LSE Risk Procedure

1. Purpose

1   This document formalises the procedures for the School's Risk Management Framework and provides a timetable for action on risk throughout the year. It should be read in conjunction with <u>the Risk Policy</u>.

2   Responsibility

2.1   Delegations for the various parts of the Risk Framework are as follows:

2.2   Monitoring of Risk Management and Control is delegated from Council to Audit Committee, with the authority written in the Terms of Reference of the Committee, as approved by Council.

2.3   The School Management Committee (SMC) is responsible for implementing the Risk Policy

2.4   The Chief Operating Officer is responsible for ensuring that there are arrangements in place to identify and manage risk in accordance with the Risk Management Policy.

2.5   Heads of Department and Service are responsible for ensuring that risk management strategies are implemented, and risks are identified and action taken to mitigate or reduce them, and appropriate reporting mechanisms are in place.

2.6   The Strategic Risk Manager acts to ensure that all aspects of the risk framework are implemented.

2.7   Further responsibilities for strategic and operational risks are set out in the Risk Strategy.

3   The Risk Framework

3.1   The Risk Framework comprises:

- the Risk Policy
- the Strategic and Political Risk Registers (owned by SMC)
- the Operational Risk Register (owned by the COO, and linked to the Operational Plan)
- the Business Model Risk Register (owned by the Chief Financial Officer)

- Divisional Risk Registers, where appropriate[1]
- Project and Programme Risks Registers

4. Methodology

4.1   The School Risk Registers are calculated on a 5x5 assessment matrix of Likelihood and Impact. Risk Rating is calculated by multiplying the likelihood against the Impact, e.g. taking a likelihood of 4, which is classified as Probable, and multiplying this against a consequence of 2, would give an overall 'Low' risk rating of 8.

4.2   The Likelihood of risks is calculated under the following criteria:

		Likelihood rating (without relevant control mechanisms)
Very unlikely	1	There is a very low probability of the risk materialising (this is not expected to happen but it may do in exceptional or unusual circumstances)
Unlikely	2	There is a low probability of the risk materialising (there is a possibility that this could happen at least once within a period of five to ten years).
Moderate	3	It is reasonable to assume that the risk will materialise once or twice within a period of five to ten years.
Likely	4	It is reasonable to assume that this risk will materialise at some point (possibly once or twice within the next five years).
Very Likely	5	It is expected that this risk will materialise at least once within the next two years, or has already materialised.

4.3   The Impact of risks is measured on a matrix of scales across the following areas of School activity: Ethics, Finance, Reputation, Student Experience, Health Safety/ Travel, Business Continuity, Legal. The full list of Impact Assessment is available at **Annex A**.

4.4   Any emerging High-rated risks will automatically be reported to SMC as part of the regular update on the Strategic Risk Register and monitored at an appropriate level of the Risk Framework.

4.5   The School's approach to risk appetite and risk tolerance are outlined in the Risk Policy.

5. Reporting Timetable

5.1   The Risk Framework will be reviewed and updated by SMC at least once a term, with more regular oversight to be facilitated on emerging risks— via scenario reporting or risk identification exercises— when necessary.

5.2   Audit Committee and Council will also review the Framework as part of this monthly cycle.

6. Academic Risks

6.1   The Strategic Risk Register models the key risks facing Academic Departments, including risks to student demand and delivery, faculty, and research

6.2   Operational risks linked to departmental activities (including travel safety, PS staff recruitment and retention) are modelled on the Operational Risk Register

6.3   The Strategic Risk Manager models data on where departmental profiles have the potential to raise the level of risk as part of the background information set relating to the Strategic and Operational Risk Registers

6.4   Emerging academic risks are handled through the Annual Monitoring exercise, conducted by

---

[1] For the majority of service areas, the Operational Plan acts as the main resource for risk identification, although some key services areas (Estates, Data and Technology Services, etc) retain divisional risk registers, which link into the Operational Risk Register.

SMC, or through the Departmental Review process, conducted by APRC

6.5   Heads of Department can contact the Strategic Risk Manager at any time for support about risk identification in Academic Departments, and are strongly advised to do so during the Departmental Review process.

7. Project and Programme Risks

7.1   Projects and programmes at the School are managed through the Business Improvement Unit, with risks identified through the established methodology for this unit.

7.2   Any risks relating to technology should be identified and shared with the Operational Risk Committee via the Head of IT Risk Management and Compliance in DTS.

