Framework & Procedure	Risk Management Framework
Framework Area	Risk
Version Number	06
Approved by	Board of Management
Date of Approval	October 2025
Date of Equality Impact Assessment	August 2025
Date of Review	August 2026
Responsible Senior Manager	Director of Finance and Estates

History of Amendments

Version	Date	Review	Summary of changes made
V3.1	11-03-21	A Ritchie	Amended for new committee names.
V4.0	19-1-23	A Ritchie	Updated based on revised process and changes in management structure.
V5.0	1-9-23	A Ritchie	Updated to include revised assessment of impact and probability scales. Updated EQIA.
V6.0	7-8-25	N Connelly	Updated to reflect its status as a Framework rather than a Policy.
V6.0	7-8-25	N Connelly	Section 5 Risk Escalation Process added.
V6.0	7-8-25	N Connelly	Senior Management Team (SMT) changed to SLT (Senior Leadership Team).
V6.0	7-8-25	N Connelly	Updated EQIA.

Framework Statement

The Risk Management Framework is a document that outlines the College's approach to identifying, assessing, and mitigating potential risks that could negatively impact on the College in a well-managed and controlled way. The purpose of the Risk Management Framework is to ensure the College is aware of the potential risks and has a plan in place to mitigate their impact. The intention is to ensure the College is therefore able to operate more efficiently and effectively and protect the College assets and reputation whilst continuing to provide high quality learning. This Framework supports a structured and focused approach to managing risk. 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 inherent 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. Managing the College's risk will be carried out in a manner of no bias or exclusion.

Please note this document is available in other formats, to request another format please email info@wcs.ac.uk

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1. Introduction

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 framework of risk management and risk management arrangements.
- The College Audit & Risk Committee supports the Board and Principal regarding their responsibilities for risk, control and governance and associated assurance through a process of constructive challenge.
- Internal audit must provide the governing body and senior leadership of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value for money.
- 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 clearly demonstrates the key stages of the process.*'

1.3 This Risk Management Framework has therefore been written taking account of the requirements of both the SFC Financial Memorandum and the 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 Framework 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 Framework is a key document in ensuring that the strategic priorities of the College are delivered. The Risk Management Framework 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 Framework. In this way the College will better achieve its strategic priorities and enhance the value of services it provides to the wider community.

1.7   The approach of the Risk Management Framework is that it is owned and overseen by the Board of Management. The Risk Management Framework 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 framework is illustrated below:

Risk Framework

Over-arching

WCS Board Strategic Risk

WCS Component Risk
- Curriculum
- Support
- Projects

Support
- Finance
- Estates
- HR/OD
- IT
- Comms and Students

Curriculum
- Technology
- Creativity
- Performance
- Enterprise

Projects
- BAU
- Change
- Transformation
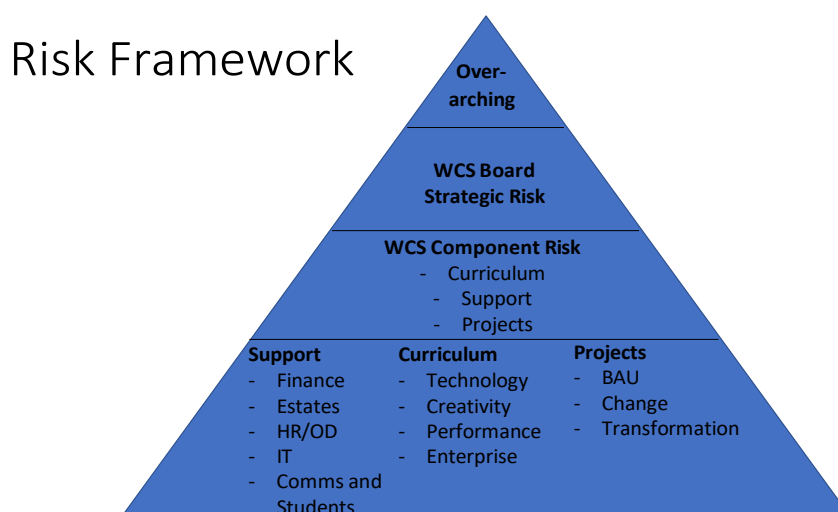
1.9   The College's Risk Management Framework objectives are to:
- Integrate risk management into the operational processes and culture of the College.
- Manage risk in accordance with best practice, recognising and mitigating risk to a controllable level which does not interrupt the operation of the College.
- Anticipate and respond to changing requirements through regular horizon planning.
- Prevent injury, damage, losses and reduce the cost of risk management as part of everyday operational management; and
- Raise awareness of the need for risk management by all those connected with delivering the College's Strategic Priorities daily.

