

Risk Management Policy

Policy no:	7.2
Version no.	V24.11
Next review due:	September 2025
Last Review date:	November 2024
Responsible Board:	Corporate and Planning Board
Approved by & date:	SMT 2021
Linked policies and documents:	Whistleblowing Policy Safeguarding and Prevent Policy Health and Safety General Policy Student Handbook Staff Handbook
External reference points	Primary Element 2: <i>Sustainability</i> in the Council of College Chairs (CUC) Higher Education Code of Governance states: 'there are effective systems of control and risk management in place'.
Audience:	OBC Staff, Students, Governors, and other Stakeholders

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1 Introduction

Oxford Business College (the College) is committed to ensuring there is a robust system of risk management for the protection and benefit of all students, staff, and other stakeholders. This policy outlines the College's risk management policy and processes and sets out the responsibilities of all stakeholders when managing risk within the College to ensure that well-informed decisions are made and that the Colleges activities are sustainable and compliant.

2 Purpose

The Strategic Leadership Team (SLT) recognises that all activities undertaken by the College carry an element of risk. Risk management is required to identify the key risks that the College is exposed to, so they can be measured for likelihood and impact; and mitigations can be planned and implemented effectively as well as the preparation of contingency plans. In managing risk, the College can prevent or minimise the adverse effects of risks and take advantage of potential opportunities.

3 Aims and Objectives

The policy aims to ensure a rigorous and effective risk assessment system is in place. The policy makes clear that participation in the management of risk is considered the responsibility of everyone at the College including all staff and stakeholders. The policy instructs staff on the identification of risks and how they are recorded in the risk register along with the appropriate steps taken to minimise or control those risks.

3.1 The objectives of this policy are to ensure:

- 3.1.1 all significant risks are assessed and recorded in the risk register and copies (electronic or hardcopy) are available and accessible for periodic internal reviews and inspection.
- 3.1.2 all risks have a risk owner, who is identified and takes responsibility for the accuracy, relevance, and assessment of the risk(s) they are responsible for.
- 3.1.3 all risks require clear rationale in addition to an agreed estimate of the degree of risk, based upon the score of each risk's likelihood multiplied by its estimated impact.
- 3.1.4 all risks have a specific action plan on how they will be managed or mitigated.
- 3.1.5 timely updates of the risk register submitted to the Corporate Planning Board (CPB) and BoG for termly review.
- 3.1.6 adequate resources are made available to ensure this policy is properly implemented

4 Scope

This policy applies to all OBC stakeholders; staff, students, and external members such as, consultants, contractors, suppliers, members of boards & committees, and any other person working in any context within the College or its campuses.

5 Understanding Risk

The College uses the following definitions relating to risk and risk management:

- 5.1 Risk is the threat or opportunity that an action or event will adversely or beneficially affect the College's ability to meet its objectives.
- 5.2 Risk management is the process by which risks are identified, assessed, prioritised, and managed to support well-informed decision-making and maximise the realisation of opportunities across the College
- 5.3 Risk Appetite is the level of risk that the College is willing to pursue or retain.

Risks are classified by the likelihood and potential consequences of an event occurring.

5.4 Risk Appetite

The College will generally accept a level of risk proportionate to the benefits expected to be gained, and the scale or likelihood of damage. The College has a high appetite for risk in the context of encouraging and promoting critical enquiry, academic freedom, freedom of expression, and open debate. The College has a very low appetite for risk where there is a likelihood of significant and lasting reputational damage; significant and lasting damage to its provision of teaching; significant financial loss or significant negative variations to financial plans; or harm to students, staff, collaborators, partners or visitors; or illegal or unethical activity; and regulatory compliance.

6 Risk Register

The College risk register is a key component of the risk management policy. The College uses the tool to identify, assess, and document potential risks to an organisation's operations, finances, reputation, and risks to OfS regulatory compliance. The risk register is designed to provide a comprehensive overview of all risks that the College may face, and to facilitate the development of effective risk mitigation strategies.

The College's risk register identifies those risks that are considered to have a fundamental impact on the College's ability to deliver its mission or to operate effectively.

6.1 Assessing Risk

In assessing risk within the college environment, a structured approach is imperative to effectively identify and manage potential threats to its operations. Each risk identified

undergoes a comprehensive evaluation process, involving the determination of both likelihood and impact. Likelihood is assessed on a scale of 1-5, where 1 represents very low and 5 denotes very high likelihood, while impact is similarly gauged on a scale of 1-5, with 1 indicating minimal and 5 indicating significant impact. These two factors are then multiplied together to derive the overall degree of risk associated with each identified hazard.

