Risk Management Policy

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Related Policies & Procedures	Risk Management Group Terms of Reference

1. SCOPE

1.1 Overall responsibility for risk management at the London School of Hygiene and Tropical Medicine (LSHTM) lies with the Director, with responsibility for implementation delegated to the Secretary & Registrar.

1.2 It should be noted that risk management is the responsibility of everyone at LSHTM, and all staff should be aware of the policy, not just named individuals.

2. PURPOSE AND OVERVIEW

2.1 The LSHTM regards risk management as a tool of good management and it is directly linked to the ambitions stated in the LSHTM Strategy.

2.2 The purpose of LSHTM's risk management policy is to support the development of a consistent approach to determining, analysing and managing risk to ensure that all reasonable steps are taken to mitigate risk and that the level of risk accepted is balanced against the expected reward.

1.3 Robust risk management is an important factor in ensuring that it meets obligations to its key stakeholders. Specifically, the Office for Students' (OfS) Terms and Conditions of Funding require LSHTM to have effective arrangements for providing assurance to Council that LSHTM has a robust and comprehensive system of risk management, control and corporate governance. This policy helps to ensure that LSHTM complies with this requirement.

1.4 The management of risk as outlined by in this policy comprises of:

- Definitions of risk and risk management
- Roles and responsibilities
- Identification, evaluation, appetite, escalation and management of significant risks

3. POLICY

3.1 Definitions of risk management and risks

3.1.1 Risk management is defined as the 'planned and systematic approach to identifying, evaluating and controlling risks at all levels of the organisation'.

3.1.2 A risk can be defined as "'any matter, either internally or externally generated, which may positively or negatively impact on the achievement of an organisations objectives".

3.2 Roles and Responsibilities

3.2.1 Risk Management responsibilities are discharged as follows:

Council is responsible for ensuring the effective management of LSHTM and for planning its future development. It is, therefore, responsible for ensuring compliance with governance requirements, which includes the establishment and monitoring of the Risk Management Policy. To fulfil its duties Council is required to:

- ensure an effective framework is in place to identify and manage risks
- ensure risk management is integrated into the strategic and operational planning processes
- approve major decisions affecting LSHTM's risk profile or exposure
- seek assurance on matters of risk management, control and governance from internal audit and Audit and Risk Committee
- identify areas of risk for focussed discussion where appropriate

Audit & Risk Committee (ARC), in line with its Terms of Reference, is responsible for:

- Reviewing the effectiveness of mechanisms operated by the Executive Team (ET) for identifying, assessing and mitigating risks (including, where appropriate, mitigation by insurance).
- Regularly considering the current status of core risks to the LSHTM Strategy, through the review of data and documents presented by the Executive and derived from the Strategic Risk Register.
- Periodically reviewing the Faculty and Unit risk registers
- Regularly testing scores and controls in selected areas of activity through consideration of specific reports known as 'risk deep dives'

Committees of Council contribute to the risk management process by scrutinising risks related to their remit. For example:

- Senate receives and scrutinises a report on academic risks from the Strategic Risk Register
- Finance & Development Committee receives and scrutinises a report on financial risks from the Strategic Risk Register
- People Committee receives and scrutinises a report on people/cultural risks from the Strategic Risk Register

The Executive Team (ET) is responsible for identifying, monitoring and managing strategic risks, and making recommendations to Council with regard to the areas for which Council is responsible. Operationally, the Director delegates their responsibility to the Secretary & Registrar who is responsible for co-ordinating, monitoring and reviewing the risk management process, ensuring the Risk Management Policy and Strategic Risk Register are up-to-date, and following up on recommendations arising from reviews.

Risk Management Committee reviews LSHTM's Institutional Risk Registers on a quarterly basis, identifying, monitoring and managing current and emerging risks and referring them to ET as necessary for focussed discussion.

Faculty Management Groups (FMGs) and Unit Management Groups[1] are required to:
- manage and update faculty/Unit risks quarterly;
- provide the Risk Management Group with the full Faculty Risk Register, a summary of top rated risks and any risks it believes should be escalated to the Strategic Risk Register.

