UKCAB
UK Curriculum and Accreditation Body

SCHOLARS
SCHOOL SYSTEM

Risk Management Framework

Index

1. Introduction

Effective risk management will enable us to identify and control risks that could negatively impact on our ability to implement our strategy, and to adopt a risk-based approach when assessing and seizing new opportunities that are linked to implementation of our strategy, while protecting our reputation and, ultimately, our very existence.

A few examples will serve to illustrate this concept of risk and why we need to manage risk:

- A risk that could negatively impact on our ability to implement our strategy, could be a toxic corporate culture where staff are not committed to our mission and values, nor to our Strategy. This would have a negative impact on overall performance and the student experience. If this were to be identified as a risk, control measures would be put in place to mitigate the risk (mitigation in this case requiring a potential change to our corporate culture).

- A risk that could relate to an opportunity, could be when we enter a new market for student recruitment. The opportunity could be overwhelmingly positive, but a failure to adopt a risk-based approach prior to entering this new market could lead to reputational damage. The point to make is that we should explore all opportunities, but in some instances the risk could be too great to pursue, or where we did decide to pursue the opportunity we would need to put in place control measures (mitigating actions) as a safeguard.

- A risk that could threaten our very existence, could relate to the termination of our agreement with our academic partner which would mean we would no longer be able to operate as a higher education provider.

Risk is everywhere; it cannot be avoided and nor should it be given the potential benefits new opportunities can bring. The key is to have the ability to identify risk, to categorise it, and (where necessary) to manage it proportionately and effectively.

This Risk Management Framework sets out how we, at UKCAB and SSS, manage risk.

2. Our approach to managing risk

We all manage risk consciously and subconsciously on a daily basis, be that within our daily lives or in the workplace.

This Risk Management Framework does not seek to bureaucratise how we manage every risk (which we refer to as <u>Specific Risks</u>). To do so would be counterproductive and could stifle enhancement, creativity, innovation and the seizing of opportunities. It would run the danger of creating a culture of risk-averseness.

However, certain <u>Specific Risks</u> are of such importance that they will be captured in our Corporate Risk Register and will be subject to a formal monitoring process. Such risks are referred to as <u>Principal Risks</u>.

Implementation of major projects (for example, the implementation of a new Student Management System), will follow the same process that applies to Principal Risks, with one exception. The one exception is that the monitoring will be undertaken by a Project Management Board.

For all other Specific Risks, this Risk Management Framework provides guidance about how to identify, manage and monitor them. Normally, particularly for low-level Specific Risks, there will be no requirement to follow a formal process that requires form-filling, monitoring and reporting.

3. How we manage risk

3.1 Identifying a Principal Risk

As stated in Section 1 above, effective risk management will enable us to identify and control risks that could negatively impact on our ability to implement our strategy, and to adopt a risk-based approach when assessing and seizing new opportunities that are linked to implementation of our strategy, while protecting our reputation and, ultimately, our very existence.

The first stage of the process is therefore to identify any Specific Risk that is significant enough to warrant inclusion within our Corporate Risk Register (referred to as a Principal Risk).

3.1.1 Risk Categories

We have 7 Risk Categories, as follows:

- Student Recruitment
- Student Experience
- Graduate Opportunities
- Human Resources
- IT Systems and Data Management
- Financial Viability, Sustainability and Management
- Compliance

3.1.2 Risk Owner

A Risk Owner is assigned to each of the 7 Risk Categories.

3.1.3 Risk Lead

The Risk Lead will identify Principal Risks within their operational area as follows:

- risks that could negatively impact on our ability to implement our strategy
- risks associated with seizing new opportunities that are linked to implementation of our strategy

A Principal Risk should be assigned to one of the 7 Risk Categories. If a Principal Risk falls within more than one Risk Category, the most appropriate one should be assigned.

Principal Risks will be included within the Corporate Risk Register.

3.2 Current Risk Score

Once a Principal Risk has been identified, a risk assessment is carried out by considering (i) the <u>Current</u> Likelihood that the risk will materialise / crystalise; and (ii) the <u>Current</u> Impact that the risk could cause if it materialises / crystalises. In making this risk assessment, we will take into account any external factors (both opportunities and threats). We then arrive at a <u>Current</u> Risk Score.

3.2.1 Current Likelihood Score

First, an assessment is made of the Current Likelihood of the risk materialising / crystalising, by assigning a Current Likelihood Score as follows:

Score	Degree of Likelihood	Likelihood Definition
5	Likely	There is a perceived 80% (or greater) chance of the risk materialising / crystalising.
4	Probable	There is a perceived 60-79% chance of the risk materialising / crystalising.
3	Possible	There is a perceived 30-59% chance of the risk materialising / crystalising.
2	Remote	There is a perceived 10-29% chance of the risk materialising / crystalising.
1	Unlikely	There is a perceived less than 10% chance of the risk materialising / crystalising.

