



Risk management policy

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Based on the draft "Central Risk Management Manual", Version 1.0, dated 31 January 2007 of the Risk Management Working Group of the Universities of Lower Saxony in cooperation with KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft and PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

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1 Basics

1.1 Legal basis

The obligation to manage risk for the University of Veterinary Medicine Hannover (TiHo) Foundation as a public institution arises from Section 53 (1) Nos. 1 and 2 of the German Budgetary Principles Act.

The existence of a risk management system is one of the audit criteria for assessing the regularity of the management as part of the audit of the annual financial statements. Details on the responsibilities of the Executive Board in this regard and the preparation of the risk report as part of the management report are set out in the accounting guidelines of the State of Lower Saxony.

The TiHo's risk management system was established in 2011 and is documented in this guideline.

1.2 Risk strategy of the TiHo

The risk strategy is derived directly from the TiHo's mission statement and the applicable university development plan (www.tiho-hannover.de). It sees itself as a link between the objectives and tasks of the university in research, teaching and services and the risk management processes.

The TiHo endeavours to identify, prevent or mitigate risks that impair the achievement of its objectives and the fulfilment of its tasks as early as possible. The risk strategy is therefore aimed at the comprehensive identification of risks and the development of response mechanisms to avoid the consequences of risks and optimise the achievement of the TiHo's objectives.

The risks are embedded in the risk landscape (Fig. 1) of the TiHo and should be mapped as comprehensively as possible.

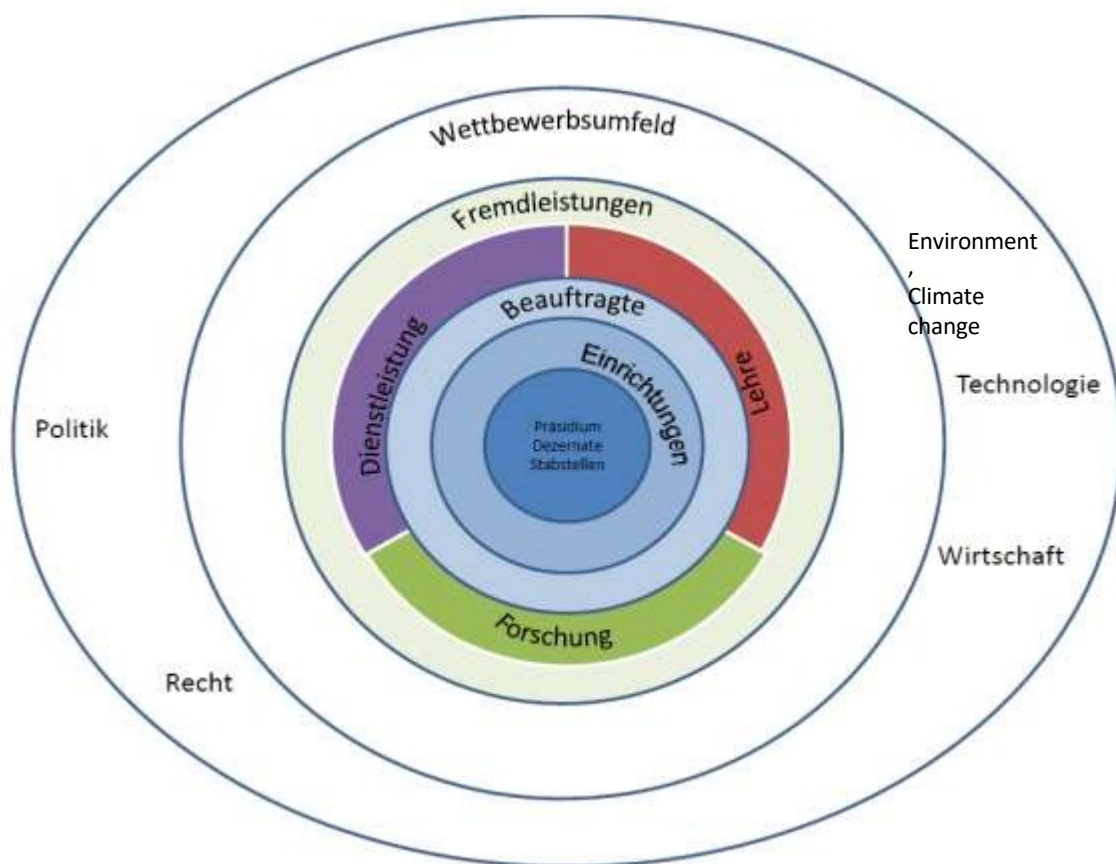


Fig. 1: Risk landscape of the TiHo

1.3 Definitions of terms

1.3.1 Risks

Risks are events and developments that have a negative impact on the achievement of the quantitative and qualitative targets set by the TiHo.

