WEST COLLEGE SCOTLAND

Policy & Procedure	Risk Management Strategy
Policy Area	Finance
Version Number	03.1
Approved by	Board of Management
Date of Approval	March 2021
Date of Equality Impact Assessment	March 2021
Date of Review	March 2022
Responsible Senior Manager	Director of Finance

History of Amendments

Version	Date	Review	Summary of changes made
V1.0 Draft	01-09-15	A Ritchie	Initial strategy document for review
V1.2	12-09-15	A Ritchie	Final Strategy for approval
V2.0	04-12-17	A Ritchie	Strategy document review
V3.0	24-11-20	A Ritchie	Updated following Board of Management approval of risk appetite levels; style updated, and content amended to reflect current operations
V3.0	14-12-20	A Ritchie	Approved by the Board of Management
V3.1	11-03-21	A Ritchie	Amended for new committee names

Policy Statement

The College Risk Management Strategy is to apply best practice in the identification, evaluation, and cost-effective control of risk to ensure that risks are managed, eliminated or reduced to an acceptable level. The strategy support opportunity risk and do not look to inhibit innovation but to deliver change in a well-managed and controlled way. The College recognises that it has a responsibility to manage hazards and risks and this strategy supports a structured and focused approach to managing them. In this way the College will better achieve its corporate objectives and enhance the value of services it provides to the community.

It is acknowledged that some risks will always exist and will never be eliminated. All employees must consider risk and accept responsibility for risks associated with their area of authority.

Equality Statement

The College is committed to providing equal opportunities to ensure its students, staff, customers and visitors are treated equally regardless of gender reassignment, race, religion or belief; disability; age; marriage and civil partnerships; pregnancy and maternity; sexual orientation; sex.

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1. Introduction from Chair of Board of Management and the Principal

1.1 The Financial Memorandum with the Scottish Funding Council (SFC) requires that the governing body complies with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges. The Financial Memorandum also requires the governing body to ensure that:

- The College has an effective policy of risk management and risk management arrangements;

- Internal audit must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance and value-for- money; and

- The College undertakes careful appraisal of the risks before accepting any contingent liability.

1.2 The College is also required to comply with the requirements of the Scottish Public Finance Manual (SPFM). The SPFM requires that the College must '*develop a framework for assessing risks that evaluates both the likelihood of the risk being realised, and of the impact if the risk is realised. Risk assessment should be recorded in a way that demonstrates clearly the key stages of the process.*'

1.3 This Risk Management Strategy has therefore been written taking account of the requirements of both the Financial Memorandum with the SFC and Scottish Public Finance Manual.

1.4 In addition to the above requirements the internal auditor must produce an Annual Report to the Board of Management on their activities during the year. The report must include an opinion on the adequacy and effectiveness of the College's risk management, internal control and governance. This Strategy therefore forms a key

component in allowing the internal auditors to be able to report without qualification that the College is complying with these requirements.

1.5   The Risk Management Strategy is a key document in ensuring that the four Strategic Priorities of Personalisation, Collaboration, Agile and Adaptive and Digital contained within the College Strategy 2019-205 are delivered. The Risk Management Strategy aims to ensure that the College community is aware of the level of risk that the organisation is willing to accept; that some risks will always exist and will never be eliminated, however mitigation can be put in place to minimise their impacts.

1.6   The College recognises that it has a responsibility to manage risks and supports a structured and focused approach to managing them through application of the Risk Management Strategy. In this way the College will better achieve its four strategic priorities and enhance the value of services it provides to the wider community.

1.7   The approach of the Risk Management Strategy is that it is owned and led by the Board of Management and it is intended to deliver a more dynamic and inclusive approach to risk management. The Risk Management Strategy aims to ensure that the Strategic Risk Register will be informed by the College Operational Planning process and from all Board of Management Committees with the objective of being outward facing and strategically focused.

1.8   The College's Risk Management Strategy objectives are to:

- Integrate risk management into the culture of the College;

- Manage risk in accordance with best practice;

- Anticipate and respond to changing requirements;

- Prevent injury, damage, losses and reduce the cost of risk; and

- Raise awareness of the need for risk management by all those connected with delivering the College's Strategic Priorities.

1.9 These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the College for risk management;

- Providing opportunities for shared learning on risk management across the College;

- Reinforcing the importance of effective risk management as part of everyday work by offering training;

- Incorporating risk management considerations into the annual internal audit plan and any internal / external audit work carried out; and

- Monitoring arrangements on an on-going basis.

1.10 The Risk Management Strategy aligns with the Regional Outcome Agreement (ROA) and will be reviewed and presented to the Board of Management every three years for approval.

1.11 The Board of Management and Senior Management Team are fully committed to the principles of risk management and the approach outlined within this Strategy.

Approved by:

Dr Waiyin Hatton   **Liz Connolly**

Chair of the Board of Management   **Principal**

2. Risk Management Overview

Purpose

2.1 The purpose of the Risk Management Strategy is to:

- outline West College Scotland's approach to risk management; and

- describe the procedures for the management of risk within the College while detailing the roles and responsibilities of the key business areas.

