

Risk Management Briefing

WARWICK

Risk & Resilience Team



Risk and Risk Management



Risk:

“The effect of uncertainty on our objectives”

At a department level the objectives at risk will be your departmental objectives. At an institutional level, these will be the University’s strategic objectives.

Risk Management:

A coordinated set of activities and methods employed to control the risks that can impact our ability to achieve objectives. The management process is cyclical and involves the following steps...

Steps in Risk Management



1. **Risk Identification** – *Recognise & describe it* – a process used to find, recognise, and describe the risks that could impact our objectives.
2. **Risk Analysis** – *Score it* – a process used to determine the ‘Likelihood’ of the risk happening and the potential ‘impact’ if it did. The resulting ‘Risk Score’ is a calculation of Likelihood x Impact.
3. **Risk Evaluation** – *Is it acceptable?* – a process used to examine the magnitude and whether the risk is acceptable against the Risk Appetite/Tolerance of the Dept or University.
4. **Risk Treatment** – *Mitigation* – a process by which ‘controls’ (mitigation measures) are put in place to help lower the risk score.

1. Risk Identification



Internal Sources	External Sources
Governance	Legal/Regulatory
University Structure	Severe Weather
Culture	Political Change
Finance	Sector Changes
Staff & Students	Global Economy
Health & Safety	Epidemic/Pandemic
Information Security & GDPR	Competitors

Examples only; not an exhaustive list

2a. Risk Analysis – Likelihood Score

Likelihood	Score		Description
Extremely likely	5	Red	Something that will be occurring in the next few weeks or is very likely to occur during the current business / operational planning cycle. Over 75% chance of risk occurring.
Probable	4	Red-Orange	Something that is likely to occur during the next business / operational planning cycle. Between 50% and 74% chance of risk occurring.
Possible	3	Yellow-Orange	Something that could happen at some point over the current strategic planning cycle. Between 25% and 49% chance of risk occurring.
Unlikely	2	Yellow	Something that is unlikely to occur based on current intelligence. Between 10% and 24% chance of risk occurring.
Highly unlikely	1	Light Green	Something that is highly unlikely to occur based on current intelligence. Less than 10% chance of risk occurring.

2b. Risk Analysis – Impact Score (zoom in for detail)

