

## Risk Management Policy

### Introduction

The management of risk is a crucial component of good management practice and corporate governance and underpins the effective delivery of strategic objectives in any organisation. The School aims to take a proportionate approach to risk. It accepts that risk can never be totally eliminated; however, it commits to taking all reasonable steps to mitigate risk and to balance the level of risk against the expected reward. This Policy sets out the high-level arrangements for the management, control and assurance of risk at the School.

Risk management should be incorporated into all key School processes. The School strives to embed a culture in which risk management is a key component of all decision-making and is seen as a necessary approach to supporting innovation and delivery.

### Definitions

A **risk** is any uncertainty relating to the School's ability to achieve its objectives and execute its strategic objectives. A risk may adversely or beneficially affect the School's ability to deliver its strategy.

**Risk management** is the process by which assurance is provided that strategic objectives are more likely to be achieved, by mitigating adverse risks and exploiting beneficial risks.

### Roles and responsibilities

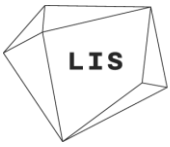
#### *Groups*

**The Board of Directors** is responsible for determining the appropriate level of risk exposure for the School and has overall responsibility for the School's risk management. It will:

- Monitor the management of key risks through the review of the School's Risk Register on a quarterly basis,
- Review and sign off the Risk Management Policy, authorising any changes proposed by the Audit, Risk and Compliance Committee;
- Delegate authority over academic risks to the Academic Council to ensure an appropriate separation of commercial pressures from oversight of academic quality.
- Review policy and political developments in the sector to identify change and manage risk.
- Consider independent reports from external financial auditors on the effectiveness of management processes to identify, assess, monitor and manage financial risk.

**The Audit, Risk and Compliance Committee** is responsible for:

- Ensuring appropriate and proportionate risk policies and models are in place;
- Recommending changes to the Risk Management Policy to the Board of Directors;
- Reviewing risks prior to oversight by the Board of Directors including the assurance and mitigations of priority risks;
- Conducting deep-dives into specific risk areas;



- Leading the School's internal review process into particular operational areas.

**The Executive Committee** is responsible for:

- Identifying, evaluating and monitoring the operational risks faced by the School and for scrutinising the actions to mitigate those risks, via review of the Risk Register;
- Approving major projects or investments that affect the School's risk profile, within the limits of the Committee's delegated authority.

**The Academic Council** is responsible for monitoring the management of the subset of key risks that are primarily academic in nature. It will:

- Review reports of external examiners, external members of panels and quality reports in relation to identifying and managing academic risk;
- Review internal reports and KPIs on academic performance in relation to risk;

### *Officers*

**The Chief Executive** is accountable to the Board for implementing appropriate risk management activities and for allocating responsibilities to Executive Committee members to ensure that the requirements of this Policy are met.

**The Registrar** is responsible for ensuring that the Risk Register is regularly updated, in discussion with the relevant risk owners, and will submit the Risk Register for review to the Executive Committee on a monthly basis, and to the Board of Directors and Academic Council on a quarterly basis. The Registrar is also responsible for overseeing a rolling internal review programme.

**The External Auditor** is responsible for reviewing and advising the Board of Directors on the School's financial risk management.

### *Others*

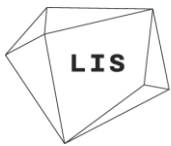
**All managers** are responsible for managing risk within their areas and have a duty to inform the relevant Executive Committee member where there is a material risk.

**All staff** are responsible for complying with this Policy and managing any risks associated with their operational activities and processes, and for informing their line manager where there is a material risk.

## **Risk management**

The School seeks to identify, assess, and effectively manage all risks to the delivery of its strategic objectives. The School's Risk Register identifies key risks by area of delivery and organisational owner, sizes the potential impact of the risk and likelihood of the risk materialising (giving the risk an overall risk rating), and details actions to mitigate that risk.

The Executive Committee will review the Risk Register as a standing item. This process may involve the introduction of new risks, the amendment of existing risks, and the deletion of risks that are no longer



deemed relevant or applicable. The Executive Committee can originate or escalate risks which are then reported via the Risk Register to the Audit, Risk and Compliance Committee and Board of Directors as relevant.