Moreover, to provide a comprehensive understanding of the potential consequences of each risk, the college utilises a set of predefined categories that contextualise the level of risk within the broader framework of financial impact, reputational risk, and operational impact. This contextualisation facilitates informed decision-making processes and enables the college to allocate resources effectively towards risk mitigation strategies. By utilising this structured risk scoring system, the college aims to proactively identify and address potential threats, thereby safeguarding its stakeholders and ensuring the continuity of its operations

Risks are gauged according to the following Likert Scale:

	Risk Impact	Financial Impact	Reputational Risk	Operational Impact
1-5	Very Low Risk	Loss/breach equivalent to £1K or less	Minor problems in one area of service delivery affecting fewer than 10 students	Internal Matter
6-10	Low Risk	Loss/breach equivalent to between £1K and £5K	Disruption to specific areas of service delivery affecting between 10 and 20 students	Adverse attention from fewer than 5 students
11-15	Medium Risk	Loss/breach equivalent to	Widespread disruption to	Adverse attention in local press

		between £5K and £100K	business operations affecting over 50% of students	
16 – 20	High Risk	Loss/breach equivalent to between £100K and £500K	Major disruption to business operations affecting the majority of students	Major adverse industry media attention
21 – 25	Very High Risk	Loss/breach equivalent to more than £500K	Unable to provide service to students	Significant national/international adverse media attention

Risks in the Risk Register are described and their status in terms of the extent to which they are under control is explained. There are also updates on mitigations that have or will be introduced with deadlines for their completion and review.

7 Responsibilities

All staff and stakeholders at the College have some responsibility for the general reporting and management of risk. Some staff and other stakeholders have specific responsibilities with regard to managing risk.

7.1 Board of Governors (BoG)

As stated in Primary Element 2: *Sustainability* in the Council of College Chairs (CUC) Higher Education Code of Governance states, the Board of Governors are responsible for ensuring that 'there are effective systems of control and risk management in place'. This includes making sure there is a proactive system of risk management in place so that risks are rigorously understood, assessed, and managed. The BoG receives termly updates of the Risk Register from the Strategic Advisory and Planning Board on the identification, assessment and management of risks on the Risk Register, including those that are also listed in the Student Protection Plan.

7.2 Corporate and Planning Board

The CPB is the owner of the Risk Register and responsible for reporting termly to the Board of Governors (BoG) on the assessment and management of risk. The Strategic Advisory and Planning Board is also responsible for:

- 7.2.1 reviewing the College's risk management framework to ensure coverage of all key risk areas
- 7.2.2 proposing new areas of risk as and when they are deemed necessary
- 7.2.3 monitoring the adequacy of and compliance with prescribed policies
- 7.2.4 reviewing and updating policies and procedures to manage identified risks
- 7.2.5 ensuring appropriate action is taken to address risk and minimise or mitigate adverse effects

7.3 Head of QualPliance & Legal Affairs

The Head of QualPliance & Legal Affairs assumes the lead role in coordinating and collating departmental risks, overseeing the maintenance of the Risk Register. They are responsible for consulting all risk owners for updates on each risk on a quarterly basis.

Furthermore, the Head of QualPliance & Legal Affairs authors the quarterly report to the Strategic Advisory and Planning Board and the Board of Governors (BoG), providing updates on institutional risks and the effectiveness of current controls and mitigations. This reporting ensures transparency and accountability in risk management practices, enabling informed decision-making by the leadership team. Any recommendations provided by the Strategic Advisory and Planning Board and BoG are duly considered and incorporated into the Risk Register by the Head of QualPliance & Legal Affairs in accordance with their directives.

7.4 Risk Owners

In line with the quarterly risk monitoring exercise coordinated by the Head of QualPliance & Legal Affairs, the responsibility of monitoring risks lies with their respective owners. Each risk owner is tasked with overseeing the management of their assigned risks, ensuring that they are appropriately mitigated. This includes collaborating with colleagues across departmental boundaries to ensure comprehensive risk mitigation strategies.

It is incumbent upon risk owners to communicate any updates or developments regarding the risks they are responsible for to the Head of QualPliance & Legal Affairs. Additionally, if a risk is identified as not being effectively treated or managed, the risk owner is required to escalate this concern to the Head of QualPliance & Legal Affairs. In doing so, the risk owner should provide recommendations for improvements or alternatives to the current risk treatment approach. This proactive approach ensures that any inadequacies in risk management practices are promptly addressed, contributing to the enhancement of overall risk resilience within the institution.

7.5 General Staff Responsibilities

Every OBC staff member is responsible for effective identification, reporting and management of risks. Any staff member may be assigned ownership of specific risk(s) by the Strategic Advisory and Planning Board. Staff should report to their Line manager on any risk mitigation plans they are responsible for including the implementation of risk reduction strategies, which should be integrated with other planning procedures and activities.

7.6 Managing Director

The Managing Director must ensure that competent risk management processes and managers are in place at all times and that suitable and sufficient risk assessment and management is carried out to identify and minimise risks to all College services, whether delivered online or in situ at any of the College campuses. Risk assessments must be included in the planning, development and expansion of College provision, facilities and resources.