1.3.2 Risk management

Risk management refers to all activities aimed at systematically identifying, managing and monitoring risks at an early stage in order to ensure that the TiHo's objectives are achieved. These include the comprehensible and regular identification of risks, their analysis and evaluation, the implementation of suitable risk management measures and their control, as well as regular reporting and ongoing monitoring of the aforementioned process steps.

1.3.3 Risk owners

The Executive Board bears overall responsibility for the functioning of the risk management system.

The following risk officers are appointed for the individual risk areas (Annex 1):

- the management of the administration,
- the employees with specialised tasks,
- the special representatives,
- the heads of the higher education institutions,
- the chairpersons of the doctoral committees.

The risk owners are responsible for the implementation of the processes described in 1.3.2 in their area of responsibility.

2 Organisational structure

In principle, all risk owners are integrated into the risk management system.

2.1 Tasks of the Executive Committee

The Executive Committee is responsible for creating the organisational framework for the early detection and prevention of risks, in particular

- the definition of objectives and strategies and the resulting requirements for risk management
- bringing the "Risk Management Directive" into force and passing resolutions on its updates
- the promotion of risk awareness at the university
- the allocation of tasks and responsibilities (see Appendix 1 and 2)
- setting the standard for risk assessment
- Reporting on risks and risk management in the management report

The design of a risk management system requires in particular

- Adequate identification of the individual risk areas
- the definition of reporting formalities, reporting channels and reporting cycles
- the regulations on the documentation of risk reporting and risk management

2.2 Tasks of risk officers

The risk owners are responsible for the following process steps:

- Timely identification and plausible recording of the relevant risks
- Planning, definition and implementation of risk minimisation measures (risk control)
- Monitoring the risk situation, i.e. naming and monitoring risk indicators
- Preparation of action plans in the event of occurrence
- Periodic reporting

Due to the constantly changing circumstances and requirements, risk identification is an ongoing task and must be integrated into normal business processes.

2.3 Tasks of the coordinating body

The central management and coordination tasks are performed by the coordinating unit appointed by the Executive Committee. This unit supports the risk managers in risk identification, particularly in the case of new managers following staff changes or the definition of new risk areas,

The coordinating body is responsible for regularly analysing and consolidating risks and documenting risk management. It reports directly to the Executive Committee and submits the "Risk Management Guideline" and its updates to the Executive Committee for approval.

2.4 Tasks of the Risk Management Committee

The Risk Management Committee is intended to ensure a comprehensive risk assessment for all areas in accordance with the requirements. The committee is involved in drawing up the concept, updating the guideline and reporting.

3 Process organisation

The risk management process comprises the following steps:

1. Risk identification
2. Risk assessment and classification
3. Risk management
4. Early detection/ monitoring/ ad hoc reporting
5. Documentation and reporting
6. Review of the risk management system

3.1 Risk identification

Risk identification is the responsibility of the risk owners (see Chapter 2, Organisational structure). In order to obtain a comprehensive picture of the risks at the TiHo, identified risks must be continuously recorded. As part of the recording process, risks are formulated for each organisational unit or specialist area that could cause particularly high damage or that have been assessed as having a particularly high probability of occurrence. If necessary, a negative report is formulated.

The risks are reviewed at least once a year by the risk managers using standardised forms (see [Appendix 3: Risk recording form](#)) and then either updated, amended, deleted or newly recorded. The coordinating office prepares the risk atlas annually, in good time before the business plan for the following year is drawn up, which depicts and explains the core risks of the TiHo.

If organisational units are closed or merged, the Executive Committee determines the responsibilities for the risks described in the previous risk areas in accordance with section 2.1.

3.2 Risk assessment and classification

3.2.1 Probability of occurrence

The probability of occurrence is used to indicate how likely the loss event is expected to occur. The assessment can be made using the values in the following table.

Probability of occurrence qualitative	Probability of occurrence quantitative (interpretation aid)
Extremely likely	>1 per month
probably	>1 per year < 1 per month
possible	>1 per 10 years < 1 per year
unlikely	>1 per 100 years < 1 per 10 years
Extremely unlikely	> 1 per 100 years

3.2.2 Amount of damage

The potential amount of loss indicates the financial or non-material impact that can be expected if the loss event occurs. The amount of loss when the risk materialises can be assessed quantitatively or qualitatively.

Qualitative damage	Quantitative amount of damage
Very critical	> 1.000 T€
Critical	> € 500 thousand to <= € 1,000 thousand
Large	> 250 T€ to <=500 T€
significant	> 50 T€ to <= 250 T€
insignificant	<=50 T€

3.2.3 Expected value

The expected value of a risk is calculated from the amount of loss and the probability of occurrence in relation to the reporting year and is used to weight risks:

Expected value = amount of loss x probability of occurrence

3.2.4 Risk classes

The following risk classes are distinguished depending on the combination of probability of occurrence and extent of damage (Annex 4: Risk matrix):

- A (very high expected value),
- B (mean expected value),
- C (low expected value).

