

## **Risk Management Project**

### **Report to Council March 2006**

A status report on the risk management project as at 10 February 2006 is attached as Appendix 1. The Director had 4 weeks long service leave during Jan/Feb.

1. Areas of recent activity
  - Raising the awareness of the project
  - Consideration of an appropriate risk management framework;
  - Review of the Risk Management Toolkit in conjunction with key University staff – Mark Bennett (General Manager Menzies Research Institute), Ann Ryan (Director TNE), Peter Thompson (Faculty of Education);
  - Meetings with members of the Senior Management Team on an individual basis, during December, January and February to determine key risk areas;
  - Strategic risk map to be completed and considered by SMT in March 06;
  - Website under development;

2. Next quarter activity

Areas of focus for the next quarter will be:

- the completion of the high level University-wide risk map,
- further development of the web site,
- preparation of an education and training package,
- establishment of a risk reference forum,
- delivery of training programs and
- commencement of the bottom-up operations risk assessment.

3. SMT attendance

The Director has been invited to attend fortnightly Senior Management Team meetings to ensure awareness and understanding of key University initiatives and to provide input from a risk management viewpoint.

4. HEFCE Good Practice Guide to Risk Management

In February 2005 the Higher Education Funding Council of England (HEFCE) released a guide to good practice in Risk management in Higher Education, prepared by Pricewaterhouse Coopers. This is a comprehensive document of 40 pages. The executive summary, introductory section and section on involvement of the governing body is included as Appendix 2.

The guide states that good risk management practice is about having a holistic approach, driven by a desire to balance stability and innovation. 'In the best-run organisations, risk management is synonymous with good management and good governance. It is not considered as a bolt-on to existing practices, or a separate exercise simply to meet regulatory requirements'.

It outlines the risk management activities that would be expected to be seen in an institution following current good practice, and these are illustrated in figure 1 on page 6. This framework recognises the need for a top-down strategic assessment together with a bottom-up operations-wide risk assessment and when combined gives:

- An overall perspective on the risk profile of the institution, and
- A sound basis for robust reporting on risk at governing body level.

The guide describes different techniques used by institutions to obtain maximum benefit from risk management, including drawing on the expertise of the governing body, academic staff and internal audit. It examines different models for resourcing risk management, scoring risks and reporting on them. It also looks at how different institutions have embedded risk management.

The University's intended approach to developing a University-wide risk management framework is consistent with the HEFCE approach.

Richard Easter  
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10 February 2006