8 Risk Management Process

- 8.1.1 The following steps describe the process of Risk Management at the College throughout the annual review cycle:
- 8.1.2 All risks on the Risk Register undergo assessment every quarter.
- 8.1.3 Each risk on the Risk Register is assigned a risk owner who is responsible for identifying, updating, and managing the risk(s) they are accountable for.
- 8.1.4 If any member of the BoG or CPB identifies a new risk and the corresponding risk owner, they inform the Head of QualPliance & Legal Affairs to assign the risk and include it in the Risk Register.
- 8.1.5 The Head of QualPliance & Legal Affairs forwards each identified risk to the respective risk owner for assessment.
- 8.1.6 Following input from risk owners, the Head of QualPliance & Legal Affairs update the risk register and included the new risk in institutional monitoring.
- 8.1.7 CPB members monitor and evaluate each risk along with the implementation of mitigation plans to address threats and leverage opportunities.
- 8.1.8 The Risk Register, along with its monitoring and review process, is presented to the BoG by the Head of QualPliance & Legal Affairs.
- 8.1.9 Mitigation plans are scrutinised and revised during the subsequent CPB meeting.
- 8.1.10 The Strategic Advisory and Planning Board has the authority to designate new risk owners as and when new risks are identified, ensuring a proactive approach to risk management and mitigation.

9 Risk Assessment Controls

The following controls are in place in order to ensure effective maintenance of Risk Management at the College:

9.1.1 Approval from the Board of Governors on the risk management framework

9.1.2 Documented and reviewed Risk Management Policy and Procedures

9.1.3 Maintenance of the Risk Register

9.1.4 Ongoing monitoring of regulatory obligations

9.1.5 Checklists to guide activities and project plans to record mitigations

9.1.6 Internal and external reporting in risk management

10 Appendix 1: Guidance for Completing Risk Registers at Oxford Business College

This appendix serves as a comprehensive guide for risk owners within Oxford Business College to effectively identify, assess, and manage risks pertinent to achieving their strategic objectives. The creation and maintenance of a risk register are crucial for documenting significant risks and implementing targeted control measures.

The following Guidance is provided for Risk Owners at the start of the Digital Risk Register process:

In the dynamic landscape of higher education, it is imperative for institutions to proactively manage and mitigate risks that may impede their strategic objectives and operational efficiency. The College Risk Register serves as a fundamental tool in this regard, providing a structured and systematic approach to identifying, assessing, and addressing potential risks that the institution may encounter.

This document outlines the comprehensive framework of the Risk Register, tailored to the specific needs and context of our college. It encompasses a broad spectrum of risks, including but not limited to academic, financial, legal, reputational, and environmental factors that could potentially impact the college's operations and its stakeholders.

The Risk Register is designed to be a living document, regularly reviewed and updated to reflect the evolving risk landscape in the higher education sector. It plays a pivotal role in ensuring that the college remains resilient and adaptable in the face of uncertainties, thereby safeguarding its commitment to excellence in education and research.

Through the effective implementation of this Risk Register, our institution aims to enhance its risk awareness, encourage a culture of informed decision-making, and ensure sustained progress towards its strategic goals, while maintaining compliance with regulatory requirements and best practices in the sector.

The risk assessment matrix displayed provides a visual method for evaluating potential risks within an organisation based on two key dimensions: likelihood and impact. Each risk is scored

on a scale from 0 to 5 in both categories, with 0 indicating no risk and 5 representing the highest degree of risk.

The 'Likelihood' aspect quantifies the probability of a risk occurring, while 'Impact' measures the potential severity of the consequences should the risk materialise. Multiplying these two scores produces a composite risk score, ranging from a minimum of 0 (0 likelihood x 0 impact) to a maximum of 25 (5 likelihood x 5 impact).

The composite score positions each risk within one of the five bands in the matrix:

1. Scores between 1-5 are categorised as 'Negligible' or 'Very Low Risk', indicating that a risk is unlikely to occur and/or would have minimal impact on operations.
2. Scores between 6-10 are considered 'Low Risk', suggesting a slightly higher probability or impact, yet the overall risk remains manageable with standard mitigation strategies.
3. Scores ranging from 11-15 fall into the 'Moderate' or 'Medium Risk' category, which may require additional resources or planning to address.
4. Scores of 16-20 are 'Critical' or 'High Risk' and signify a risk that is likely to occur and/or would have a serious impact, necessitating immediate attention and substantial mitigation measures.
5. The highest band, 21-25, is labelled as 'Catastrophic' or 'Very High Risk'. Risks in this category are considered both highly likely and potentially devastating, requiring urgent and comprehensive management strategies.

This risk assessment methodology is fundamental in prioritising risks and allocating resources efficiently to ensure that the most significant risks are addressed with appropriate urgency and diligence. It is a key component of robust risk management and helps in developing a proactive approach to potential challenges.