Risk Owners should be members of the ET (or FMG members/Unit management members for faculty/unit risk registers) and, in conjunction with risk supports are responsible for ensuring the delivery of mitigating actions, keeping the risk description up to date and reporting on progress at least every four months to align with the Audit & Risk Committee reporting cycle.

Internal Auditors produce an Annual Report for Council and for consideration by the Audit and Risk Committee that includes an opinion on the adequacy and effectiveness of LSHTM's arrangements for risk management, control and governance, and determine the internal audit plan through a risk-based approach.

External Auditors consider whether the statement of control included in the corporate governance section of the audited financial statements, explaining the risk management arrangements operated by LSHTM, is consistent with their knowledge of LSHTM.

3.3 Identification, evaluation, appetite, escalation and management of significant risks

3.3.1   Identification
Most strategic risks will be identified by the ET and/or the Risk Management Group members who collectively have responsibility for delivering LSHTM's Strategy. Should any member of staff believe they have identified a new strategic risk they should contact the Secretary & Registrar, and for other operational risks contact risk register owners in their relevant area e.g. Unit/Faculty.

3.3.2   Evaluation
Once a risk has been identified its risk rating should be evaluated by the risk owner using the below risk matrix. The risk rating is calculated using two elements: the likelihood of occurrence and the severity/impact of the risk occurring. For example, a risk with a likelihood rating of 'possible' and a severity impact rating of 'major' will result in a rating of 'high risk'

Risk Matrix:

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[1] Unit Management Group is a collective term to describe The Gambia Unit Leadership Board and the Uganda Unit Management Committee.

Likelihood	Negligible	Minor	Moderate	Major	Catastrophic
Almost certain	Low Risk	Moderate Risk	Moderate Risk	Very High Risk	Very High Risk
Likely	Low Risk	Moderate Risk	Moderate Risk	Very High Risk	Very High Risk
Possible	Low Risk	Low Risk	Moderate Risk	High Risk	High Risk
Unlikely	Low Risk	Low Risk	Low Risk	High Risk	High Risk
Rare	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
	Negligible	Minor	Moderate	Major	Catastrophic
			Severity		

Likelihood descriptors:

Rare	Unlikely	Possible	Likely	Certain
Less than a 20% probability that event will occur.	Between 20% and 40% probability that event will occur.	Between 40% and 60% probability that event will occur.	Between 60% and 80% probability that event will occur.	Greater than 80% probability that event will occur.

Severity descriptors: *Further information on thematic severity descriptors e.g., financial limits is available in Annex A.*

Negligible	Minor	Moderate	Major	Catastrophic
Implications would have a very low impact and can be managed locally, or via minor revision of planned outcomes, or with little effect upon delivery timescales	Implications would have a low impact and can be managed within any contingency funding set, or would detract slightly from the quality of outcomes, or would delay elements of the activity without impacting on the overall timescale for delivery	Implications would have a medium impact and would exhaust or exceed any contingency funding set, or would detract from the quality of outcomes but not detract from the overall purpose of the activity, or lead to slightly extended timescales that would not materially affect desired outcomes.	Implications would have a high impact and could not be met within approved budgets, or would significantly detract from the quality of outcomes and reduce the viability of the activity, or lead to greatly extended timescales with outcomes later than required to obtain maximum benefit	Implications would be critical and increased costs would negate the benefits of the activity, or the quality of outcomes would be reduced to such an extent that the benefits of the activity would be negated, or extended timescales mean that outcomes are too late and negate the benefits of the activity

3.3.3   Risk Appetite

The risk appetite is the level of risk that is tolerable to LSHTM in order to meet its strategic objectives. Risk appetite statements for key LSHTM activities have been developed and note where some LSHTM activities may deviate from these broad statements.

	Risk Appetite Categories		
Risk Areas	Low	Medium	High
Reputation	x		
Research		x	
Financial		x	
Knowledge Exchange & Innovation			x
Compliance	x		
Partnerships		x	
People & Culture	x		
Safety	x		
Education	x		
The Student Experience	x		
Infrastructure		x	
Information & Data Management		x	

Reputation: LSHTM has a low appetite for risk in the conduct of any of its activities that puts its reputation in jeopardy or could lead to undue adverse regional or international publicity and affects the funders of its activities. LSHTM would look to mitigate moderate, major and catastrophic impact to its reputation.