1.10   These objectives will be achieved by:
- Establishing clear roles, responsibilities, and reporting lines within the College for risk management from strategic through to operational risk.
- 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.
- Monitoring and reporting on strategic risk quarterly and operational risk monthly recorded through the maintenance of risk registers.
- Incorporating risk management considerations into the annual internal audit plan and any internal / external audit work conducted.
- Monitoring arrangements on an on-going basis.

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

2.   Risk Management Overview

Purpose

2.1   The purpose of the Risk Management Framework is to:
- Outline West College Scotland's approach to risk management.
- 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 Framework, the following objectives will be required to be progressed by the College Senior Leadership Team:
- To undertake a review every three years, or earlier as required, of the Risk Management Framework. The review will ensure clear roles, responsibilities, and a reporting framework for the managing of risk is maintained and developed.
- To develop operational planning guidance on risk identification and its translation into strategic risk as appropriate.
- To monitor and report on risk management arrangements to the Board of Management on at least a 6 monthly basis with engagement from the Audit & Risk Committee overseeing the risk management process and adherence to the Colleges Risk Management Framework in compliance with the Scottish Public Finance Manual.
- 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.
- 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.

Terminology

2.3   The following represents the meaning of terminology that is used throughout the Framework:
- **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.
- **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 to realise potential or expected benefits.
- **Risk Score:** The calculated level of risk which the organisation is exposed to in pursuit of its objectives.
- **Risk Owner:** this is the person, person 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 Framework. • Set the tone and promote a positive risk and control culture within the College. • Delegate the overall implementation of risk management and review of risk to the SLT. • Have knowledge of the significant risks facing the College.
Audit & Risk Committee *Has a fundamental role to play in the oversight of the College management of risk.*	• To ensure compliance with corporate governance requirements. • To review the process of risk management 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.
Board Committees *Oversee significant strategic and operational risk management and mitigation.*	• To review the College's strategic risks. • Ensure the mitigating actions for such risks are addressing the risk factors and work to mitigate risk is progressing in line with agreed timelines. • To provide a summary report twice a year to the Audit & Risk Committee indicating their level of comfort regarding the risk areas under their remit.

Senior Leadership Team	
Senior Leadership Team *Support and implement policies approved by the Board of Management.* *The Senior Leadership Team consists of the Principal, Vice Principals, Assistant Principals and Directors.*	• Implementation of Risk Management Framework. • Overall co-ordination of risk management. • Promotion of a comprehensive approach to risk management. • To review the probability and impact assessments of risks on a regular basis. • To ensure appropriate levels of awareness throughout the College. • Ensure risk mitigation are being managed in line with agreed plans and updates to such risks are updated quarterly for strategic risk and monthly for operational risk. • That such risk registers (Strategic and Operational) are regularly reviewed.

Owner	Role
College Management Team *Encouraging and embedding good risk management practice within their area of activity.* *The College Management Team consists of all those managers who are directly line managed by SLT.*	• Co-ordinating and ensuring that the operational objectives are implemented in line with the Risk Management Framework. • 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. • Ensure that operational risk for college departmental areas is recorded and managed by way of risk register and reported on monthly. • Report any new risks identified or failures of existing control measures to SLT. • 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 as noted in the risk register. • 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 Leadership Team any perceived new risks or failures of existing control measures.

| Internal/External Audit	• To review risks and limitations of existing control measures.
Ensuring the effectiveness of organisational and financial control systems, including monitoring performance against quality assurance standards.	• 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 SLT, 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 engages 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 owned by the Board of Management, which is being implemented and coordinated by the College Senior Leadership Team (SLT). Risk management at the College is closely aligned to the achievement of the College's objectives, 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 Framework at the College. Internal and external audit also plays a key role in scrutinising the mitigations and controls implemented by the College.

