Risk Management Policy

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Overview

The purpose of this policy is to provide a framework for the effective management of risk across the Collective Acting Studio (the Studio) – to support the pursuit of its mission and strategic aims.

The effective management of risk is a key component of good governance, and the Studio is required to demonstrate to the Office for Students (OfS) that it has in place effective procedures for managing risk at all levels. The Board of Directors, as the governing body of the Studio, has ultimate responsibility for effective performance and risk management.

The Studio acknowledges the risks inherent in its business – and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

Risks exist at different levels:

• Corporate or strategic level (to be managed by the Board of Directors)
• Executive level (to be managed by the Senior Leadership Team)
• Project level (to be managed by Informed Captains)

Note: at Collective Acting Studio, an 'Informed Captain' is the person assigned to the leadership of an individual project. In an academic context, they are most usually a Module Leader. An Informed Captain will often be the budget holder when responsible for a smaller, non-academic area of the Studio's work, for example, if they lead on outreach work, or marketing.

Through the application of this policy, the Board of Directors aims to:

• ensure that the achievement of the objectives of the Studio is not negatively impacted by significant risks that have been anticipated
• have in place reliable contingency plans to deal with unexpected risks
• embed risk management into decision-making processes
• create effective risk management processes that will allow the Board of Directors to make annual risk management assurance statements with confidence
• effectively delegate the management of individual risks as appropriate
• promote an innovative and less risk-averse culture - in which the taking of risks within the Studio's risk appetite range in pursuit of opportunities is encouraged and supported.

Definitions

HEFCE, in its circular 01/28 "Risk management - a guide to good practice for higher education institutions", defines risk as "the threat or possibility that an action or event will adversely or beneficially affect an organisation's ability to achieve its objectives".

This definition links risk to achieving the Studio's objectives – and also identifies that risk management is not just about recognising and mitigating a negative risk, but also enables the identification of risk-taking opportunities that may lead to positive benefits.

HEFCE defines risk management as "a process which provides assurance that objectives are more likely to be achieved; damaging things will not happen or are less likely to happen; and beneficial things will be or are more likely to be achieved."

This risk management method enables:

- the identification of risks
- the evaluation of risks
- the setting of acceptable risk thresholds
- the identification and mapping of controls against those risks
- the identification risk indicators that give early warning that a risk is becoming more serious or 'crystallising'.

Tolerance to Risk

The Studio recognises that risk appetite, and tolerance, varies according to the activity and that its acceptance of risk is subject to ensuring that the potential benefits and risks are clearly identified – and that measures to mitigate risk are established before activities are approved.

The Studio aims to minimise its exposure to compliance, reputation and health & safety risk, while encouraging and accepting a degree of risk in pursuit of its vision and strategic objectives.

Where the risk is unacceptably high and inevitable, the Board of Directors will delegate as necessary to ensure a robust plan is developed to mitigate the risk. Where risks are identified and the current level of risk is assessed to be too high, internal 'controls' are used to reduce the risk level to one that we are able to tolerate.

Responsibilities

Board of Directors

The Board of Directors is ultimately responsible for risk management in the Studio, and for issuing relevant guidance for the implementation of effective risk management. They assess and manage risks at a corporate level. For example, risks associated with large-scale projects (such as building or other infrastructure projects, collaboration and partnership agreements, business improvement, IT projects, etc.) will be examined directly by the Board of Directors. They delegate their responsibility for managing other risks to the Senior Leadership Team (SLT) and the Audit Committee (see below).

Senior Leadership Team

The SLT has the executive responsibility for establishing and managing robust strategic risk management processes throughout the Studio.

It is the responsibility of the SLT to ensure all employees of the Studio understand the nature of risk - and accept responsibility for managing the risks associated with their area of authority. This is particularly the case when the SLT appoints an Informed Captain for individual projects.

The SLT will monitor the Studio's performance in identifying, assessing, prioritising and preventing key risks related to all aspects of the Studio's activities. In particular, they will oversee institutional risk management – and the risk management taken at a project level undertaken by Informed Captains.

