



# Risk Policy

## Introduction

- 1 The School's mission of discovering, advancing and disseminating knowledge to address major socio-economic challenges across the globe will always carry certain risks. Effective risk management increases the likelihood of the successful achievement of the School's strategic objectives, whilst at the same time protecting its reputation and sustainability.

## Policy

2. The School accepts and encourages a significant exposure to and acceptance of risk in the pursuit of its strategic objectives and founding principles, while also seeking to maintain a low exposure to reputational, compliance and financial risk in the greater interests of delivering its academic purposes. It recognises that its appetite for risk will vary according to the activity undertaken, and that its acceptance of risk should always be proportionate to the potential benefits. The School regards it as essential that risks are fully understood and assessed before undertakings are authorised, and that sensible measures to mitigate their impact, and where possible, the likelihood of exposure to them, are established.
3. It follows that it will sometimes be appropriate to accept a high level of risk in undertaking research activities providing that to do so does not expose the individual concerned to a high level of personal danger or the School to undue reputational, compliance or financial risk. In an environment of intensified international competition in Higher Education, that there is as much, if not greater risk for the School in standing still as there is in pursuit of strategic objectives.
4. Given the high level of discretion accorded to the School's academic departments, to individual members of faculty and to some extent to service areas, the accompanying statement on Risk Strategy (<http://www.lse.ac.uk/intranet/LSEServices/policies/pdfs/school/risStr.pdf>) is intended to

act as a flexible and adaptable guide to academic and professional managers and committees indicating:

- the areas in which colleagues may accept a heightened level of risk in the interests of innovation,
  - the areas where colleagues should be more risk averse in their activities
  - the areas where Council and senior management accept an element of risk within the School's central controls.
5. Where appropriate, the risk policy will be incorporated into processes and procedures of the School, <http://www.lse.ac.uk/intranet/LSEServices/policies/home.aspx>

## Management of Risk

6. Responsibilities for the management of risk are as follows:
- As the School's governing body, the Council has the ultimate responsibility for the framework for the management of risk. This includes establishing and reviewing risk appetite for the institution, ensuring internal control systems and review procedures are in place, evaluating the efficacy of the risk management programme in line with the objectives set out in the School's strategic plan. Council is also ultimately responsible for the Risk Policy and the Risk Register.
  - The Audit Committee is responsible for assessing the effectiveness of risk control assurance measures in the School and advising Council accordingly
  - The Director is responsible to Council for ensuring that the School has risk management procedures which provide assurance on the effectiveness of controls on risks to the School's strategic objectives.
  - The Secretary is responsible to the Director and Council for the effective operation of the School's risk management.
  - The Risk Manager is responsible to the Secretary for the day-to-day implementation of the Risk Policy and Strategy, through the implementation of the Risk Procedure. (<http://www.lse.ac.uk/intranet/LSEServices/policies/pdfs/school/risPro.pdf>)
  - Guidance on the management of risk and risk identification can be found at [pending]
  - Heads of Professional Services are responsible for the management of risks in their areas of operational responsibility and for reporting new risks, and substantially changed exposures in known risk areas to the School Management Committee through the Secretary or Pro- Directors.
  - Heads of Academic Departments, Institutes and Research Centres are responsible to the Director for the management of risks in their areas of responsibility and for reporting new risks and substantially changed exposures in known risk areas, to the School Management Committee through the Director or Pro-Directors.

## Review schedule

Review interval	Next review due by	Next review start
3 years	March 2020	January 2020

## Version history

Version	Date	Approved by	Notes
1.1	9/3/2017	Council	

## Links

Reference	Link
123	abc
123	abc

## Contacts

Position	Name	Email	Notes
abc	abc	abc@lse.ac.uk	abc

## Communications and Training

Will this document be publicised through Internal Communications?	<b>Yes/ No</b>
Will training needs arise from this policy	<b>Yes/ No</b>
If Yes, please give details	