

CHRIST CHURCH
STUDENTS'
UNION



'to better student life and enrich student experiences'

RISK MANAGEMENT POLICY

Officer Champions	President (Development) Students' Union President
Staff Champions	Head of Finance & Business Chief Executive
Approval bodies and date passed	Board of Trustees, 22nd June 2018
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1. What is risk management?

- a. Risk management is the structured identification and assessment of risks followed by decisions on the appropriate action to be taken in response to each significant risk which has been identified. It provides a framework within which to assess, evaluate and take action to mitigate risks to Christ Church Students' Union ('CCSU' or 'the Union').

2. Why is Risk Management important?

- a. Identifying and managing the possible and probable risks that the Union may face is a key part of effective governance, and the reporting of risk management form part of the Union's annual return to regulators. By managing risk effectively, trustees can help ensure that:
 - i. Significant risks are known and monitored, enabling trustees to make informed decisions and take timely action;
 - ii. The Union makes the most of opportunities and develops them with the confidence that any risks will be managed;
 - iii. Strategic and operational planning is effective; and
 - iv. The Union's aims are achieved more successfully.

3. Defining risk

- a. Raw risk is the level of risk faced by an organisation before any internal controls are applied. Internal control is a process, effected by an organisation's Board of Trustees, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives. Residual risk is the level of risk faced by an organisation after internal controls are applied.

4. Types of risk

- a. Risks to might be of the following types, although the list is not intended to be exhaustive; constitutional; compliance; environmental, financial; governance; health & safety; legal; operational; recruitment and retention; reputation; security; technological; and related to the wellbeing of staff, officers and volunteers.

5. The function and outcomes of the Risk Management Policy

- a. The Risk Management Policy has an important role in the Union's internal control and governance arrangements. This Policy explains the Union's underlying approach to risk management and documents the roles and responsibilities of the Board of Trustees, the Finance & Risk Committee, managers and other parties.
- b. Risk management is an extension of good management practice and maintaining focus on key areas of concern or threat.

6. The Role of the Board of Trustees

- a. The responsibility for the management and control of the Union rests with the Board of Trustees, and therefore their involvement in the key aspects of the risk management process is essential, particularly in setting the parameters of the process and reviewing and considering the results. It fulfils this role by:
 - i. Receiving accurate, timely and clear information;
 - ii. Constructively challenging when developing strategy; and
 - iii. Setting the tone and influencing the culture of risk management within the Union.
- b. In practice, the Board of Trustees delegates the authority for oversight of the adequacy of the Union's risk management policies, procedures, systems, and controls to the Finance & Risk Committee. Therefore, the Board's role is to provide leadership within a framework of prudent and effective controls which enables risk to be assessed and managed.

7. The Role of Finance & Risk Committee

- a. The Finance & Risk Committee, operating under its delegated authority from the Board of Trustees, has a key role in providing an independent opinion on the effectiveness and adequacy of the Union's systems of risk management and internal

controls. This is to ensure maintenance of a sound system to safeguard stakeholders' interests and the organisation's assets, and alerting the Board of Trustees to any emerging risk issues.

- b. The Committee achieves its role by reviewing all material controls, including financial, operational, and compliance controls and risk management systems. The Committee further achieves its role by evaluating the effectiveness and adequacy of the Union's internal controls by:
 - i. Reviewing the previous year and the Union's performance on risk management and internal control; and
 - ii. Considering the internal and external risk profile of the coming year and deciding if current internal control arrangements are likely to be effective.
- c. In evaluating the effectiveness and adequacy of the Union's internal controls the Finance & Risk Committee will consider the following aspects:
 - i. The control environment;
 - ii. Ongoing identification and evaluation of significant risks;
 - iii. Information and communication; and
 - iv. Monitoring and corrective action.

8. The role of the Leadership Team

- a. The Union's Leadership Team, consisting of the Chief Executive, Head of Finance & Business, Head of Engagement, and the four Sabbatical Officers do this by:
 - i. Identifying and evaluating significant current and future risks faced by the Union;
 - ii. Identifying and suggesting mitigative action for risk reduction and internal control;
 - iii. Reviewing the Risk Register & Dashboard on a bi-monthly basis, assessing progress against risk mitigation action plans; and
 - iv. Providing adequate information in a timely manner to the Finance & Risk Committee on the status of risks and controls.