The remit of the SLT as it relates to Risk Management will be to:

- identify high-level strategic risks affecting or likely to affect the Studio as a whole
- monitor performance at an institutional level – and at the level of individual projects – in identifying, evaluating and mitigating (or eliminating) key risks related to all aspect of the Studio's activities
- review actions plans for risks where the risk is deemed to be outside the risk appetite
- ensure that there are adequate and effective plans across the Studio for crisis management, disaster recovery, and business continuity
- advise the Audit Committee and the Board in relation to institutional risk appetite
- champion the aims of the Risk Management Strategy
- develop standardised procedures for identifying, evaluating and reporting on key risks
- maintain and update the Institutional Risk Register

The SLT delegates responsibility to nominated individuals and committees for:

- identifying key risks associated with their particular activities
- assessing the threat posed by each risk
- defining and implementing the steps required to minimise or prevent risk
- reporting on the above

Risk Registers

The Studio has an established framework for identifying and managing risks, the primary tool of which is risk registers. The Board of Directors requires that prescribed individual staff, and committees, across the Studio create these registers for their individual areas.

Risk registers allow for clear oversight of risks so that, should a risk come to pass, it can be effectively managed. The collation of risk registers by institutional staff and committees, relating to their individual portfolios, helps the Board of Directors decide which risks it is able and unable to tolerate, and thereby inform decisions on what activities to proceed with.

Within the risk registers, individual risks must be assessed in relation to the likelihood of their occurrence - and their potential impact on the achievement of operational objectives.

Institutional Risk Register

Individual risk registers are collated into a single register. This overall risk register for the entire Studio is named the 'Institutional Risk Register'. Due to its relatively small size, Collective Acting Studio compiles this register by delegating the identification of risk to a small number of committees and personnel, to facilitate a streamlined and efficient approach.

The responsibility for compiling the individual risk registers which combine to form the Institutional Risk Register is as follows:

Area of Risk	Responsible Body or Person
Academic Risk	Academic Board
Financial Risk	Finance Committee
Health and Safety	Operations Officer
Operational Risk	Estates and Facilities Committee
Equality, Diversity and Inclusion	Equality, Diversity and Inclusion Committee
Safeguarding and Prevent	Safeguarding and Prevent Steering Group
Compliance with OfS Registration	CEO and the Academic and Registry Officer
Student Protection Plan	Senior Leadership Team

It is the responsibility of the SLT to compile and maintain the Institutional Risk Register. This task will usually be delegated to the Secretary of the Board on their authority. The live document can be viewed [here](#).

Academic Risk

The Academic Board is responsible for identifying **academic risk**, and compiling a risk register that covers this area of the Studio's activities. Example risks covered by this register may include, but are not limited to:

- Loss of key academic staff.
- Potential infringements to academic freedom.
- Lack of adherence to validated documents.

You can view the view the full terms of reference for the Academic Board [here](#).

Financial Risk

The Finance Committee is responsible for identifying **financial risk**, and compiling a risk register that covers this area of the Studio's activities. Example risks covered by this register may include, but are not limited to:

- Financial sustainability
- Budget cuts and their effects
- External financial, commercial, regulatory and other factors impacting costs
- Impacts of potential under-recruitment of students on budgets.

You can view the view the full terms of reference for the Finance Committee [here](#).

Health and Safety

The Operations Officer is responsible for identifying and minimising **health and safety risk**, and compiling a risk register that covers this area of the Studio's activities. Example risks covered by this register may include, but are not limited to:

- Slips, trips and falls hazards
- Fire safety
- Ergonomic hazards
- Environmental hazards

The Studio seeks to minimise non-compliance in this area. On occasions where a risk of non-compliance is identified, this will be added to the Institutional Risk Register by the Operations Officer.

Operational Risk

The Estates and Facilities Committee is responsible for identifying **operational risk**, and compiling a risk register that covers this area of the Studio's activities. Example risks covered by this register may include, but are not limited to:

- Identified lack of staff and student resources, including IT resources.
- Threats to the viability of the Studio's estate.
- Issues with the quality and smooth functioning of the Studio's facilities.

You can view the view the full terms of reference for the Estates and Facilities Committee here.

Equality, Diversity and Inclusion

The Equality, Diversity and Inclusion Committee is responsible for identifying **risks arising from a failure of equality, diversity and/or inclusion** and compiling a risk register that covers this area of the Studio's activities. Example risks covered by this register may include, but are not limited to:

- Identifying instances where staff or students might fail to embody Collective's core mission around diversity and inclusion
- Identifying instances of potential unconscious bias
- Issues with recruitment leading to a lack of diversity emerging amongst the staff team and/or student body
- Collective values around diversity and inclusion not being reflected in aspects of the curriculum/learning resources/teaching delivery
- Issues where an element of the Studio's practice might infringe Equality legislation
- Reputational damage arising from one of the above.

