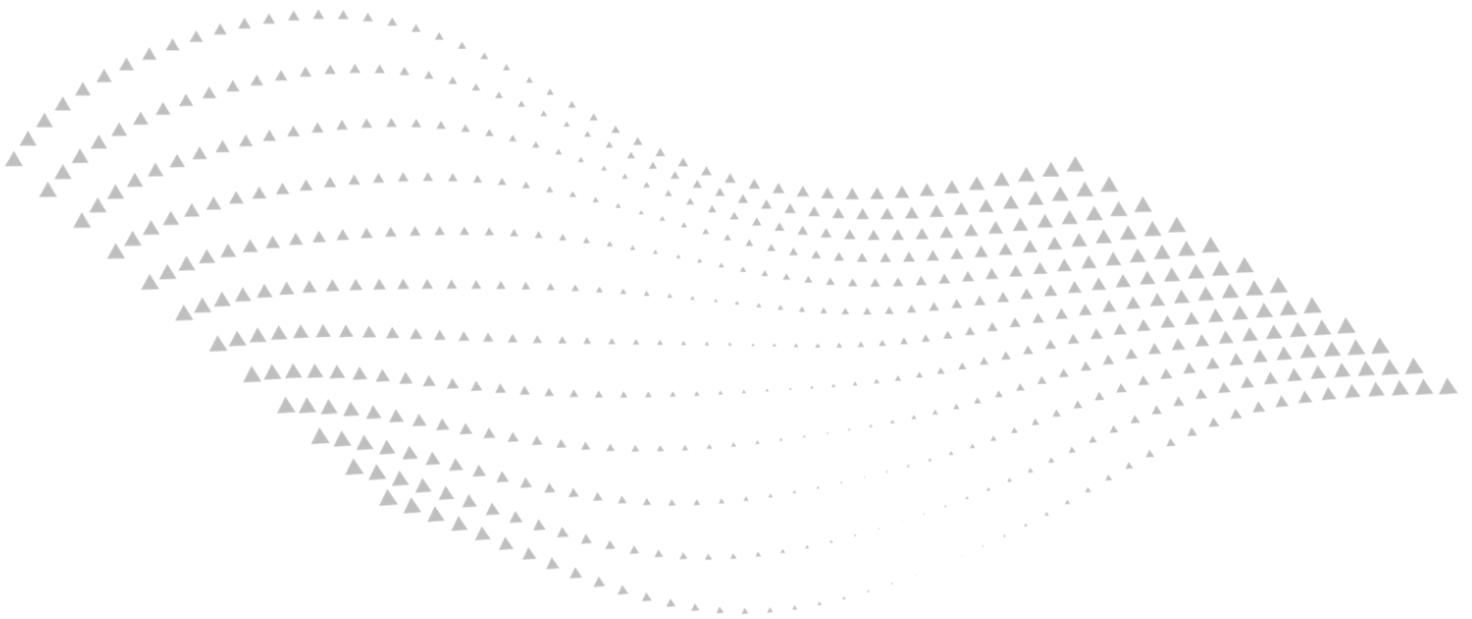


BIMM
UNIVERSITY

A university
for the creative
industries

Risk Management Policy & Procedure



Last approved: April 2020

Approved by: BIMM University Limited Board

Next review due: April 2024

1. Objectives

- 1.1. To outline BIMM University Limited's underlying approach to risk assurance;
- 1.2. To document the roles and responsibilities of the BIMM University Limited Board, the Audit Committee, and other key committees and individuals;
- 1.3. To outline key aspects of the risk management process;
- 1.4. To identify the main reporting framework and procedures.

2. Scope

- 2.1. This Policy applies to BIMM University Limited, and to all executives, committees, staff, and contractors and anyone who is representing the University at any time or place.

3. Policy Principles

- 3.1. Risk management is integrated by all staff into University culture, including strategic planning, operational policy and procedures, project management, and day-to-day education and engagement activities.
- 3.2. Risk appetite provides clearly articulated boundaries for the exercise of academic and professional skills and gives staff freedom to make agile and aligned decisions within those boundaries.
- 3.3. Risks, including emerging risks, are regularly identified, recorded in a prescribed risk register, reviewed and updated.
- 3.4. Risk management, either generally or for a particular risk, is reviewed if an adverse event or change in circumstances occurs.
- 3.5. Decision-making involves the consideration of the potential reward, assessment of the degree of risk and what can be done to mitigate it to acceptable levels.
- 3.6. Incidents which result in injury, loss or damage, or other adverse outcomes, are promptly reported in the prescribed form.

4. Risk Appetite Statement

- 4.1. The amount and type of risk that the University is prepared to pursue, retain, accept or tolerate in pursuing the achievement of its strategic and operational objectives is set out here.
- 4.2. The Risk Appetite Statement must be taken into account in strategic and operational decision making.
- 4.3. The risk appetite level is to be interpreted in accordance with the University's approved risk assessment methodology.

