



Risk Management Strategy

OVERVIEW

NCH's mission is to be 'A world-class university-level college in the heart of London, New College of the Humanities combines a unique liberal arts curriculum with one-on-one teaching in an international community to ensure that every student prepared to work will achieve their full potential and leave fully equipped to face the challenges of our increasingly complex world.'

The Risk Management Strategy is designed to support this mission by assessing and managing the risks to the College achieving its stated mission and to ensure that the College is also protecting its stakeholders to which it has responsibilities such as students, staff, funding bodies, partners, suppliers and the general public.

This strategy forms part of the College's control and governance structure and it is designed to give a summary guidance for those different parts of the College who are responsible for managing risk and for ensuring that their decisions are implemented.

OVERARCHING APPROACH

The overarching approach that should be taken by the College in relation to risk is to firstly to adequately understand the nature of the risks involved, their potential impact and the ability to mitigate those risks. Secondly to advance the College's Mission in a way that strikes a balance between stability and innovation.

In the context of this strategy risk is defined as:

- the possibility that an action, event or set of circumstances will adversely affect the College's ability to achieve its objectives and deliver on its obligations.

Risk Management is defined as:

- the planned approach to the identification, evaluation and mitigation of risk.

In practice this means that the College adopts good practice in the identification, evaluation and cost-effective mitigation of risk to ensure that risks are either i) avoided, ii) reduced to an acceptable level, or iii) managed and contained. In addition, the mitigation of risk is communicated across the College's different constituencies and a dialogue is encouraged by all affected parties about the risk management measures taken.

All relevant parties must understand the nature of risk and accept responsibility for managing the risks associated with their area of authority or personal responsibility.

OBJECTIVES

The risk management objectives of the College are to:

- Integrate an awareness of managed risk taking, and effective risk management into the culture of the College.
- Manage risk in accordance with good practice.
- Embed risk management within strategic and operational management processes.
- Consider legal compliance as a minimum standard.
- Anticipate and respond to changing economic, social, environmental and legislative requirements.
- Prevent injury and damage and reduce the cost of risk.

These objectives will be achieved by:

- Developing and maintaining a Risk Register which details those risks which, in the view of senior management and the NCHNL Board, pose the greatest challenge to the achievement of the College's mission and of its continuing function.
- Assessing the likelihood of these risks occurring and the likely impact of an occurrence.
- Putting in place arrangements to manage and monitor risk.
- Maintaining effective communication and the active involvement of staff.
- Preparing contingency plans in areas where there is a potential for an occurrence having a wholly negative effect.
- Monitoring and reviewing arrangements on an ongoing basis.
- Insuring against risk where this is deemed to be cost effective.

ALLOCATION OF ROLES AND COMMUNICATION OF EXPECTATIONS

NCHNL Board has ultimate responsibility for the total risk exposure of the College by:

- Setting the tone and influence of the culture of risk management across the College.
- Determining the extent to which the College is "risk taking" or "risk averse" as a whole and sets the College's "risk appetite".
- Approving major decisions affecting the College's risk profile or exposure.
- Determining what types of risk are acceptable/not acceptable and monitoring significant risks and control improvements to mitigate risks.
- Annually reviewing the College's approach to risk management and approving changes or improvements to key elements of the process and procedures.
- Establishing, maintaining and reviewing controls for monitoring risks.
- Having particular focus on the financial risks that could impact the College and its provision of world class higher education.

To support it in exercising these responsibilities, NCHNL Board will receive an annual report from ExCo, specifically the COO, on the effectiveness of the risk management process in the College, making recommendations where appropriate.

ExCo are responsible for corporate risks by:

- Identifying and evaluating the significant risks faced by the College.
- Providing adequate information in a timely manner to NCHNL Board on the status of risks and controls.
- Annually having a risk review and reporting the outcomes to NCHNL Board.
- Implementing policies on risk management and internal control.
- Annually reviewing the effectiveness of the system of internal control and risk management.

The COO will report, on ExCo's behalf, to NCHNL Board on an annual basis as to the approach to risk faced by the College, and the management of it, and in each NCHNL Board meeting will report on any incidents and/or changes to the level of risk faced by the College and the approach to managing those changed circumstances.

