

RISK POLICY



2010

Purpose

This risk management policy forms part of the college's internal control and corporate governance arrangements. The College has adopted the following definition of risk for the purposes of this policy. "A risk is anything than can impede or enhance an organisation's ability to meet its current or future objectives"

Role of the Corporation

The board of governors' role in the management of risk is especially, to ensure that risks are identified and managed. This is achieved through:

- a. Setting the tone and influence of the culture of risk management within the college.
- b. Approving major decisions affecting the college's risk profile or exposure.
- c. Monitoring the management of significant risks to reduce the likelihood of unwelcome surprises or impact.
- d. Satisfying itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.
- e. A continual review of risk, will be undertaken by the Audit Committee and an annually review of the college's approach to risk management and approve changes or improvements to key elements of its processes and procedures will take place.

Role of the Admin Group

Key roles of the Admin Group (The Principal, Vice Principals and Assistant Principals) are to:

- Take overall responsibility for the administration and implementation of the risk management process;
- Identify and evaluate the significant risks faced by the college for consideration by the board of governors;
- Provide adequate information, and supportive documentation covering risk, on a regular basis, to the board of governors and its committees on the status of risks and controls;
- Report on the risk management action plan/register at each meeting of the Corporation. Undertake an annual review of effectiveness of the system of internal control and provide a report to the board of governors.

Risk Management as part of the System of Internal Control

The system of internal control incorporates risk management. This system encompasses a number of elements, including

- a. *Policies And Procedures*
- b. *Regular Reporting*
- c. *Budgeting*
- d. *High Level Risk Action Plan (significant risks only)*

- e. *Audit Committee*
- f. *Internal Audit Programme*
- g. *External Audit*
- h. *Third Party Reports (from time to time, the use of external consultants will be necessary in areas such as health and safety, and human resources.)*

Annual Review of Effectiveness

The Corporation is responsible for reviewing the effectiveness of internal control of the college, based on information provided by the Admin Group.

For each significant risk identified, the Corporation will:

- Review the previous year and examine the college's track record on risk management and internal control.
- Consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.

In making decisions the board will consider the following aspects:

a. Control environment:

- The college's objectives and its financial and non-financial targets;
- Organisational structure and calibre of the senior management team;
- Culture, approach, and resources with respect to the management of risk;
- Delegation of authority; and public reporting.

b. On-going identification and evaluation of significant risks:

- Timely identification and assessment of significant risks; and prioritisation of risks and the allocation of resources to address areas of high exposure.

c. Information and communication.

d. Monitoring and corrective action.

Approved by the Committee: May 2010

Approved by the Corporation: June 2010

"This policy has been impact assessed to ensure it complies with all aspects of Equality and Diversity. Members are reassured that this policy is compliant with current equality legislation".

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