CITY OF GLASGOW COLLEGE

Risk Management Policy

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Charity Number: SCO 36198

Version 1.5
04 Dec. 2014
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Lead Department: Planning
Policy Lead: College Secretary/Planning
Page 1 of 9

Table of Contents

Version 1.5
04 Dec. 2014
CONTROLLED VERSION ON CONNECTED

Lead Department: Planning
Policy Lead: College Secretary/Planning
Page 2 of 9

Risk Management Policy

1. Introduction

1.1 This Risk Management Policy and the associated Risk Management Procedure form part of the College's internal control and corporate governance arrangements. The College's approach to risk management is inclusive, reflecting the College's key value of Integrity, Honesty, and Transparency.

2. Purpose and Aims

2.1 The Policy explains the College's underlying approach to risk management, and documents the roles and responsibilities of the Board of Management and the Executive Leadership Team, in developing a culture of risk management throughout the College.

2.2 The associated Risk Management Procedure document outlines the key aspects of the risk management process, and identifies the main reporting procedures. In addition, it describes the process the Board of Management will use to evaluate the effectiveness of the College's internal control procedures.

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3. Scope

3.1 This policy applies to all College activities, and at all levels within the organisation. While the identification and management of risk is seen as a key responsibility of the College Board of Management, the Executive Leadership and Senior Management Teams, managers at all levels within the College are encouraged to consult with staff in identifying risks to the College. The escalation route for risk identification is outlined in the College's Risk Management Guidance document.

Version 1.5
04 Dec. 2014
CONTROLLED VERSION ON CONNECTED

Lead Department: Planning
Policy Lead: College Secretary/Planning
Page 3 of 9

4. Policy Statement

4.1 Key Principles

The following key principles outline the College's approach to risk management and internal control:

4.1.1 The Board of Management has responsibility for overseeing risk management within the College as a whole. Regular monitoring of Risk is undertaken by the Board Audit Committee;

4.1.2 The College adopts an open and receptive approach to risk identification and management;

4.1.3 The Principal and the Executive Leadership Team supports, advises and implements policies and strategies approved by the Board of Management;

4.1.4 The College makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;

4.1.5 Senior managers are responsible for encouraging good risk management practice within their areas of responsibility;

4.1.6 Senior Managers, and those responsible for reviewing risks take into account the possibility of the differential impact of risks, and risk treatments, upon people who share protected characteristics[1].

4.1.6 Key risk indicators will be identified and closely monitored on a regular basis.

4.1.7 The College would, in general, seek to treat risks with the potential of negative impact prudently. However the Board of Management and Executive Leadership Team (ELT) recognises the possibility of positive outcomes in the treatment of risks, and accordingly will be careful to evaluate each risk individually. "Risk appetite" will be determined by the Board with guidance from ELT. (See 6.1.1 below).

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[1] http://www.equalityhumanrights.com/advice-and-guidance/new-equality-act-guidance/protected-characteristics-definitions/

Version 1.5
04 Dec. 2014
CONTROLLED VERSION ON CONNECTED

Lead Department: Planning
Policy Lead: College Secretary/Planning
Page 4 of 9

5. Definitions

5.1 HM Treasury defines "Risk" thus:

"Risk is defined as this uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. The risk has to be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does actually happen"[2]. In agreement with the approach taken by the New Campus Project, risk in the context of the City of Glasgow College will focus upon those uncertain events, which would, if they occurred, result in a negative impact on the operation and objectives of the College.[3] This is the definition of risk understood in all College documents relating to Risk Management.

6. Responsibilities

6.1 **Role of the Board of Management**

The Board of Management has a fundamental role to play in the management of risk. Its role is to:

6.1.1 Set the tone and influence the culture of risk management within the College. This includes:

- Determining whether the College is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue (i.e determining "risk appetite" for each risk);
- Determining what types of risk are acceptable and which are not;
- Setting the standards and expectations of members of staff with respect to conduct and probity.