Objectives

2.2 To ensure the effective delivery of the College Risk Management Strategy, the following objectives will require to be progressed by the College Senior Management Team:

- To undertake a review every three years of the College Risk Management Strategy. The review will ensure clear roles, responsibilities and a reporting framework for the managing of risk across the College is maintained and developed;

- To develop operational planning guidance on risk identification and its translation into strategic risk where appropriate;

- To monitor and report on risk management arrangements to the Board of Management Audit Committee;

- To continue to integrate risk management into the culture of the College and to raise awareness of the need to manage risk effectively throughout the College; and

- To comply with corporate governance requirements and integrate effective processes to allow the Board of Management to approve the annual Accountability Report including the section on Risk Management and Internal Controls.

Definitions

2.3 The following represents the meaning of terminology that is used throughout the Strategy document:

- **Risk Management:** The coordinated activities, systems and processes in place to direct and control the College regarding the management of risk.

- **Risk:** The potential 'effect of uncertainty on objectives', where an effect is a deviation from an intended or expected outcome. A risk will be considered as either a threat (negative) to the College's ability to achieve any given objective or as uncertainty resulting from an opportunity (positive) which offers potential benefits to the institution.

- **Issue:** A certain event which is known and will impact upon the achievement of the College's Priorities and Objectives.

- **Risk Appetite:** This refers to the level of risk the College is willing to tolerate or accept in the pursuit of its objectives. When considering threats, risk appetite defines the acceptable level of exposure deemed tolerable or justifiable by the College; when considering opportunities, risk appetite defines how much the College is prepared to actively put at risk in order to realise potential or expected benefits.

- **Risk Exposure:** The calculated level of risk which the organisation is exposed to in pursuit of its objectives.

- **Risk Owner:** this is the person, persons or entity in authority who is accountable for the effective management of a risk.

Roles and Responsibilities

2.4 To be effective, the risk process is recognised as the responsibility of the Board of Management and of all members of staff and will integrate with College operating requirements.

Owner	Role
Board of Management • *Has a fundamental role to play in the management of risk*	• Provide authority and responsibility for the establishment, maintenance, support and evaluation of the Risk Management Strategy • Set the tone and promote a positive risk culture within the College • Delegate the overall implementation of risk management to the SMT • Have knowledge of the significant risks facing the College
Audit Committee • *Has a fundamental role to play in the review and management of risk*	• To ensure compliance with corporate governance requirements • To review the Strategic Risk Register and approve for presentation to the Board • To review internal processes and systems and work closely with internal and external auditors to obtain reports on these
Senior Management Team • *Support and implement policies approved by the Board of Management.* • *The Senior Management Team consists of the Principal, Vice Principals, Assistant Principals and Directors.*	• Implementation of Risk Management Strategy • Overall co-ordination of risk management • Promotion of a holistic approach to risk management • To review the probability and impact assessments of risks on a regular basis • Ensure appropriate levels of awareness throughout the College
College Management Team • *Encouraging and embedding good risk management practice*	• Co-ordinating and ensuring that the operational objectives are implemented in line with the Risk Management Strategy

| Owner	Role
within their area of activity. • *The College Management Team consists of all those managers who are directly line managed by SMT.*	• Have an awareness and understanding of risks which fall into their area of responsibility, the impacts these may have, and monitor outcomes against the risks identified ensuring that response plans detail corrective action to minimise risk • Report any new risks identified or failures of existing control measures to SMT • Report on current 'active' risks highlighting mitigating actions and effect towards risk reduction
College Staff • *Encouraging and embedding good risk management practice within their area of activity*	• Understand their accountability for individual risks • Understand how they can enable continuous improvement of risk management and risk awareness • Report systematically and promptly to a member of the College Management Team or Senior Management Team any perceived new risks or failures of existing control measures
Internal/External Audit • *Ensuring the effectiveness of organisational and financial control systems, including monitoring performance against quality assurance standards.*	• To review risks and limitations of existing control measures • To review the adequacy of internal control systems designed to minimise risk • To make appropriate recommendations following on from any internal / external audit reports to the SMT, which will effectively improve systems of control

Partnership and Projects

2.5 For the College, it is important to ensure partnerships and projects are considered in a Risk Management context, as well as core services. Where the College is involved in strategic projects and partnerships, it will look to develop joint risk management practices with relevant partners as required.

3. Risk Management Framework

3.1 The overall responsibility for ensuring the College has effective risk management framework is with the Board of Management but this is implemented and co-ordinated by the College Senior Management Team (SMT). Risk management at the College is closely aligned to corporate governance, internal/external audit, business continuity management (BCM), insurance, health and safety and occupational health and safety arrangements. These different elements act as support mechanisms for the delivery of the Risk Management Strategy at the College. Internal and external audit also plays a key role in scrutinising the mitigations and controls implemented by the College.

