Risk management: guidance for UEG, faculties, schools, professional services, programme and project leads

Introduction

The International Standard on Risk Management (ISO 31000:2018) defines risk as 'the effect of uncertainty on objectives'[1]. Following this standard correctly will help us as an organization increase the likelihood of achieving objectives, improve the identification of opportunities and threats and effectively allocate and use resources for risk treatment.

Effective risk management is synonymous with good management and good governance; and at the University it is one of the key institutional tools employed as we seek to meet our aims as set out in the Strategic Plan.

In addition to this, the University Council has adopted a Risk Appetite[2] Framework to provide a helpful point of reference for the executive and the Council when considering strategic decisions.

The University recognises that it must take risks to deliver its strategy and its objectives; it must also be alert to risks arising from events outside of its control within an environment that is volatile, uncertain, complex and ambiguous (VUCA). It must take risks in a controlled manner within this VUCA environment, reducing the exposure to a level deemed acceptable by the University Council and Executive Group.

The risk appetite is not necessarily static. In particular, the University Council and Executive Group will have freedom to vary the amount of risk which it is prepared to take depending on the circumstances at the time. The time-based aspect of risk appetite is a key attribute to agile decision making. The appetite will vary depending on the type of risk.

Risk appetite is defined as "the amount and type of risk that an organisation is willing to pursue or retain" (ISO 73:2009). Risk appetite is not a single, fixed concept. There will be a range of appetites for different risk categories. The University uses a four-level approach to setting risk appetite and more details are set out in a separate Risk Appetite Framework document.

This Risk Management Guidance document aims to provide practical guidance to all those at the University, including:

- University Executive Group (UEG)
- Heads of Schools
- Heads of Professional services
- Programme and Project leads

and all those who create and protect value within all University activities by managing risks, making decisions, setting and achieving objectives and improving performance.

Summary of existing risk management arrangements

1. The University seeks to operate a systematic process of risk management which is both bottom up and top down, integrated into existing structures and aligned to its strategic aims. The approach is deliberately multi-faceted, to maximise the chances of successfully identifying risks and to ensure so far as possible that risks feature at the front of management thinking at all levels within the institution.

---

2. The Council is ultimately responsible for risk management arrangements, but the ARC acts on behalf of the Council in overseeing those arrangements.   At the executive level, risk management arrangements are the responsibility of the Chief Financial Officer, supported by the Director of Risk Management, whose office maintains an institutional risk register.

3. The register categorises institutional risks as follows:
   - Risks to the main strands of the University's Strategic Plan relating to:
     - ~ *Student education*
     - ~ *Research and innovation*
     - ~ *International-related activities*
     - ~ *Human resources*
     - ~ *Facilities and infrastructure*
   - Overarching financial risks
   - Reputational risks
   - Hazard risks
   - Other operational risks (not easily categorised as above).

4. UEG reviews risks at least once a year. There are two separate components:
   a) A review of the risk register; they are expected to identify any new risks, reassess existing risks where relevant, and monitor progress on managing existing risks.
   b) The outcome of a tabula rasa exercise is reviewed by way of a cross-bearing on the current key institutional risks.

5. The risk register and risk appetite statement are also reviewed once a year by the ARC, this exercise providing the opportunity for a more general review of risk management arrangements, and risk management within the scope of the internal audit programme. During the year the ARC also scrutinises a number of specific strands of the register in more detail, as part of its rolling programme of drilling down into the detail of some of the principal risks.

6. The formation of the risk register is also informed by any risks flagged to or by the Strategy and Investment Committee as it monitors the implementation of strategy.

Proposed new guidance (as of July 2019)

7. It is the responsibility of UEG, Heads of Schools, Heads of Professional Services and Programme and Project Leads to ensure that risk management is embedded in existing management processes, and that the risk process outlined in this document is followed.

   Specifically, they are responsible for ensuring that their area:
   - identifies, assesses and responds to key risks
   - establishes and maintains a risk register

   and for ensuring that:
   - o key risks are reported at management team meetings and emerging risks are discussed and recorded
   - o responsibility for each specific risk is allocated to an individual
   - o actions are identified and implemented
   - o an individual is appointed to manage the risk process within their area
   - o a regular review of risk is undertaken:
     - schools, faculties and services – at least annually as part of the IPE process
     - programmes and projects – monthly as part of regular programme & project meetings
   - o risk is assessed as part of every new project appraisal

   Best practice is for each area to have a nominated risk champion, who as part of an existing role, facilitates this process on behalf of the respective department head.

8. Heads of schools and services, and programme leads should report to their UEG lead any of the following when they are identified:
   - ➢ high impact, high likelihood risks
   - ➢ significant risks that are beyond the capacity of the school, service or programme to reduce or eliminate and/or that require transfer to another responsible body
   - ➢ risks where the school, service or programme requires assistance with reduction or elimination
   - ➢ risks that are likely to have a wider institutional impact.
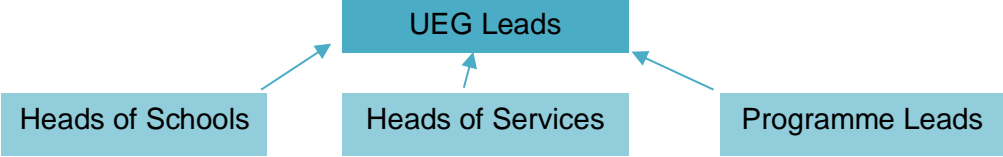
9. UEG leads are in turn asked to notify the Director of Risk Management of any risks which fall into one of the categories in 8 above when judged from the perspective of the faculty, service group or programme team.

10. The annual Integrated Planning Exercise (IPE) is a key element in the framework for monitoring, assessing and reporting risks at faculty, school and service level. Appropriate advice for this part of the process will be included in the annual IPE guidance.

