



**BATH SPA UNIVERSITY STUDENTS' UNION  
RISK MANAGEMENT POLICY**

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## **1. Introduction**

- 1.1 The purpose of this document is to outline the approach of Bath Spa University Students' Union to managing risks which could affect the organisation and the procedures it utilises to enable it to manage those risks.
- 1.2 The Risk Management Policy is an appendix to the Students' Union constitution. In the event of any conflict the constitution is the overriding document of the Union.
- 1.3 A risk is any event or issue which could affect the ability of the Students' Union to deliver its strategic ambitions or deliver its services to the standard expected.
- 1.4 The purpose of this policy is to provide a structured consistent methodology for assessing and managing risks within the organisation and clearly identifying who is responsible for managing risks.

## **2. Our approach to managing risk**

- 2.1 We all manage risks on a daily basis without always describing those as risks. We assess possible dangers and take actions to minimise the likelihood of those things happening or the impact when things go wrong.
- 2.2 As a public body the Students' Union has a responsibility to ensure it carries out its functions in a manner which reduces any risks to the organisation and its stakeholders (which includes its trustees, staff, students, visitors and partner organisations).
- 2.3 It is impossible to completely eliminate all risks to the organisation. Good risk management is about identifying both any potential risks and any controls or actions that can be taken to minimise the likelihood or impact of those risks.
- 2.4 It is the role of the Trustees to establish the risk appetite of the organisation. Risk appetite is a term used to describe how much risk the organisation is prepared to take in order for it to achieve its objectives. Its approach to managing risk enables the Trustees to identify the level of risk it is prepared to accept to achieve its objectives.
- 2.5 There are four distinct elements that form our approach to Risk Management:
  - Identification of any potential risks
  - Assessment of the potential impact of that risk and the likelihood of that occurring
  - Identifying and implementing controls and actions to reduce the impact and likelihood of that risk to an acceptable level
  - Monitoring and reviewing our controls and procedures
- 2.6 Significant risks facing the organisation are recorded in the Corporate Risk Register. The controls identified within the register are managed by the Senior Management Team and monitored by the Trustees.
- 2.7 The union has a legal duty to carry out its duties and activities in a manner which minimises any potential risks to employees, students, and visitors. Risks associated with day to day activities of the union utilise risk assessments to identify controls that are employed to manage these risks. These largely cover health and safety legislative duties and include the activities of clubs and societies.
- 2.8 The Union's Health & Safety Policy describes the particular legal duties, its controls and procedures, including the use of Risk Assessments.
- 2.9 Bath Spa Students' Union has an open and transparent approach to risk management. It recognises that an open approach is essential for identifying and responding to potential risk.

### **3. Internal Controls**

3.1 Bath Spa Students' Union routinely applies a number of organisational controls and processes which support its approach to risk management:

#### **3.2 Policies and procedures**

BSSU has a range of policies and procedures which cover its legal duties and its day to day provision of services. These form an essential part of the controls employed to manage significant risks to the organisation. These policies are approved by the Board of Trustees and disseminated through the organisation by the Senior Management Team.

#### **3.3 Urgent reporting by staff and managers responsible for managing risks.**

This enables a quick response to significant risks that develop or occur. Where a risk requires immediate attention the responsible officer will inform the Senior Management Team who will in turn inform the Board of Trustees as appropriate (see paragraph 7.5).

#### **3.4 Development and Monitoring of the Corporate Risk Register**

This Risk Register framework is used to identify, assess and monitor risks facing the organisation. It is developed by the Senior Management Team with advice and input from Department Managers.

The Corporate Risk register contains review dates for each action and control. Progress is monitored on a monthly basis by the Senior Management Team.

Progress against actions to control significant (Business critical) risks is monitored quarterly by the Board of Trustees.

The Risk Register is reviewed annually by the Board of Trustees but any emerging risks identified can be added as required (see paragraph 7.5).

#### **3.5 Strategic planning and budgeting**

The BSSU Strategic Plan determines the priorities for the organisation and identifies targets. The annual budget setting process ensures resources available are allocated to deliver those priorities. The Senior Management Team is responsible for performance and budget monitoring and reporting progress to the Board of Trustees.

#### **3.6 Risk Assessments**

Risk Assessments are routinely used across the organisation to identify risks and controls in line with the BSSU Health and Safety Policy. These cover the day to day operations of the organisation, its programme of events and the activities of Clubs and Societies who operate with the support of BSSU.