Figure 1 below summarises the overall College risk management framework:

Figure 1 - Risk Management Framework
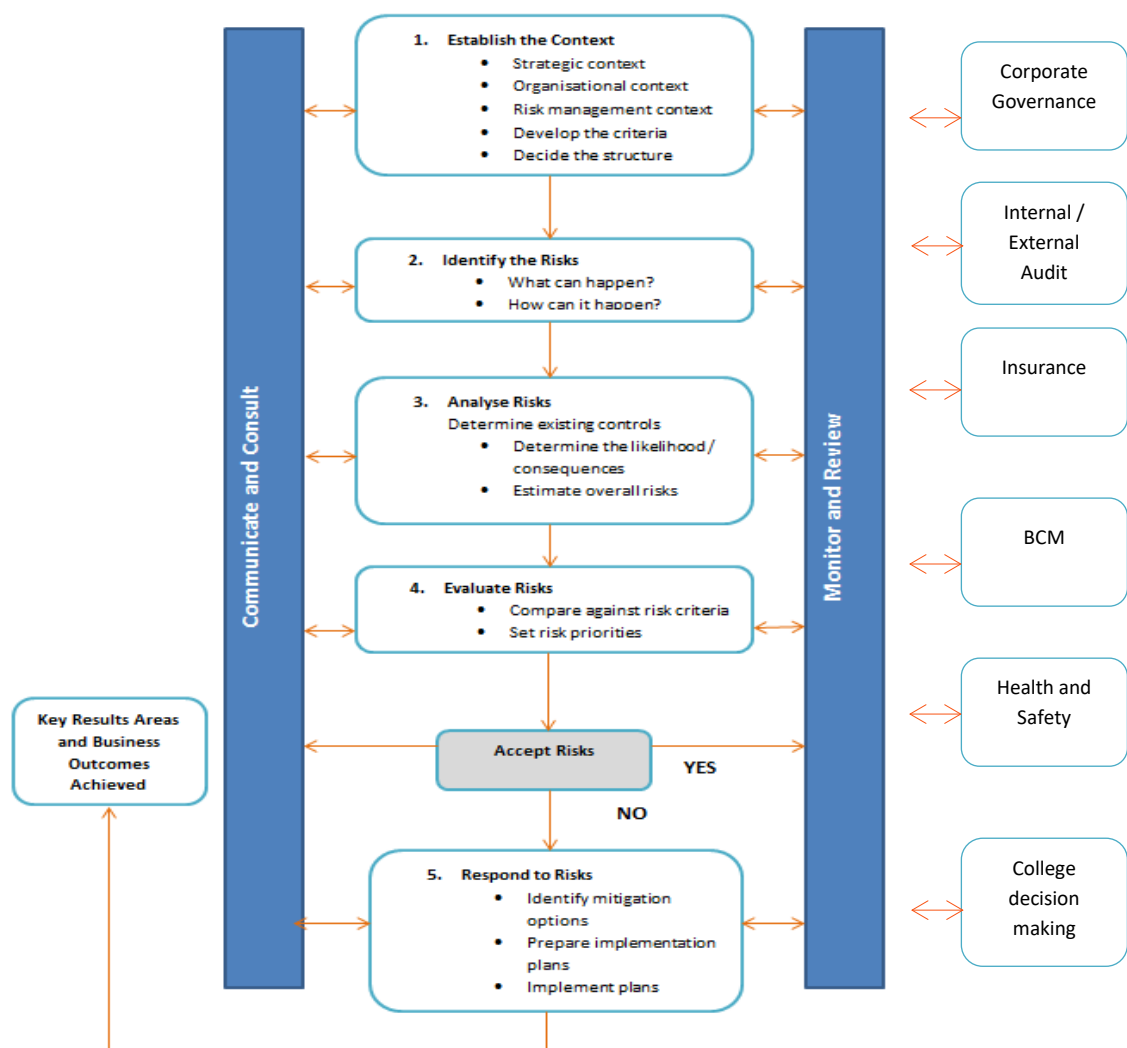
Code of Corporate Governance

3.2 The Board of Management is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve the College strategic priorities and can only provide reasonable and not absolute assurance against material misstatement or loss.

3.3 The Board of Management has delegated the day-to-day responsibility to the Principal, as Chief Executive, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and asset.

Internal / External Audit

3.4 Internal audit will assess the effectiveness of the College's internal controls and review risk management as part of the Corporate Governance arrangements. Internal audit will use the information on the Strategic Risk Register to inform their annual audit plan.

3.5 External audit will annually undertake an overall review of the corporate governance arrangements and processes of internal control in place at the College. Based on their audit work and the findings made by the internal auditors they will form an opinion on adequacy of the systems in place to comply with corporate governance requirements.

Insurance

3.6 Insurance is one method the College uses to transfer risk. The implementation of an effective Risk Management Strategy will have an impact upon the premiums paid by the College. The prevalence of insurance claims will need to be monitored as these will have a bearing on the Strategic Risk Register.

Business Continuity Management (BCM)

3.7 Business continuity underpins risk management and is concerned with how the College can overcome disruption in the event of an adverse incident or situation and continue to deliver key services at an agreed, pre-determined level. It is the low probability/high impact risks that if they occurred could result in the failure of key services or systems.

Health and Safety

3.8 There are clear and well-established links between the health and safety and risk management. The College is committed to achieving best practice in health and safety management and is fully committed to controlling risk and preventing harm to people.

3.9 The College will use the guidance in Managing for Health and Safety at Work (MFHS), which supports the model of managing health and safety with a 'Plan, Do, Check and Act' approach. This model helps to achieve a balance between the systems and behavioural aspects of management.