Research: LSHTM will conduct outstanding and relevant research to tackle key public and global health challenges, achieve our mission and have significant impact on the world. To support research LSHTM must ensure there are appropriate systems, process and professional support in place. It is recognised that there is variable and uncertain degree of risk in achieving the intended outputs of scientific research and LSHTM is comfortable in accepting this risk subject to a) limitations imposed by ethical considerations, and b) ensuring that potential benefits and risks are fully understood before research is conducted.

Financial Risk: LSHTM recognises that there is a moderate degree of financial risk involved in the pursuit of strategic goals. Through robust processes for financial planning, budgeting, reporting and control (e.g. Financial Regulations, Investment Working Group, Finance & Development Committee) LSHTM will work within the financial parameters that maintain the long-term financial viability.

Knowledge Exchange and Innovation: LSHTM wishes to transform knowledge, ideas, and expertise into advice, innovation, intellectual property. It is recognised that developing this may involve an increased degree of risk hence it's high risk appetite for these types of activities.

Compliance: LSHTM places great importance on compliance, and has little to no appetite for any breaches in regulation, professional standards, research or medical ethics, bribery or fraud.

Partnerships: Working in partnership with others is central to achieving our mission. Our partnerships in the UK, and globally, deliver health and socioeconomic benefits across the world. The is likely is likely be an inherent risk with working with partners hence LSHTM's medium risk appetite, however through appropriate due diligence and risk assessment and continue monitoring, LSHTM will minimise the risks where possible.

People and Culture: LSHTM aim to create an inclusive research, education and working environment reflected through a community that everyone feels a part of. We will support the professional growth and development of all staff so that we continue to attract and retain

world-leading academic and professional support staff. LSHTM has a low appetite for any deviation from its standards in these areas.

Safety: LSHTM places great importance on the safety of its stakeholders (staff, students, visitors, research partners) and has little to no appetite for Health and Safety legislation breaches. For staff/students overseas, e.g., for research purposes, a medium appetite may be tolerated provided the risks are fully understood before travel is authorised and that sensible measures to mitigate risk are established.
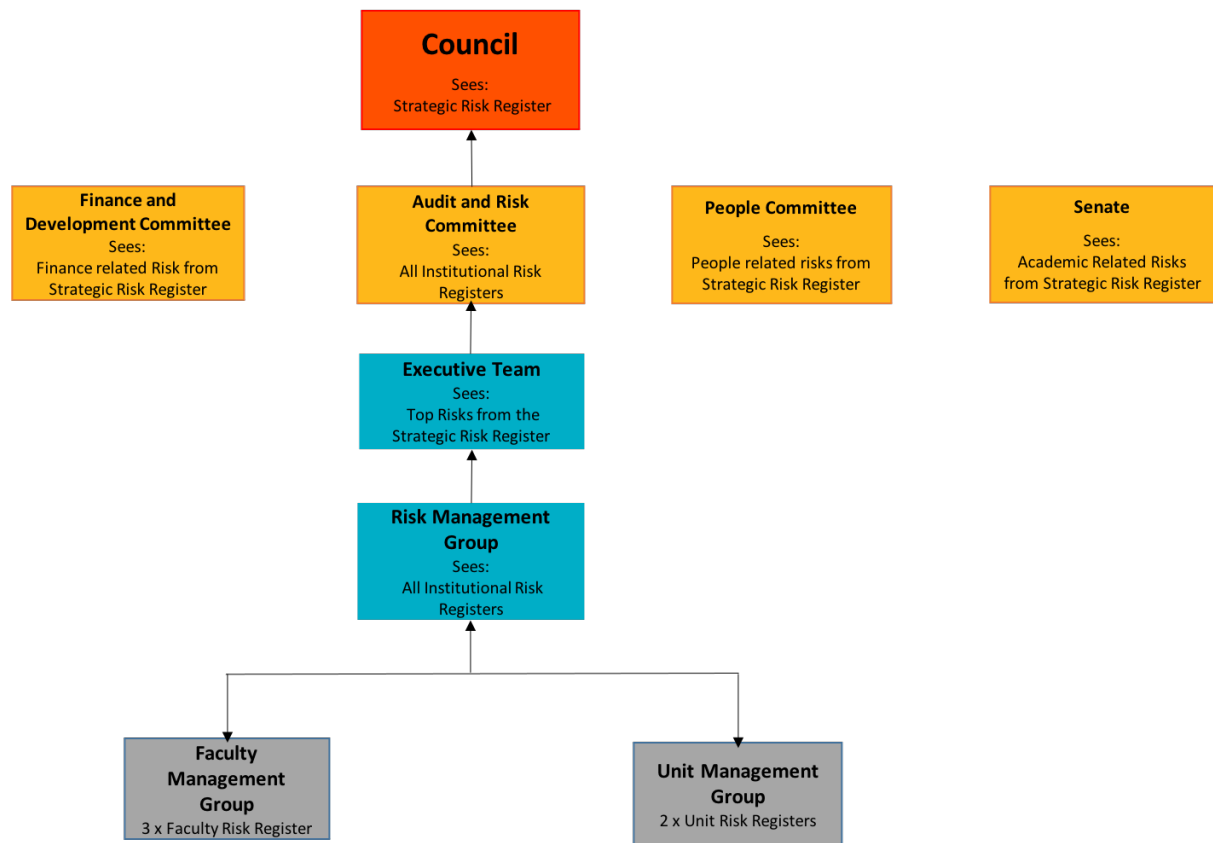
Education and the Student Experience: LSHTM recognises the importance of the student experience but recognises that this will involve an increased degree of risk in developing new and innovative education delivery models.

