

Argyll College Risk Policy and Risk Appetite

1. Pushing the boundaries of knowledge, innovating, and implementing strategic developments will always have risks. Effective risk management increases the probability of successful outcomes, whilst protecting the reputation and sustainability of the College.
2. The management of risks in the College is undertaken within a framework comprising
 - a. governance processes
 - b. a defined Risk Policy and Appetite statement.
 - c. identification, evaluation and management of significant risks
 - d. assurance and audit processes,
 - e. the underlying policy and control environment.
3. The Statement of Risk Policy and Appetite specifies the amount of risk the College is willing to seek or accept in the pursuit of its long term objectives. It indicates the parameters within which the College would want to conduct its activities. The statement below has been considered by Argyll College Audit Committee at its meeting on 23 Feb 2018, and was approved for recommendation to the Board of Governors. It was approved by Argyll College Board on xxxx with minor amendments.
4. In terms of priorities, the need to avoid reputational, compliance and overall financial risk will take priority over other factors e.g. it will be acceptable to undertake risks in new property developments providing they do not expose the University to undue reputational, compliance or financial risk. Similarly, the College is open to innovation in education and student experience, if this supports and enhances its reputation and does not expose it to undue finance or compliance risks. A balanced assessment has to be taken of risks – in many cases there are risks attached to both doing something and doing nothing.
5. This Statement is intended to act as a guide to the **Board/Principal of the College/Executive Team/Senior Management Team (DELETE AS APPROPRIATE)** indicating:
 - a. the areas where colleagues should step out and be innovative,
 - b. the areas where colleagues should be conservative and compliant in their activities, and
 - c. the “lines” across which the Board and Principal would not wish to cross, and where the University’s senior management and Board would need to be notified.
6. Where appropriate, the implementation of the Statement will be incorporated into processes and procedures of the College.
7. Responsibility for managing the activities of the University within the Statement of Risk Policy and Risk Appetite lies with the Principal of Argyll College as well as the Argyll College Board.

Approved by Board

Date:



Statement of Risk Policy and Risk Appetite

The College’s approach is to minimise its exposure to reputational, compliance and financial risk, 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.

Argyll College’s appetite for risk across its activities is provided in the following statements, and is illustrated diagrammatically below:

	Unacceptable to take risks					Higher willingness to take risks				
	1	2	3	4	5	6	7	8	9	10
Reputation	■	■								
Compliance	■	■								
Financial			■	■	■					
Education and student experience				■	■	■	■	■	■	
Major change activities		■	■	■	■	■				
Environment and social responsibility				■	■	■	■	■		
People and culture		■	■	■	■					
Knowledge exchange			■	■	■	■	■			

Reputation - It is regarded as critical that the College protects its reputation. It therefore has low 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 SFC, UHI and other funders of its activities.

Compliance – The College places importance on compliance, 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 low appetite for risk relating to actions that may put accreditations in jeopardy

Financial – The College aims to maintain long term financial viability and sustainability. Whilst targets for financial achievement will be higher, the College will aim to manage its financial risk by not breaching the following minimum criteria
1 It will achieve a surplus in line with the College’s stated target per the Argyll College Strategy

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

Education and Student Experience – Argyll College wishes to stimulate students to develop a thirst for knowledge and learning, and encourage an entrepreneurial, innovative and independent attitude, and an aspiration to achieve success. It recognises that this should involve an increased degree of risk in developing education and the student experience, and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

Major Change activities (e.g. projects, collaborations, mergers) – 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, and has low appetite for deviating from such standards.

Environment and Social Responsibility – The College aims to make a significant, sustainable, and socially responsible contribution to Argyll & Bute and Arran through its operational activities. It recognises that this should involve an increased degree of risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

People and culture – The College aims to value, support, develop and utilise the full potential of our staff to make the College a stimulating and safe place to work. It places importance on a culture of equality and diversity, dignity and respect, annual reviews, the development of staff, and the health and safety of staff, students and visitors.

Knowledge Exchange – The College wishes to take a more proactive role in transforming knowledge, ideas, skills, and expertise into advice, innovation, and enterprise, thereby enriching society. It recognises that developing this may involve an increased degree of risk, and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.