3.10 The Board of Management has a primary objective to ensure health and safety is integrated into the College's core business management activities and that suitably resourced health and safety management systems are implemented which are also influenced by risk management arrangements.

Risk Implications – Decision Making Process

3.11 Effective risk management is crucial to the achievement of the College's Strategic Priorities and the success of the strategic operation and provision of College services. It is important to recognise that there are risks associated with decisions taken in respect of the delivery of College business.

3.12 The nature, impact and probability of these risks will vary depending on a wide range of circumstances or potential outcomes.

4. Risk Management Process and Approach

4.1 Risk management is a cyclical process – new risks emerging while old risks become obsolete – and is based upon the following basic workflow:

a) Identification of Risks

b) Risk Assessment and Evaluation

c) Plan Mitigations

d) Monitor and Control

4.2 The following sections explain in detail what each of the above steps require the College to undertake.

Identification of Risks

4.3 The first step in the risk management process is risk identification. The process of risk identification will vary depending on context and the level at which risks are being assessed. For example, at organisational level, strategic risks should correlate with the key college objectives linked to the College Strategy 2019-2025 and should therefore be identified as part of the College planning process, which is cyclical. Similarly, at departmental level, risks should align with the key objectives set out in Operational Plans and should therefore be identified early as part of the planning process. Within a project setting, key risks should be identified at the start of the project lifecycle, during the project initiation/planning phase.

4.4 A variety of methods can be used for identifying risks. For example, sessions or workshops involving key stakeholders are common approaches. At project level, risk identification may be carried out using standardised checklists which identify risks commonly associated with project-based work, or by benchmarking against similar projects undertaken in the past.

4.5 The risk management process is cyclical and therefore risk identification is not a one-off exercise; it is a continuous process which is necessary to identify new risks that had not previously arisen, but which might affect the College's ability to achieve its objectives in the area under consideration.

Recording the Identified Risks

4.6 All identified risks will be recorded in the Strategic Risk Register using the College's standardised risk register template (Appendix 2). Within the Strategic Risk Register there are several fields to populate.

4.7 Each risk should have:

a) A risk number and a title which should be concise but contain enough information to distinguish it from the others.

b) A risk description containing information on the three composite parts of a risk; the cause, the risk event and the impact on the College Strategic Priorities:

'As a result of <cause/statement of fact>, there is a risk that <uncertain event> may occur, which would result in <an effect on Strategic Priorities>.

c) A list of which of the College Strategic Objectives is impacted by the identified risk.

d) A specific risk category. The College classifies each risk according to one of ten categories as noted in figure 2 and Appendix 2 contains a full definition of each category.

Figure 2 – Risk Categories
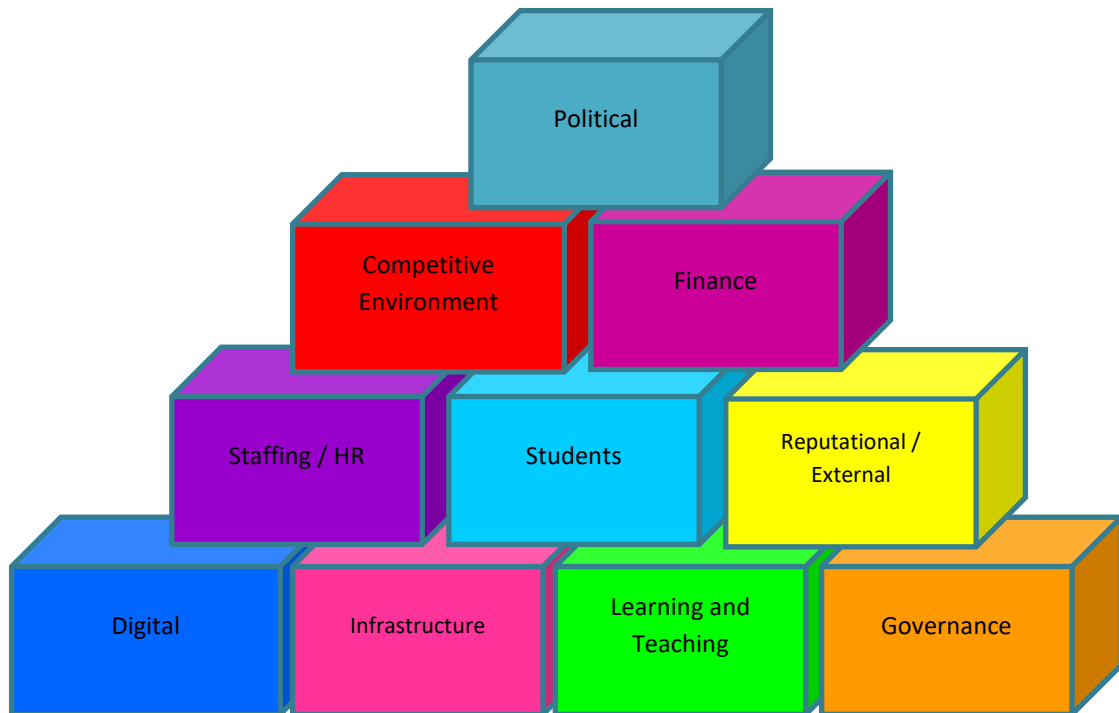
Ideally, each risk will be allocated to only one category, according to its main criteria. For example, a risk associated with carbon management might be Governance or Infrastructure depending on the College's stated priority.

e) An indication of the proximity of the risk occurring ranging from immediate through to medium or long term.

f) A risk owner who is a member of the Senior Management Team that has been given the responsibility and authority to manage a risk/set of risks and is accountable for doing so.