5. Risk Appetite Summary:

Material risk category	Risk appetite level	Statement
Enterprise Risk (i.e., risks arising from or to the University's strategic activities)	Moderate	For risk in areas related to strategic initiatives for which the potential return justifies the risk. This level enables the University to remain agile and responsive to emerging opportunities.
Operational Risk (i.e., risks of loss arising from inadequate or failed internal processes, people and systems or from external events)	As low as reasonably practical	For all operational risks other than internal and fraud, or those for which an appetite is separately defined in this document.
Fraud	Zero	For internal and external fraud risks.
Safety	Zero	For risks to the safety of all people to whom the University has a duty of care.
Legislative Compliance	Zero	For knowingly breaching legislation, regulatory requirements and codes of practice under which the University has obligations.
Environmental Sustainability	As low as reasonably practical	For risks to the sustainability of the internal and external environment.
Academic Integrity	Zero	For risks to the academic quality and standards of the University.

6. Roles & Responsibilities

BIMM University Limited Board	Oversee and monitor the assessment and management of risk across BIMM, including academic and commercial undertakings.
BIMM University Limited Audit Committee	<p>Advise the Board on</p> <ul style="list-style-type: none"> • the adequacy of measures to improve the internal controls framework of BIMM to ensure mitigation of fraud and other risk, and accuracy of financial reporting. • the adequacy of the framework in place to ensure that risks are effectively identified and managed across the business (noting that responsibility for the assessment and management of risk under the framework rests with management). • the risk register and provide recommendations to the BIMM University Limited Board. • The University 's insurance program, having regard to the range of insurable risks associated with the University 's activities (including coverage related to director's and officer's liability). • the adequacy of measures to ensure compliance by the University with relevant legislation and regulations.
Executive Management Group	<ul style="list-style-type: none"> • Review quarterly the University risk register and identify those risks to be escalated to the Audit Committee.
Academic Board	<ul style="list-style-type: none"> • Review academic and compliance risks.
Individuals	<ul style="list-style-type: none"> • Be mindful of the risk environment and escalate any concerns to the Senior Management Group.
People Team (Human Resources)	<ul style="list-style-type: none"> • Ensure a basic level of induction on risk and risk management is included in starter packs, and facilitate further training as required depending on individual roles and responsibilities.

7. Risk Management Procedure

7.1. The BIMM University Limited Board will identify annually the strategic aims and objectives for the business and cascade them to the EMG. The EMG in turn will table the Risk Register at termly SMG (Senior Management Group) meetings. The SMG will then deliver the key points in a summarised format to CMG (College Management Group) on the same basis.

7.2. The University Risk Register will identify the risk of failing to achieve the objective in the following manner:

7.2.1. Each group will identify the mitigations already in place.

7.2.2. Each group will assess the likelihood of failure according to the following table:

	Measure	Score
Probable	1 in 5 chance	5
Possible	1 in 20 chance	4
Unlikely	1 in 100 chance	3
Rare	1 in 1000 chance	2
Negligible	1 in 10,000 chance	1

7.2.3. Each group will assess the impact of failure according to the following table:

Generic Term	Score	Finances	Delivery of Operations	Stakeholders
Very low	1	Financial implications of the risk are very low and are comfortably within the ability of the risk owner to manage locally.	Minor impact to services or objectives. Risk occurring would represent a minor revision to planned outcomes.	Little or no Impact on student / staff satisfaction. Short-term and/or localised environmental harm.
Low	2	Financial implications of the risk are low (<10% of EBITDA). It remains within any contingencies set.	Some limited impact on services or objectives. Risk occurring may detract slightly from the desired quality of the outcomes.	Isolated complaints. Some impact on student / staff satisfaction. Notable contributor to environmental harm.
Medium	3	Financial implications of the risk are medium (10% - <25% of EBITDA). It may exhaust or be larger than contingencies made but can be managed without additional funds.	Short-term disruption to services. Risk occurring would detract from the desired quality of the outcomes but not detract from the overall purpose of the activity.	Large number of complaints. Wider impact on student / staff satisfaction. Notable external stakeholder dissatisfaction. A significant contributor to environmental harm.

High	4	Financial implications of the risk are high (25% - <50% of EBITDA). It is not possible to meet the cost within the approved budget and further funding would be required.	Significant disruption to critical services. Key Faculty / Service objectives affected. Risk occurring would significantly detract from the original desired quality of the outcomes and may reduce the viability of the activity as outcomes require revision.	Significant impact on student / staff satisfaction. Reputational / brand damage is possible. May affect recruitment. A major contributor to significant environmental harm. Regulatory / contractual intervention possible.
Extreme	5	The impact on finance is critical (>50% EBITDA). Increased cost would negate benefits of activity and may destabilise the reporting unit. Impacts upon achievement of EBITDA target.	Total and sustained disruption to critical services. Significant impact on key objectives. Risk occurring would reduce quality of desired outcomes to such an extent that it negates benefits of activity.	Loss of credibility with stakeholders. Critical impact to staff / student experience. Likely reputational / brand damage. Likely to affect recruitment. The major contributor to significant environmental harm. Regulatory / contractual intervention likely.

7.2.4. The combination of the results of likelihood and impact will be given an overall assessment according to the following matrix:

Overall risk assessment score - Likelihood x Impact

- Critical** 21 - 25
- High** 16 - 20
- Medium** 11 - 15
- Low** 6 - 10
- Very Low** 1 - 5

7.2.5. The review and updating of the risk register will be formally recorded in the minutes of the meeting, and the resultant registered passed to the group above as an item of business for the next meeting.