Specific Guidance on the overall risk process

Overall risk assessment process

11. An outline of the risk assessment process is shown in the diagram below
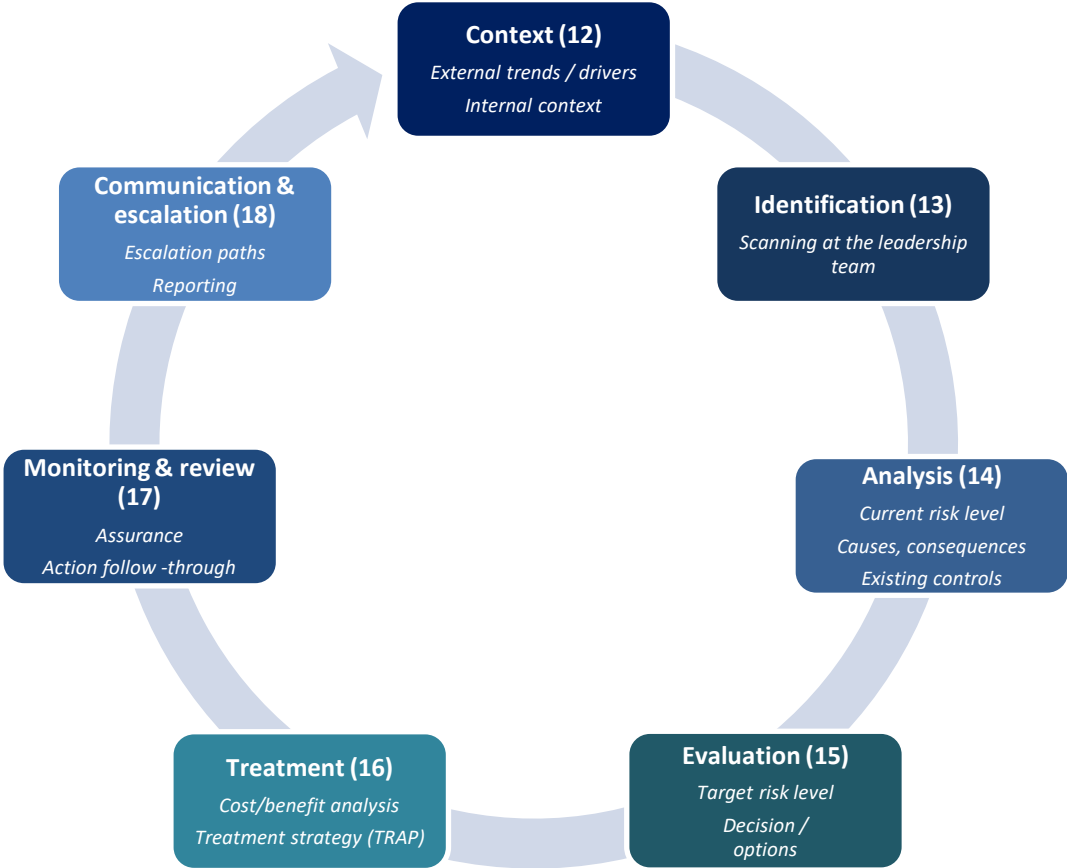
12. UEG leads, heads of schools, services, programme and project leads should ensure they take into account both the *external and internal factors that could influence the achievement of our objectives* prior to identifying key risks.

The external context may include, but is not limited to:
- the social, cultural, political, legal, regulatory, financial, technological, economic and environmental factors, whether international, national or local;
- key drivers and trends affecting the objectives of the University;
- external stakeholders' relationships, perceptions, values, needs and expectations;
- contractual relationships and commitments.

The internal context may include, but is not limited to:
- vision, mission and values;
- strategy, objectives and policies;
- the University's culture;
- capabilities, in terms of resources and knowledge (e.g. capital, time, people, intellectual property, processes, systems and technologies);
- data, information systems and information flows;
- inter-dependencies and interconnections.

Identification

13. Risks should be identified by reflecting on the external and internal context and considering what could hinder us from achieving the objectives of the University, the individual school, faculty or service, or those of the programme or project.

A risk identification session should be held within the respective leadership team, or project team meeting, involving participants with the appropriate knowledge and background to identify key risks for that part of the organization.

After an initial identification exercise has been completed, the session should be repeated annually in most cases. This annual review is used to verify the positioning of existing risks on the risk matrix, and to add any new risks that have arisen during the period. This exercise may be needed more frequently in a complex programme or project.

We strongly encourage you to use the methodology included in this document for identifying, analysing, evaluating, treating and reviewing all risks. We recommend use of the **risk register template** (Annex 3) to record the risk review and for ongoing monitoring.

Analysis

14. The next step of the risk assessment process is to analyse the risks identified by the respective team. The purpose of the risk analysis process is to assist in making decisions about which risks are most critical and need further review.

a) *Risk matrix positioning -* there are two main parameters for analysing identified risks:

~ **Likelihood** *–* how likely is it to happen? *(definitions: Annex 1)*

~ **Impact** *–* how significant might the consequences be?

Each risk needs to be carefully positioned on a risk matrix (as per Annex 2) to take into account where the group feels the **risk stands today with existing mitigating controls in place** – this is called the 'residual risk' (as shown in the risk matrix below).
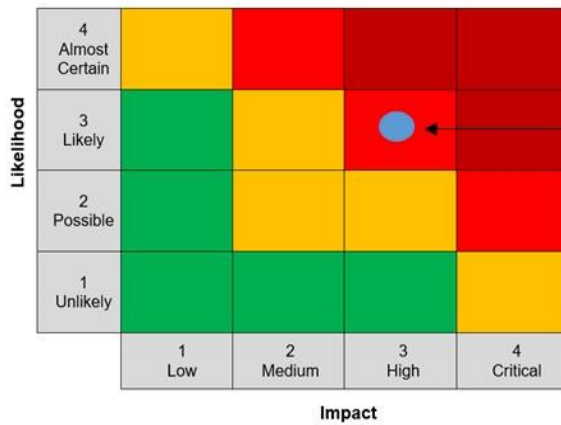
Residual risk – *Where the risk is today*

The current evaluation of the likelihood and impact of the risk (with existing controls and mitigations in place)

A **lead impact** driver should be agreed from Annex 1 (impact scales) to determine the overall impact for placing the risk on the risk matrix. The driver should be the potential impact on the strategy we are most concerned about should that specific risk materialize.

For example, a risk entitled "Poor education experience" is likely to have the following categorization:

Risk title	Lead impact driver
➢ Poor education experience	➢ Student Education Partnership

Once all identified risks have been placed on the matrix, the risk matrix will serve as a tool for prioritizing any further risk analysis. The risk matrix acts as a tool to reflect the University's appetite to risk, and the different areas of the matrix require a different response from the team identifying their risks.

The **residual risks** will be plotted in one of the following 4 areas of the risk matrix, and each area requires a different level of priority.

Matrix area	Risk label	Priority level
Green	Minor	**This risk can be tolerated** it represents no immediate threat or impact • These risks should not require further analysis or treatment as long as the existing mitigating controls remain in place. • A regular review of the minor risks should be made to ensure the current level of controls can be sustained to prevent the risk from increasing.
Amber	Moderate	**This risk may be tolerated** if the leadership team agree that no further risk analysis is required • A full risk analysis is not necessary per the University risk policy. • We strongly recommend further analysing and treating any risks considered to be fast-trending risks which could escalate into the red areas.
Red	Major	**This risk cannot be tolerated & more analysis is required** it poses an imminent threat, a mitigation plan needs to be prepared • It is recommended to further analyse any red risks and develop a comprehensive mitigation plan as a matter of urgency. • These risks should be closely monitored by senior management with the aim of reducing the risks to a lower level. • The mitigation plans will be subject to review by the UEG and the ARC.
Dark Red	Severe	**This risk cannot be tolerated & more analysis is urgently required** it poses an immediate threat, mitigating this risk is a necessity • A full risk analysis should be undertaken as soon as possible and a comprehensive mitigation plan needs to be urgently implemented (following the process below). • These risks should be closely monitored by senior management with the aim of reducing the risks to a lower level. • A clear target risk level should be set and a date agreed to reach it by. • The mitigation plans will be subject to review by the UEG and the ARC.

b) Cause consequence analysis

This analysis is aimed at developing a thorough understanding of the risks prioritized within the initial risk identification session.

