



HARTPURY

RISK MANAGEMENT POLICY

Introduction

Hartpury University and Hartpury College (Hartpury) recognise that risk is inherent in all aspects of its operation. This risk may relate to students, staff and members of the public as well as the physical facilities at Hartpury including their operation and related systems, policies and processes.

The Risk Policy is designed to identify, evaluate and control business risks to ensure, as far as possible, that they are eliminated or reduced to a level that is acceptable to the Corporation of the University and the Board of the College.

This policy explains Hartpury's underlying approach to risk management, documents the roles and responsibilities of the Corporation and Board, Hartpury Executive, the Risk Management Group and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures. In addition, it describes the process the Corporation and Board will use to evaluate the effectiveness of the Hartpury's internal control procedures.

Implementation of Risk Management

Overall responsibility for risk management rests with the University Board of Governors and College Board of Governors. Executive responsibility rests with the Vice-Chancellor/Principal and responsibility for implementation is delegated to the Chief Operating Officer who is also Hartpury's "Risk Champion".

The Audit and Risk Management Committees of the University Board of Governors and College Board of Governors have responsibility for assessing the effectiveness of risk management. These committees report on the arrangements for risk management to their respective Corporation or Board.

Risk Management

Risk management supports the achievement of Hartpury's agreed objectives and is not intended to simply avoid risk. The pursuit of these objectives without the effective management of risk would potentially expose Hartpury to significant risks including financial, business and reputational risks.

Control of risks generates direct costs and opportunity costs. Risk management involves determining the acceptable level of exposure to risk which enables the achievement of Hartpury objectives whilst maintaining a balance between the level of risk exposure and the cost of mitigating actions.

Risk management is a process which supports the achievement of strategic and other Hartpury objectives, while mitigating and managing the risks inherent in the achievement of these objectives and the everyday running of Hartpury.

Risk will be managed by:

- The establishment of a Risk Management Group.
- Appointment of a Risk Management Champion.
- The continuous development of risk management strategies throughout Hartpury.
- Creating and then monitoring the risk register and ensuring that all activities to reduce risk are undertaken and appropriate action plans are put in place.
- The dissemination of information relating to risk management to all employees to maintain effective communications on this key activity.
- The development and maintenance of appropriate procedures and records to assist in the management of business risk.

Hartpury categorises risks under the following headings:

- a) External - arising from the external environment, not wholly within Hartpury's control, but where action can be taken to mitigate the risk
- b) Operational - relating to existing operations – both current delivery (academic and non-academic) and building and maintaining capacity and capability
- c) Financial – where the risk is related to financial instruments, fraud or the process of financial management
- d) Compliance – where the risk is related to a legal requirement for example Health & Safety, HR practices etc.
- e) Change - risk created by decisions to pursue new endeavours beyond current capability
- f) Reputation and credibility – where the risk has a clear impact on the standing of Hartpury and how it is perceived by others.

Roles and Responsibilities

Role of the University Board of Governors and College Board of Governors

The University Board of Governors and College Board of Governors have the responsibility for the oversight of the management of risk, part of which they delegate to the respective Audit and Risk Management Committees

Through approving the Risk Management Policy, the University Board of Governors and College Board of Governors sets the tone and influences the culture of risk management at Hartpury. This includes determining:

- Whether Hartpury is "risk taking" or "risk averse" as a whole or on any relevant individual issue.
- The risk appetite of Hartpury.
- What types of risk are acceptable and which are not.
- The appropriate level of risk exposure for Hartpury.

- The standards and expectations of staff with respect to conduct and probity in relation to risk management.

The University Board of Governors and College Board of Governors are also responsible for:

- Approving major decisions affecting Hartpury's risk profile or exposure.
- Monitoring the management of significant risks to reduce the likelihood of unwelcome surprises or impact.
- Satisfying itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.
- Annually reviewing Hartpury's Risk Management Policy, its approach to risk management and approve changes or improvements to key elements of its processes and procedures.

The Audit and Risk Management Committees are committees of the University Board of Governors and College Board of Governors and included in their terms of reference are the requirements to:

- Advise the University Board of Governors and College Board of Governors on the adequacy and effectiveness of the Corporation's arrangements for risk management.
- Produce an annual report for the University Board of Governors and College Board of Governors and Accountable Officer, which includes the committees' advice on the effectiveness of Hartpury's risk management.

Role of the Hartpury Executive

Key roles of the Hartpury Executive are to:

- Manage risk on a day-to-day basis.
- Implement policies on risk management within areas for which they are responsible.
- Participate in the work of the Risk Management Group.
- Discuss risk as appropriate at SMT meetings and monthly Executive Committee meetings, taking action, as necessary.
- Promote the integration of risk management into the culture of Hartpury
- Continually raise awareness amongst all employees of the need for the management of business risk.