7.3   Where any risks need to be escalated to the Operational Risk Register, the process is as follows:
- The Project/Programme Manager agrees with the Project Executive/SRO that a risk needs to be escalated above the level of the project/programme
- The Project/Programme Manager agree with the Project Executive/SRO meet with the Head of the BIU to discuss the potential risk and agree if it should be raised with Strategic Risk Manager
- Should the risk need to be raised, the Head of BIU will notify the Strategic Risk Manager, who will decide if the risk should either: become a new risk, is covered within the assessment of an existing risk, or should not be added to the register
- In the instance that a risk is accepted by the Strategic Risk Manager, the COO will be notified about the new risk, which will be modelled on the Operational Risk Register
- The Strategic Risk Manager will receive periodic updates from the project/programme manager to assess how the overall level of risk is affected by the project/ programme.

7.4   Project leaders are free to contact the Strategic Risk Manager at any time for advice and support about embedding project risks within the Risk Framework.

8. Incident Reporting
8.1   The reporting mechanism for incidents and near-misses is based on the impact assessment criteria below. The following table gives an overview of how the impact ratings for incidents will inform board and management oversight.

Rating	Board Oversight	Management Oversight
Severe	Reported to Audit and Council	Managed by Chief Operating Officer
High	Reported to SMC	Reported to Chief Operating Officer
Medium	Reported to Management Board	Reported to Professional Service Leader
Low	N/A	Reported to Line Manager
Very Low	N/A	Reported to Line Manager

8.2   To embed the reporting mechanisms in existing processes, an incident reporting section has been added to the version control annexes of all the relevant policies and shared with the policy owners.

Score	Impact	Data	Technology	Ethics	Finance	Reputation	Student Experience	Health and Safety/ Travel Risk	Business Continuity	Legal	Sustainability
1	Negligible	Breach of low risk personal data (e.g. email address). Repeated breach of single instance of breach of medium risk personal data, leading to compensation (up to £5k). Loss of an individuals data."	"A service is affected but there is little or no disruption to users. Small number of individual user accounts compromised."	No evidence or perception of unethical behaviour on the part of any School individual.	Insignificant Loss (up to £5k).	Little or no adverse publicity. Little staff or student comment.	Little or no disruption to residences or studies.	Minor injury requiring local first aid treatment. No lost time/ alternate duties.	Brief disruption - no more than 1 day and having insignificant adverse effect on non-critical area of service.	School in strong legal and regulatory position (favourable decision almost certain). Internal resolution or settlement likely. Approach to regulatory body, employment tribunal or other external action unlikely. Legal Fees under £5,000.	Negligible environmental impact, with sustainable practices and minimal resource use. Positive social impact, enhancing community well-being and equality. Positive economic impact, creating jobs and economic stability.
2	Minor	Breach of medium risk personal data that does not result in a report to the ICO. Loss of several days data requiring manual re-entry for a service with infrequent changes.	Brief outage of a single service (up to 1 day) affecting several cohorts of students or staff. One or more VIP user account is compromised or an individual account is compromised for a geo-political reason. Redirection of invoices or school finances to a threat actor.	Some perception of isolated cases of unethical behaviour on the part of a School individual. Investigation reveals no evidence of such behaviour.	Minor financial loss (more than £5k). Minor impact on departmental/ divisional budgets.	Under 3 day adverse localised media coverage, which is primarily localised. Causes some staff and student concern. Some passing adverse social media commentary.	Brief disruption (up to 1 day) to residences or studies.	Recoverable injury likely to result in 7 days or less lost or 7 days or less alternate duties.	Brief disruption- no more than 1 day and having adverse effect on front- line services.	School in strong legal and regulatory position (favourable decision likely). Internal resolution or settlement possible. Approach to regulatory body or employment tribunal possible. Small claims for damages (up to £10,000) or personal injury possible (up to £1,000). Legal fees under £20,000.	Minor environmental impact with minimal resource use and low emissions. Minor social impact with minimal disruption to communities. Minor economic impact with minimal financial disruption. Minor compliance issues with minimal adjustments needed.
3	Moderate	Breach of research data leads to cancellation of project and/or withdrawal of data sharing agreement. Breach resulting in a report to the ICO with low likelihood of fine. Permanent loss of several days data for a service with infrequent changes. Unable to restore a single service due to lost data requiring a rebuild from scratch.	Significant disruption (over 1 day) to services, having adverse effect on teaching, learning, research or administrative activities. Single service is compromised although unlikely to spread. Compromise leading to relocation of budget or significant financial loss (over 500k)	There is a perception that the School condones unethical behaviour in isolated cases. On investigation, some breaches of the Ethics code, including financial impropriety, harassment, or research ethics questions come to light. Key partners are engaged in countries where there is no equivalent of the Equality Act, or lack definitions, relating to safeguarding, or conflicts of interests.	Significant financial loss (over £500k). Departmental/ divisional budgets over spend. Key partners are engaged in which have no policy framework for fraud, bribery and money laundering. Tax issues relating to international activities	Over 3 day adverse localised media coverage. Widespread Notable staff and student concern. Noticeable impact on social media and public opinion.	Significant disruption (over 1 day) to residences or studies, having adverse effect on quality of campus life. Evidence of teaching quality issues in a small number (1 to 2) of departments. Graduate destinations data reveals poor employment results over a small but localised number of courses. National Student Survey results reveal some localised evidence of dissatisfaction with LSE experience.	Business disruption to service up to 3 days and having adverse effect on frontline services. Political uprising / disease outbreak with travel still permissible Lack of medical infrastructure Assessment of personal safety in the region	Business disruption to service up to 3 days and having adverse effect on frontline services.	School's legal and regulatory position uncertain (50% chance of favourable decision). Internal resolution or settlement unlikely. Approach to regulatory body or employment tribunal likely. Claims for damages (over £10,000) or personal injury (over £1,000) likely. Legal fees over £20,000. Key partners are engaged which have no policy framework for IP or Data Protection Key partners are engaged in countries where there is no equivalent of the Equality Act, or lack definitions, relating to safeguarding, or conflicts of interests.	Moderate environmental impact that can be managed with standard mitigation practices. Moderate social impact that can be managed with community engagement and support. Moderate economic impact that can be managed with standard financial planning. Moderate compliance issues that can be managed with standard regulatory practices.