A **Cause Consequence Analysis** is a simple process (as described in Annex 3) usually completed in a workshop that helps establish a common, holistic understanding of prioritized risks, and serves as a useful tool to discuss a potential treatment plan.

This is strongly recommended for red and dark red risks at a faculty level, a heads of services level and for major University strategic programmes. *A lighter version could be used for red or dark red risks within the schools or smaller projects e.g. a desktop analysis.*

To undertake this analysis a risk workshop should be held with the following structure:

- the risk owner, who has accountability for the specific risk, must chair the session and decide who attends
- a group of people (4-8 participants) should be assembled, having a good understanding of different aspects of the risk, e.g. a cross-functional team who can offer different views
- one person should act as a moderator and facilitate the risk assessment exercise (this role can be delegated to the local risk champion, of someone familiar with the process)

Following the process outlined in Annex 3, the outcome of the session should be a set of data as below which can be added to the **risk register template** (Annex 4).

Subject	Process questions	Output (for the risk register)
Risk description	• What is the risk? • How could it affect the achievement of our objectives?	• A clear risk description that can be understood by a third party
Causes	• Why might the risk occur? • Why would that happen?	• The key causes of the risk, including underlying drivers that may trigger the risk to occur.
Consequences	• What would the impact be if this risk materializes?	• A list of key consequences of the risk, including a description of the potential impacts.
Existing controls	• What existing processes or controls are in place to manage the risk? • How do we know these processes/controls are effective?	• A clear set of existing processes or controls that keep the risk at its current level. • A list of sources of assurance to monitor the effectiveness of these processes/controls

c) Adequacy of existing controls

Once you have identified the existing controls for the risk you are assessing, you need to evaluate the effectiveness of these controls in mitigating the risk. This assessment should be recorded on the risk register template as an assessment of the overall level of existing control effectiveness. Guidance is provided in Annex 5 (Assessing the adequacy of controls) describing how controls should be assessed using a Red, Amber, Green scale.

Controls are considered to be management systems, codes of practice, processes, policies, governance bodies, regulations, etc. that we have implemented and embedded in the organization to manage and control the risk.

Risk owners (accountable) and action owners (doer)

Wherever possible a risk 'owner' should be identified – someone who has overall accountability for managing that particular risk. The risk owner may delegate specific actions to an "action owner" or "doer".

Evaluation

15. Once we are clear on the current status of the specific risk we need to determine where additional action is required, given our appetite for risk in that specific area. We agree a target risk level and decide on the next steps to take us there.

   a) Target risk level
   We need to compare the current risk level (residual risk level) versus our risk appetite statement (as set out in the introduction) and determine as a review team where we should set the target level for the risk, i.e.

   ~ **Target Likelihood** – do we want to reduce the likelihood of the risk occurring?
   ~ **Target Impact** – do we want to reduce the potential impact if the risk occurs?

   In simple terms, 'where do we want to take the risk?'
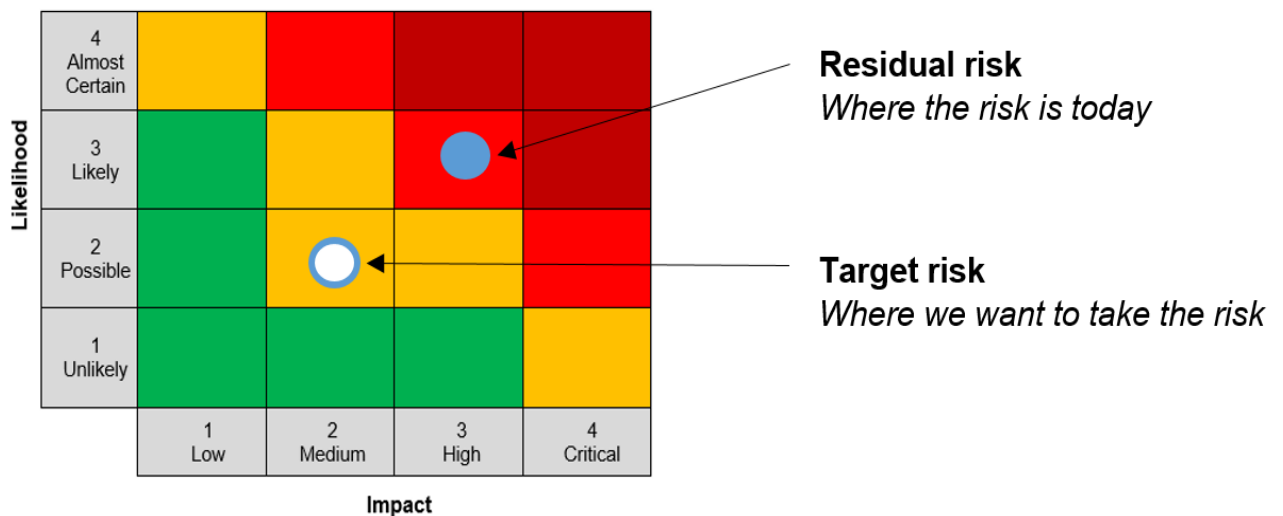
   We should also agree a realistic due date for reaching this target risk level.

   b) Decision
   Having agreed a target risk level this should help inform a clear decision around the next steps for this specific risk. A choice should be made from the following:

   - do nothing further;
   - consider risk treatment options;
   - undertake further analysis to better understand the risk;
   - maintain existing controls;
   - reconsider the objectives driving the risk.

   The 'do nothing' option will only be appropriate if the residual risk level is already within our risk appetite tolerance level, or the target risk level is identical to the current, residual risk level.

   If a decision has been made to consider further risk treatment, the steps outlined below should be followed.

Treatment

16. The purpose of risk treatment is to select and implement options for addressing the risk. Selecting the most appropriate risk treatment option(s) involves balancing the potential benefits derived in relation to the achievement of the objectives against the costs, effort or disadvantages of implementation.

To help you decide on this balance we recommend completing a **high level cost*/benefit** analysis** against any proposed mitigating actions:
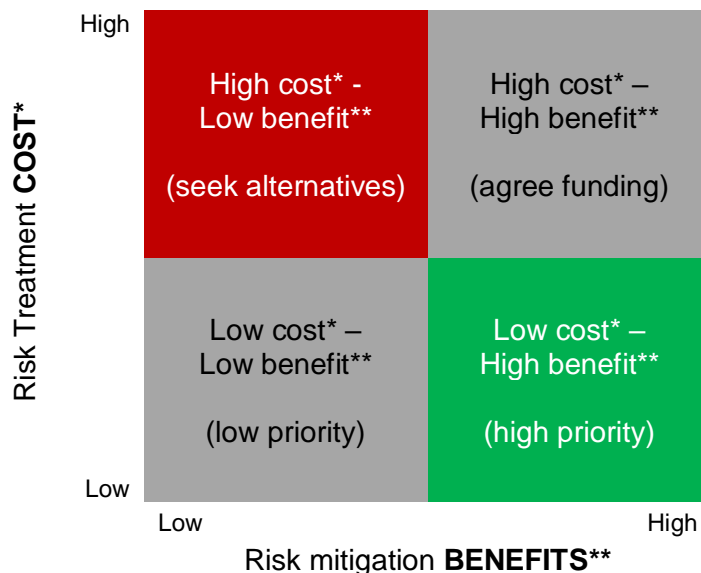
| *Costs | can include intangible costs, e.g. lost opportunities, potential employee impacts, project delays, etc. as well as financial |

| **Benefits | can also include intangible benefits, e.g. improved employee morale, improved customer satisfaction, faster delivery, etc. as well as financial. |