You can view the view the full terms of reference for the Equality, Inclusion and Diversity Committee here.

Safeguarding and Prevent

The Safeguarding and Prevent Steering Group is responsible for identifying **safeguarding risks** and compiling a risk register that covers this area of the Studio's activities. Example risks covered by this register may include, but are not limited to:

- Non-compliance with legal safeguarding responsibilities.
- Non-compliance with Prevent duty under the Counter-Terrorism and Security Act 2015.

You can view the view the full terms of reference for the Equality, Inclusion and Diversity Committee here.

Compliance with OfS Registration

The CEO is ultimately responsible for ensuring compliance with conditions of registration with the OfS. In overseeing regulatory compliance, they will work closely with the Academic and Registry Officer.

The Studio seeks to eradicate any instances of non-compliance in this area. On occasions where a risk of non-compliance is identified, this will be added to the Institutional Risk Register by the Academic and Registry Officer.

Student Protection Plan

The Student Protection Plan assesses the range of **risks to the continuation of study for students** of the Studio. The SLT is directly responsible for identifying and mitigating any such risks – and for ensuring the Student Protection Plan is maintained.

You can view the view the Studio's current Student Protection Plan here.

The Role of the Audit Committee

The Audit Committee plays a central role in the management of risk within the Studio. In accordance with accepted best practice, the Board of Directors has delegated responsibility for the oversight of risk management processes to the Audit Committee. This includes the internal and external audit procedures.

The Audit Committee's responsibilities in relation to risk are:

- To monitor and review the effectiveness of risk management arrangements and, in particular, to review the external auditors' management letter, the internal auditors' annual report and SLT responses.
- Review the Strategic Risk Register at each of its meetings to understand any changes to risk ratings in order to monitor net risk and ensure risks are controlled within tolerance levels.
- Report to the Board of Directors on the effectiveness of the risk management process and make recommendations to the Board of Directors on any changes to the policy and processes.

Note: The Audit Committee should not itself own or manage risks and is, as with internal audit, not a substitute for the proper role of management in managing risk – which should be led by the SLT.

You can view the view the full terms of reference for the Audit Committee here.

Risk Management Timelines

The Board of Directors requires that risks are identified in a timely manner and, wherever possible, prior to a project receiving approval to commence.

Strict timelines are therefore required of those responsible for individual risk registers, to ensure the Institutional Risk Register always remains a current document. This enables the Board of Directors to remain fully informed of the status of risks affecting the Studio.

These reporting timelines are as follows:

Risk Register	Reporting Timeline
Academic Risk	• The committee will review this individual register once a term.
Financial Risk	• The committee will review this individual register a minimum of once a term, and more frequently in periods of business transition.
Health and Safety	• The Operations Officer will review this individual register as and when required, and a minimum of once a term.
Operational Risk	• The committee will review this individual register once a term.
Equality, Diversity and Inclusion	• The committee will review this individual register once a term.

Safeguarding and Prevent	• The committee will review this individual register once a term.
Compliance with OfS Registration	• The Academic and Registry Officer will review the Institutional Risk Register as and when required, and a minimum of once a term.
Student Protection Plan	• The SLT reviews the Student Protection Plan quarterly as a standing agenda item.
Institutional Risk Register	• The SLT reviews the Institutional Risk Register quarterly as a standing agenda item. • The Board of Directors reviews the top five risks on the Institutional Risk Register quarterly. • The Audit Committee reviews the top ten risks at each meeting and receives the full risk register on an annual basis.

Notes:

- The Secretary to the Board shall ensure that an individual risk register is updated within 5 working days of a committee meeting – and that items are added as required to the Institutional Risk Register within the same timeframe.
- The Operations Officer will add amend the individual risk register and the Institutional Risk Register within 5 working days as and when a change to the assessment risk is identified in regards to Health and Safety.
- The Academic and Registry Officer will amend the Institutional Risk Register within 5 working days as and when a change to the assessment risk is identified in regards to compliance with the conditions of OfS registration.