainable and practical approach.

There is an obligation to inform Council, or at least the Chair, if the CEC decides to suspend the usual risk management process. Under crisis conditions or under emergency situations, the CEC may choose to use either agreed formal risk management processes such as the institutional continuity plan, or may develop ad hoc working methods, best suited to managing specific risks in a swift and effective manner.

Risk management tools include:

- Risk assessment template for emerging/unanticipated risk; allowing the inclusion of new or significantly changed risks into existing reporting mechanisms out of regular reporting times, particularly when the timeline to address the risk is immediate
- Risk registers for monitoring ongoing risk; on a functional unit/department level as well as strategic level, the operational risk registers and strategic risk register.
- Institutionally agreed IMPACT and LIKELIHOOD scale, with narrative guidelines to assist scoring in a standardised way across the RVC
- Where CEC uses alternative tools and crisis methods, it should revert to, and ensure that the information from these exercises is embedded back into, the risk management process.

3.1 Operational Risk Registers are typically established and maintained by Heads of Departments (HoD). HoDs are responsible for reviewing and updating their respective risk register bi-annually (January and July). The revised operational risk registers are reviewed by the CEC at its next meeting.

3.2 Strategic Risk Registers are reviewed and updated by Risk Owners and CEC three times a year.

4 Risk Identification and Escalation

RVC employees are encouraged to consider and discuss with their peers and managers existing and emerging risks associated with their main activities and outputs.

Any new identifiable risks and/or adverse changes to existing risks should be escalated to the relevant HoD. The Governance Team is available to support this process and to address all queries in relation to this policy.

5 Further Guidance and Support

Queries in relation to the RVC Risk Management Strategy and Policy can be submitted to the Governance Team on Governance@RVC.ac.uk