Using an iterative process, this simple framework can be used against the four main strategies for risk treatment, described by the **TRAP** acronym:

Strategy	Description
Terminate	Avoid the risk by deciding **not to start or continue with the activity**
Reduce	Treat the risk by **implementing mitigating actions and controls**
Accept	If the costs associated with implementing mitigation measures outweigh the perceived benefits of treating the risk, **we may decide to accept the current risk level**
Pass on	**Transfer the risk** to an insurer or 3rd party such as a customer or supplier.

A number of treatment options can be considered and applied either individually or in combination. For instance, it may be possible to 'reduce' parts of the risk by implementing preventative actions, and at the same time, 'pass on' the remainder of the risk through insurance.

Once a risk treatment plan is agreed, action owners are appointed by the risk owner with responsibility for individual actions. These actions need to be fully defined on the risk register with clear due dates assigned to each action.

Monitoring and review

17. Risks are expected to be reviewed by the relevant leadership team, or committee, ideally on a quarterly basis. In the case of faculties and services we would expect a bi-annual review around November and April.

Risk dashboard

A one-page risk dashboard and an overdue actions report should be issued as a pre-read before each of these quarterly meetings. Refer to Annexes 7 and 8 for recommended templates. Your local risk coordinator, or risk champion, can support this.

If available, it is also recommended to use key performance indicators and/or key risk indicators to measure progress in mitigating the risks. These should not be setup in isolation as best practice would be to use indicators that are currently used to measure progress against our strategy and objectives.

Agenda items for risk review on leadership or committee meetings
The risk element of the relevant meeting agenda should be structured as follows:

Agenda item	Intent
1. Review risk dashboard	Review of a one page risk dashboard showing the status of the mitigating actions against key risks. This should include for all RED and AMBER risks: • a review and update of the likelihood and impact of the risks • a review of the control and action status (refer to Annexes 5 and 6 for RAG definitions). Any RED status needs to be urgently addressed in the meeting • highlights of any major development of the any risks • a review of any data gaps and next steps agreed to address them
2. Overdue actions	Review of a one page overdue actions report and agree any interventions. Classify action priorities: • need to be completed prior to the next review meeting • need to be reviewed at the next meeting (as a specific item on the agenda)
3. Deep dive	Each quarter, one or two RED risks should be reviewed in more depth, led by the risk owner. The structure of this review can include an: • overview of the risk scenario including the underlying causes & consequences • overview of the existing mitigating controls and their status • overview of the ongoing action plan to move towards the target risk level
4. New / emerging risks	Reviewing any new or emerging risks (ideally having been assessed together with the risk champion prior to the meeting)

Annual risk review meeting
On an annual basis a full review of risks needs to be completed in the respective leadership team or committee. The agenda should be the same as the quarterly meeting, but the scope is all risks, not just amber and red risks

The entire risk matrix needs to be reviewed, resulting in a reprioritized risk matrix which is realigned with the relevant strategy or objectives.

Following the meeting, the full risk process should be followed for any new risks.

Communication & escalation

18. Risks may need escalating to University level risk bodies if the team believes there are barriers, including resources, which prevent them from mitigating the risk per the agreed treatment plan. Additionally, the relevant lead may believe broader awareness may be necessary for a specific risk or mitigation plan.

    Typical escalation routes would be:
    - Project Leads to an overall Programme Lead
    - Programme Leads to the UEG Sponsor
    - Heads of Schools to Executive Deans of the respective Faculty
    - Heads of Professional Services to their respective UEG lead

    Any risks that members of UEG consider necessary to escalate further should be discussed in the first instance with the Director of Risk Management and the Chief Financial Officer. An appropriate escalation path to UEG, ARC and/or Council will be agreed together with the respective UEG lead.

Documentation and reporting

19. A recommended template for risk registers is shown as Annex 4.

    This form is used to record actions used to mitigate or eliminate the risk, the person responsible for the actions and the dates by which actions are taken or should be taken.

    It also serves as a useful audit trail for those risks where the risk score has changed or has been eliminated completely.

Further guidance

20. Please contact the Director of Risk Management if you require further guidance on risk management, by referring to Annex 9, which also contains sources for further reading.

Criteria for evaluating likelihood and impact of risk

Both the likelihood and the impact of any particular risk are to be scored in a four-point scale as shown below.

A **Lead Impact** should be determined by choosing one element of the strategy we believe would be most impacted if that specific risk were to materialize. The lead impact is aligned to the updated University strategy and each element is described below. There are a number of overarching priorities, which if considered to be the lead impact should take precedence.

The risk score is the multiple of likelihood and impact.

Likelihood

Scale	Description	Example
4 Almost certain	A risk that is *almost certain* to arise (> 90% probability)	Change to visa regulations lead to pressures on international recruitment
3 Likely	A risk that is *likely* to arise (50-90% probability)	Increased USS costs
2 Possible	A *possible* risk that could happen (10-50% probability)	Major power cut on campus
1 Unlikely	A risk that is *unlikely* to occur (<10% probability)	Terrorist attack on University

Lead Impact Definitions by Scale

Overarching Priorities		Scale			
		(1) *Low*	*(2)* *Medium*	*(3)* *High*	*(4)* *Critical*
Lead Impact – Overarching Priorities	**Compliance**	Minor compliance breach only, no reprimand or sanctions (other than an improvement notice)	Significant compliance breach leading to reprimand or sanctions	Major compliance breach leading to suspension or partial closure of business	Critical breach leading to closure of University (or Faculty/Service)
	Financial	Key UoL risks: Surplus i.e. bottom-line impact < £2m Faculties & services: Should tailor the financial loss, or cost, to their size Programmes: Impact <5% of Total Approved Project Sum	Key UoL risks: Surplus i.e. bottom-line impact £2m to £5m Faculties & services: Should tailor the financial loss, or cost, to their size Programmes: Impact 5-10% of Total Approved Project Sum	Key UoL risks: Surplus i.e. bottom-line impact £5m to £10m Faculties & services: Should tailor the financial loss, or cost, to their size Programmes: Impact 10-15% of Total Approved Project Sum	Key UoL risks: Surplus i.e. bottom-line impact >£10m Faculties & services: Should tailor the financial loss, or cost, to their size Programmes: Impact >15% of Total Approved Project Sum
	Reputation	Isolated student or stakeholder criticism. No Negative media coverage.	University-wide negative publicity (e.g: student newspaper) or short term regional media coverage.	Long term negative publicity in national media or short-term negative publicity in national and international media.	Sustained negative publicity (national and/or International), impacting TEF, NSS and league tables.