#### **3.7 External audit**

External Audit provides feedback to the Senior Management Team on the effectiveness of the internal financial controls as part of the annual audit process.

#### **3.8 Third party reports**

BSSU will, from time to time use external consultants to give advice on specialist areas. This use of third parties can increase the reliability of external controls.

#### **3.9 Networks**

BSSU recognises that informal and formal networks and ad hoc meetings are an essential part of identifying new opportunities, trends and threats which could present new risks to the organisation.

#### 4. The Corporate Risk Register

4.1 The purpose of the risk register is to complement Bath Spa Student's Union (BSSU) Risk Policy. It does this by:

- Identifying risks facing the organisation
- Outlining the controls and actions to be or currently being implemented to mitigate and control risks
- Determine those responsible for controlling risks within the organisation
- Identifying trend and priorities

4.2 The areas of risk identified include the following areas:

- Governance and Legal (GL)
- Corporate & Strategy (CS)
- Financial (F)
- People (P)
- Activities (A)
- ICT & Technical (IT)
- Health & Safety (HS)
- Reputation (R)

4.3 The importance of each risk has been assessed by identifying the likelihood of each risk and its potential impact to the organisation. This enables the Trustees and management team to prioritise its work to control risks facing the organisation.

4.4 The risk register is reviewed annually by the Board of Trustees and progress against any actions identified monitored throughout the year.

4.5 The potential impact and likelihood of each risk is assessed using the following criteria:

##### Impact

Score	Description	Definition
1	Minor	<ul style="list-style-type: none"><li>• Financial impact on the organisation likely to be less than £25000</li><li>• No impact on delivery of BSSU strategic aims</li><li>• Unlikely to raise concerns with key stakeholders (Trustees, staff, students, external partners)</li></ul>
2	Moderate	<ul style="list-style-type: none"><li>• Financial impact on the organisation likely to be between £25000 – £50,000</li><li>• May impact on the organisations ability to deliver its strategic aims to timescale, cost and quality identified.</li><li>• Likely to raise concerns with staff, students, trustees and partners.</li></ul>
3	Significant	<ul style="list-style-type: none"><li>• Financial impact on the organisation is likely to exceed £50,000</li><li>• Significant impact on the ability of the 'organisation' to deliver its strategic priorities within agreed parameters</li><li>• Damage to key partnerships and reputation of BSSU</li><li>• Failure to meet legislative requirements</li></ul>
4	Major / Critical	<ul style="list-style-type: none"><li>• Financial impact on the organisation is likely to exceed £100,000</li><li>• Significant impact on the ability of the 'organisation' to deliver its strategic priorities</li><li>• Long term damage to key partnerships and reputation of BSSU</li><li>• Failure to meet legislative requirements leading to legal or financial claims or sanctions being taken against BSSU</li></ul>

## Likelihood

Score	Description	Definition
1	Remote	<ul style="list-style-type: none"><li>• Not likely to occur in a ten year period and has not occurred in previous 10 years.</li></ul>
2	Possible	<ul style="list-style-type: none"><li>• Likely to occur in next 3-10 years.</li><li>• This has occurred in previous 5 years or influencing external factors (e.g. changes to grant funding) are anticipated over next 5 years.</li></ul>
3	Likely	<ul style="list-style-type: none"><li>• Likely to occur over next 1-3 years.</li><li>• This has happened in previous 1-3 years.</li></ul>
4	Very likely	<ul style="list-style-type: none"><li>• Likely to occur at least annually.</li></ul>

### 4.6 There are four different approaches to dealing with risks:

Transfer	For example through adequate insurance policy or in contracts with third parties.
Avoid	Where the risks on the organisation are too great to continue.
Reduce	To introduce control or undertake actions to reduce the risk. This covers the majority of risks on the risk register
Accept	These are areas where the Trustees feel the organisation can adequately cope with the impact of any risk. These may be areas such as trading which carry a commercial risk or where the cost of further action may outweigh the potential reduction of that risk.