The Audit, Risk and Compliance Committee will report to the Board of Directors on an annual basis on the School's overall risk profile and its associated Risk Management Policy.

## Risk Culture

The School promotes a positive operational approach to risk supported by:

- Clear accountability for and ownership of specific risks (captured in the Risk Register);
- Transparent information flowing up and down the School, via regular review of the Risk Register at the Executive Committee, Audit Risk and Compliance Committee and at the Board of Directors and Academic Council;
- Training in risk management for relevant staff;
- Managerial encouragement of appropriate risk-taking behaviours and challenging and sanctioning of inappropriate behaviours.

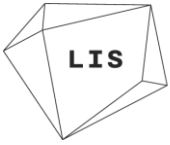
## Risk Tolerances

### *Exhibit 1: Risk Tolerance key*

Tolerances	
Minimal (3)	Practically a 'zero tolerance', requiring exceptionally strong risk response plans and contingency measures
Very low (4)	A level of appetite somewhat above 'zero tolerance' but again requiring very strong risk response plans and contingency measures
Low (6)	A willingness to tolerate a risk only fairly likely to occur or with localised impact (in an appropriate context)
Medium (8)	A willingness to tolerate a relatively high level of risk on the basis that the upside in terms of reward or learning is worthwhile
High (9)	A willingness to proceed on the basis that the risk is likely to materialise and cause undesirable impacts

### *Exhibit 2: Current Risk Tolerances (2022)*

	Tolerance	Residual Risk (target score)
Financial Sustainability	Low	6
Brand	Medium	8
Recruitment and admissions	Medium	8
Teaching and Learning	Medium	8
Student Experience	Medium	8



<b>Regulation and compliance</b>	Very Low	4
<b>Academic Standards</b>	Low	6
<b>Data &amp; IT</b>	Low	6
<b>Cyber</b>	Low	6
<b>Contractual failure</b>	Medium	8

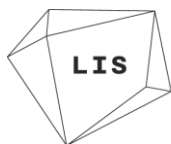
## Training

Training in risk management will be mandatory for all staff in senior management roles who are responsible for entries to the Risk Register.

The organisation and delivery of risk management training will be the responsibility of the Registrar.

## Monitoring and Review

This Policy will be reviewed annually by the Audit, Risk and Compliance Committee to ensure that it is fit for purpose, and any changes will be approved by the Board of Directors.



## Version Control

<b>Name of policy/procedure:</b>	<b>Risk Management Policy</b>
<b>Document owner:</b>	<b>Michael Englard, Registrar</b>
<b>Related documents:</b> (e.g. associated forms, underpinning processes, related policies or overarching policies)	<b>Business Continuity Plan Risk Register IT Disaster Recovery Plan Student Protection Plan Governance articles</b>

Version Control			
Version	Author	Date	Brief summary of changes
1	Hannah Kohler (Director of Admissions and Student Support)	13/01/2019	Original draft
2	Jasper Joyce (Director of Finance and Operations)	12/03/2019	Minor wording changes
3	Ed Fidoe (Chief Executive)	14/03/2019	Minor wording changes
4	Hannah Kohler (Director of Admissions and Student Support)	20/06/2019	Expanded detail on role of Board, included responsibilities of Academic Council, Registrar and External Auditors
5	Hannah Kohler (Director of Admissions and Student Support)	08/07/2019	Minor changes
6	Board of Directors	18/11/2019	Approved
7	Hannah Kohler (Director of Admissions and Student Support)	03/03/2020	Changed named of PIPs Panel to Audit and Compliance Committee (establishment of which was approved by the Board in Feb 2020, to replace PIPS Panel)
8	Dr Andrew Redford (Head of Quality)	10/2021	Minor changes of job titles
9	Dr Michael Englard (Registrar)	12/2021	Audit Risk and Compliance Committee replaces ExCo in recommending changes on the Risk Management Policy to the Board of Directors
10	Dr Michael Englard (Registrar)	03/2022	Changes in risk escalation Board to inspect risk on quarterly as opposed to six-monthly basis Clarification of roles Introduction of risk tolerances Expanding the role of the Audit, Risk and Compliance Committee.