Infrastructure: LSHTM must have solid infrastructure upon which the basis of services are delivered such as IT, estate and environment. There is a medium risk appetite for infrastructure risks, as this will be dependent on the area it supports.

Information & Data: LSHTM is responsible for ensuring the security and protection of research and personal data held. While LSHTM wishes to mitigate any threats that may lead to loss of strategic and critical systems or information relating to staff, students, research or other LSHTM operations, a medium risk appetite has been agreed to reflect the scale of risk and controls that need to be put in place e.g. data related policies, procedures, training and governance arrangements.

3.3.4   Management of risks

Risk management is integrated into the culture of LSHTM and its key functions. LSHTM actively maintains and reviews their risk registers in the context of the Strategic Risk Register to promote risk management at all levels. The following Risk Registers are required to support the Risk Management Policy, and the corresponding reporting structure is shown diagrammatically below:

Council
Sees:
Strategic Risk Register

Finance and Development Committee
Sees:
Finance related Risk from Strategic Risk Register

Audit and Risk Committee
Sees:
All Institutional Risk Registers

People Committee
Sees:
People related risks from Strategic Risk Register

Senate
Sees:
Academic Related Risks from Strategic Risk Register

Executive Team
Sees:
Top Risks from the Strategic Risk Register

Risk Management Group
Sees:
All Institutional Risk Registers

Faculty Management Group
3 x Faculty Risk Register

Unit Management Group
2 x Unit Risk Registers

Strategic Risk Register x1
- Reflects key risks which could prevent or enhance LSHTM achieving its objectives, as defined in the LSHTM Strategy
- Incorporates related key performance indicators
- Is updated and reported to the Risk Management Group, ET and ARC.
- In addition to the full Strategic Risk Register, ARC and Council receive a narrative report of the top 10 risks from the Strategic Risk Register.

Faculty Risk Registers x3
- Risk registers will be managed, reviewed and approved by the Faculty Management Group.
- Will reflect specific operational risks that affect the Faculty's ability to deliver the objectives set out in the LSHTM, and Faculty Strategies.
- Will be reported to the Risk Management Group on a quarterly basis. If additional risks are identified between quarterly reports, or there are significant changes in the status of risks then the risk register should be updated and the matter raised with the Risk Management Group and ET.
- Will be reported to Audit and Risk Committee annually, and a summary of top risks will be highlighted to the Risk Management Group quarterly.

