

*Approved by Council, 29 November 2012*

**GOLDSMITHS  
University of London**

**RISK MANAGEMENT POLICY**

**Introduction**

The College uses risk management to identify, assess, rate, manage and review risk that might impact achievement of its strategic aims. It is one of a number of useful ways to ensure that the College strategy is well founded and that Council and the Senior Management Team (SMT) can take good strategic decisions. It is one of a small number of approaches, the use of which is mandated upon the College by the terms of the HEFCE Model Financial Memorandum.

This policy explains the College's approach to risk management and identifies the significant roles and reporting lines. It forms part of the arrangements for corporate governance and assurance.

This policy should be read in conjunction with the methodology document attached as Annex A.

**Principles**

The risk management arrangements form part of the wider system of internal control and should be understood in that context.

Risk management contributes to the processes of business planning and budgeting with the objective of achieving a risk based approach to management.

**Strategic Risk Appetite**

Risk appetite conveys the College's attitude to how much of what type or risk the College is willing to take, and is considered in terms of both opportunities and threats that will invariably impact the performance and reputation of the College.

Goldsmiths recognises that a risk-free environment is unattainable, and that its size and the likely public finance regime in the next few years mean that a certain amount of risk is unavoidable. A level of risk associated with the achievement of Goldsmiths' mission for creative, radical and intellectually rigorous thinking and practice is accepted, however, any action or judgement that has the potential to harm the college's reputation and/or business continuity stands outside the college's defined tolerance level.

A project is currently underway to categorise and define the College's strategic risk appetite in light of the changes to HE funding, and this document will be amended on completion of this project (January 2013).

**Roles and Responsibilities**

***Council***

In accordance with the Financial Memorandum with HEFCE, Council is responsible for ensuring that the College has a robust and comprehensive system of risk management. It does this by approving the framework within which risk management is conducted; and is advised by Audit Committee on the effectiveness of the framework and its operation.

Council also has a role in identifying risks and for setting broad policy in relation to the College's risk appetite. It does this through its discussion of reports from Audit Committee; through its discussions on strategic topics; through its budget setting and through its setting of the College's strategic aims.

Council is advised annually by Risk Management Sub-Committee (RMSC) on areas of risk endured by the college in the preceding year.

### ***Audit Committee***

Audit Committee is responsible for monitoring the College's risk management activities. It receives reports from RMSC, and is also advised by the Internal Audit service, which reviews risk management as part of its annual audit programme. Audit Committee advises Council on the effectiveness of the risk framework and its operation. Audit Committee's reporting to Council will depend upon the content of the risk registers and action taken, but may be annual or more frequent, and will be a conduit for reporting of the risk registers themselves.

### ***Senior Management Team (SMT)***

The Senior Management Team has the executive responsibility to put in place arrangements that will ensure effective risk management and for keeping the Audit Committee and Council advised on risk management matters. SMT is responsible for supporting managers and risk owners in ensuring appropriate action is taken to reduce and mitigate risk.

It delegates to the RMSC the detailed work associated with maintaining the College's strategic risk register, which it reviews at least quarterly. SMT is advised by RMSC on a rolling basis, on emerging risk and the effect of recent management action and mitigation.

### ***Risk Management Sub-Committee (RMSC)***

Members of the committee are responsible for developing policy and practice in relation to risk management, and for promulgating good practice in risk management across the College. It is also responsible for maintaining the College's strategic risk register, for identifying and describing risks in more detail, and for scrutinising departmental registers. It reports to SMT, Audit Committee and Council on emerging risks and risk management arrangements.

Risk Management Sub-Committee reviews methodology, developing it in accordance with the needs and capacity of the College and making recommendations to Audit Committee and thence Council.

Once a term, the RMSC will ask to see department risk registers. This will serve two purposes. Firstly, the Sub-Committee will be able to identify any risks which should be promoted to the strategic risk register. Secondly, the information contained will help the members of the RMSC, and particularly those from the administrative and support departments, to respond as appropriate to the identified needs of the department concerned.

### ***Heads of Department***

Heads of Department are responsible for encouraging good risk management practice within their department, and for ensuring that a departmental risk register is maintained.

### ***All staff***

Members of staff are encouraged to identify risks and to raise them either within their department or with the RMSC.

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