

Risk Management Strategy

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The persons/committee responsible for this document reserve the right to amend this document at any time should the need arise. All appropriate staff will be informed

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1. Introduction

Risk Management is a key aspect of the College strategic planning, governance and management framework. It is essential that the Board of Management set their appetite for risk as a basis for the management of the College.

Further, it is essential that the College then has an effective strategy in place for identifying and managing risk on a continuous basis. It is also important that a system of risk management is in place to provide the Board of Management with assurance that operational risks are being managed appropriately throughout the management structure.

The Risk Management Strategy outlines how the College manages and considers risk, how it identifies internal/external or environmental risks that it faces, evaluates these risks and mitigates them as appropriate. The purpose of the Risk Management Framework is not to seek to discourage innovation or risk taking but to ensure that consideration of risk is carried out in a systematic way.

The Vice Principal – Finance & Corporate Services has responsibility for ensuring that the Risk Management Strategy is implemented.

2. Governance

The Board of Management is responsible for Risk Management within the College. The Board will approve the Risk Management Strategy, the Risk Appetite Statement and the Risk Register at least twice per year.

The Audit & Risk Committee have a level of delegated responsibility for reviewing the system of Risk Management within the College, ensuring it is appropriately scrutinised and audited and for recommending changes to the register or the system of risk management to the Board of Management. Risk Management will therefore be a formal agenda item at each meeting of the Audit & Risk Committee.

Risk Management will also feature on the agenda of all Board, Board Sub-Committee and formal College Committee meetings for consideration.

The College will also operate a Risk Management Committee to consider the operational management of risk a minimum of four times per year. This Committee will make recommendations to the Audit & Risk Committee.

3. Risk Appetite

The Board of Management will set a Risk Appetite. This will outline the willingness of the Board to accept different levels of risk for various categories of Risk. The Board's Risk Appetite Statement will be an integral part of the Risk Register and will be re-considered by the Board at least twice per year.

College management will then manage the College on the basis of the Risk Appetite Statement.

The Audit & Risk Committee will seek to review the Risk Register and identify areas where the actual level of perceived risk differs from the appetite for that Risk. In such circumstances it would then be expected that management would put additional mitigations in place.

The Scottish Public Finance Manual (SPFM) requires the College to have a Risk Appetite Statement and appropriate Risk Management processes in place.

4. College Risk Register

The Risk Register is a well-established document which identifies and ranks risks and outlines mitigation strategies for the risks identified. This is the main tool for recording risks and is a live document which is updated on a regular basis. The format of the Risk Register is based on Chartered Institute of Public Finance and Accountancy (CIPFA) risk management guidance. It identifies the risks and scores them in relation to probability and materiality. This enables the College to identify those risks which could have a material impact and are likely to occur.

The Risk Register is considered at every meeting of the Audit & Risk Committee, Risk Management Committee and is considered twice per year by the Board of Management and once per year by each of the other formal Sub Committees of the Board.

The Vice Principal – Finance & Corporate Services has responsibility for maintaining the Risk Register.

5. Strategy for Managing Risk

There are a number of processes and procedures the College has in place to effectively manage risk. These are:

5.1 Risk Management Committee

The College has a Risk Management Committee. This committee meets a minimum of 3 times per academic year and consists of members of the Strategic Management Team and a wide range of Operational Managers. The College will also seek representation from its insurers/insurance brokers on this committee once per year to provide external and independent specialist input into the risk management process.

The Purpose and Remit for the Risk Management Committee is provided in [Appendix 1](#). This committee is the main operational group with responsibility for discussing Risk Management issues and it considers the Risk Register at each meeting and recommends changes to it. The Committee is chaired by the Vice Principal – Finance & Corporate Services.

5.2 Meeting Agendas

All meetings of the Board of Management, its standing committees and all formal internal meetings have Risk Management as a standard agenda item. This ensures that any new risk management issues are identified by members of the committee and if appropriate included in the Risk Register.

In respect of formal, internal College meetings it is the responsibility of the Chair to inform the Chair of the Risk Management Committee of any new risks identified.

5.3 Board of Management Reports

All formal reports to the Board of Management and its Standing Committees include a section on Risk Management implications. The author of the report is required to consider and highlight any risk implications arising as a consequence of the contents of the report.

5.4 Board Development

Risk Management will be considered as a Board development topic and forms part of the induction process for all new members of the Board of Management.

5.5 Audit & Risk Committee

The Audit & Risk Committee has a specific role in the review and management of risk. It considers the Risk Register and Risk Appetite Statement at each meeting as a standing agenda item. The Committee will make recommendations for changes to the Risk Register, Risk Management Strategy and Risk Appetite Statement to the Board of Management.

The Audit & Risk Committee also has responsibility for the oversight of College Internal and External Audit arrangements. The Committee are required to ensure that audit programmes include Risk Management as a topic for regular independent audit review and to ensure that the audit plans take appropriate cognisance of perceived risk.

5.6 Assurance Framework

The College will maintain an assurance framework which will be reviewed annually by the Audit & Risk Committee and presented to the Board of Management annually. The Vice-Principal – Finance & Corporate Services will be responsible for maintaining a mapping of all sources of assurance which are available routinely to the Board of Management and its Standing Committees. The objective of this exercise is to review the full range of the sources of assurance which aim to provide the Board with assurance that the College is being managed and operated in a way which is consistent with its Mission, Vision, and Strategic Plan. The sources of assurance will also seek to provide evidence that the processes and procedures in place to ensure that the College is well controlled and managed are being adhered to. The Assurance Framework and its regular review will also ensure that the College is compliant with the Scottish Government Audit and Assurance Committee Handbook.