Impact	Score	IMPACT CATEGORY						
		Delivery/Performance (D)	Finance (F)	Reputation (R)	Health & Safety (H)	Legal (L)	People & Wellbeing (P)	Environment (E)
Very High	5	<ul style="list-style-type: none"> - Multiple Depts unable to continue service delivery - Resolution required at Executive level - Prolonged disruption to operations - Major decreases across a broad range of KPIs - Failure to deliver one or more strategic goals 	<ul style="list-style-type: none"> - Major impact on finances available to affected business area (£millions) 	<ul style="list-style-type: none"> - Sustained (for a number of days within 1 week) adverse international / national media coverage - Cancellation of events, withdrawal of donations, cancellation of conferences - Significant reduction in confidence and trust from existing and/or prospective students and large increase in actual and threatened student drop-outs - Widespread and prolonged reduction in public confidence - Criticism at Government level - Major unjustified impact on human rights or diversity 	<ul style="list-style-type: none"> - Fatal incidents - Health effects - affecting more than one person or chronic medical disability due to, for example, exposure to a probable carcinogen - Property damage - the loss of one or more buildings 	<ul style="list-style-type: none"> - Prosecution of University - Successful, substantial claims/fines against the University outside the limits of our insurance - Knowingly failing to comply with legislation - Failure to meet Government requirements 	<ul style="list-style-type: none"> - Loss of a number of members of the Executive Team - Redundancies affecting >100 people - Major drop in staff morale - Major reduction in student numbers (>20%) - Huge increase in staff accessing EAP, very high levels of stress related sick leave across a number of areas, wellbeing reports made to Managers in several Depts/areas - Significant increase in student drop-outs/non-continuation rates, high increase in students accessing wellbeing support 	<ul style="list-style-type: none"> - Major and widespread contamination of groundwater and/or soil - Significant and prolonged air pollution - Extremely damaging impacts on Biodiversity and protected species - Large quantities of non-recyclable waste materials produced
High	4	<ul style="list-style-type: none"> - One Dept unable to continue service delivery - Resolution required at Executive level - Medium to Long term University-wide disruption to operations - Serious decrease in performance across several KPIs - Failure to deliver on a priority strategic goal 	<ul style="list-style-type: none"> - Serious impact on finances available to affected business area (£100,000s) 	<ul style="list-style-type: none"> - Persistent (frequent/regular news coverage) adverse national media coverage - Threats of Event cancellation and donation withdrawal - Significant reduction in confidence and trust from existing and/or prospective students and significant threat of student drop-outs - Temporary reduction in public confidence - Criticism at Local Government level or intervention by the UK Research & Innovation and/or Office for Students office - Serious unjustified impact on human rights or diversity 	<ul style="list-style-type: none"> - Injury - permanent disability or other reportable injury/disease, for example, amputations or major fractures. Severely life shortening diseases. - Health effects - affecting one person, toxic by inhalation/contact with skin or swallowed. Damage to eyes, respiratory system, skin sensitisation, effects on fertility, prolonged exposure risks, limited evidence of carcinogenic effects. - Property damage; major. Extremely flammable and explosive substances. - Lost time; > 3 months 	<ul style="list-style-type: none"> - Potentially successful claims/fines against the University outside the limits of our insurance - Failure to comply with legislation - Failure to deliver on stated Government priority 	<ul style="list-style-type: none"> - Loss of one member of the Executive Team - Redundancies affecting between 60-99 people - Serious drop in staff morale - Serious reduction in student numbers (10-15%) - Significant increase in staff accessing EAP, high levels of stress related sick leave across several areas, wellbeing reports made to Managers in more than one Dept - Increase in student drop-outs/non-continuation rates and increase in students accessing wellbeing support 	<ul style="list-style-type: none"> - Significant but limited (in terms of area) contamination of groundwater and/or soil - Moderate and prolonged air pollution - Damaging impacts on Biodiversity and protected species - Large quantities of non-recyclable waste materials produced
Medium	3	<ul style="list-style-type: none"> - Multiple teams within a Dept unable to continue service delivery - Resolution required at Faculty/Group level - Short to Medium term disruption to Faculty/Group activity - Significant decrease in specific KPIs - Adverse effect on objectives 	<ul style="list-style-type: none"> - Significant impact on finances available to affected business area (£10,000s) 	<ul style="list-style-type: none"> - Sustained adverse local media coverage - Poor public sentiment - Moderate reduction in confidence and trust from existing student community and moderate threat of student drop-outs/non-continuation rates - Health effects; acute health effects, e.g. harmful if inhaled/contact with skin/ or swallowed, dermatitis, ill-health leading to minor but permanent disability. - Property damage; serious but confined to a work-room or area. Oxidising, flammable and highly flammable substances. - Lost time; > 4 days – 3 months 	<ul style="list-style-type: none"> - Injury; loss of consciousness, lacerations, concussion, serious sprains, minor fractures, deafness, asthma, burns or injury resulting in absence from work. - Health effects; acute health effects, e.g. harmful if inhaled/contact with skin/ or swallowed, dermatitis, ill-health leading to minor but permanent disability. - Property damage; serious but confined to a work-room or area. Oxidising, flammable and highly flammable substances. - Lost time; > 4 days – 3 months 	<ul style="list-style-type: none"> - Significant claims/fines against the University, within our insurance cover - Failure to deliver on multiple other Government policies 	<ul style="list-style-type: none"> - Loss of a number of senior managers - Redundancies affecting between 30-59 people - Significant drop in staff morale - Significant reduction in student numbers (5-10%) - Slight increase in staff accessing EAP, small increase in stress related sick leave in a concentrated area of the University, wellbeing reports to Managers in one Dept - Very small increase in student drop-outs/non-continuation rates and some increase in students accessing wellbeing support 	<ul style="list-style-type: none"> - Moderate contamination of groundwater and/or soil - Moderate-Minimal air pollution - Limited (in terms of area affected) but significant damaging impacts on Biodiversity - Moderate quantities of non-recyclable waste materials produced
Low	2	<ul style="list-style-type: none"> - One team unable to continue service delivery - Resolution required at Department level - Short term disruption to Departmental service delivery - Minor decrease in specific KPIs - Failure to achieve an internally agreed objective 	<ul style="list-style-type: none"> - Minor impact on finances available to affected business area (£1000s) 	<ul style="list-style-type: none"> - Isolated adverse media coverage - Minor damage to reputation - perception, feedback surveys, SM activity - Very limited and temporary reduction in public confidence - Reduction in confidence and trust from existing student community and minor threat of student drop-outs/non-continuation rates - Internal criticism - Minor unjustified impact on human rights or diversity 	<ul style="list-style-type: none"> - Injury - Widespread bruising, minor cuts, light abrasions - Health effects - mild irritation of skin or eyes, headaches, ill-health leading to temporary discomfort - Property damage; minor - Lost time; < 3 days 	<ul style="list-style-type: none"> - Minor claims, complaints within our insurance cover - Failure to deliver on one Government policy 	<ul style="list-style-type: none"> - Redundancies affecting between 10-29 people - Minor drop in staff morale - Minor reduction in student numbers (1-5%) - Slight increase in staff accessing EAP, small increase in short term stress related sick leave in one Dept - Possible wellbeing reports to Managers in one Dept - A small increase in students accessing wellbeing support 	<ul style="list-style-type: none"> - Minimal contamination of groundwater and/or soil - Minimal air pollution - Limited (in terms of area affected) and moderately damaging impacts on Biodiversity - Moderate-minimal quantities of non-recyclable waste materials produced
Very Low	1	<ul style="list-style-type: none"> - Negligible impact on service delivery - Resolution required at team management level - Minor reduction to department service delivery - Negligible decrease in specific KPIs - Partial failure to achieve an internally agreed objective 	<ul style="list-style-type: none"> - Negligible impact on finances available to affected business area (£100s) 	<ul style="list-style-type: none"> - Negligible adverse media coverage - Minor and temporary reduction in public confidence - Temporary and minor reduction in confidence and trust from existing student community - Low level internal criticism - Negligible unjustified impact on human rights or diversity 	<ul style="list-style-type: none"> - Very minor injuries; minimal cuts & bruises - Property damage; minimal - Lost time; < 1 day 	<ul style="list-style-type: none"> - Negligible claims or complaints - Failure to deliver on aspects of Government policy 	<ul style="list-style-type: none"> - Negligible drop in staff morale - Negligible impact on confidence <10 people - Negligible reduction in student numbers (<1%) - Minor increase in short term stress related sick leave in one Dept (only) and some minor concerns about staff wellbeing flagged to Managers in one Dept - Minor increase in students accessing wellbeing support 	<ul style="list-style-type: none"> - Trace contamination of groundwater and/or soil - Trace air pollution - Limited (in terms of area affected) and minimal undesirable impacts on Biodiversity - Small quantity of non-recyclable waste materials produced