Score	Impact	Data	Technology	Ethics	Finance	Reputation	Student Experience	Health and Safety/ Travel	Business Continuity	Legal	Sustainability
4	Major	Breach resulting in a report to the ICO with high likelihood of fine, reputational damage and possible requirement for compensation. Permanent loss of a month's data for a non-critical service or significant transactional data for the school. Rebuild of multiple services from scratch required due to lost data. Unable to restore one or more non-critical service due to lost data.	Significant disruption (over 3 days) to services affecting teaching, learning, research of administrative activities. Compromise of core infrastructure leading to forensic investigations, service rebuilds and significant commitment of resource in order to remediate, potentially impacting the availability of other services. Compromise leading to relocation of budget or significant financial loss (over 2.5m). Contact data is compromised by a threat actor and is used to intimidate or endanger dissidents.	There is a perception that the School condones unethical behaviour in isolated cases. On investigation, numerous breaches of the Ethics code including financial impropriety, harassment, or research ethics questions come to light. Activities of isolated key partners also give rise to concerns of unethical decision making. Key partners are engaged in countries which are rated as 'High Risk' according to indices on press freedom, human rights, and whether research ethics processes are absent.	Major financial loss (up to and over £2.5 million). Urgent review of School/ Departmental Finances required.	Over 3 day adverse widespread and/ or national media coverage. Comment from governors, donors, and other associated partners. Significant level of adverse social media commentary. Evidence that public opinion may affects potential student and staff recruitment.	Significant disruption (over 3days) to studies or residences during key exam period. Evidence of courses lacking in pedagogical value across 3 or more departments. Graduate destinations survey reveals poor employment results over a wider number of courses. National Student Survey results reveal more general evidence of dissatisfaction with student experience.	Permanent or life changing injuries. Major or dangerous occurrence. Travelling to Sanctioned List of country Uninsured travel Imprisonment/ kidnapping/ ransom Political uprising / disease outbreak with airlines refusing to fly Whether the School is operating in countries where protected characteristics are not recognised in law or the local context hostile to such individuals who have a certain protected characteristic with little or no legal protection and whether staff/students might be exposed to risks because of these characteristics. Key partners are engaged which have no policy framework for Health and Safety/ Risk management or Safeguarding or lack insurance.	Business disruption to service over 3 days and having adverse effect on frontline services.	School in weak legal and regulatory position (adverse decision likely). Internal resolution or settlement unlikely. Approach to regulatory body or employment tribunal likely. Claims for damages (over £10,000) or injury (over £1,000) likely. Criminal prosecution possibility. Legal fees over £20,000. Key partners lack provisions for data security or have no insurance. Key partners are engaged which have experienced incidents of high-profile issues of litigation, or of fraud, bribery, misuse of funds, or investigation, enquiry, or prosecution. Whether the School is operating in countries where protected characteristics are not recognised in law or the local context hostile to such individuals who have a certain protected characteristic with little or no legal protection and whether staff/students might be exposed to risks because of these characteristics.	Notable environmental impact that requires substantial mitigation efforts, such as moderate carbon emissions or resource use. Notable social impact that requires substantial intervention, such as moderate health risks or social inequality. Notable economic impact that requires substantial financial resources to manage. Notable compliance issues that require substantial adjustments to meet regulatory standards.