Risk Management Framework
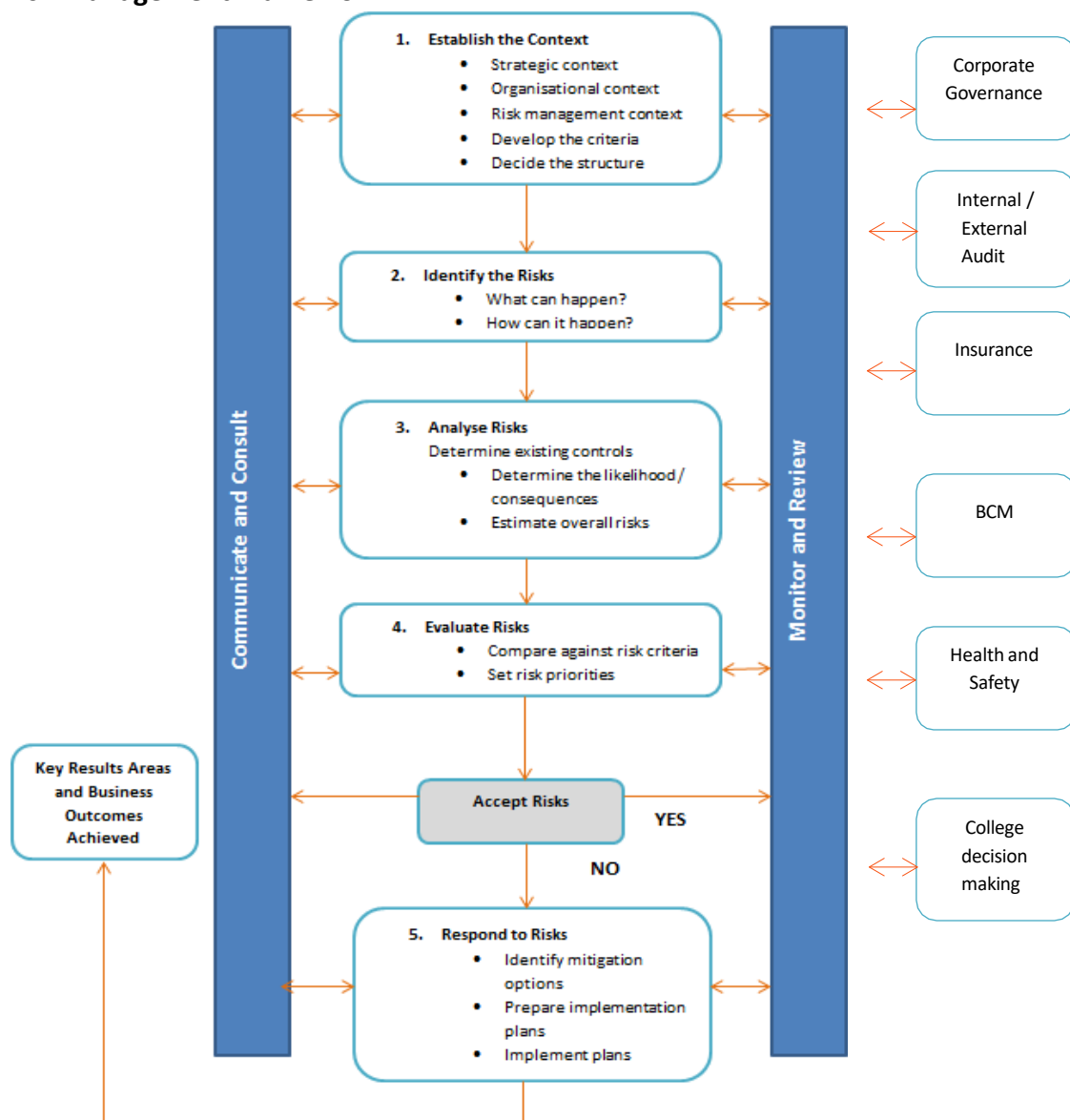
Code of Corporate Governance

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 day-to-day responsibility to the principal, as Chief Executive, for maintaining an adequate system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets.