6.1.2 Approve major decisions affecting the College's risk profile or exposure.

6.1.3 Monitor the management of significant risks to reduce the likelihood of significant adverse outcomes.

6.1.4 Seek assurance that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.

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[2] HM Treasury Orange Book
[3] It should be noted, however, that the opportunity for a positive outcome should not be overlooked in the management of risks.

6.1.5 Annually review risks.

6.1.6 Annually review the College's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

6.1.7 Review the effectiveness of internal control of the College, based on information provided by the Executive Leadership Team. Its approach is outlined in the Risk Management Procedure.

6.2 Role of the Executive Leadership Team

The key roles of the Executive Leadership Team are to:

6.2.1 Implement policies on risk management and internal control;

6.2.2 Identify and evaluate regularly the significant risks faced by the College for consideration by the Board of Management;

6.2.3 Ensure appropriate channels are in place to enable risk reporting at all levels of the organisation, and through these levels to the ELT and thence to the Risk Register. For example, risk identification and reporting will be regularly reviewed at operational team meetings, minuted where appropriate, and escalated via teams to the Senior Management Team and Executive Leadership Team.

6.2.4 Provide adequate information in a timely manner to the Board of Management and its committees on the status of risks and controls;

6.2.5 Undertake an annual review of effectiveness of the system of internal control and provide a report to the Board of Management.

Version 1.5
04 Dec. 2014
CONTROLLED VERSION ON CONNECTED

Lead Department: Planning
Policy Lead: College Secretary/Planning
Page 6 of 9

7. References

7.1 Policy Framework

Associated Policies and Procedures	Title
Policy Framework	Planning
Policy	Risk Management Policy
Procedure	Risk Management Procedure
Planning	Planning: Risk document

7.2 Other College Policies

Other College Policies	Title
To note	Risk Guidance Document

7.3 External References

Source	Title
MH Treasury	Orange Book

Version 1.5
04 Dec. 2014
CONTROLLED VERSION ON CONNECTED

Lead Department: Planning
Policy Lead: College Secretary/Planning
Page 7 of 9

8. Document Control and Review

Approval Status	Approved
Approved by	Approved by Board of Management Audit Committee
Date Approved	19 Sept 2011 Version 1.1: Recommended by ELT for approval by Board under Chair's action (8/2/12);
EQIA Status	Initial Screening Conducted? Yes: ☒ No: ☐ Full EQIA Conducted? Yes: ☐ No: ☒
Proposed Review Date	December 2015
Lead Department	College Secretary/Planning
Lead Officer(s)	Principal; College Secretary/Planning
Board Committee	Audit Committee
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Version 1.5
04 Dec. 2014
CONTROLLED VERSION ON CONNECTED

Lead Department: Planning
Policy Lead: College Secretary/Planning
Page 8 of 9

9. Revision Log

Version Date	Section of Document	Description of Revision
Version 1.1 12 02 2013	Various	Version 1.1 (12/02/13): revised post titles and responsibilities relating to these changes.
	4.1.3 (formerly 2.1.3)	Insert: "and strategies" after "policies
	6.1.1 (formerly 3.1.1) bullet 1	Insert "for each risk" after "risk appetite";
Version 1.2 21 03 2013	All	Policy redesigned within new College Policy template (June 2012). Order of text rearranged under template headings.
	1.1	Insert: "The College's approach…Transparency".
	2.1	Replace 'This reflects the development of a" with "in developing".
	5.	New section "Definitions" added. Text mirrors that in Risk Guidance document.
	6.1.3	Insert "where appropriate" after "minuted"
Version 1.3 4 April 2013	All	EQIA undertaken with revised EQIA proforma.
	4	Insertion of 4.1.6 relating to people who share protected characteristics, including footer link to EHRC definitions of "protected characteristics".
	7.2	To note: Risk Guidance Document
	8.	Approval Status clarified
Version 1.4 20 12 13	All	Checked for consistency with new Risk management approach
	7.1	Added Planning: Risk document to list of associated documents
Version 1.5 04 12 14	6.2.3 8	Minor revision to reflect new job titles/responsibilities.

Version 1.5
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CONTROLLED VERSION ON CONNECTED

Lead Department: Planning
Policy Lead: College Secretary/Planning
Page 9 of 9