4.8 The risk category is linked to the risk appetite that the College is willing to be exposed to and the methodology for arriving at the risk appetite is explained below.

4.9 The information collected and recorded within the Strategic Risk Register to this point should enable initial assessment and scoring of the risk.

Risk Assessment and Evaluation

4.10 Risk assessment and evaluation takes account of various key components.

Risk Appetite

4.11 The next step in the risk management cycle is to establish the risk appetite level that the Board of Management is willing to accept in pursuit of its Strategic Priorities.

4.12 The College accepts that it must take risks, to some extent, in order to achieve its Priorities and to realise expected benefits. The College is committed to ensuring that all risks taken will be proactively controlled and exposure will be kept to an acceptable level. The College acknowledges that the level of exposure carried by different activities will vary and its threshold for accepting varying levels of risk will change depending on the risk area under consideration, the specific objectives involved, the subsequent activities undertaken and the projected benefits.

4.13 However, the College is clear that it will reject or closely manage any activity that has the potential to cause significant financial or reputation harm to the institution, most notably where these might endanger the College's ongoing viability, its ability to achieve its key strategic priorities or its ability to meet its regulatory and/or legal obligations.

4.14 The College defines Risk Appetite based on the following categories:

Classification	Description
AVERSE	Avoidance of risk and uncertainty is a key organisational objective.
MINIMALIST	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
CAUTIOUS	Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
OPEN	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.)
HUNGRY	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

4.15 Based on these categories, the College's institutional baseline Risk Appetite is defined as 'cautious to open'. This means that, while maintaining a level of prudence, the College is generally willing to consider all options and will accept moderate levels of risk in the pursuit of its Priorities, albeit with a preference for options or activities that limit exposure, even if the rewards are likely to be similarly limited.

4.16 A full definition of the College risk appetite for each category of risk can be found at Appendix 3.

4.17 While a general appetite of cautious to open is in place, it is recognised that risk appetite will vary according to the Priorities pursued and the linked activities undertaken. For example, the College would give consideration to options or activities which carry elevated levels of risk, where it can be shown that the anticipated outcomes are realistically achievable, and likely to deliver enhanced benefits; acceptance of risk, irrespective of risk appetite, should always take account of the likely benefits an activity will deliver.

4.18 At a strategic level, risk appetite is applied to the College's identified risk areas as follows:

	Averse	**Minimalist**	**Cautious**	**Open**	**Hungry**
Finance		■			
Political			■		
Governance			■		
Competitive Environment				■	
Staffing and HR				■	
Student				■	
Reputational / External				■	
Infrastructure				■	
Learning and Teaching				■	
Digital					■

4.19 It should also be noted that risk appetite will likely vary according to context; for example, capital projects provide a different context and should be considered on individual merit, as projects are usually stand-alone, and fall out with the 'business as usual' activities of the College. Consequently, the College may be prepared to accept higher levels of risk for a project that will feasibly deliver transformative change or bring significant rewards.

Risk Scoring

4.20 Risk scoring will be undertaken in the first instance to prioritise risks using a standard 6 by 4 semi-quantitative scale (shown in Figure 3) for risk probability and impact.

4.21 This use of a standard scoring threshold promotes consistency in risk assessment.

Figure 3 - Risk Scoring Thresholds

Probability	Score	Impact	Score
Almost Certain	6	Catastrophic	4
Very Likely	5	Critical	3
Likely	4	Marginal	2
Possible	3	Negligible	1
Very Unlikely	2		
Remote Chance	1		

4.22 When assessing impact, it is important that a holistic analysis of the categories of risk be considered, in terms of how the issue would impact on the College (a partnership, a service or a specific project). The agreed approach to the assessment of risk at the College is undertaken based on existing control measures.

4.23 When assessing probability, a consideration of historical information, external drivers, trends and statistics can be useful in determining an appropriate level.

4.24 Each risk should be allocated two risk scores, as follows:
- Gross Risk Score
- Net Risk Score

4.25 The Gross Risk Score is populated and refers to the level of risk an activity would pose if no controls or mitigating actions were in place.

4.26 The Net Risk Score refers to the level of risk remaining after controls and mitigating actions are considered and should ideally reflect the applicable risk appetite.

4.27 Risks identified within the Strategic and Operational Risk Register will be plotted on a probability impact grid, as shown in figure 4 below, to provide a pictorial representation of risk exposure. Risks which fall into the upper boundary (Red RAG status) will be considered as critical for management attention and as greater than

the acceptable risk appetite. Efforts will be made to reduce risk exposure below the upper boundary.

