

## RISK MANAGEMENT POLICY

### 1. DEFINITIONS

1.1. Within Imperial's risk management language, the following definitions are used:

Risk: A risk is an uncertain event that, if it materialises, will affect (positively or negatively) the achievement of one or more Imperial objectives. The magnitude of a risk will be assessed by qualifying the nature of the impact (positive or negative), the likelihood of its occurrence, and the effectiveness of existing controls.

Risk Management: The coordinated activities to direct and control Imperial regarding risk. The approach to identifying, analysing, prioritising and managing risks, considering the external and internal context, to enable well-informed decision making, maximise the realisation of opportunities and minimise the risk of threats to Imperial.

Risk Appetite: The level of risk that Imperial is willing to retain or pursue. Risk appetite is defined in Imperial's Risk Appetite Statement and defines the tolerability of risk scores.

Risk Tolerance: The practical application of Risk Appetite. The level of risk Imperial is willing to accept in pursuit of our objectives, defined by specific risk score thresholds.

### 2. POLICY STATEMENT

2.1. Imperial is committed to establishing and maintaining a comprehensive set of risk management processes and procedures which are in line with the requirements of the Office for Students, and which are aligned to recognised good practices in risk management.

2.2. Risk management operates across Imperial and is central to governance and the achievement of our mission and informs decision-making at all levels across the University.

2.3. The purpose of establishing effective and Imperial-wide good practice in risk management enables:

- The identification, analysis, treatment and capture of risks and opportunities which present themselves in the delivery of our objectives.
- The protection of Imperial's reputation, finances, sustainability and brand as the leading higher education and research establishment in the UK, and one of the leading global universities.
- Improvement of performance across all operations.

2.4. This policy describes Imperial's approach to risk management and details the roles and responsibilities expected of our colleagues. This policy forms a key part of Imperial's governance arrangements and underpins Imperial's Risk Management Framework, which details how colleagues are expected to practice risk management within their roles.

### **3. POLICY APPLICATION**

- 3.1. This Policy applies to all staff at Imperial. It is the responsibility of each Faculty, School, Institute, Department, Professional Service area or Major Project Lead to ensure that there is a nominated colleague who can apply the Policy and Imperial's risk management framework. Nominated points of contacts should seek information, training and/or support from the Risk Manager, where necessary, to enable them to identify and manage risks effectively in their area of responsibility.
- 3.2. This Policy and associated risk management guidance shall also apply to Imperial-owned subsidiaries, unless those subsidiaries have their own acceptable risk management arrangements in place.

### **4. RISK MANAGEMENT PROCESS**

- 4.1. Imperial's risk management process has been designed to align with the University's governance framework and reporting systems. Risk management at Imperial is performed within the context of:
  - Imperial's Strategy & Values.
  - Imperial's governance and reporting structures.
  - Imperial's Risk Management Policy, Risk Management Framework, and Risk Appetite Statement.
  - CoreStream risk management software system and its guidance pages.
  - Partner policies such as insurance, business continuity, ICT and Divisional control policies.
  - Imperial's governance, assurance and oversight processes.
- 4.2. Risk is managed at both a principal level and local departmental level. The Principal Risk profile is assessed and maintained to understand and mitigate issues that would prevent Imperial from delivering its strategic objectives. This is supported by a local or divisional risk register that is managed using the same process. This allows a consistent process to manage risk at all levels from a principal risk down to a local risk. It also allows for the effective escalation of risk from a local level to discussion at a principal level. Risks are escalated through the Risk and Compliance Committee on a cyclically basis or can be superseded with a direct escalation to Audit and Risk Committee if necessary.

### **5. LEADERSHIP AND RESPONSIBILITIES**

- 5.1. Council is responsible for determining and monitoring the adequacy of the system of internal control. Council receives a regular review of the Principal Risk Register. Throughout the year Council also receives regular updates from the Audit and Risk Committee.
- 5.2. Council delegates authority to the Audit and Risk Committee to review the effectiveness of internal control systems, risk management and corporate governance arrangements. The Audit and Risk Committee meets at least three times a year, and at each meeting receives a briefing on changes to the risk profile.