Unit Risk Registers x2

- Risk Registers will be managed, reviewed and approved by the each Unit Management Group.
- Will reflect specific operational risks that affect the Unit's ability to deliver the objectives set out in the LSHTM and Unit Strategies.
- Will be reported to the Unit Risk Group, LSHTM Risk Management Group on a quarterly basis.
- If additional risks are identified between quarterly reports, or there are significant changes in the status of risks then the risk register should be updated and the matter raised with the Risk Management Group and ET.
- Will be reported to Audit and Risk Committee annually, and a summary of top risks will be highlighted to the Risk Management Group quarterly.

Research Project Risks:
- Separate risk assessments will be completed for many of LSHTM's research projects.
- In most cases the format for these risk assessments is dictated by the project funder, and the Principal Investigators responsible for such projects will not normally be required to complete a duplicate risk register using the LSHTM framework.
- Risks will be identified and considered by Heads of Academic Departments, Deans of Faculty and Unit Directors before applications for research funding are submitted, as part of LSHTM's existing review process.
- All projects involving human subjects must be referred to, and approved by, the Ethics Committee.
- The Research Operations Office will maintain an overarching register of cross project risks and be responsible for the update and mitigation of risks and will be reviewed by the Chief Operating Officer on a periodical basis.

3.3.5   Risk Register Template
All of LSHTM's risk registers should utilise the same template to ensure consistency in how risks are managed. A risk register template can be obtained by contacting the [Governance and Planning Team.](#) Guidance on how each section of the risk register should be completed is provided in the appendix to this policy.

3.3.6   Escalation
LSHTM Risk Management Group are responsible for recommending to ET when operational risks should be escalated onto the strategic risk register, and where risks are no longer strategic and should be managed operationally. Where applicable a written rationale will be provided to support escalation from Faculty/Unit risk registers to the Strategic Risk Register, and this will be presented to the Risk Management Group when reviewing all institutional risk registers on a quarterly basis. A number of factors will be considered before risks are escalated; these include the risk rating, risk appetite, the cumulative effect of the risk across LSHTM, and how the risk affects LSHTM's ability to meet its strategic objectives.

4. APPENDIX
4.1   Risk Register Template Guidance:
Reference:

Each risk will have a unique reference and will use the following formula: Risk register/academic year/risk number. For example, SRR1718-01 would indicate that the risk was on the Strategic Risk Register, was identified in the 2017/18 academic year, and was the first risk of the academic year to be identified.

The acronym of each risk register is detailed below:
- Strategic Risk Register - SRR
- Faculty Risk Registers - ITD/EPH/PHP
- Unit Risk Register - MRCG/MRCU

Should a risk be derived from a risk on the Strategic Risk Register then the reference of the strategic risk should be shown in brackets. For example, EPH1718-05 (SRR1617-09).

Risk Title:
This should succinctly describe the risk, and potential impact.

Early Indicators:
Describe an event or condition that indicates this risk is about to occur. Should a risk trigger come to fruition, the risk should be automatically re-scored and updated.

Risk Owner:
All risks should have a risk owner who is accountable for ensuring the risk is managed appropriately. For the Strategic Risk Register, the risk owner should be a member of the Senior Leadership Team. For the Faculty Risk Register, the risk owner should be a member of the Faculty Management Group and so forth.

Risk Support
Most risks will have one or more individuals who are risk supports. These individuals will have direct responsibility or oversight of activities to manage the risk. The risk support will be responsible for providing relevant updates and the risk owner will review this before it is accepted on the risk register.

Existing Controls:
List what measures are already in place to help manage this risk.

Risk Appetite:
The level of risk that is tolerable to LSHTM within this risk area.

Current Rating (or net risk score):
The net risk rating is determined based on the risk matrix.

Justification of the current rating:
Provide narrative as to why the risk has been given its current rating. This includes progress against the mitigating actions, external factors and any changes to the risk.

Risk Control:
The risk owner and support will identify how the risk will be controlled:
- Transfer; for some risks, the best response may be to transfer them. This might be done by conventional insurance or by supporting a third party to take the risk in another way.
- Tolerate; the ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. This course of action is common for large external risks. In these cases the response may be to tolerate but the risk should be tracked so managers are ready to reconsider should it

start to escalate. Tolerance levels determining how much risk can be taken at each level should be based on the risk appetite of that risk.