Academic Strategy		(1) Low	(2) Medium	(3) High	(4) Critical
Lead Impact – Strategic	**Digital: Capabilities**	Minor impact to the delivery of the Digital Transformation strategy to Improve our Capabilities to conduct high-quality, collaborative and globally impactful challenge-based research & innovation	Moderate impact on delivering the Digital Transformation strategy to Improve our Capabilities to conduct high-quality, collaborative and globally impactful challenge-based research & innovation	Major threat to the delivery of the Digital Transformation strategy to Improve our Capabilities to conduct high-quality, collaborative and globally impactful challenge-based research & innovation	Delivery of the Digital Transformation strategy to Improve our Capabilities would be severely impacted, or seriously at threat.
	Digital: Educational Provision	Minor impact to the delivery of the Digital Transformation strategy to Enhance Our Educational Provision and grow our fully online education portfolio.	Moderate impact on delivering the Digital Transformation strategy to Enhance Our Educational Provision and grow our fully online education portfolio.	Major threat to the delivery of the Digital Transformation strategy to Enhance Our Educational Provision and grow our fully online education portfolio.	Delivery of the Digital Transformation strategy to Enhance Our Educational Provision would be severely impacted, or seriously at threat.
	Digital: Ways of Working	Minor impact to the delivery of the Digital Transformation strategy to Enhance Ways of Working, Campus Facilities and Operations.	Moderate impact on delivering the Digital Transformation strategy to Enhance Ways of Working, Campus Facilities and Operations.	Major threat to the delivery of the Digital Transformation strategy to Enhance Ways of Working, Campus Facilities and Operations.	Delivery of the Digital Transformation strategy to Enhance Ways of Working, Campus Facilities and Operations would be severely impacted, or seriously at threat.
	International: Global Community	Minor impact to the delivery of the International strategy to Continue to Build and Support Our Global Community by attracting and engaging with a globally connected community of staff, students and alumni.	Moderate impact on delivering the International strategy to Continue to Build and Support Our Global Community by attracting and engaging with a globally connected community of staff, students and alumni.	Major threat to the delivery of the International strategy to Continue to Build and Support Our Global Community by attracting and engaging with a globally connected community of staff, students and alumni.	Delivery of the International strategy to Continue to Build and Support Our Global Community would be severely impacted, or seriously at threat.
	International: Global Mindset	Minor impact to the delivery of the International strategy to Foster and Embed a Global Mindset throughout the University across all our activity.	Moderate impact on delivering the International strategy to Foster and Embed a Global Mindset throughout the University across all our activity.	Major threat to the delivery of the International strategy to Foster and Embed a Global Mindset throughout the University across all our activity.	Delivery of the International strategy to Foster and Embed a Global Mindset would be severely impacted, or seriously at threat.

Academic Strategy		(1) Low	(2) Medium	(3) High	(4) Critical
Lead Impact – Strategic	**International: Global Partnerships**	Minor impact to the delivery of the International strategy to Create Global Partnerships that provide international learning and research opportunities to develop engaged global citizens and world-changing R&I.	Moderate impact on delivering the International strategy to Create Global Partnerships that provide international learning and research opportunities to develop engaged global citizens and world-changing R&I.	Major threat to the delivery of the International strategy to Create Global Partnerships that provide international learning and research opportunities to develop engaged global citizens and world-changing R&I.	Delivery of the International strategy to Create Global Partnerships would be severely impacted, or seriously at threat.
	International: International Reputation	Minor impact to the delivery of the International strategy to Enhance Our International Reputation by extending our worldwide reach and delivering global impact.	Moderate impact on delivering the International strategy to Enhance Our International Reputation by extending our worldwide reach and delivering global impact.	Major threat to the delivery of the International strategy to Enhance Our International Reputation by extending our worldwide reach and delivering global impact.	Delivery of the International strategy to Enhance Our International Reputation would be severely impacted, or seriously at threat.
	R&I: Remove Institutional Barriers	Minor impact to the delivery of the R&I strategy to Remove Institutional Barriers and promote Leeds as a "University without walls" to support interdisciplinarity and effective external partnerships.	Moderate impact on delivering the R&I strategy to Remove Institutional Barriers and promote Leeds as a "University without walls" to support interdisciplinarity and effective external partnerships.	Major threat to the delivery of the R&I strategy to Remove Institutional Barriers and promote Leeds as a "University without walls" to support interdisciplinarity and effective external partnerships.	Delivery of the R&I strategy to Remove Institutional Barriers would be severely impacted, or seriously at threat.
	R&I: Research Income	Minor impact to the delivery of the R&I strategy to Enhance and Diversify Our Research Income and the impact it generates, building on the success of Nexus, MIT REAP and the Business Engagement Framework.	Moderate impact on delivering the R&I strategy to Enhance and Diversify Our Research Income and the impact it generates, building on the success of Nexus, MIT REAP and the Business Engagement Framework.	Major threat to the delivery of the R&I strategy to Enhance and Diversify Our Research Income and the impact it generates, building on the success of Nexus, MIT REAP and the Business Engagement Framework.	Delivery of the R&I strategy to Enhance and Diversify Our Research Income would be severely impacted, or seriously at threat.
	R&I: Research Reputation	Minor impact to the delivery of the R&I strategy to Further Our Reputation for high quality challenge-led, interdisciplinary research underpinned by our disciplinary fundamental research strengths.	Moderate impact on delivering the R&I strategy to Further Our Reputation for high quality challenge-led, interdisciplinary research underpinned by our disciplinary fundamental research strengths.	Major threat to the delivery of the R&I strategy to Further Our Reputation for high quality challenge-led, interdisciplinary research underpinned by our disciplinary fundamental research strengths.	Delivery of the R&I strategy to Further Our Reputation would be severely impacted, or seriously at threat.