3.2.5 Valuation

The probability of occurrence and the expected damage of a risk must be assessed over time. In accordance with the accounting guidelines, a period of one year is assumed for risks that jeopardise the company's existence (e.g: "It is extremely unlikely that loss "X" will occur in the next 12 months.").

The risks are assessed

- according to the gross method (loss and probability of occurrence if no countermeasures are taken),
- according to the net method (damage and probability of occurrence, taking into account existing countermeasures) and, if applicable
- according to the target method (damage and probability of occurrence resulting after implementation of future countermeasures).

3.3 Risk management

Risk management is intended to reduce the probability of occurrence and/or the extent of damage by means of suitable measures without jeopardising the achievement of the TiHo's objectives. The effort involved¹ must be proportionate to the desired result.

Control strategies can be:

- Avoidance of the risk, e.g. the service is not provided
- Reduction of the risk, e.g. countermeasures are taken
- Limiting the risk, e.g. through insurance (including the country's liability for damages), outsourcing
- Shifting the risk, e.g. by outsourcing

¹ The aim is to minimise risk costs. The risk costs are made up of the following components: self-borne losses, preventive risk minimisation/loss prevention costs, administrative costs (e.g. administration costs, fees).

- Accepting the risk, e.g. by recognising it in the provisions In particularly critical cases, e.g.
- if other organisational units are significantly affected by the risk
- if the risk can no longer be managed in the risk owner's area of responsibility

the Executive Committee decides on how to proceed.

3.4 Early detection/ monitoring/ ad hoc reporting

The risk owners are obliged to notify the coordinating unit of new or reassessed risks, even outside of the usual enquiry cycle. For net class A risks, an ad hoc report must be prepared directly to the Executive Committee by the coordinating body.

3.5 Documentation and reporting

The documentation procedures and deadlines are summarised in [Appendix 5](#).

All correspondence relating to risk enquiries is archived electronically by the coordinating office. The reported risks are summarised in a central document so that they can be sorted and filtered according to various criteria. The risk committee checks the entire list for plausibility with regard to risk assessment and categorisation. In the event of discrepancies, the coordinating office takes over communication with the risk owners.

If the Risk Committee decides to make changes to the reported risk classification, the risk owners concerned are informed promptly after the decision is made.

The coordinating body summarises the key findings from the risk survey, including reports that have not been submitted, in the report to the Executive Committee. Quantitative risks of net class A are summarised in the risk atlas and form an integral part of the report.

3.6 Review

The risk management system is audited annually by the internal audit department in accordance with DIIR Audit Standard No. 2, focussing on the following areas:

- Effectiveness of existing systems for risk identification and management in the organisational units
- Identification of inadequate risk diversification systems or existing gaps
- Adequacy of the risk identification and risk communication measures in place

4 Resolution

The establishment and ongoing application of a risk management system in accordance with this guideline was adopted by the Executive Committee for the first time in 2011.

The last update of the "Risk Management Guideline" was adopted by the Executive Committee on 25 May 2023 and is valid from 1 October 2023. It will be resubmitted as required.

Any changes that come into force are promptly communicated to all those affected, in particular those responsible for risks (circular from the coordinating body and publication of the guideline on the intranet).

Appendix 1: Risk areas

The risk areas are defined as follows to ensure the complete recording of risks and their allocation to individual areas of responsibility or persons:

A Environment

1. Law
2. Politics
3. Economy
4. Technology
5. Environment, climate change

B Competitive environment

C Hanover University of Veterinary Medicine Foundation

1. Service
2. Teaching
3. Research
 - Contract research
 - Application research
 - Infectious diseases
 - Clinical research
 - Systemic neuroscience
 - Animal health and food quality
 - Promotion
 - Other
4. Special representative
 - Anti-corruption
 - Occupational safety and fire protection
 - Data protection
 - Waste management and environmental protection
 - Equality
 - Severely disabled persons
 - Addiction counselling
 - Animal welfare
 - Animal diseases

