

LANCASTER UNIVERSITY STUDENTS' UNION

Lancaster University Students' Union

Risk Policy

Updated May 2025

1. INTRODUCTION

In the context of this paper, "risk" describes the uncertainty surrounding events and their outcomes. Risk is an inherent feature of all activity and may arise from inaction as well as new initiatives. To eliminate risk is to eliminate activity and therefore risk policy is aimed at identifying and managing risk not eliminating it. The Students' Union as a registered charity is required to include a risk management statement in the Trustees' Annual Report. The Charity Commission provides guidance www.charitycommission.gov.uk/detailedguidance/protecting-your-charity/charities-and-riskmanagement-cc26 which outlines the basic principles and strategies that can be applied to help charities manage their risks. Trustees should set a risk framework that allows them to:

- identify the major risks that apply to their charity;
- ensure mitigating controls are in place
- where appropriate make decisions about how to respond to the risks they face; and
- as previously stated, make an appropriate statement regarding risk management in their annual report.

2. RESPONSIBILITIES

Risk is an everyday part of charitable activity and managing it effectively is essential if the trustees are to achieve the charity's key objectives and purpose and effectively safeguard their charity's funds and assets. The Charity Commission (as regulator) needs to ensure that the Board are discharging their legal duties and responsibilities as trustees, including responding appropriately to and effectively managing any serious incidents that arise in the charity.

It is the responsibility of the Trustee Board to manage this risk policy, although the practicalities of scrutiny will be delegated to the Finance and Risk Sub Committee and the implementation to Senior Leadership Team. The Senior Leadership Team will:

- Compile and monitor the risk register
- Review the action plans and update accordingly
- Ensure the controls are operating effectively
- Minimise loss, disruption, damage and injury and reduce the cost of risk, thereby maximising resources
- Scan the operating environment to identify and assess new risks
- Remove risks that are no longer applicable
- Identify where project risk registers are required

As a matter of compliance, any serious incident that has resulted or could result in a significant loss of funds or a significant risk to a charity's property, work, beneficiaries or reputation will be reported to the Charities Commission immediately, not just on completion of the Annual Return. The Charity Commission will offer guidance to help protect the charity and its beneficiaries if appropriate.

The Sub-Committee will scrutinise the Risk Registers which includes the risks, related scores, mitigations and actions required.

It is the responsibility of all Managers to know and understand the main key risks facing the Students' Union and their areas, and how they are expected to contribute to mitigating them. As a Risk Register is a working document/tool all managers are expected to flag where existing risks should be modified or new added on an on-going basis.

Risk Register	Responsibility
Students' Union - Charity	Trustee Board
LUSU Housing Limited	Company Directors
LUSU Services Company Ltd	Company Directors

3. APPROACH TO RISK MANAGEMENT

It is the policy of the Union to: -

- Identify and record risks.
- To assess these risks to enable an evaluation of what action needs to be taken.
- To monitor and assess the identified risks and controls.
- To identify new risks and those risks which are obsolete.
- Learn lessons from incidents particularly where a risk was perceived as low/not identified

The Risk Management Registers have been compiled to identify and analyse the key risks involved within all of the Unions activities.

The Senior Leadership Team when reviewing the Risk registers should also report on:

- recommended good practice
- sector trends
- risk environment context specifically the University

4. RISK REGISTERS

There are 3 categories of risk register within the Students' Union:

- 4.1 The Risk Register for the Students' Union - Charity
- 4.2 Operational Risk Registers for the two trading subsidiaries
- 4.3 Project(s) Risk Register¹

¹ Projects are defined as those activities, which are not BAU (business as usual), which have significant implications for the Union, and/or where the project value exceeds £10,000. It will be the responsibility of the Senior Leadership Team to identify which projects require a risk register. This will be recorded as part of the overall risk register.

5. REVIEW CYCLE & REPORTING

The frequency of the reviews and the responsibility and reporting channels are shown in the table below;

	Review / Reporting	Frequency / Timing
Students' Union (Charity)	Conducted by Senior Leadership Team. Reported to the FRSC.	Two detailed reviews and one light touch review. Two detailed reviews and any key changes from the light touch review.
Operational Commercials	Conducted by Head of Commercial Services with relevant Area Manager Reported to FRSC	Two detailed reviews and one light touch review. Two detailed reviews and any key changes from the light touch reviews.

Registers under 4.3 will be reviewed as required by project timeframes.

The FRSC Sub- Committee will report to the Trustees on:

- the adequacy and effectiveness of the Union’s risk management system
- any lessons learned from incidents.

The Finance & Risk sub- Committee will also report to Trustees on what they consider the top 5 risks to be .

6. RISK APPETITE

In acknowledgement of its charitable status and responsibility for public funds, the Union has a **conservative and prudent tolerance of risk**, whether financial or non-financial in nature. The Students’ Union approach is to minimise exposure to risk and, as such, it will seek to recognise risk and mitigate the adverse consequences.

There is a zero tolerance of risk when associated with matters of Health & Safety and regulatory / legal requirements.

It is accepted that the Union’s trading subsidiaries; LUSU Services Company Limited and LUSU Housing Limited, may engage in riskier activities in order to compete effectively in the commercial environment within which they operate. Key decisions about the trading activities and associated risks are made by the Directors and Senior Managers of the trading companies, in accordance with the delegated authority from the Trustee Board.

The Students’ Union recognises that it may, on occasion, choose to accept an increased degree of risk in the pursuit of its objectives. Where it does so, this will be subject to always ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate the risk are established.

In all cases, the Union considers that the cost of the risk must be balanced against the cost of risk management.

Risk appetite will be considered by the Trustees on an annual basis.

7. RISK EVALUATION

In order to facilitate the identification of the greatest risks to the organisation, each risk will be scored against two criteria, these being the probability of its occurrence and the severity of its impact. These scores are then mapped on to a matrix (see below) to assess the overall level of risk. Those risks in the matrix which are 'red' are considered to be major risks and therefore action must be taken to ensure their mitigation. Risks below this level still need to be carefully monitored for changes to their score.

Risk Matrix

		Probability				
		Very Low	Low	Medium	High	Very High
		(1)	(2)	(3)	(4)	(5)
Impact	Severe (5)					
	Major (4)					
	Moderate (3)					
	Minor (2)					
	Insignificant (1)					

Definition of Terms

Level	Probability	Level	Impact
Very Low	Rare, may occur in exceptional circumstances. No or little experience for a similar failure.	Insignificant	Fairly insignificant may lead to a tolerable delay in the achievement of objectives or minor reduction in provision and / or increase in cost.
Low	Might occur at some point in time. Conditions do exist for this to occur, but controls exist and are effective.	Minor	Some impact of the risk, fairly minor.
Medium	Could occur, this is possible. Measures to reduce probability exist but may not be fully effective.	Moderate	Moderate effect. Risk factor may lead to delays or increase in cost.
High	Will probably occur, measures may or may not exist to reduce likelihood.	Major	Major effect. Risk factor may lead to significant delays or non – achievement of objectives.
Very High	Is expected to occur, almost certain.	Severe	May cause key objectives to fail. Very significant impact on organisational goals. Legal or regulatory implications. Significant reputational damage.

Proximity

- < 1 year Short
- 1-3 years Medium
- 3-5 years Long: renamed to High for consistency with Uni Risk Register



This is to focus attention appropriately i.e. it may help to prevent resources unnecessarily being applied to control a high level risk with a long proximity and / or may deviate attention from mediul level risks with short proximity which need to be prioritised.