Academic Strategy		(1) Low	(2) Medium	(3) High	(4) Critical
Lead Impact – Strategic	**R&I: Researchers & Research Staff**	Minor impact to the delivery of the R&I strategy to Support Our Researchers and Research Staff across their entire career to help them achieve their full potential & deliver fundamental and challenge-led research that will shape our future world.	Moderate impact on delivering the R&I strategy to Support Our Researchers and Research Staff across their entire career to help them achieve their full potential & deliver fundamental and challenge-led research that will shape our future world.	Major threat to the delivery of the R&I strategy to Support Our Researchers and Research Staff across their entire career to help them achieve their full potential & deliver fundamental and challenge-led research that will shape our future world.	Delivery of the R&I strategy Support our Researchers and Research Staff would be severely impacted, or seriously at threat.
	Student Education: Belonging	Minor impact to the delivery of the SE Belonging strategy (to foster an engaged and lifelong community of students, staff, alumni and partners).	Moderate impact on delivering the SE Belonging strategy (to foster an engaged and lifelong community of students, staff, alumni and partners).	Major threat to the delivery of the SE Belonging strategy (to foster an engaged and lifelong community of students, staff, alumni and partners).	Delivery of the SE Belonging strategy would be severely impacted, or seriously at threat.
	Student Education: Partnership	Minor impact to the delivery of the SE Partnership strategy (to engage students as partners in their education, through active and inclusive approaches to learning, and research-based content).	Moderate impact on delivering the SE Partnership strategy (to engage students as partners in their education, through active and inclusive approaches to learning, and research-based content).	Major threat to the delivery of the SE Partnership strategy (to engage students as partners in their education, through active and inclusive approaches to learning, and research-based content).	Delivery of the SE Partnership strategy would be severely impacted, or seriously at threat.
	Student Education: Sustainability	Minor impact to the delivery of the SE Sustainability strategy (to embed a sustainable approach to delivering high-quality, research-based education).	Moderate impact on delivering the SE Sustainability strategy (to embed a sustainable approach to delivering high-quality, research-based education).	Major threat to the delivery of the SE Sustainability strategy (to embed a sustainable approach to delivering high-quality, research-based education).	Delivery of the SE Sustainability strategy would be severely impacted, or seriously at threat.
	Student Education: Transformation	Minor impact to the delivery of the SE Transformation strategy (to provide an outstanding education that is underpinned and enhanced by sector-leading pedagogies, digital resources and technologies).	Moderate impact on delivering the SE Transformation strategy (to provide an outstanding education that is underpinned and enhanced by sector-leading pedagogies, digital resources and technologies).	Major threat to the delivery of the SE Transformation strategy (to provide an outstanding education that is underpinned and enhanced by sector-leading pedagogies, digital resources and technologies).	Delivery of the SE Transformation strategy would be severely impacted, or seriously at threat.

Impact (Enabling Strategy)

Enabling Strategy		(1) *Low*	(2) *Medium*	(3) *High*	(4) *Critical*
Lead Impact – Enabling Strategy	**Cultural Shift**	Minor impact to the delivery of the strategy to realise a significant Cultural Shift in the organisation.	Moderate impact on delivering the strategy to realise a significant Cultural Shift in the organisation.	Major threat to the delivery of the strategy to realise a significant Cultural Shift in the organisation.	Delivery of the strategy to realise a significant Cultural Shift in the organisation would be severely impacted, or seriously at threat.
	Future Campus Use	Minor impact to the delivery of the strategy to optimise the Future Use of Our Campus.	Moderate impact on delivering the strategy to optimise the Future Use of Our Campus.	Major threat to the delivery of the strategy to optimise the Future Use of Our Campus.	Delivery of the strategy to optimise the Future Use of Our Campus would be severely impacted, or seriously at threat.
	Health, Safety & Wellbeing	Minor impact to the delivery of the strategy to promote and enable Healthy and Safe Conditions which support the health, safety and Wellbeing of our diverse community.	Moderate impact on delivering the strategy to promote and enable Healthy and Safe Conditions which support the health, safety and Wellbeing of our diverse community.	Major threat to the delivery of the strategy to promote and enable Healthy and Safe Conditions which support the health, safety and Wellbeing of our diverse community.	Delivery of the strategy on Health, Safety & Wellbeing would be severely impacted, or seriously at threat.
	Operating Model	Minor impact to the delivery of the strategy to Transform Our Institutional Operating Model.	Moderate impact on delivering the strategy to Transform Our Institutional Operating Model.	Major threat to the delivery of the strategy to Transform Our Institutional Operating Model.	Delivery of the strategy to Transform Our Institutional Operating Model would be severely impacted, or seriously at threat.
	Organisational Structures	Minor impact to the delivery of the strategy to Refresh our Organisational and Deliberative Structures to enhance our strategic and operational agility.	Moderate impact on delivering the strategy to Refresh our Organisational and Deliberative Structures to enhance our strategic and operational agility.	Major threat to the delivery of the strategy to Refresh our Organisational and Deliberative Structures to enhance our strategic and operational agility.	Delivery of the strategy to Refresh our Organisational and Deliberative Structures to enhance our strategic and operational agility would be severely impacted, or seriously at threat.
	Society	Minor impact to the delivery of the strategy to Enable the University to Fully realise its place in, value to, and positive impact on Society.	Moderate impact to the delivery of the strategy to Enable the University to Fully realise its place in, value to, and positive impact on Society.	Major threat to the delivery of the strategy to Enable the University to Fully realise its place in, value to, and positive impact on Society.	Delivery of the strategy to Enable the University to Fully realise its place in, value to, and positive impact on Society would be severely impacted, or seriously at threat.
	Staff Community	Minor impact to the delivery of the strategy to Continue to develop and retain a talented, diverse and adaptable Community of Staff.	Moderate impact to the delivery of the strategy to Continue to develop and retain a talented, diverse and adaptable Community of Staff.	Major threat to the delivery of the strategy to Continue to develop and retain a talented, diverse and adaptable Community of Staff.	Delivery of the strategy to Continue to develop and retain a talented, diverse and adaptable Community of Staff would be severely impacted, or seriously at threat.

Risk matrix

The University uses the following risk matrix to assess the likelihood and impact of risks:

Likelihood				
4 Almost Certain	4 Moderate	8 Major	12 Severe	16 Severe
3 Likely	3 Minor	6 Moderate	9 Major	12 Severe
2 Possible	2 Minor	4 Moderate	6 Moderate	8 Major
1 Unlikely	1 Minor	2 Minor	3 Minor	4 Moderate
	1 Low	2 Medium	3 High	4 Critical

Impact

The **residual risks** will be plotted in one of the following 4 areas of the risk matrix, and each area requires a different level of priority. Refer to step 16(a) for a detailed explanation of priority steps,

Residual Risk Score – *where the risk is today*

The **Residual Risk** score (also known as the 'Net Risk') is the current evaluation of the likelihood and impact of the specific risk, with existing controls in place that help reduce the risk level from a totally unprotected level.
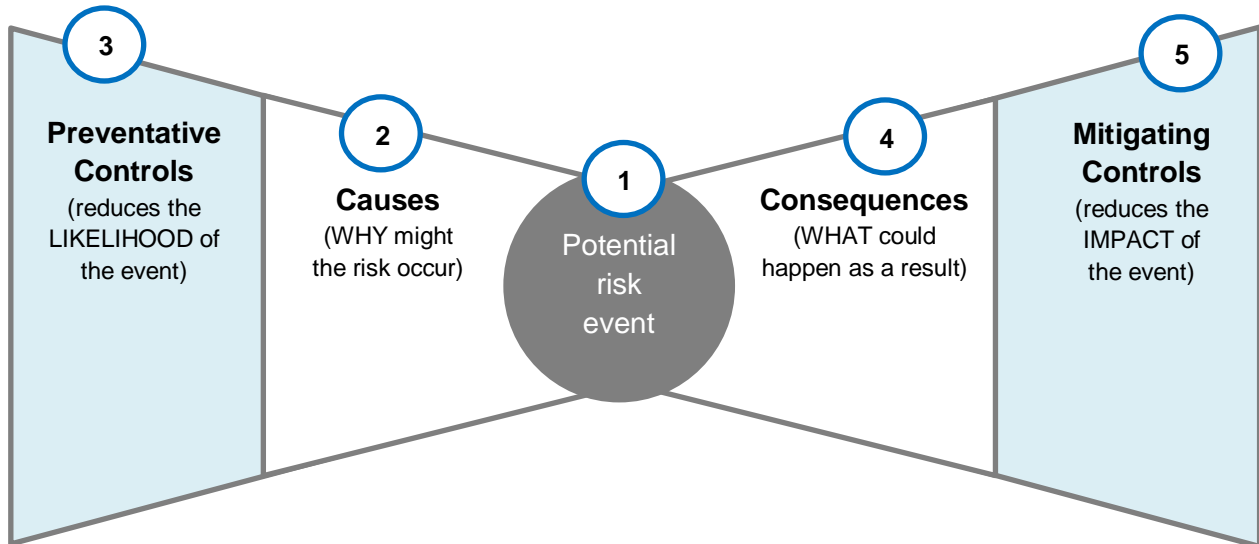
Target Risk Score – *where we want to take the risk, and by when do we want to get there*