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 Framework will have an impact upon the premiums paid by the College as does external environmental factors which the College have no control over. The prevalence of insurance claims will need to be monitored as these will have a bearing on how well the College is mitigating and managing risk and therefore could impact on the Strategic and Operational Risk Registers.

Business Continuity Management (BCM)

3.7 Business continuity underpins and can mitigate key business risks - it 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 occur could result in the failure of key services or systems. BCM is key part of the Colleges approach to managing risk of college operational failure.

Health and Safety

3.8 There are clear and well-established links between 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 Strategic Plan 2019-2025 and should therefore be identified as part of the College cyclical planning process. 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 project setting, key risks should be identified at the start of the project lifecycle, during the project initiation/planning phase and mitigated as part of project activity.

4.4   A variety of methods can be used for identifying risks. For example, sessions or workshops involving key stakeholders are common approaches, however risk of failing to achieve an operational or strategic objective is the approach adopted to identify key risks. At project level, risk identification may be conducted using standardised checklists which identify risks commonly associated with achievement of project activities, 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 have not

previously arisen, but which might affect the College's ability to achieve its objectives in the area under consideration. Regular review, particularly of Operational risk is therefore necessary. Strategic risk changes less frequently, however it is necessary to review and keep well managed on a quarterly basis.

Recording the Identified Risks

4.6   All identified risks will be recorded in the Strategic Risk Register using a standardised risk register template. Within the Strategic Risk Register there are several fields to populate.

4.7   Each risk should be:
   a)   **Risk Number and Name:** A title which should be concise but contain enough information to distinguish it from the others.
   b)   **Risk Description:** The description should contain 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)   **Risk Owned and Managed By:** A member of the Senior Leadership Team that has been given the responsibility and authority to manage a risk/set of risks and is accountable for doing so. The risk owner could be the Principal or Vice Principal – particularly in the management of Strategic Risk.
   d)   **Risk Scoring:** Risk scoring will be undertaken in the first instance to prioritise risks using a standard 5 by 5 semi-quantitative scale (shown in 4.8 below) for risk probability and impact.
   e)   **Risk Mitigation:** Actions taken to reduce the probability and impact of the risk of occurring.

4.8   This use of a standard scoring threshold promotes consistency in risk assessment.
   Risk Scoring Thresholds

Probability	Score	Impact	Score
Very Likely	5	Severe	5
Likely	4	Significant	4
Possible	3	Moderate	3
Unlikely	2	Minor	2
Very Unlikely	1	Negligible	1

4.9   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.

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

4.11   Each risk should be allocated two risk scores, as follows:
   • Current Risk Score
   • Target Risk Score

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

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

4.14   Risks identified within the Strategic and Operational Risk Register will be plotted on a probability impact grid, as shown in the table 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.

Probability		Result				
Very likely	5	5	10	15	20	25
Likely	4	4	8	12	16	20
Possible	3	3	6	9	12	15
Unlikely	2	2	4	6	8	10
Very unlikely	1	1	2	3	4	5
		1	2	3	4	5
Impact		Negligible	Minor	Moderate	Significant	Severe

4.15   The following table should be used to define the impact score. It is likely that the movement in several factors, be it cost or scope, will be utilised to arrive at a final score.

Negligible	Minor	Moderate	Significant	Severe
Insignificant change in cost	< 10% increase	10 - 20% increase	20 - 40% increase	> 40% increase
Insignificant change in schedule	< 5% increase	5 - 10% increase	10 - 20% increase	> 20% increase
Barely noticeable scope decrease	Minor areas affected	Major areas affected	Unacceptable reduction	Project end item effectively useless
Barely noticeable quality degradation	Only demanding applications effected	Quality reduction requires sponsor approval	Unacceptable quality reduction	Project end item effectively useless

4.16   In accordance with the table below, risks with an overall risk score of 15 or above will be elevated for attention to the Board. Where appropriate for these elevated risks, a risk response plan will be developed which will seek to reduce the potential impact of the identified risk. There may be certain other strategic risks, such as IT risks, which will require the development of a risk response plan despite having an overall risk score below the elevated level. Whether a risk response plan is required will be considered by the Audit & Risk Committee.