3.2.3 Current Impact Score

Second, an assessment is made of the Current Impact that the risk could cause if it materialises / crystalises, by assigning a Current Impact Score, taking into account the following criteria, where applicable:

Score:	Strategic Goals	Financial	Staff and Resources	Reputational
Major 4	Major failure to achieve specific Goal(s)	Major loss of income and/or major increase in expenditure	Major loss of key staff and/or critical resources	Major reputational damage
Significant 3	Significant impact on ability to achieve specific Goal(s)	Significant loss of income and/or significant increase in expenditure	Significant loss of key staff and/or critical resources	Significant reputational damage
Moderate 2	Moderate impact on ability to achieve specific Goal(s)	Moderate loss of income and/or moderate increase in expenditure	Moderate loss of key staff and/or critical resources	Moderate reputational damage
Minor 1	Minor impact on ability to achieve specific Goal(s)	Minor loss of income and/or minor increase in expenditure	Minor loss of key staff and/or critical resources	Minor reputational damage

3.2.4 Current Risk Score

A Current Risk Score is calculated by multiplying the Current Likelihood Score by the Current Impact Score.

3.3 Risk Appetite Statement

3.3.1 Risk Rating

Our Risk Appetite is the level of risk that we are willing to accept, as a matter of principle, across UKCAB and SSS.

This is achieved by considering the Risk Rating for each Principal Risk.

For each Principal Risk, the Current Likelihood Score, Current Impact Score and the resultant Current Risk Score are used to provide an overall Risk Rating, as follows:

	Impact:			
	Minor	**Moderate**	**Significant**	**Major**
Likelihood of Risk:	**1**	**2**	**3**	**4**
Unlikely 1	1	2	3	4
Remote 2	2	4	6	8
Possible 3	3	6	9	12
Probable 4	4	8	12	16
Likely 5	5	10	15	20

Risk Rating:	Low	Medium	High

Our Risk Appetite is such that all Principal Risks (i.e. those that are included within the Corporate Risk Register) should have a Risk Rating of LOW.

3.4 Target Risk Score

Taking into account the current Risk Score, a Target Risk Score should be assigned, taking into account that the Target Risk Score must have a Risk Rating of LOW.

3.5 Control Actions

Control Actions are designed to minimise the likelihood of the risk materialising / crystalising and/or reducing the impact that the risk could cause if it materialises / crystalises.

For example, if the Principal Risk is that we will not recruit to target for domestic students, the Control Action could be as follows:

> Implementation of the Domestic Student Recruitment Operational Plan 2025-26 [which links to the Domestic Student Recruitment Strategy 2025-28]
>
> Monitored through the Corporate and Academic Board [SSS]

This is a fairly broad Control Action which should then be broken down into a more detailed set of Sub-Actions, each with a Sub-action Lead and deadline, for example:

Sub-action	Sub-action Lead	Deadline
Attend 5 UCAS fairs	Student Recruitment Manager	31 August 2025

Sub-action	Sub-action Lead	Deadline
Visit 3 feeder colleges	Education Consultant	31 October 2025

4. Corporate Risk Register

Principal Risks will be included within our Corporate Risk Register.

4.1 Monitoring Principal Risks

The Corporate and Academic Board [SSS] is responsible for monitoring both the Corporate Risk Register and the KPIs.

Each of the Principal Risks and the associated Control Actions (that are included within the Corporate Risk Register), together with any associated KPI(s), are also monitored through the Corporate and Academic Board [SSS].

The aim is to ensure that once the Control Actions have been fully implemented, the Target Risk Score will be achieved.

The Corporate and Academic Board [SSS] will, taking into account any update to the associated KPI(s):

- Breakdown the Control Actions into a more detailed set of Sub-Actions, each with an owner and deadline.
- Recommend changes to the Current Likelihood Score and/or Current Impact Score (and hence to the Current Risk Score).
- Require any additional actions to be taken, that may be required to achieve the Target Risk Score.

A Report Template is provided at Appendix 1. The Report requires details to be provided of any external factors that have been taken into account.

The Corporate and Academic Board [SSS] will report through to the Board of Trustees.

5. Indicators

Key Performance Indicators (KPIs) are used as an ongoing indicator of whether a Principal Risk (i.e., one that is included in the Corporate Risk Register) might materialise / crystalise or has materialised / crystalised.

When a KPI has been updated, the following Risk Ratings are applied:

Risk Rating		Likelihood that a Principal Risk will materialise / crystalise
High		It is very likely that a Principal Risk will materialise / crystalise or has materialised / crystalised
Medium		It is possible that a Principal Risk will materialise / crystalise

Low		It is unlikely that a Principal Risk will materialise / crystalise

5.1 Monitoring KPIs

As stated at Section 4.1 above, the KPIs, together with the Principal Risk and the Control Actions, will be monitored through the Corporate and Academic Board [SSS].

Note: If a risk has materialised / crystalised, it will be removed from the Risk Register, because technically it should no longer be classified as a risk. Actions will be set and monitored through the above process.

Appendix 1: Principal Risk Report

Corporate Risk Register: Risk Number XX

Risk Category	Risk Owner	Risk Lead

Risk Title	
Risk Description	

Current Entry in Corporate Risk Register:

Current Likelihood Score (1-5)	Current Impact Score (1-4)	Current Risk Score	Target Risk Score	Control Actions	Target Completion Date	KPI

KPI No XX

KPI	Update	Date of Update	Actions

Control Actions – Sub-Actions:

Sub-Action	Sub-Action Lead	Target Completion Date	Completed (Yes/No)

External Factors

External Opportunities	
1.	
2.	
External Threats	
1.	
2.	

Commentary:

Issues to raise:

Proposed Changes to Current Entry in Corporate Risk Register:

Current Likelihood Score (1-5)	Current Impact Score (1-4)	Current Risk Score	Target Risk Score	Control Actions	Target Completion Date	KPI

Name:	
Date:	

Control Panel

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