D Clinics, institutes and other organisational units

1. OU 02 Graduate School (HGNI)
2. OU 03 Staff Council
3. OU 04 Centre for E-Learning, Didactics and Educational Research (ZELDA)
4. OU 05 Ruthe teaching and research estate
5. OU 06 Coordination centre for part-time continuing education programmes in veterinary medicine (BEST-VET)
6. OU 07 University Library
7. OU 11 Clinic for cattle
8. OU 12 Clinic for horses
9. OU 13 Clinic for Small Animals
10. OU 14 Clinic for Small Cloven-hoofed Animals and Forensic Medicine/ Outpatient Clinic
11. OU 15 Clinic for poultry
12. OU 18 Institute of Microbiology, Centre for Infection Medicine
13. OU 19 Institute of Parasitology, Centre for Infectious Diseases (incl. OU 36, Department of Fish Diseases)
14. OE 20 Institute of Pathology
15. OE 21 Institute of Virology, Centre for Infection Medicine
16. OE 23 Institute of Biometry, Epidemiology and Information Processing
17. OE 24 Institute for Animal Nutrition
18. OE 25 Institute for Animal Breeding and Heredity Research
19. OE 26 Institute of Animal Hygiene, Animal Welfare and Farm Animal Ethology
20. OE 27 Anatomical Institute
21. OE 28 Institute for Animal Ecology
22. OE 30 Institute of Physiology and Cell Biology
23. OE 31 Institute of Biochemistry
24. OE 32 Institute of Pharmacology, Toxicology and Pharmacy
25. OE 33 Institute of Zoology
26. OE 35 Department of General Radiology and Medical Physics
27. OE 39 Institute of Immunology
28. OE 40 Branch Office for Epidemiology (Bakum)
29. OE 70 Institute for Food Quality and Safety
30. OE 77 Reproductive medicine unit of the clinics
31. OE 78 Clinic for pets, reptiles, ornamental and wild birds
32. OE 79 Institute for Terrestrial and Aquatic Wildlife Research
33. OE 80 Research Centre for Emerging Infections and Zoonoses (RIZ)

E Central administration (OU 01)

1. Departments
 - Finances (Department 1)
 - Human Resources and Legal Department (Department 2)
 - Department of Student and Academic Affairs (Department 3)
 - Real Estate and Technology Department (Department 4)
 - Information and Data Processing Services Department (Department 5)
2. Areas with specialised tasks
 - President's Office
 - Press and public relations
 - Fundraising and alumni work
 - Internal audit
 - Controlling
 - Quality management
 - Purchasing
 - Legal Department (Subdivision Department 2)

F Presidium

Appendix 2: Allocation of tasks in the risk management system

The Executive Committee has assigned tasks within the risk management system to the following persons:

Coordinating body:

- Risk Coordinator: Dr Beate Pöttmann
- Deputy Risk Coordinator: Mr Fabian Seewöster Members

of the Risk Management Committee

- Risk coordinator
- Deputy Risk Coordinator
- Advisor to the President
- Heads of the departments

Appendix 3: Risk assessment form

Risk no.	OE/ OE_GKZ/ Beauftr.	Higher education institution risk area	Status form (please select from drop- down list)	Date of registration (please enter)			Responsible for risk
Risk description							
Risk assessment	please select (drop-down list) or enter						
GROSS	Probability of entry since	Quantitative risk	Qualitative risk	GROSS class			
Existing countermeasures							
NET	Probability of entry since	Quantitative risk	Qualitative risk	NET Class			
Future countermeasures					Date of implementation (please enter)		
TARGET	Probability of entry since	Quantitative risk	Qualitative risk	TARGET Class			

Appendix 4: Risk matrix

Probability of occurrence						
qualitative	quantitative (interpretation aid)					
extraordinarily probable	>1 per month	A	A	A	A	A
probably	>1 per year < 1 per month	B	A	A	A	A
possible	>1 per 10 years < 1 per year	C	B	A	A	A
unlikely	>1 per 100 years < 1 per 10 years	C	C	B	B	B
extraordinarily unlikely	> 1 per 100 years	C	C	C	C	C
Amount of damage	qualitative	insignificant	significant	Large	Critical	Very critical
	quantitative (€)	< 50 T€	> 50 T€ to <= 250 T€	> 250 T€ to <= 500 T€	> 500 T€ to <= 1.000 T€	> 1.000 T€

Appendix 5: Documentation

Contents	Responsible	Addressee	Frequency	Formalities
Updating the "Risk Management Directive"	Coordinating body	Presidium	as required, prior to the preparation of the business plan for the following year	
Risk reports	Risk owners	Coordinating body	immediately after identification	Form, standardised
Risk updating	Risk owners	Coordinating body	Net A risks: as at 01.07 and 31.12. of a year Net B and C risks : as at 31 December of a year Ad-hoc	Form, standardised
Overall risk report	Coordinating body	Presidium	before preparing the economic plan for the following year	
Ad hoc report	Coordinating body	Presidium	After notification of a new net risk of class A	
Audit report In-revision	Internal audit	Presidium	before creation of the economic plans for the Subsequent year	Examination scheme standardised