5.7 Insurance

The College ensures that it has an appropriate level of insurance in place as a key risk management strategy. The Vice Principal – Finance and Corporate Services is responsible for procuring and arranging insurance cover. Details of the cover in place are reported annually to the Financial Control Committee, The Audit & Risk Committee and to the Risk Management Committee.

5.8 Health and Safety Management

Health and Safety Management at the College is a further element of the Risk Management Strategy. A separate Health and Safety Policy and management process operates within Glasgow Kelvin College. The minutes of the Health and Safety Committee are considered by the Risk Management Committee and by the Board's Human Resources Committee at each meeting.

The Board of Management approves the Health and Safety Policy annually and also considers an annual report on Health and Safety.

5.9 Operational Planning

The College operational processes include consideration of the wider context facing the College and its local partners. This includes a review of the operational environment in which the College operates to ensure that the Operational Management Team give full consideration to internal/external risks and challenges.

5.10 Financial Planning

The budget preparation and monitoring processes include explicit reference to the financial risks associated with the strategic and operational plans on an annual basis. The Financial Control Committee has responsibility for the oversight of financial management.

The Vice Principal – Finance & Corporate Services also has responsibility for medium term financial planning, associated scenario planning and for ensuring that Risk Management is integrated into these planning and modelling processes.

6. Business Continuity Planning and Disaster Recovery

It is the responsibility of the Director of Corporate Services and the Head of ICT Services to ensure that the College has appropriate disaster recovery documentation, processes and procedures in place which are subject to regular review and testing. This will help ensure the College has the capacity and plans in place which will enable it to recover quickly in the event of a major incident. This is aimed at minimising the risk that the College will be unable to deliver its operational objectives as a result of an unforeseen incident.

7. Review

The Risk Management Strategy will be reviewed every three years.

Appendix 1

Risk Management Committee – Purpose and Remit

1. Introduction

The College's Risk Management Committee has been established to identify potential risks associated with the college's mission and to manage their likelihood and impact. It will seek to identify and review risks, record risks and mitigations in the Risk Register and ensure that the College is operating in line with the Board's Risk Appetite Statement.

2. Remit of the Group

The College's Risk Management Committee shall meet a minimum of three (3) times per year. Additional meetings may be called at the request of the Audit & Risk Committee, the Principal or the Group's Chair.

The remit of the Group shall be to:

- i) seek to identify potential risks inherent in the College's operation;
- ii) seek to establish strategies to avoid or to minimise the potential impact of risk on the college;
- iii) inform the College's Risk Register;
- iv) inform the College's periodic review of insurance provision to ensure that potential liabilities are fully addressed;
- v) advise on the College's approach to contingency and emergency planning; and
- vi) review the Assurance Framework and seek to assure the Board's Audit & Risk Committee that the College has taken reasonable steps to anticipate and manage potential risks.

It is expected that the scope of the Group's deliberations will span the entire range of College activities. It will include, for example, the college's Health and Safety Agenda, its ICT systems, HR Management, Estate Management, Equalities, administration systems and its financial management and governance.

3. Membership

The Risk Management Committee shall be chaired by the Vice Principal – Finance & Corporate Services.

It shall also include:

- Principal;
- Director of Human Resources;
- Equality, Diversity and Inclusion Manager;
- a representative from the Heads of Faculty or Director of Curriculum;
- Head of ICT Services;
- Communications and Planning Manager;
- Head of Services to Support Learners;
- Health and Safety Manager;
- Director of Corporate Services;
- Head of Estates & Sustainability;
- a representative of either teaching and support staff; and
- Student Association representation.

4. The Committees Proceedings

The Chair shall determine the agenda and shall call meetings. He/she shall also be responsible to ensure agenda, minutes and associated papers shall normally be distributed to all members five (5) working days prior to any meeting.

Normally no item shall appear on the agenda without a formal paper associated with it being distributed with the agenda.

The minutes of all meetings of the Health and Safety Committee shall be routinely returned to an appropriate (normally the next) meeting of the Committee.

The minutes of the Committee shall be recorded by a member of the College's Administration staff.

5. Agenda

The agenda of the Risk Management Committee shall follow the undernoted format:

- i) Sederunt
- ii) Apologies
- iii) Declarations of interest
- iv) Minutes of Previous Meeting
- v) Matters Arising from the Previous Meeting
- vi) Risk Register
- vii) Any business carried forward from the Previous Meeting
- viii) The Minutes of the College's Health and Safety Committee
- ix) Other Business
- x) Date of Next Meeting
- xi) Closure

Normally business will not be discussed which does not appear formally on the agenda. However, in exceptional circumstances the Chair may with include such an item.

The meetings of the Committee shall not exceed 90 minutes.

The Chair and/or the Principal may invite other individuals to attend a meeting either for specific agenda items or for an entire meeting.

6. Schedule of Meetings

At the start of each academic/financial year the Vice Principal shall issue a schedule which indicates the dates and times of the Group's meetings for the year.