## **5. Risk Assessments**

- 5.1 Bath Spa University Students' Union (Bath Spa SU) is committed to ensuring the health, safety and welfare of its members, staff, customers, suppliers, visitors and all others who may be affected by its activities.
- 5.2 The union recognises that good management of health, safety and welfare is essential to the success of the organisation and is a sign of a well-managed organisation.
- 5.3 The Union's Health & Safety Policy details the allocation of health, safety and welfare responsibilities, the particular arrangements that are in place, the measures in place to monitor implementation of the policy and the system for reviewing the policy.
- 5.4 An 'Assessment of Risk' is a careful examination of what could cause harm. It is a way of establishing whether the precautions in place to avoid harm are sufficient, or whether more should be done.
- 5.5 All activities and operations with the potential to cause harm must undertake a Risk Assessment to identify the potential risks and the controls that are to be used to mitigate those risks.

## 6. Roles & Responsibilities

The Board of Trustees	<ul style="list-style-type: none"> <li>• Establishing the strategic vision, policies, values and risk appetite of BSSU</li> <li>• Ensuring a sound system of internal controls are in place in accordance with the constitution</li> <li>• Responsible for the effective use of resources</li> <li>• Reviewing and monitoring the Critical Business Risks quarterly and the Corporate Risk Register annually</li> <li>• Satisfying itself that risks are being actively managed by the Senior Management Team and that appropriate controls are in place and working effectively</li> </ul>
The Chief Executive Officer	<ul style="list-style-type: none"> <li>• Reporting progress and exceptions to the Board of Trustees</li> <li>• Responsible for maintaining good risk management practice</li> <li>• Ensure Critical Business Risks are identified and closely and regularly monitored</li> </ul>
The Senior Management Team	<ul style="list-style-type: none"> <li>• Ensure an appropriate system of internal controls is in place across the organisation</li> <li>• Implement policies on risk management and internal control</li> <li>• Identify, evaluate and monitor progress against risks identified under the Corporate Risk Register</li> <li>• Review and report annually on progress against the Risk Register and the effectiveness of internal controls to the Board of Trustees.</li> <li>• Assess any emerging risks and ensure appropriate controls are put in place</li> </ul>
Departmental Managers & budget holders	<ul style="list-style-type: none"> <li>• Support the Senior Management in the identification, management and monitoring risks affecting their departments</li> <li>• Inform the Senior Management Team of progress against actions and controls</li> <li>• Inform the Senior Management Team of emerging risks</li> <li>• Inform the Senior Management Team of actions taken or necessary to control immediate threats</li> </ul>
All Staff	<ul style="list-style-type: none"> <li>• Ensuring any actions or controls are employed as directed</li> <li>• Informing the Senior Management Team of any potential risks</li> </ul>
Student Council	<ul style="list-style-type: none"> <li>• Ensuring the BSSU policies in relation to Risk Management and health and Safety are followed</li> <li>• Informing the Senior Management Team of any potential risks</li> </ul>

## 7. Monitoring and review

7.1 The Corporate Risk Register is reviewed and updated annually by the Board of Trustees. The review will consider:

Control environment:

- the Union's objectives, its financial and non-financial targets
- organisational structure and skills
- culture, approach, and resources with respect to the management of risk
- delegation of authority
- public and stakeholder reporting.

On-going identification and evaluation of significant risks:

- timely identification and assessment of significant risks
- 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 risks to be identified.

Monitoring and corrective action:

- ability of the Union to learn from its problems
- commitment and speed with which corrective actions are implemented.

7.2 The Senior Management Team will prepare the above report annually to review the corporate risk register and the effectiveness of any controls and actions identified. This review will identify and recommend any proposals for revision of this policy.

7.3 Each annual review will also identify the most significant risks facing the Union over the next twelve months. These are known as the Business Critical Risks and are the most important risks facing the organisation. These are highlighted in the Corporate Risk Action Plan and progress in completing the controls to mitigate those risks will be monitored on a quarterly basis by the Board of Trustees. It is expected that the number of business critical risks identified will be between 10-15 risks annually.

7.4 Key tasks identified in the Corporate Risk register should be undertaken by the person(s) identified as having management responsibility for the risk and progress monitored by the person(s) identified as responsible within the timescale identified.

7.5 If during the year a new risk is identified it should be assessed using the criteria for potential impact and likelihood outlined under paragraph 3.4. If that assessment confirms it should be included on the Corporate Risk Register the Senior Management Team are responsible for amending the current register, ensuring any controls are identified and acted upon. The Senior Management Team will notify the Board of Trustees at their next meeting.