Figure 4 - Risk Probability Impact Grid

Probability Impact Score Grid					
Almost Certain	6	6	12	18	24
Very Likely	5	5	10	15	20
Likely	4	4	8	12	16
Possible	3	3	6	9	12
Very Unlikely	2	2	4	6	8
Remote Chance	1	1	2	3	4
		1	2	3	4
		Negligible	Marginal	Critical	Catasrophic

4.28 Risks with low probability but high impact scores will be elevated for attention of the Board. Risk response plans will be developed which seek to reduce the potential impact of the risk.

Plan Mitigations

4.29 When considering the appropriate risk response, the controls already in place should be recorded under Controls in the Strategic Risk Register and potential mitigating actions should be identified, where applicable (i.e. where a risk requires treatment).

4.30 Mitigations actions should change or reduce either the probability of a risk materialising, or its impact if it does (or both) and they should also be recorded in the Strategic Risk Register assigned a responsible person/lead and set a target date for completion.

4.31 Taking account of the mitigations the Gross Risk Score should be re-assessed and revised, and a Net Risk Score agreed. The Net Risk Score should not be higher than the Gross Risk Score (either in terms of impact, or probability, or both), because again, it refers to the level of risk remaining after controls and mitigating actions are considered.

4.32 After mitigations and risk scores have been identified, the planning process is effectively complete, and the agreed plans should be taken forward for implementation.

4.33 Control strategies / plans may align with the categories below:
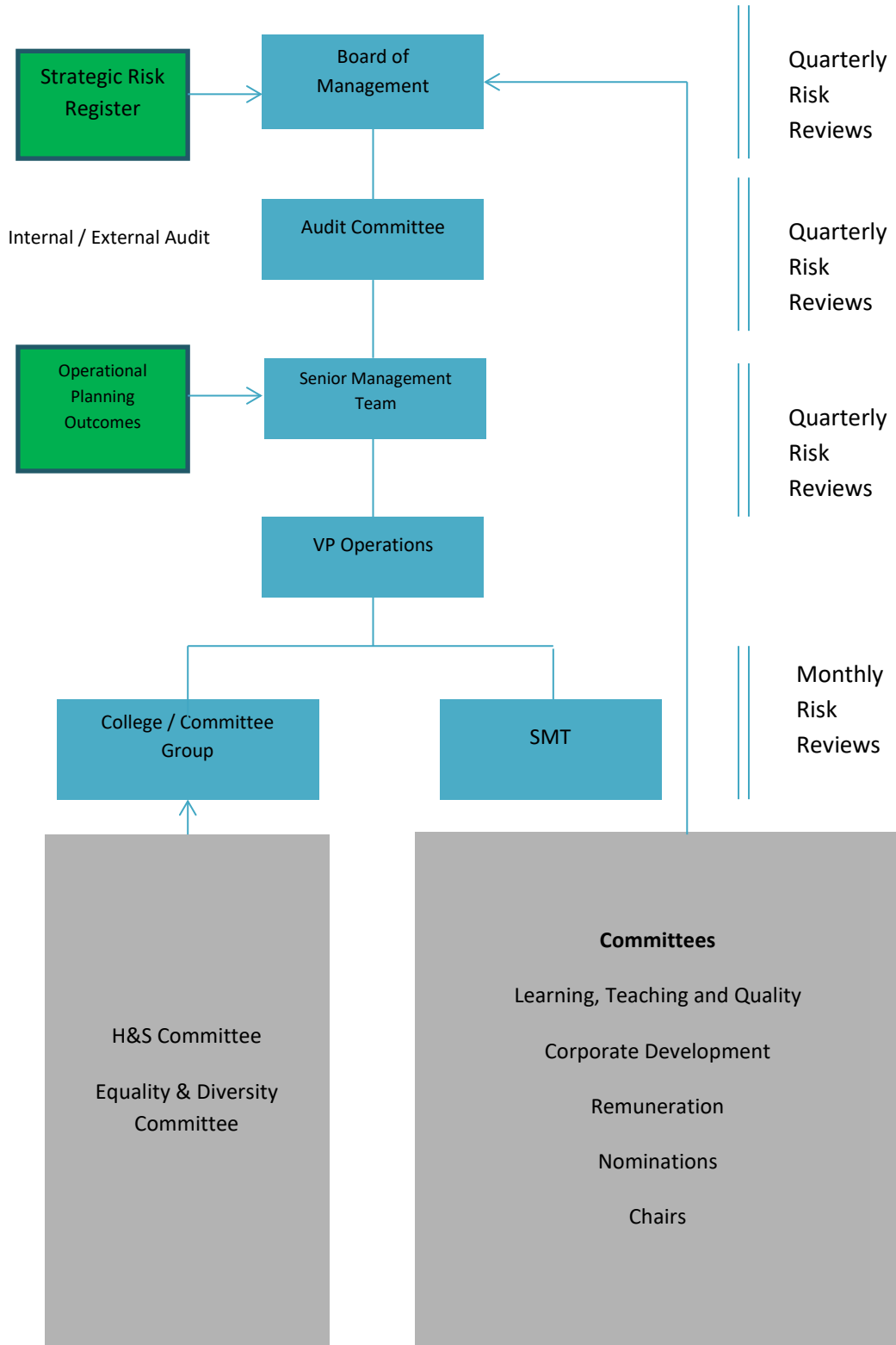
Figure 5 – Risk Mitigation Measures

