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Risk Management Policy and Procedure

Metanoia Institute

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1. Introduction

1.1 In successful organisations, risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to challenges faced and opportunities identified.

1.2 Risk is the effect of uncertainty on objectives. Risk is typically expressed in terms of:

- Risk Sources
- Potential Events
- Consequences; and
- Likelihood

1.3 Risk management is a series of coordinated activities that seek to manage risk and exercise internal control within an organisation.

1.4 Metanoia recognises the need to adopt a systematic risk management approach to ensure systems and processes effectively manage identified risks.

1.5 A systematic risk management approach:

- supports strategic and operational planning and decision making, ensuring effective operations;
- supports the maintenance of academic standards and quality;
- supports continuous enhancement of the student experience;
- protects Metanoia's reputation and standing by reassuring stakeholders and partners;
- reduces the impact of unexpected events and shocks, reducing the need for crisis management;
- supports prioritisation and effective use of resources;
- promotes continuous improvement;
- supports the achievement of strategic KPIs, thereby ensuring successful achievement of Metanoia's strategic aims of inclusion, innovation, intelligence and sustainability.

2. Scope

2.1 This policy applies to those responsible for, or working in, any activity across Metanoia which includes some element of risk or uncertainty. In practice it is likely

to be most useful to Functional Lead and those with a responsibility for leading strategic projects.

3. Responsibilities

3.1 Metanoia operates a three tier system of risk management as per the below:

- Tier 1: the Board of Trustees and Audit and Risk Committee
- Tier 2: Executive Committee
- Tier 3: Senior Management and Functional Lead

Board of Trustees (BoT)

3.2 BoT is ultimately responsible for ensuring that an effective risk management framework is embedded at all levels in the Metanoia, covering all aspects of business and academic activity.

3.3 BoT considers strategic, institutional risk and controls and receives regular reports from both the Executive and Audit and Risk Committee. Reports to BoT focus on providing the appropriate level of assurance that the processes and controls to identify and manage risk are working effectively.

Audit and Risk Sub-Committee (ARSC)

3.4 ARSC provides detailed scrutiny and oversight of the risk management framework on behalf of BoT.

3.5 ARSC will assess the adequacy of arrangements for risk management and for internal financial control. This includes quarterly review of the Institutional Strategic Risk Register, as well as the regular review of institutional risk appetite and consideration of the high-level review of work conducted by Metanoia's external auditors around the adequacy of relevant systems of internal control.

3.6 ARSC also supports the BoT in regularly evaluating the need for an internal audit function, and, if required, conducting a high-level review of its work.

3.7 ARSC provides the necessary assurance and recommendations that will enable BoT to consider and approve the Institutional Strategic Risk Register and risk appetite.

Executive (Exec)

3.8 Exec, chaired by the CEO, is charged with responsibility for overseeing implementation of this Risk Management Policy and the overarching risk management framework.

3.9 Exec receives regular reports on risk management from the Head of Governance and Compliance (HoGC), who oversees the implementation and operation of the risk management framework on behalf of Exec.

3.10 Exec provides regular reports to Audit Committee on key areas of risk.

Senior managers and the Senior Management Group (SMG)

3.11 Metanoia's HoGC leads on risk management and ensures that Exec receives regular updates on Metanoia's Institutional Strategic Risk Register, highlighting any significant recommendations. and will oversee institute-wide engagement with operational risk management.

3.12 Members of Exec and relevant members of the SMG are responsible for local arrangements for risk management within their own areas, based on an institutional template for risk management which is owned by the HoGC and approved by Exec. They also have responsibility for ownership of institutional risks ensuring identification and alignment of risks for which they are responsible with Metanoia strategy and KPIs and, where appropriate delegated to other managers, the treatment of risks through delivery of agreed actions to mitigate identified risks.

Wider responsibilities

3.13 While Senior managers and the Executive oversee the risk management framework and provide assurance to the various Committees to which they are accountable, all staff have a role to play in the identification, assessment and management of risk.