5	Severe	Breach resulting in a report to the ICO with high likelihood of maximum fine (4% of turnover), reputational damage and likely requirement for compensation. Permanent loss of data for a critical service or significant transactional data for the school, including breach of statutory duties. Unable to restore one or more critical services due to lost data.	Total disruption to one of more key services for more than 7 days. Total annihilation of services, loss of backups, requiring a full rebuild from scratch leading to long service unavailability. Some services may be unrecoverable. Contact data is compromised by a threat actor and used by hostile nation state to terminate dissidents.	The School is recognized as condoning unethical behaviour across the board, with numerous breaches of the Ethics code, including financial impropriety, harassment, or research ethics questions. Activities of widespread key partners also give rise to concerns of unethical decision making. Key partners are engaged in countries which are rated as 'Very High Risk' according to indices on press freedom, human rights, and whether research ethics processes are absent.	Severe financial loss (up to and over £5 million). Significant overspend at School/ Departmental level.	Adverse widespread and/ or national media coverage, including stories on the front page of newspapers or news sites, which is sustained for more than 7 days. National trending on social media for negative reasons. Resignation of staff and/ or governors. Donors and/ or associated partners withdraw support. Public opinion stops is damaging potential student and staff recruitment.	Total disruption to studies or residences during key exam period. Widespread teaching quality issues. Poor destinations survey results for the majority of graduates. National Student Survey results reveal widespread evidence of dissatisfaction with LSE experience.	Single or multiple deaths.	Business disruption to service over 7 days and having adverse effect on frontline services. Loss of LSE building	School in very weak legal and regulatory position (adverse decision). Internal resolution or settlement highly. Approach to regulatory body or employment tribunal. Claims for damages (over £10,000) or injury (over £1,000). Criminal prosecution. Legal fees over £20,000. Key partners are engaged which feature on a list of Proscribed organisations, or have links to terrorist groups, or which are facing Economic Sanctions, or have experienced incidents of safeguarding, sexual exploitation and misconduct, or Modern Slavery.	Significant negative impact on the environment, such as high carbon emissions, extensive resource depletion, or severe pollution. Major negative impact on communities, such as displacement, health risks, or significant social inequality. Significant negative economic impact, such as job losses, economic instability, or high costs. Significant non-compliance with regulations, leading to major legal challenges and fines.

Review schedule

Review interval	Next review due by	Next review start
3 years	March 2026	January 2026

Version history

Version	Date	Approved by	Notes
1.1	9/3/2017	Council	
1.2	10/5/2018	Risk and Compliance Unit	Updated to reflect changes to School structure
1.3	May 2023	School Management Committee	
1.4	Oct 2023	Local Change	Updated with impact assessment of Data and Technology
1.5	Sep 2024	Local Change	Updated with incident reporting mechanism, agreed by Chief Operating Officer and Audit Committee
1.6	May 2025	Local Change	Updated with impact assessment of Sustainability following internal audit findings in the Sustainability Reporting 23/24

Links

Reference	Link
Risk Policy	http://www.lse.ac.uk/intranet/LSEServices/policies/pdfs/school/risPol.pdf

Contacts

Position	Name	Email	Notes
Strategic Risk Manager	Dan Bennett	d.bennett@lse.ac.uk	Author

Communications and Training

Will this document be publicised through Internal Communications?	**No**
Will training needs arise from this policy	**Yes**
If Yes, please give details: Any training necessary for the implementation of the policy will be handled by the Strategic Risk Manager	