Risk Response	Commentary
Tolerating or Accepting the Risk:	It is rarely possible or economically desirable to remove all risks entirely and, unless Terminated, all risks will eventually be accepted at some level. In addition, there are some risks over which the College has little or no control and some for which any management actions would be prohibitive in terms of resource; yet for valid reasons the College will continue with the activity. The important point is that these risks are identified, clearly understood and monitored. This option is frequently accompanied by a contingency plan for dealing with the impact that will arise if the risk is realised.
Transferring or sharing the Risk:	Some risks can be transferred to another body or organisation, for example insurance, contractual arrangements, outsourcing and partnerships.. Realistically, transferring all of a risk is extremely difficult to achieve effectively and is often confused with action ownership (where the risk is owned by entity A (who feels the pain if the risk comes about) but action to mitigate or control the risk lies with entity B. If the risk is Transferred, then care needs to be taken that the risk is actually transferred. However, some risks (for example reputation) cannot be transferred. It is important that how (to whom) the risk has been transferred.
Terminating or Avoiding the risk:	Although unusual, it may be that a particular risk cannot be adequately controlled or transferred and the consequence or likelihood of such a risk being realised is such that it cannot be accepted. In this case the only course of action may be to eliminate the risk by ending all or part of a

	particular activity. In some instances, this may involve temporary suspension of an activity until the likelihood and/or impact of the risk has reduced for external reasons.
Treating or Controlling the Risk:	It is usually possible to control a risk to an acceptable level and this is achieved by building control mechanisms into operational activities. Whichever strategy is adopted it is important that the controls are proportionate and cost effective. Where the decision is taken to mitigate a risk by introducing control measures it is also important that the operation is not impeded by over controlling in an attempt to completely eliminate a threat risk or realise an opportunity.

Monitor and Control

4.34 Risks should be monitored and controlled on an ongoing basis as part of the Risk Management Process. Responsibility for monitoring and control lies with the Risk Owner and should be ongoing at the appropriate levels.

4.35 Each of element of the Strategic Risk Register should be revisited on an ongoing basis; for example, mitigating actions should be regularly reviewed for their impact and effectiveness in controlling the risk and in reducing the risk score. Where a mitigating action is complete, it should be removed from the relevant column and where appropriate, referred to under Controls. Where a risk score has escalated, action should be taken to identify and implement control measures in order to reduce the risk score.

4.36 Reporting arrangements also provide an additional level of monitoring and control. At College level, the Board of Management will receive a high-level report on risk at each meeting. The report will provide a summary update on the risks included in the Strategic Risk Register, giving current risk scores and notification of any significant changes.

4.37 Each Board Committee will receive a report on all strategic risks for their consideration and review based upon the business undertaken at each Committee meeting.

4.38 The College Senior Management Team will receive reports on risk for the Strategic Risk Register. Risks at departmental level will be monitored and controlled as part of the operational planning process.

4.39 It is the responsibility of the SMT to highlight risks within their Directorates that are considered to have strategic significance. The College reporting framework is outlined below:

Strategic Risk Register	Board of Management
Internal / External Audit	Audit Committee
Operational Planning Outcomes	Senior Management Team
	VP Operations
College / Committee Group	SMT

Quarterly Risk Reviews

Quarterly Risk Reviews

Quarterly Risk Reviews

Monthly Risk Reviews

H&S Committee

Equality & Diversity Committee

Committees

Learning, Teaching and Quality

Corporate Development

Remuneration

Nominations

Chairs

5. Measuring the Effectiveness of the Risk Management Process

Internal Audit

5.1 As indicated, the Audit Committee must be satisfied as to the College's risk management arrangements and will receive the Strategic Risk Register at each of its meetings. The overall College risk management framework (of which this document is part) is also subject to review by the College's internal auditors both formally through the internal audit process and through the auditor's reliance on the College Strategic Risk Register in formulating Audit Needs Assessment. The College's external auditor also take account of the College Strategic Risk Register in planning their work.

Review of Procedures

5.2 This Strategy will be reviewed at every three years and presented to the Board of Management for approval.

Appendix 1: Categories of Risk

Category	Description of Risk
1) **Political**	Those affecting the College Strategic Priorities normally at a national political level.
2) **Competitive Environment**	Those affecting the competitiveness of the College to deliver its services in terms of cost, quality, ability to deliver best value and to attract customers / partners to the College.
3) **Finance**	Those related to financial planning and control and the adequacy of insurance cover.
4) **Staffing and HR**	Those affecting the recruitment, retention and morale of staff.
5) **Students**	Those affecting the recruitment, retention, attainment and morale of students.
6) **Reputational / External**	Those affecting the reputation of the College and/or external partnerships / projects / community in which the College is involved.
7) **Digital**	Those affecting the ability of the College to deliver the objectives set out in its Digital Strategy.
8) **Infrastructure**	Those affecting the College's physical assets including buildings and IT systems.
9) **Learning and Teaching**	Those affecting the successful delivery of the College's curriculum including student experience, performance and associated ROA targets.
10) **Governance**	Those that impose requirements on the College which could affect priorities / funding / reputation.