9. Risk management as part of the system of internal control

- a. The Union's system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Union to respond to a variety of operational, financial, and commercial risks.
- b. Risk Register and Dashboard
 - i. The Risk Register and Dashboard helps to facilitate the identification, assessment, and ongoing monitoring of risks significant to the Union.
- c. Strategic Planning

- i. The strategic planning process, which take place in 3-yearly cycles, helps the Union to identify large-scale opportunities and threats trustees need to be aware of to ensure the Union is able to fulfil the stated charitable objects and purpose, for the benefit of members.
- d. Annual Budgeting
 - i. The budgeting process agrees objectives, action plans, resources and budgets for each budget holder, each financial year. These will take consideration of the three year strategic plan.
- e. Policies and Procedures
 - i. Attached to significant risks are a series of policies that underpin the internal control process and aid with compliance.
- f. Monitoring and Reporting
 - i. Comprehensive and regular reporting is designed to monitor significant risks and their controls.
- g. Finance & Risk Committee
 - i. The Finance & Risk Committee meets six times a year, usually two weeks before the Board of Trustees, and operates under its delegated authority from the Board of Trustees.
- h. External audit
 - i. External audit provides feedback to Finance & Risk Committee and trustees in the form of the Management Letter which comments on the operation of the internal financial controls reviewed as part of the annual external audit.
- i. University scrutiny
 - i. The University, via the Finance & Resources Committee, Health & Safety Committee, Students' Union and University Partnership Forum, and other appointed liaisons has oversight of the Union's finances and activity.
- j. Third party reports
 - i. From time to time the use of external consultants will be necessary in areas of specialist expertise, such as health and safety. The use of specialist third parties for consulting and reporting can increase the reliability of internal controls.

10. The Risk Register & Dashboard

- a. The Union's Risk Register & Dashboard is a key component of the system of internal control and risk management and helps to facilitate the identification, assessment, and ongoing monitoring of the ten most significant to the Union. The Risk Register & Dashboard evolves as the objectives and obligations of the Union change and develop.

- b. The Risk Register & Dashboard is formally reviewed bi-monthly at Leadership Team, detailing progress against risk mitigation plans, with emerging risks are added and reduced risks deleted, as required.
- c. The Risk Register & Dashboard is then reviewed at every meeting of the Finance & Risk Committee, which occurs six times a year. It is then formally submitted to the Board of Trustees for Note and Discussion, if required.
- d. The Risk Register & Dashboard is updated based on the following:
 - i. Input from staff and elected officers;
 - ii. Consideration of the internal and external operating environment;
 - iii. With consideration to the Union's strategic plan;
 - iv. With consideration to the Union's Key Performance Indicators; and
 - v. With consideration to the Union's annual operating plan.

11. Risk Assessments

- a. Assessments of risk for buildings and regular activity are required to be formally reviewed annually, but more frequently if the need arises. Any one-off events which are outside the scope of these assessments would need individual and specific risk assessments in place before the event or activity commences.

12. Scoring of risks

- a. Risks are measured in terms of their likelihood of occurrence and their potential impact. The Union measures likelihood and impact scores on a scale of 1 to 5 (where 1 is a very low likelihood and 5 is very high, and where 1 is an insignificant impact and 5 is very serious). A measure of total risk can be ascertained by multiplying the two scores together, so the minimum score will be 1 and the maximum would be 25. Any risk scoring 12 or more is defined as a significant risk to the Union.

Score	Frequency	Description	Score	Impact	Description
1	Rare	This will probably never happen or recur	1	Negligible	No material negative impact
2	Unlikely	Do not expect it to happen or recur but it is possible it may do so	2	Minor	Impact would be felt, but this is not considered significant
3	Possible	Might happen or recur occasionally	3	Moderate	Impact would be localised and control measures should be actively considered
4	Likely	Will probably happen or recur, but it is not a persisting issue / circumstance	4	Major	Impact would be significant so robust control measures are required and active monitoring

					of these - F&R Aware
5	Almost Certain	Will undoubtedly happen or recur, possibly frequently.		5	Catas-trophic Impact would be devastating, control as above - Board of Trustees Aware

13. Risk Matrix

a. The Risk Matrix is a simple system utilised to measure raw and residual risk.

		Impact				
Likelihood		Very High = 5	High = 4	Medium = 3	Low = 2	Very Low = 1
	Very High = 5		25	20	15	10
High = 4		20	16	12	8	4
Medium = 3		15	12	9	6	3
Low = 2		10	8	6	4	2
Very low = 1		5	4	3	2	1

- b. Blue - the risk is very low, and shows no need for concern. These would not usually appear on the Risk Register and Dashboard as the 10 biggest risks the Union faces.
- c. Green - performance is satisfactory and on target. This aspect of the risk is likely to be well managed.
- d. Yellow - performance is adequate and some active risk management is occurring. Progress in managing this risk may have been delayed or a slight adverse trend may have arisen. The risk management process may require attention to ensure the risk does not become increase.
- e. Amber - performance is a cause for concern, and mitigation requires prompt implementation and close monitoring.
- f. Red - The risk management process is not currently working and / or risk exposure continues to remain high.