- Treat; by far the greater number of risks will belong to this category. The purpose of taking action to reduce the chance of the risk occurring is not necessarily to get rid of the risk, but to contain it to an acceptable level.
- Terminate; when the risk either no longer exists and/or when mitigating actions have been put in place to manage the risk within risk appetite levels.

Direction of Travel:
Indicate whether the current risk rating has increase, decreased or maintained the same since the risk was last reviewed.

Last reviewed:
The date of which the risk was last reviewed.

Action Plan
The action plan should clearly map out how each risk will be mitigated to within the risk appetite. Each action should include the task, action owner and deadline. Actions within the plan do not necessarily have to be live at the same time e.g. action 3 may not be able to take place unless actions 1 and 2 are completed. Risks which are categorised as "tolerate" are unlikely to have many actions but should remain on the risk register to be kept under review in case they escalate.

Annex A

Severity (impact) scores

Severity descriptors have been provided for key risk themes as a guide to help risk owners determine the severity rating of their risks. Risks can be considered either as a threat (where the impact would have a negative impact on LSHTM meeting its strategic objectives), or as an opportunity (where the impact would have a positive impact on LSHTM meeting its strategic objectives). While these descriptors are focused on the 'threat' risks, they can be used conversely when considering risks that are opportunities

Severity score (impact levels) and examples of descriptors					
	1	**2**	**3**	**4**	**5**
Categories	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Financial	Net Loss of below 1% of relevant budget or Below £100K net financial impact	Loss of up to 10% of relevant budget or ≤£250K net financial impact	Loss of 10-25% of relevant budget or ≤£500K net financial impact	Loss of >25% of relevant budget or ≤£2m net financial impact	Loss of >25% of relevant budget or >£2m net financial impact
Reputation	Rumours with potential for public/ stakeholder concern	Local media adverse coverage; Non-influential adverse social media posts; Potential short-term reduction in public/ stakeholder confidence	Regional media adverse coverage; Moderately influential adverse social media posts; Medium-term reduction in public/ stakeholder confidence	National and international adverse media coverage; Influential adverse social media posts; Potential to undermine reputation with stakeholders	National and international media coverage with serious adverse impact; Highly influential adverse social media posts; High risk of damaging reputation with stakeholders
Compliance	Non-compliance is trivial/technicality only; not subject to mandatory reporting; self-identified in a timely way; and easily remedied immediately	Non-compliance is trivial/technicality only; not subject to mandatory reporting; self-identified in a timely way; but requires additional time or	Non-compliance is more than trivial and/or risks minor reputational damage; is not self-identified in a timely way; can be remedied without significant time	Non-compliance risks significant reputational damage and/or legal claim to £20,000 and/or a warning or investigation or sanction from regulator; is identified by	Non-compliance risks significant reputational damage and/or legal claim in excess of £20,000, or sanction by regulator; risks significant disruption to the LSHTM's

		resource to be remedied.	and/or resources; can be remedied before any mandatory reporting is required.	an auditor; requires mandatory reporting before the non-compliance can be remedied	operations; is identified by a regulator, or third party (e.g. whistle-blower, FOI requestor, press).
Safety	Minimal harm requiring no / minimal intervention	Minor harm or illness, requiring minor intervention	Moderate harm requiring professional intervention or impacts on a small number of people; Reportable incident	Major harm leading to incapacity/ longer-term effects; Reportable incident	Incident leading to significant harm or death/ multiple injuries or irreversible health effects; An event which impacts on a large number of staff/ students /publics; Reportable incident
Infrastructure	Loss/ interruption of <1 hour	Loss/ interruption of up to 8 hours	Loss/ interruption of >1 day	Loss/ interruption of >1 week	Permanent loss of service, facility and/or building
Business Continuity	Short-term/temporary low staffing level that has minimal or no effect on business and/or service delivery	Low staffing level that has short-term adverse effect on activity in specific area	Staffing level or expertise has short-term adverse effect in area affecting delivery of key objective/ service	Staffing level or expertise has adverse effect in area affecting delivery of key objective/ service for <1 week	Totally unacceptable level or quality or level of staffing