



# University of Cambridge Graduate Union

17 Mill Lane, CB2 1RX

## Risk Management Policy

The following applies to all officer holders and employees of the Graduate Union (GU).

As trustees of a charity with income below the statutory audit threshold, the Charity Commission under its guidance document *Charities and risk management (CC26)* (1 June 2010) encourages the trustees of the GU make a risk management statement as a matter of good practice.

This policy sets out the principles underpinning risk management, outlines our risk management methodology and defines the responsibilities of the trustees, the President and the Manager of the GU. In addition, it describes how the GU will evaluate the effectiveness of its risk management arrangements.

This statement was adopted by the Trustee Board on 29 May 2016 and will be reviewed every two years.

### Commitment

1. The GU acknowledges that efficient and effective management of risk is important in achieving its charitable objects. This policy reflects our commitment to sound risk management principles and practices.

### Policy Principles

2. The GU's policy on risk management is to:
  - a. Exceed the GU's minimum legal requirements on risk management.
  - b. Meet the good practice recommendations made by the Charity Commission in CC26.
  - c. Consider other best practice in designing our risk management framework.
  - d. Encourage well-managed taking of risk to deliver charitable and business objects.
  - e. Provide office holders and staff with policies and procedures necessary to manage risk.
  - f. Embed risk management in the GU's day-to-day business.
  - g. Identify and prioritise risk using the risk management methodology.
  - h. Regularly monitor major risks at Trustee Board level.
  - i. Achieve continuous improvement in risk management.

### **Responsibilities of the trustees**

3. The trustees have overall responsibility for risk management, and for making a statement in the Trustees' Annual Report confirming that all major risks to which the charity is exposed, as identified by the trustees, have been reviewed and that systems have been established to mitigate those risks.
4. The trustees are further responsible for oversight responsibility for risk management, but may delegate this responsibility to a committee they have established, in which case all further references to the trustees may be taken to refer to this committee. This responsibility comprises:
  - a. Assessing the scope and effectiveness of the system in place to identify, assess, manage and monitor significant risks.
  - b. Reviewing the corporate governance statements in the Trustees' Annual Report and accounts relating to audit and risk management.

### **Responsibilities of the President and the Manager**

5. The responsibilities of the President and the Manager are to:
  - a. Jointly design and implement the policy on risk management.
  - b. Encourage good risk management practices.
  - c. Identify and evaluate the significant risks faced by the GU for consideration by the trustees under paragraph 4.
  - d. Review the effectiveness of risk management arrangements.
  - e. Report regularly to the trustees on the status and management of major risks.

### **Risk management methodology**

6. The risk management methodology shall include the following key stages:
  - a. Identification and regular review of major risks directly linked to strategic aims and objectives and their mitigating action.
  - b. Identification and regular review of other major risks and their mitigating action.
  - c. Assessment of risks in terms of their likelihood and impact.
  - d. Categorization of risks by stream.
  - e. Assignment of risks to owners, who will take responsibility for managing risks by taking mitigating action.
  - f. Evaluation of what action needs to be taken.
  - g. Periodic monitoring of risks.

### **Annual review of effectiveness**

7. In reviewing the effectiveness of risk management the following sources will be drawn on and considered:

- a. The adequacy of the controls as evidenced by reports from auditors, the University, and third parties.
- b. The GU's performance in achieving its objectives and its financial and non-financial targets.
- c. Assurances provided by risk owners and directors on the management of major risks.

### **Risk management strategy**

- 8. In implementing our risk management policy:
  - a. The trustees will:
    - i. annually hold a full risk management review to ensure all major risks to the GU's ability to achieve its charitable objectives have been identified and are being managed.
    - ii. annually assess the effectiveness of controls over major risks.
  - b. the President and the Manager will:
    - i. implement quarterly reviews of major risks.
    - ii. report to trustees quarterly on the status and management of major risks.