Appendix 2 – Example of Format - College Strategic Risk Register Entry

Risk number	**05**	**WCS 4**
Risk description	**SFC Regional Outcome Agreement** Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.2 2.1 3.2 3.4	
Risk category / appetite	Learning and Teaching	Open
Proximity	Long-term	
Impact/Likelihood	5 x 4	
Gross Risk Score	20	
Controls *A control is a framework in place to mitigate the risk.*	1) Positive engagement with SFC in relation to ROA development and monitoring for current and future years. Internal audit of ROA process indicated robust planning arrangements in place regarding development of ROA.	
	2) Effective internal monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees.	
	3) Good working relationships with local authorities and schools in order to access attainment funding in support of College activities in this area.	
	4) Detailed curriculum development planning and review process which has been subject to positive review by internal audit.	
Net Risk Score	12	
Trend	↔	
Risk Owner	Principal	

Appendix 3 – Risk Appetite Statement

The College's approach is to minimise its exposure to Finance, Political and Governance risks, whilst accepting and encouraging an increased degree of risk in pursuit of its mission and objectives. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

The College's appetite for risk across its activities is provided in the following statements:

(3) Finance

The College aims to maintain its long-term financial viability and its overall financial strength. Whilst targets for financial achievement will be challenging the College has a minimalist appetite for risk that puts in peril the long-term sustainability of the College.

(1) Political

The College aims to make a significant, sustainable, and socially responsible contribution to the West of Scotland and to Scotland through education, knowledge exchange and operational activities. It recognises that this should involve a cautious approach to political risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(10) Governance

The College places great importance on governance, and has no appetite for any breaches in statute, regulation, professional standards, bribery or fraud. It wishes to maintain accreditations related to courses or standards of operation and has cautious appetite for risk relating to actions that may put accreditations in jeopardy.

The above statements take priority over the statements of areas of risk appetite below.

(2) Competitive Environment

The College wishes to be amongst the leaders in transforming knowledge, ideas, skills and expertise into teaching, innovation and enterprise, thereby enriching our stakeholders and wider society. It recognises that developing this may involve an increased degree of risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(4) Staffing and HR

The College aims to value, support, develop and utilise the full potential of our staff to make the College a stimulating and safe place to work. It places importance on a culture of equality and diversity, dignity and respect, collegiality, annual reviews, the development of staff, and the health and safety of staff, students and visitors. It recognises that in fulfilling the potential of the College staff, this may involve an increased degree of risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before any deviation from its standards in these areas are authorised and that sensible measures to mitigate risk are established.

(5) Student

The College aims to ensure that we recruit the correct student onto the correct course, retain those students and ensure that they have a productive time at College. It recognises that in order to compete with other institutions that it must accept an increased degree of risk in order to attract and retain those students. It is comfortable in accepting this risk subject to a) limitations imposed by ethical considerations, and b) ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(6) Reputational / External

It is regarded as critical that the College preserves its high reputation whilst at the same time it is open to exploring new / innovative external partnerships. The College has an open appetite for risk in the conduct of any of its activities that puts its reputation in jeopardy, could lead to undue adverse publicity, or could lead to loss of confidence by the political establishment and funders of its activities.

(8) Infrastructure (including estate projects, IT and equipment)

Major change activities are required periodically to develop the College, and to adapt to changes in the regulatory and technological environment and in the nature and conduct of the College's activities. The College expects such changes to be managed according to best practice in project and change management but given the operating environment in which it operates has open appetite for investment in this area where the benefits can be shown to outweigh the costs.

(9) Learning and Teaching

The College wishes to stimulate students to develop a wish to engage in lifelong learning, encourage an independent attitude and an aspiration to achieve success. It recognises that this should involve an increased degree of risk in developing education and the student experience and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(7) Digital

The College wishes to be at the leading edge in the digital arena and wishes to grow its digital ambitions. It recognises that that this will involve an increased degree of risk in developing digital solutions and is comfortable in accepting this risk subject to a) limitations imposed by financial considerations, and b) ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

Appendix 4 – Equality Impact Assessment

Name of policy/procedure/decision: Risk Management Strategy

Provide a brief summary of the aims of the policy/procedure/decision and main activities:
This Strategy has been developed to Integrate risk management into the culture of the College and to manage risk in accordance with best practice.

Assessed By:	Clare Fraser	Date:	23 March 2021

This stage establishes whether a policy, procedure or decision will have a differential impact <u>from an equality perspective</u> on people who share protected characteristics or whether it is "equality neutral" (i.e. have no effect either positive or negative).

1. **Who will benefit from this (students/staff/stakeholders)? Is there likely to be a positive impact on people who share protected characteristics, and if so, how? <u>Or</u> is it clear at this stage that it will be equality "neutral"? i.e. will not have a differential impact on any equality group/s?**
This Strategy has limited relevance to equality, diversity and inclusion and there is no indication of a differential impact on protected groups.

2. **Is there likely to be an adverse impact on people who share protected characteristics? If so, who may be affected and why? <u>Or</u> is it clear at this stage that it will be equality "neutral"?**
There is no likelihood of an adverse impact – equality neutral.

3. **What action will you take to ensure that you are monitoring the impact of this policy?**
In the event of any risks involving equality and diversity, the Director OD & HR and/or the EDI Manager will be involved to ensure that best practice guidelines are followed.