The **Target Risk** score is the level of likelihood and impact that senior management agree needs to be reached. To reach the target risk, additional actions will need to be completed, leading to new control mechanisms. Once all of the new controls are embedded you would expect to reach the target risk. A due date should be set by which we expect to reach the target risk score.

Cause Consequence Analysis

Below is an example of a method of undertaking a risk analysis within a mini-workshop session. Working through each of the 5 steps of a 'Bow-Tie' analysis will help you gain a collective and comprehensive understanding of the risk, and to start outlining further controls that will help mitigate the risk further.

```
      3                                                    5

 Preventative      2                        4        Mitigating
   Controls                                            Controls
 (reduces the    Causes      1       Consequences    (reduces the
 LIKELIHOOD of   (WHY might        (WHAT could        IMPACT of
  the event)   the risk occur)    happen as a result)  the event)
                          Potential
                            risk
                            event
```

The 5 steps of the process are described below:

(1) Clear risk description
This should be a concise statement describing what the risk is and how it could affect the achievement of our objectives. The risk review team should agree what is in the scope of the risk, and what is out of scope. It often helps if a risk scenario is described making it clear to the group what the potential risk event looks and feels like.
(2) Causes of the risk
These are the 'WHY's' – 'Why would this risk occur?', 'Why would that happen?' Apart from the immediate causes of the risk, we also need to have a good understanding of the underlying issues and key drivers. In order to effectively reduce the likelihood of the risk we need to understand what the root causes are.
(3) Preventative controls
- Once we understand the root causes, we need to agree what controls are already in place that help reduce the likelihood of these causes or drivers occurring. - What additional controls could we put in place to reduce the likelihood further?
(4) Consequences of the risk
These are the 'WHAT's' – 'What would the impact be if this risk materializes?' Identifying these potential consequences in advance will help us have contingency plans in place should the risk event actually occur.
(5) Mitigating controls
- What controls doe we already have in place that would help reduce the impact of the consequences should the risk occur? - What additional controls could we put in place to reduce the impact further?

Risk Register Template (with example data)

					Risk information				Current control mechanisms		Current risk status (with existing control mechanisms in place)				Target risk position				Strategy	Mitigating actions and status				
Ref.	Date raised	Risk description	Causes of risk	Consequences of risk	Strategic/ Operational	Lead impact	Risk Owner	Existing controls in place	Adequacy of controls status	Current Likelihood	Current Impact	Current Risk score	Trend	Target Likelihood	Target Impact	Target Risk score	Target Date	Risk Treatment	Actions	Action owner	Due date	Action status	Comments
#	xx.xx.xx	*High level description of the risk that a 3rd party can understand*	*'WHY' is this a risk?*	*'SO WHAT' – what could be the impact?*	*Is this linked to a strategic, or operational objective?*	*Which of our objectives would be most impacted?*	*INDIVIDUAL accountable for managing the risk*	*What controls are already in place*	*Effectiveness of current controls in mitigating risk* **Effective Partially effective Ineffective**	*Choice of: Almost certain 4 Likely 3 Possible 2 Unlikely 1*	*Choice of: Critical 4 High 3 Medium 2 Low 1*	*RED, AMBER or GREEN (plus likelihood * impact score)*	*Choice of: Improving Worsening No change New risk*	*Choice of: Almost certain 4 Likely 3 Possible 2 Unlikely 1*	*Choice of: Critical 4 High 3 Medium 2 Low 1*	*RED, AMBER or GREEN (plus likelihood * impact score)*	*Agreed date to reach target risk score*	*Choice of: Terminate Reduce Accept Pass-on*	*Detailed individual actions to mitigate risk*	*Person accountable for delivering action*	xx.xx.xx	*RED, AMBER or GREEN*	*Explanation of mitigation plan and target approach*
SLP1	01.06.19	Stakeholders do not buy into or engage with the Student Lifecycle Programme	-Prefer the status quo -Want to control the process -High resistance to change -Don't understand the benefits -Wary of interference from another group	-Incorrect scoping -Serious delays to overall plan -Inability to embed changes -Unable to realise programme benefits -Lack of engagement at ground level	Strategic	Student Education: Transformation	Sarah Lund – SLP Programme Director	-Working group -Programme Board -UCDG oversight -Health checks -Internal audit -Faculty & service group updates -Secondments of SMEs from business	**Partially Effective** (controls do not fully mitigate the risk)	Possible 2	High 3	AMBER 6 (Moderate)	31.03.20	Unlikely 1	High 3	GREEN 3 (Minor)	31.01.20	**Reduce**	-establish a challenge group consisting of student members and staff -establish a champions network for business change -develop a strategy & plan for engagement, to include key messages, articulation of benefits & opportunities for different stakeholder groups	L.W L.W L.W	31.12.19 31.07.19 30.09.19	GREEN (actions complete, or on track)	All actions on track. Strategy and plan to mitigating risk agreed at Programme Board. Fully expect to meet target date for risk reduction.

Assessing the adequacy of existing controls

	Green control status	Amber control status	Red control status
Overview	Effective risk controls are in place	Existing controls do not fully mitigate the risk	Controls are limited, or non-existent
Detailed description	Risk controls are very well defined and clearly protect us against either the likelihood of the risk occurring, or the size of the potential impact of the risk, or both. The risk controls are fully implemented and are working effectively in line with expectations. The risk controls are clearly doing what they are expected to do to mitigate the risk.	Only some of the risk controls are defined. The existing controls only moderately protect us against either the likelihood of the risk occurring or the potential impact of the risk. The risk controls may be implemented but are not consistently followed in line with expectations. Only some of the risk controls are doing what they are expected to do, others do not protect us in any way against the risk.	No, or limited, risk controls are identified. We are completely, or partially, exposed to the risk. We are not protected against the likelihood of the risk occurring, or the potential impact of the risk. No, or limited, risk controls are implemented and cannot be evaluated. We are exposed to the current level of assessed risk until action plans are fully defined and completed.
Relationship to Target risk	We are well on the way to achieving the target risk agreed, or we have already reached it.	We are making progress towards the target risk agreed, but still have considerable work to do in implementing effective mitigations.	We have made limited, or no, progress towards the target risk.