2c. Risk Analysis – Overall Risk Score

5 Very High	5	10	15	20	25
4 High	4	8	12	16	20
3 Medium	3	6	9	12	15
2 Low	2	4	6	8	10
1 Very Low	1	2	3	4	5
	1 Highly Unlikely (-10%)	2 Unlikely (10-24%)	3 Possible (25-49%)	4 Probable (50-74%)	5 Extremely Likely (75%+)

The Impact score multiplied by the Likelihood score, gives an overall 'Risk Score'.

The matrix shows how this Risk Score is then categorized into **Very Low, Low, Medium, High and Very High**.

Doing this helps us see which risks are most significant and require the most attention and management.

3. Risk Evaluation



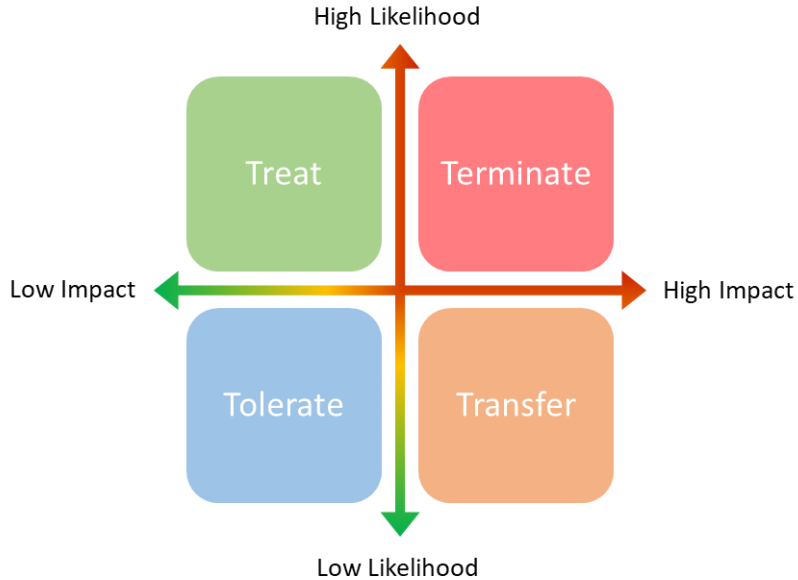
Risk Threshold

Risk Threshold is a level beyond which an organisation will need to address the risk. It is a quantified limit and for the University this has been set at **16+**. If a risk has a Current Score greater than 16 it will usually not be tolerated and should be treated with an appropriate **risk treatment option**.

Risk Appetite

Risk Appetite is the amount of risk that the University is prepared to pursue in order to meet its strategic objectives. Risk Appetite can range from 'Risk Averse' (low) through to 'Risk Tolerant' (high). Risks should be benchmarked against the University Risk Appetite to determine if they are within appetite. The Risk & Resilience Team can assist with this.

4. Risk Treatment



Treatment option will always depend on the nature of the risk and how it aligns with **Risk Appetite**.

Treat – Most commonly used treatment option. Usually best for high likelihood but low impact risks.

Transfer – Usually best for high impact but low likelihood risks. The act of transferring the risks to another party. Examples include insurance policies and outsourcing services.

Tolerate – Only appropriate to use when the risk is acceptable against our Risk Appetite.

Terminate – If a risk is very high likelihood **and** very high impact, we may look to eliminate it all together where possible. However, this is rarely possible in practice, and 'Treat' is often a more realistic option.

Any Questions?



Feel free to get in touch with the Risk & Resilience Team to find out more:

Resource Account: risk.management@warwick.ac.uk

Head of Risk & Resilience: Neil Slattery –
neil.slattery@warwick.ac.uk