- 5.3. Council delegates the day-to-day running of Imperial to the University Management Board (UMB), which is responsible for setting and monitoring risk culture and for ensuring the appropriate resources are in place to manage risk. UMB reviews high level principal risks relevant to Imperial's Strategy, and any other items of a strategic nature.
- 5.4. UMB delegates the management of risks, and the monitoring and addressing of risk events to the Risk and Compliance Committee. The role of the Committee is to:
  - Review Imperial's Principal Risks at each meeting.
  - Understand and assess risk positioning, target positions, controls and actions.
  - Receive and consider reports on risk discussions relating to risk and compliance from across Imperial.
  - Oversee the development and monitor the implementation of Imperial's risk management systems and associated policies and procedures.
  - Oversee the actions to address weaknesses identified by internal audit.
  - Act as an interchange for information, ideas and best practice relating to Risk and Compliance.
- 5.5. Faculties, with support from the Risk Management team, are responsible for operational risk management. Faculty Boards meet routinely throughout the year.
- 5.6. Professional Services. Each area within Professional Services has several functions/departments, each of which are responsible for managing risks that could prevent achievement of local objectives. Each functional area coordinates risk management activities for their area of responsibility and maintains a Risk Register.
- 5.7. Schools, Institutes and Departments. Any risk assessed outside of agreed tolerance levels during internal reviews or during reviews with the Risk Manager should be escalated to the relevant Board/Committee for information or action, depending on whether the School, Institute or Department has the resources and/or capability to treat the risk.
- 5.8. The Risk Management team leads Imperial's risk management efforts as a strategic partner. The Risk Management team has responsibility for effective Risk Management, Crisis Management and Business Continuity.
- 5.9. The Risk Management team's responsibilities include:
  - Support the development of Imperial's risk management culture and capability.
  - Conduct risk workshops, provide advice and training to develop staff and risk owners' skills in risk management.
  - Conduct horizon scanning activities and brief staff on emerging risks which could impact delivery of local and organisational objectives.
  - Provide appropriate oversight of risk management activities.
  - Prepare and present risk reports to the various risk oversight Boards, including UMB, Risk and Compliance Committee and the Audit and Risk Committee.
  - Business Continuity and Incident Management.

- 5.10. The Internal Audit function liaises with the Risk Management function as one of its inputs to setting the annual Audit Plan. The Risk Management Team uses the findings of audits to help improve the overall control environment.
- 5.11. All Imperial staff are responsible for managing risk as part of their role in contributing to the delivery of Imperial's Strategy and business area objectives.

## **6. RISK APPETITE AND RISK TOLERANCES**

- 6.1. Risk appetite is the high-level, strategic amount and type of risk Imperial is willing to accept to achieve its objectives. It's a qualitative or semi-quantitative statement reflecting Imperial's risk-taking philosophy. Risk appetite sets the overall tone and boundaries for risk management.
- 6.2. Risk tolerances are the practical application of Imperial's risk appetite. They translate the broader, strategic concept of risk appetite into specific, measurable limits or thresholds that guide day-to-day decision-making in risk management for specific categories of risk. Tolerances ensure that risk-taking aligns with the appetite, providing clear guidelines for managers to assess and manage risks in their areas. The application of Imperial's risk appetite through tolerance scores allows risk owners to rapidly identify risks which are outside of appetite and therefore require prioritised responses.
- 6.3. Imperial recognises that its risk appetite will continually change as it responds to internal and external influences, the pursuit of Imperial's strategy, and new projects and initiatives. Imperial may be willing to simultaneously accept additional risk in one area while seeking to avoid risk in another. As part of the annual risk review processes, the risk appetite will be checked against current strategic and operational needs.
- 6.4. The Risk Appetite Statement gives a guide to staff on the parameters within which Imperial expects to operate. Committees, decision makers, and risk owners across Imperial should therefore use the statement as a guide to where they have more freedom to be innovative and where there is an expectation of greater caution.
- 6.5. Imperial's Risk Appetite Statement provides further details and risk appetite statements for each risk category.

## **7. DOCUMENT REVIEW & VERSION CONTROL**

- 7.1. The Risk Management team will maintain a continual review on the contents, relevance and appropriateness of this document, and any material changes to this policy will be approved by Council after recommendations by UMB and Audit and Risk Committee.

<b>POLICY AND DOCUMENT CONTROL</b>	
Policy title:	Risk Management Policy
Date approved:	11 <sup>th</sup> July 2025
Approving body:	Council
Last review date(s):	N/A
Revision history:	N/A
Next review date:	June 2027
Related internal policies, procedures, guidance:	N/A
Division / Department / Function:	Division of the University Secretary / Institutional Compliance and Risk / Risk and Resilience
Policy owner:	Registrar & University Secretary
Point of contact(s):	Risk Manager ( <a href="mailto:riskmanager@imperial.ac.uk">riskmanager@imperial.ac.uk</a> )