The framework for these discussions at NCHNL Board will be the Risk Register and discussed below.

The Master will report to Academic Board in relation to issues of risk, taking the lead from the work done by the COO for NCHNL Board and ensuring that, in addition, any risks specifically relating to the remit of Academic Board are covered.

Each Chair of a College committee is responsible for risk management that sits within the remit of their committee within the overall framework and approach dictated by the COO and NCHNL Board.

APPROACH TO RISK MANAGEMENT

The Risk Register will review the risks faced by the College with these rated on the likelihood that a particular event will occur; and on the potential adverse impact (consequences) of the event if it did happen.

Mitigation efforts focus on risks with a high combined score of Likelihood and Impact. Additionally, the controls available to manage each identified risk will be assessed.

This is considered using the matrix below:

Impact ↑ ↓ low	high	5	C	B	B	A	A	
	4	D	C	C	B	A		
	3	D	D	C	C	B		
	2	E	D	D	C	B		
	1	E	E	D	D	C		
		1	2	3	4	5		
		low ← Likelihood → high						

With the following definitions:

A	The risk requires immediate action or close management. It poses an immediate threat and it would have a serious adverse impact.
B	The risk requires active management. It poses a real threat in the near future and its impact would be significant.
C	The risk requires ongoing review. It needs managing and ongoing monitoring but there is no immediate, significant threat.
D	The risk is under control and does not threaten immediate adverse impact; it will be monitored periodically in case of a change
E	The risk is not significant in likelihood or potential impact, and it does not need routine monitoring

Likelihood scale

	1 ● Exceptional	2 ●● Could occur	3 ●●● Predictable	4 ●●●● Probable	5 ●●●●● Expected
Probability for one-off risks	<10%	10%-30%	30%-50%	50%-90%	>90%
For risks that are not one-off	Rare: less than once in 10 years	Unlikely: no more than once in 3-5 years	Possible: once every 2-3 years	Likely: in most years	Almost certain: expected every year

Impact scale: characteristics for each rating

	1 ■ Insignificant	2 ■■ Minor	3 ■■■ Moderate	4 ■■■■ Major	5 ■■■■■ Catastrophic
Cash effect	<£30,000	<£100,000	<£300,000	<£1m	>£1 m
Reputation	Letters to the press	Short-lived, localised	Extended, localised neg. press	Short-term, widespread, v. negative	Sustained, widespread condemnation
Regulatory & legal	Minor breaches by individuals	No fines/disruption	Fine or penalty, no disruption	Fine or penalty, and disruption	Extended, major disruption
Staff/students	Insignificant issues	Individual complaints / disputes	Widespread discontent	Significant disruption	Prolonged major conflict
Safety incident	Immediately contained	Contained eventually	Emergency services	Serious casualties	Fatalities
Resources to remedy	Normal management processes	Some effort / diverted resource	Significant effort required	Critical level of effort but endurable timeframe	A disaster threatening survival

Impact scores of 1 or 2 are unlikely to merit inclusion in the Risk Register.

Mitigation scale (expected effectiveness of preventive measures/mitigation)

	1 ★★★★★ Excellent	2 ★★★★ Highly effective	3 ★★★ Moderate	4 ★★ Weak	5 ★ Ineffective
Effect of controls on prevention or control	Curative in nearly all cases	Effective in most cases	Potentially effective, uncertain	Ineffective in most cases	Near-zero

Title: Risk Management Strategy					
Approved by: NCHNL Board					
Version number	Date approved	Date published	Author	Location	Proposed next review date
2.0	February 2019	February 2019	COO	NCH Academic Handbook/strategies	February 2021
1.0	November 2017	November 2017	COO	NCH Academic Handbook/strategies	November 2019
Referenced documents	None				
External Reference Point(s)	UK Quality Code Theme: Admissions, Recruitment and Widening Access; Assessment; Concerns, Complaints and Appeals; Course Design and Development; Enabling Student Achievement; External Expertise; Learning and Teaching; Monitoring and Evaluation; Partnerships; Student Engagement				