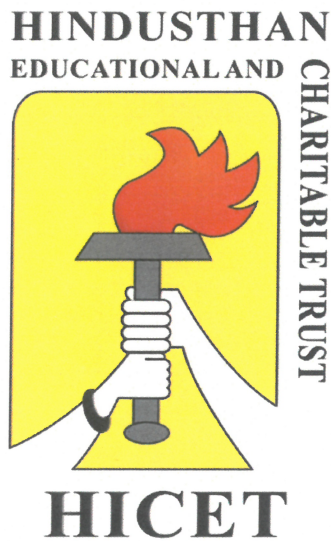


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RISK MANAGEMENT POLICY

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INTRODUCTION

This risk management policy forms part of Hindusthan College of Engineering and Technology internal control governance arrangements. The policy documents the roles and responsibilities of Committee, Office of Academic affairs, Governing Body, Academic Council and other key bodies that have oversight of risk management. It also outlines key aspects of the risk management and reporting process, including the roles of risk committees.

APPROACH TO STRATEGIC RISK MANAGEMENT

1. The purpose of risk management is to seek to exercise effective control against the possibility that a specific event or set of circumstances will adversely affect the achievement of the College strategic objectives in the medium and longer term. It involves a systematic process for identifying and measuring risks, and for taking action to manage and control them.
2. The College approach also enables more risk to be taken deliberately in cases where the potential benefits are worth pursuing, but where there is also a need for potential side effects to be controlled.
3. Risk is managed at various levels within the College with a framework for reporting and escalation where necessary.

The following key principles inform the approach to risk management

- Committee is responsible for overseeing risk management within the institution as a whole.
- Governing Body has responsibility for overseeing and managing all risks on behalf of Committee.
- Office of Academic Affairs (OAA) and Internal Quality Assurance Cell (IQAC) has oversight of academic quality risks and how they are

managed, in order to help inform its annual assurance to Committee on the academic health of the College;

- The College Risk Committee has delegated responsibility from Governing Body for reviewing and reporting on risks;
- Head of the Institution is responsible for ensuring good risk practice within the College;
- Heads of Departments are responsible for ensuring good risk management practice within their areas of Professional Services.

GOVERNANCE STRUCTURE AND ROLES

The role of Committee with regard to risk is to

- Approve the tone and influence the culture of risk management, including determining whether the College is 'risk taking' or 'risk averse' as a whole;
- Endorse the appropriate risk appetite or level of exposure for the College in any given area of activity, as proposed by Governing Body.
- Approve major decisions affecting the College risk profile or exposure.
- Monitor the management of significant risks to reduce the likelihood of unwelcome surprises.
- Satisfy themselves that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.
- Annually review the College approach to risk management, as described in this document.
- Office of Academic Affairs has oversight of academic quality risks, reports annually to Council on academic health, and considers a quality risk theme at each meeting.
- IQAC provides an annual report to Committee on the effectiveness of the College overall framework of internal control and governance.
- Governing Body, has responsibility for overseeing and managing all risks. Risk Management Committee determines and proposes the levels of appetite

for risk across all areas, for Council to approve. Risk Management Committee manages and reviews its own small set of key risks, in the form of the Strategic College Risk Register. However, it delegates its wider responsibility, in terms of the regular review and assessment of all risk register, and oversight of the management of risk against appetite levels, to the College Risk Committee, from which it receives periodic reports on overall risk management and performance.

- College required to maintain Risk Register as the basis for managing and monitoring risks that they have identified, that are directly relevant to them and over which they are able to exert some influence or control.

Implementation of the Risk Management Policy

The following guidelines are provided to help risk owners to consider and articulate risks on a consistent basis:

- Risks should be identified no longer ahead than the strategic working horizon – three years at most and ideally looking one to two years ahead.
- Risk owners should consider the most appropriate criteria for considering the impact from any risk. This could be financial, or could relate to reputation or other non- financial types of impact. Examples will be provided as part of the toolkit of reference material, with impact levels described or quantified as appropriate.
- Risks should be described using a Cause, Event and Consequence structure:
 - **Cause** – why something could go wrong (e.g. ‘Poor management of personal
 - passwords by staff in [relevant area or function] ...’)
 - **Event** – what could go wrong (e.g. ‘could lead to theft or corruption of [type of] data, ...’)
 - **Consequence** – the potential outcome (e.g. ‘which could result in [fines or financial loss, or reputational damage – depending on the area or context].’).

- Risks are updated and reported three times a year – once in each term. The process is managed by the College Risk Committee, which reports its findings to Governing Body and thereafter to IQAC.
- All risk descriptions and ratings are updated by the Risk Owners, and actions are updated by the Action Owners.
- The Risk Management Committee reviews the updated Strategic College Risk Registers frequently.
- The reports from the committee allow each of them to escalate or report upwards on a limited number of selected risks from their own areas.
- The Risk Management Committee reports to Governing Body, IQAC and Office of Academic Affairs, on the overall latest position on risk management across all areas, highlighting key risks and areas of risk, and reporting major changes since the last update. It also includes those risks that have been escalated to it, or highlighted for attention, by the Risk Management Committee.
- In addition, the Risk Management Committee reports where appropriate on areas where risk exposure is above the College risk appetite, so that there is appropriate awareness of this.
- This reporting process provides the following benefits:
 - **For IQAC and Office of Academic Affairs**
 - A broad oversight of all risks across the College, including an awareness of critical risks as well as the controls and mitigation actions being taken
 - Assurance that risks are being monitored and managed within College.
 - An insight into the more local risks across the College
 - The opportunity to respond to the information received, for example by making recommendations at a variety of levels.

○ **For College**

- Embedding risk management processes and responsibilities at managerial and local level across the College
- Engagement of leadership teams in the process of reporting and communication
- Providing Department with a channel through which they can be part of, and contribute to, the College overall response to risks.

OTHER CONSIDERATION OF RISKS

Outside the core reporting process, there are three further ways that risks are considered:

- A number of committees, including Finance Committee, Research Committee and Entrepreneur Development Cell, review relevant sets of risks managed centrally, in order to support communication and awareness.
- The annual planning round involves setting objectives, understanding risks and opportunities, agreeing action plans, and allocating resources.
- Should any risks which may have strategic significance arise outside the reporting timetable, Heads of Departments or the Principal and Chief Executive Officer should be immediately alerted by the head of the area where the risk arises or is identified.



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