Role of the Risk Management Group:

Key roles of the Risk Management Group are to:

- Take overall responsibility for the administration and implementation of the risk management process.
- Identify and evaluate the significant risks faced by Hartpury for consideration by SMT, College Executive and the University Board of Governors and College Board of Governors.
- Provide adequate information in a timely manner to the University Board of Governors and College Board of Governors and their committees on the status of risks and controls.

- Report on changes to the Risk Register and the top ten significant risks at each meeting of the Audit and Risk Management Committee.

Role of Risk Owners

Risk Owners are identified on the Risk Register and are typically members of Hartpury Executive or are managers of specific areas associated with significant risk e.g., equine or the farm.

Key roles of Risk Owners are to:

- Be a member of the Risk Management Group, attending regularly and participating in discussions.
- Participate actively in the monitoring and management of risk in their areas of expertise or responsibility.
- Inform the Risk Champion or other senior management where there is evidence from the early warning indicators that risk is increasing.
- Identify to the Risk Champion or other SMT member new risks as they arise and assist in the development of any action plan to monitor and manage the risk

Risk Appetite

Hartpury's position in relation to risk is reviewed by the University Board of Governors and College Board of Governors at least annually. The University Board of Governors and College Board of Governors 's appetite for risk is as follows:

- Academic Risk – the University Board of Governors and College Board of Governors are conscious of the need to have sound risk management mechanisms in place to mitigate against the failure of academic operations which may jeopardise institutional viability. These mechanisms need to maximise the quality of delivery and associated outcomes and ensure the relevance to the industries served by Hartpury.
- Financial Risk – the University Board of Governors and College Board of Governors is risk averse, requiring strong financial controls to be in place and that Hartpury protects itself against major financial issues such as Interest Rate exposures and loss of funds (if any) on deposit.
- Project / New Ventures Risk – Hartpury will only invest in substantial projects based upon financial forecasts and an evaluation of the risks of projects. The trade-off of risk and reward will be paramount in the appraisal of projects as will the overall level of investment.
- Safeguarding – the management of all students, particularly those under 18 years old, is of paramount importance and any major incidents have the potential for substantial reputational damage. It is recognised though that a student's time at Hartpury is formative in developing adults as they grow up and this needs to balance the inclination to be over protective.

- Practical work sessions and, work experience and CDF substantial work placement (FE) Work placement for students in key curriculum areas of Agriculture, Sport, Equine, A Levels, Access to HE and Animal including outdoor adventure activities and overseas trips - it is recognised that in providing attractive courses which maximise employability students need to have demanding opportunities to excel. While such activities will always be risk assessed to anticipate and mitigate dangers and risks, it is acknowledged that the risk of injury to students and staff can never be eliminated.
- Sports and Equestrian activities – the University Board of Governors and College Board of Governors recognise that there is inherent risk in all these activities, in both competition and training, for those actively participating and those in close attendance. The University Board of Governors and College Board of Governors expects that appropriate risk assessments and training will be in place to anticipate and mitigate dangers and risks, although it is understood that the risk of injury can never be eliminated.

Risk register

Hartpury has created a Risk Register which is monitored closely by the Risk Management Group. The register is also discussed at Audit and Risk Management Committees and is made available to the University Board of Governors and College Board of Governors after the Audit and Risk Management Committee meetings. In addition, Hartpury has a “Significant Risk Register” which pulls together the highest risks facing Hartpury into a single document which is then considered at each Risk Management Group and Executive Committee meeting – this document is also sent to each Audit and Risk Management Committee who present it onwards to the University Board of Governors and College Board of Governors meetings for consideration.

The Risk Register identifies all known risks to Hartpury, indicating the nature of the risk and:

- The key risk indicator
- The risk owner
- Activities in place to reduce risk
- Actions to control risk further

Risks are also scored according to the probability of an occurrence and their potential impact on Hartpury. The scoring is done after taking account of the actions in place to mitigate the impact of risks. The following criteria are used for the scoring and a final score is derived by multiplying the two resultant scores together:

Probability	Score
Almost certain to occur	5.00
Highly likely to occur	4.00
Medium risk of occurrence	3.00
Low risk of occurrence	2.00
Very unlikely to occur	1.00

Impact

Very significant impact on Hartpury	5.00
Significant impact on Hartpury	4.00
Some impact on Hartpury	3.00
Limited impact on Hartpury	2.00
Little impact on Hartpury	1.00

Once risks are scored, they are categorised as follows:

Overall Risk	Score	
Significant Risk (S)	>10	These risks have high impact and a high probability of occurring and require immediate consideration of controls to manage them
Medium Risk (M)	6-10	These risks are less likely to occur and have a medium
Low Risk (L)	<6	These risks have low impact and are less likely to occur.