Risk level	Score	Description
High	20 - 25	Unacceptable level of risk exposure that requires a review of controls and immediate mitigating action
High-Medium	15 - 19	
Medium	11 - 14	Acceptable level of risk exposure subject to regular monitoring
Low-Medium	6 - 10	
Low	1 - 5	Acceptable level of risk exposure subject to periodic monitoring

4.17   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.

4.18   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

4.19   Risk assessment and evaluation take account of various key components.

Risk Appetite

4.20   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.

4.21   The College accepts that it must take risks, to some extent, 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.

4.22   However, the College is clear that it will reject or proactively 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.

4.23   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.

Classification	Description
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.

4.24 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.

4.25 A full definition of the College risk appetite for each category of risk can be found at Appendix 2.

4.26 While a general appetite for cautiousness 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 consider 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.

4.27 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					■
IT Security / Data Protection					■

4.28 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 standalone, 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.

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 Current Risk Score should be re-assessed and revised, and a Target Risk Score agreed. The Target Risk Score should not be higher than the Current 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 completed, and the agreed plans should be taken forward for implementation.

4.33 Control strategies / plans may align with the categories below:

Risk Mitigation Measures

Risk Response	Commentary
Tolerating or Accepting the Risk:	It is rarely possible or economically desirable to remove all risks entirely, all risks can 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 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 transferred. However, some risks (for example reputation) cannot be transferred. It is important that how (to whom) the risk has been transferred and what element of risk is reduced as a result.
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

Risk Response	Commentary
	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 framework 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 to eliminate a threat risk or realise an opportunity.

Risk Cycle - Monitor and Control

4.34 The College operates an annual risk cycle, requiring departments to consider and develop their risks at least twice a year; please note this is a minimum requirement and more frequent formal discussion of risks within appropriate operating structures is encouraged:

- Cycle 1 (by end of January): Complete a full review of all risks and opportunities, updating departmental risk registers at the end of the annual planning round, considering existing new and emerging risks to strategic and operational objectives, and reviewing and updating the risks, their controls, ownership and review dates.

- Cycle 2 (by end of July): Complete a review of significant risks (with a risk score >15) and consider and include any new and/or emerging risks. Risks should be updated if they have changed, and controls reviewed and updated as necessary.

4.35 Department need to include significant risks which apply to the College, where applicable, for consideration in the College strategic risk process.

4.36 Risks may be escalated outside of this cycle to the Senior Leadership Team where the departmental Head considers that College level attention is warranted.

4.37 The College risks represent significant strategic and operational risks to the overall organisational objectives. College risks will be updated and formally reviewed annually at the Board of Management with sign off at Board by July each year. An interim review of college risks will also be completed by Committees / Board at the half year and full year points to check on the trajectory of the risks and consider new themes – a summary of their deliberations will be submitted to the Board of Management.

4.38 The College will use risk data from several sources to inform the College risks, including information from the College wide risk cycle, from the risk owners, available quantitative or qualitative data available relating to specific risks and information from external sources and benchmarking. Management of College risks is a shared responsibility and will require support from all staff to implement an effective control environment.

4.39   Horizon Scanning: Horizon scanning risks will be considered in line with the risk cycle and updated formally during the annual College Risk review process.