Assessing the status of actions

	Green action status	Amber action status	Red action status
Overview	Actions completed, or on track.	Attention required. Some delays in achieving plans.	Management attention is needed. Actions are at a critical status.
Detailed description	Improvement actions are well defined and are on track to be delivered on time, or have already been completed.	Improvement plan actions are slightly delayed, or have not been consistently delivered in all areas. Actions are believed to remain achievable, but with some delay.	Improvement actions are not defined, or are seriously behind plan. We are unlikely to meet the deadline we have agreed with senior management.
Relationship to Target risk	Completed actions will lead to a new risk control in place to move us to the target risk.	Some progress towards the target risk level, but more resources or greater focus is required to move us there.	We have made limited, or no, progress towards the target risk.

Risk Dashboard

A one page risk dashboard showing the status of the mitigating actions against key risks should be prepared for any programme board or key committee meetings.

This should include for all RED and AMBER risks:
- a review and update of the likelihood and impact of the risks
- a review of the control and action status. Any RED status needs to be urgently addressed in the meeting
- highlights of any major development of the any risks
- a review of any data gaps and next steps agreed to address them

The simple format below is a suggestion for this dashboard.

Risk Overview

International

UNIVERSITY OF LEEDS

Highlights				Risk level			Risk mgmt. status	
#	Risk title	Lead Impact	Owner	Now	Within appetite	Target	Existing controls	Ongoing actions
I1	Achieving international strategy and profile	International	DVC: Intl	🟥	✘	🟨	🟨	🟩
I2	Agile response to international recruitment opportunities	International	DVC: Intl	🟨	✔	🟩	🟨	🟩
I3	Range & flexibility of internat. opportunities for UK students	International	DVC: Intl	🟨	✔	🟩	🟨	🟩
I4	Under-developed academic links & collaborations	International	DVC: Intl	🟨	✔	🟩	🟨	🟩
I5	Poor governance of international collaborations	International	DVC: Intl	🟩	✔	🟩	🟨	🟩
I6	Brexit impact	International	DVC: Intl	🟨	✔	🟩	🟨	🟩
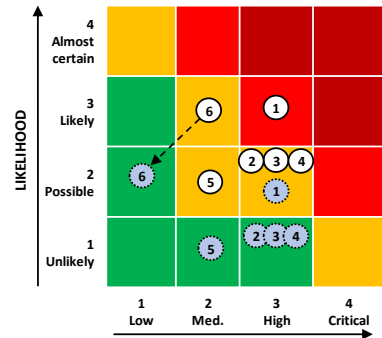
Key

⊙ **Current (residual) risk level**

⊙ **Target (post-mitigation) risk level**

- - → **Ambitious targets**

Controls & actions

🟥 No/limited controls in place; actions unclear or at critical stage

🟨 Controls do not fully mitigate risk; actions delayed

🟩 Effective controls in place; actions on track

Overdue actions dashboard

Action status against our key risks

Student Education

UNIVERSITY OF LEEDS

15

Actions
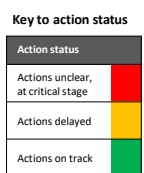completed

9
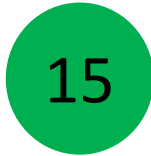
Actions delayed
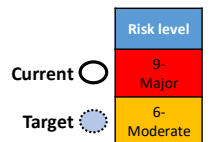(up to 30 days)

5

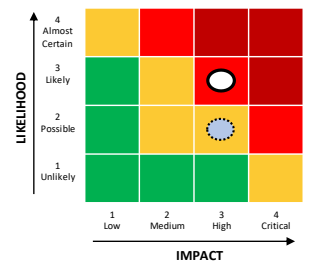Actions delayed
(> 30 days)

Comments for leadership attention

Risk Deep Dive dashboard
To be used when asked to focus on 1 or more key risks

Key Risk needing focus (mock-up)

Risk description		Trend	
Resources – key risks • Availability of SMEs and IT colleagues to work on planning activity alongside current delivery activity for Banner 8/9, business-as-usual activity and annual leave season.		**Increasing**	
		• Deployment of Banner 8x • Annual leave season • Loss of IT staff	

Causes	Consequences	Existing controls	
• Too few resources • Annual leave season • Banner 8x deployment has taken priority • Loss of IT staff	• Impacting the timescales for Banner 9 development • Knowledge lost when resources leave, leading to increased cost, delays or reduced sustainability of outcomes.	**Partially effective** • Resource requirements part of all project management. • Resource plans in place for all projects. • Monthly resource and recruitment meeting • Discussed at weekly stand up, SLP MT, DWG, Programme Board. • Plan in place for loss of key programme staff	

Actions to reach Target level	Owner	Due date	Status
Confirm prioritisation (this has been communicated to the teams)	Sara Lund	05-Jul-19	
Continual review of all options regarding resourcing (overtime, backfill, temp resource)	Robert Sherratt	Continuous	
Re-scheduling of activity (impacting on timescales risk)	Sue Shepherd	02-Jun-19	

LIKELIHOOD

	4 Almost Certain			
3 Likely				
2 Possible				
1 Unlikely				
	1 Low	2 Medium	3 High	4 Critical

IMPACT

Risk level	
Current ◯	9- Major
Target ◌	6- Moderate

Key to action status

Action status
Actions unclear, at critical stage
Actions delayed
Actions on track

Advice/Guidance	Contacts	🖥	☎
Guidance on risk management	Paul Griffiths	p.d.griffiths@leeds.ac.uk	34070
Health and Safety risks	Paul Veevers	p.veevers@leeds.ac.uk	34207
Critical incident and continuity planning/general information and guidance on risk management	Roger Gair David Wardle	j.r.gair@adm.leeds.ac.uk d.wardle@adm.leeds.ac.uk	34011 34452

REFERENCES/SUGGESTED FURTHER READING

RISK MANAGEMENT GUIDELINES – INTERNATIONAL STANDARD (ISO 31000:2018)

https://www.iso.org/standard/65694.html

Provides guidelines on managing risk faced by organizations, a common approach to managing any type of risk and is not industry or sector specific. Can be used throughout the life of the organization and can be applied to any activity, including decision-making at all levels.

ORANGE BOOK – Management of Risk, Principles and Concepts

The Office for Students is referring to the official HM Government Orange Book guidance for the management of risk. This instructive guide sets out the following:

- Risk management principles
- Governance and leadership
- Risk management processes
- Three lines of defence
- Roles and responsibilities

This is also based on the international standard ISO 31000:2018 we have referred to.

HEALTH AND SAFETY EXECUTIVE

http://www.hse.gov.uk/pubns/indg163.pdf

("Five Steps To Risk Assessment" – a helpful guide to thinking about risks which have health and safety implications specifically. Provides further detail on the 'process' of risk assessment, as described in Annex 2)

HM TREASURY

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf

(A useful source of reference and additional background on the key concepts behind risk management)