Departmental Risk Registers

All Departments within Hartpury must have, maintain and review regularly a departmental risk register. The expectation is that this is in the same format as the corporate risk register. With the same assessment of probability and impact, mitigating actions and revised risk score. It is the responsibility of each department manager to ensure the register is maintained and updated and updates are then fed through to the Risk Management Meetings and the corporate risk register.

Risk and Internal Control:

The system of internal control incorporates risk management. This system encompasses several elements that together facilitate an effective and efficient operation, enabling Hartpury to respond to a variety of operational, financial, academic and commercial risks. These elements include:

Policies

Attached to significant risks are a series of policies that underpin the internal control process. The relevant policies are set by the University Board of Governors and College Board of Governors and implemented and communicated by senior management to staff. Written procedures support the policies where appropriate.

Regular Reporting

The Risk Management Group meets periodically to monitor key risks and their controls. Decisions to manage risks are made at regular meetings of the Senior Management Team and the University Board of Governors and College Board of Governors as appropriate.

Business Planning and Budgeting

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly.

Business Continuity and Contingency Planning

The Risk Champion together with the Risk Management Group have developed a comprehensive Business Continuity Plan relating to those areas and activities that are deemed to be potentially high risk – this includes an IT Disaster Recovery Plan and a Major Incident Plan.

Risk Action Plan

The actions to control risk further are outlined on the Risk Register and these help facilitate the identification, assessment and ongoing monitoring of risks significant to Hartpury. The Risk Register is regularly reviewed by senior management and the University Corporation and FE Board and emerging risks are added as required, and improvement actions and risk indicators are monitored regularly by the Risk Champion and Risk Owners. The Significant Risks are presented regularly, generally termly, to the University Board of Governors and College Board of Governors meeting and changes are discussed as appropriate.

Audit and Risk Management Committees

The Audit and Risk Management Committees oversee internal audit, external audit and management as required in its review of internal controls. The committees are therefore well placed to provide advice to the University Board of Governors and College Board of Governors on the effectiveness of the internal control systems, including the system for the management of risk.

Internal Audit Programme

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the organisation. The Internal auditors will review Risk Management Processes and controls as part of its planned programme of work.

External Audit

External audit provides feedback to the Audit and Risk Management Committee on the operation of the internal financial controls reviewed as part of the annual audit.

Third Party Reports

From time to time, the use of external consultants will be necessary in areas such as health and safety, and human resources. Such consultants' credentials would all be verified before appointment. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Annual Review of Effectiveness:

The University Board of Governors and College Board of Governors are responsible for reviewing the effectiveness of internal control of Hartpury, some of which may be based on information provided by the Audit and Risk Management Committees. The Chairs of the Audit and Risk Management Committees will prepare a report of its review of the effectiveness of the internal control system annually for consideration by the University Board of Governors and College Board of Governors at the November Meeting.

In preparing this report, the risks faced by Hartpury will be considered as well as any areas of significant concern highlighted. In doing this the Audit and Risk Management Committees may consider the following:

Control environment

- Hartpury's objectives and its financial and non-financial targets.
- Organisational structure and calibre of the senior management team.
- Culture, approach, and resources with respect to the management of risk.
- Delegation of authority.
- Public reporting.

On-going identification and evaluation of significant risks

- Timely identification and assessment of significant risks, the prioritisation of risks and the allocation of resources to address areas of high exposure.

Information and communication

- Quality and timeliness of information on significant risks.
- Time it takes for control breakdowns to be recognised or new risk to be identified.

Monitoring and corrective action

- Ability of Hartpury to learn from any identified issues, and its commitment and responsiveness in implementing corrective actions.

Equality, Diversity and Inclusion

As with all Hartpury policies and procedures, due care has been taken to ensure that this policy is appropriate to all members of staff regardless of their age, disability, ethnicity, gender, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation and transgender status.

The policy will be applied fairly and consistently whilst upholding Hartpury's commitment to providing equality to all. If any employee feels that this or any other policy does not meet this aim, they should contact the HR Department.

Hartpury is committed towards promoting positive mental health by working towards the MINDFUL EMPLOYER Charter. Hartpury aims to create a culture of support within the workplace where employees can talk about mental health problems without the fear of stigma or discrimination.

Approval and Review Cycle

Date Last Approved	March 2022
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Approving Committee	Audit and Risk Management Committee
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Change Log

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