4.40   It is the responsibility of the SLT to highlight risks within their Directorates that are considered to have strategic significance. The College reporting framework is outlined below:
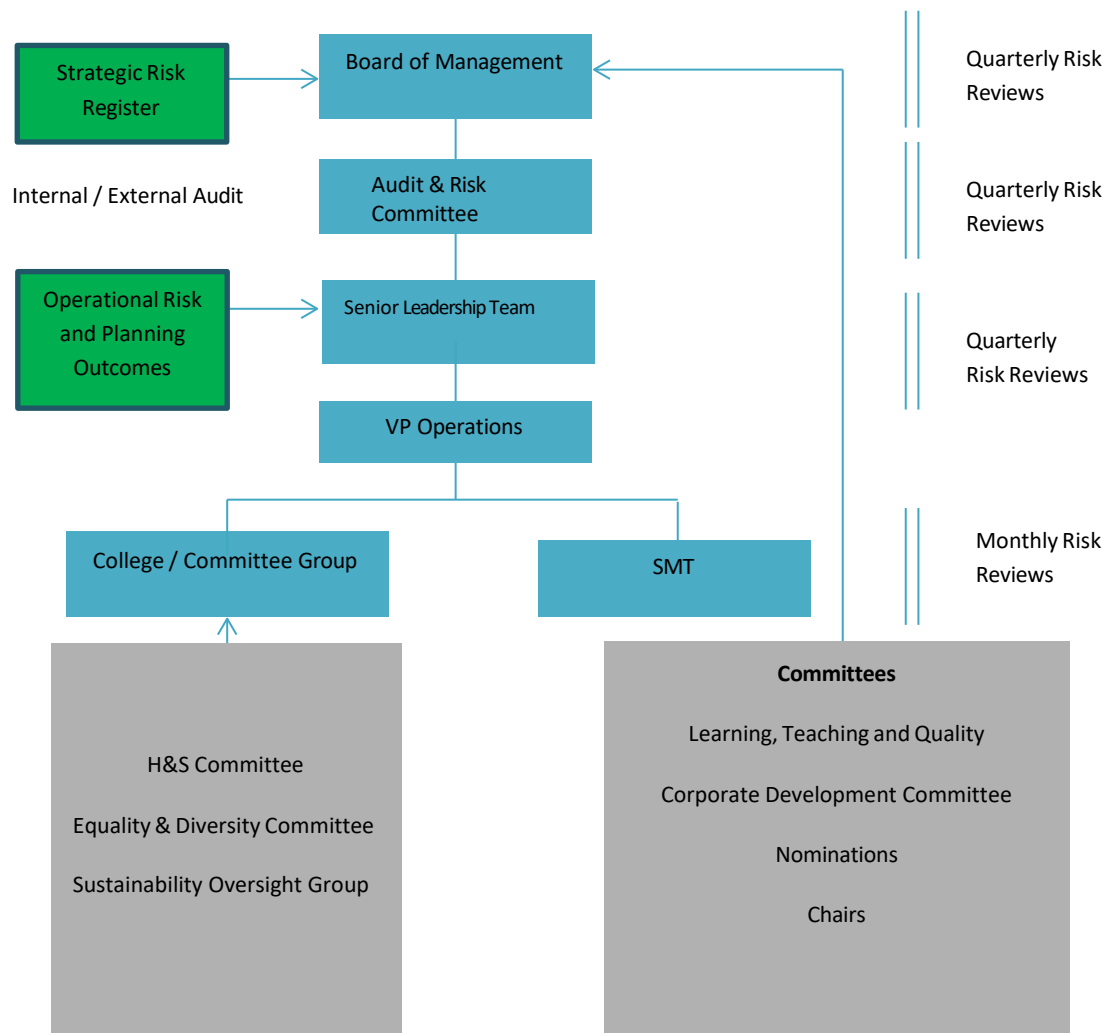
5. Risk Escalation Process

5.1 The College recognises that not all risks can or should be managed at the same level within the organisation. To ensure effective governance and timely intervention, a structured Risk Escalation Process is in place to support decision-making and ensure appropriate ownership, monitoring, and resolution of significant or emerging risks.

Purpose

5.2 The purpose of the Risk Escalation Process is to:
- Ensure timely reporting and management of risks that exceed acceptable thresholds.
- Clarify roles, responsibilities, and escalation pathways across operational and strategic levels.
- Ensure that risks posing a potential threat to the achievement of Strategic Priorities are reviewed at the appropriate governance level.

Escalation Criteria

5.3 A risk must be escalated to the next governance tier when it meets any of the following criteria:

Trigger	Escalation Required
Risk Score > 15	Escalate to SLT and Audit & Risk Committee for monitoring and/ or decision.
Risk relates to cyber security, regulatory compliance, Health, and safety, safeguarding or have reputational consequences	Immediate escalation to SLT and relevant compliance body.
A material change in external environment (e.g., regulatory, political, reputational, or legal risk) occurs	Escalate to Board of Management and/ or SLT, depending on potential impact.
Risk has cross departmental Implications	Escalate to SLT for coordinated oversight.
Existing control or mitigations Are failing	Escalate to SLT and Risk Owner for reassessment.

Risk is repeatedly appearing in   Escalate to SLT for strategic review.
Departmental reviews or audits

Escalation Pathways

5.4 The following escalation pathways apply:
- **Departmental to SLT:**
  Risks identified by the College Management Team (CMT) that meet escalation criteria must be formally reported to SLT via the monthly risk review process or immediately if urgency dictates.
- **SLT to Audit & Risk Committee / Board of Management:**
  Strategic or high-risk exposures requiring governance-level attention must be escalated by SLT to the Audit & Risk Committee for scrutiny and escalation to the Board of Management. This is typically done through quarterly risk review submissions and exceptional reports.
- **Projects and Partnerships:** Risks arising from strategic partnerships or projects that threaten College-wide objectives must be escalated through the relevant project board to SLT, with subsequent notification to Audit & Risk Committee if needed.
- **Ad Hoc Escalation:**
  Any staff member who identifies a new or significant risk outside of normal reporting cycles must notify their line manager or SLT representative immediately. Urgent risks (e.g., cyber threats, regulatory breaches, safeguarding issues) require direct escalation regardless of current risk score.

Roles in the Escalation Process

5.5 Role	Responsibilities in Risk Escalation
Risk Owner	Determine when risk thresholds are exceeded, initiate escalation.
College Management	Monitor departmental risks and escalate when necessary.
Senior Leadership Team	Assess escalated risks, determine strategic impact, and prepare for Audit & Risk Committee review.
Audit & Risk Committee	Provide governance oversight on escalated risks and ensure appropriate controls are implemented.
Board of Management	Receive escalated risks that pose a significant threat to college viability, reputation, or compliance

5.6 **Escalation Review and Closure**

- Once a risk has been escalated, a formal record of the escalation, decision taken, and actions agreed will be maintained by the Director of Finance and Estates for circulation to SLT.

- Escalated risks remain under active review until:
  - Risk is mitigated to an acceptable score (below escalation threshold); and
  - Assurance has been provided to the relevant committee or board.
- Closure or de-escalation must be approved by the same level to which the risk was originally escalated.

5.7 Integration with Risk Registers

Escalated risks must be reflected in the appropriate level of the College's Risk Register (Operational or Strategic) and included in relevant governance reports (e.g., quarterly risk updates, internal audit reports, project boards).

6. Measuring the Effectiveness of the Risk Management Process

Internal Audit

6.1 As indicated, the Audit & Risk Committee must be satisfied as the College's risk management arrangements are being carried out effectively. Supporting Committees hold responsibility for ensuring the adequacy of risk mitigation. 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 takes account of the College Strategic Risk Register in planning their work.

Review of Procedures

6.2 This Framework will be reviewed every three years and presented to the Board of Management for approval after consideration by the Audit & Risk Committee.

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: 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 always to ensure 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 it is comfortable in accepting this risk subject always to ensure 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 use 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 ensure 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, 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 student experience and is comfortable in accepting this risk subject always to ensure 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 3: Equality Impact Assessment

Name of policy/procedure/decision:	Risk Management Framework

Provide a brief summary of the aims of the policy/procedure/decision and main activities:

This Framework has been developed to integrate risk management into the culture of the College and to manage risk in accordance with best practice.

Assessed By:	Nicola Connelly Interim Vice Principal Operations	**Date:** 7 August 2025

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 Framework 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 will be involved to ensure that best practice guidelines are followed.