3.14 All staff with management responsibility are expected to understand the nature of risk associated with their area of responsibility and escalate concerns and/or new or emerging risks by referring them to the HoGC for review by executive. They can do this through line management channels or by writing to governance@metanoia.ac.uk

- 3.15 All staff with management responsibilities are expected to embed Metanoia's values within their risk management responsibility, and to ensure that they attend any training mandated for them in relation to institutional risk and internal control systems.

4. General Principles

- 4.1 Risk Management activity at Metanoia should broadly align with the following three principles. Risk Management should be:
- 4.1.1 Proportionate to the scale of risk under consideration;
 - 4.1.2 Drive actions and changes in policy and practice; and
 - 4.1.3 Provide information and reassurance to managers and stakeholders on current risks.
- 4.2 As part of the Risk Management Framework, Metanoia will consider the amount and type of risk that is acceptable in the pursuit of its business objectives and agree a Risk Appetite and a Target Score Scale that is reflective of the strategic risks and organisation-wide operational risks. The Risk Appetite and Target Score Scale can be found in Appendix 1 to this policy document.
- 4.3 The Risk Appetite and Target Score Scale will be reviewed on a regular basis (by Executive, quarterly by ARSC, and annually by BoT) as part of their regular review of the Strategic Risk Register. Executive will regularly review risk appetite as it applies to Local (Departmental) Risk Registers.

Risk Registers

- 4.4 Risks identified by Metanoia are documented in risk registers.
- 4.5 Metanoia's Institutional Strategic Risk Register documents Metanoia's main strategic risks.
- 4.6 Local (Departmental) Risk Registers are in place for each Function, aligned with the institutional organogram. Project Risks are dealt with elsewhere in the document (*see 14.14 and 14.15*).
- 4.7 For every risk, both institutional strategic risks and local risks, the risk registers include:
- **Risk assessment** of the relevant Risk:

- A Risk Description
- An agreed Risk Appetite with reference to the Institutional Risk Appetite
- The likelihood and impact
- The Gross Risk
- An evaluation of the **Current Risk**:
 - Existing Controls
 - The likelihood and impact of the risk with the existing controls taken into account
 - The residual risk score
- The **Target Risk** details including:
 - Planned actions to reduce the residual risk
 - The likelihood and impact of the risk factoring in the planned actions
 - The target risk score
- Risk scores are calculated using the following formula: $XY + Y$, where likelihood is x and impact is y .
- Information on the trend and the Risk Owner (i.e. the person responsible for ensuring the actions needed to reduce the risk are operationalised).
- These elements of the risk register are reviewed and updated on an ongoing basis, but no changes should be made to local registers unless a notification is received from the HoGC on behalf of the Executive.

4.8 Operational oversight of the risk register is undertaken by Exec reporting to the Audit and Risk Sub-Committee at each of its meetings on behalf of the BoT.

4.9 The identification of key institutional risks informs the institutional strategic risk register and is derived from the perspective of the members of The Executive Board, and local management teams who consider relevant factors such as the international, national, regional and local developments, competition, changing environment, resources and potential problems or opportunities for Metanoia.

4.10 Risk registers are formally reviewed and updated at least quarterly by Departmental owners or by the HoGC following notification by SMG, staff and or students and process of review with the CEO and relevant Executive members.

The Role of Executive in Risk Management

4.11 Executive Committee is the body with delegated responsibility for risk management from the Audit and Risk Sub-Committee to BoT.

4.12 Principally, Executive will:

- Identify and rate key institutional risks to delivery of the strategic objectives and key operational matters.
- Report on a quarterly basis to the Audit and Risk Sub-Committee providing a detailed review and consideration of the Institutional Strategic Risk Register and Local Risk Registers and the mitigations and assurances contained in each.
- Support consistency of practice for risk management and business continuity throughout Metanoia.
- consider emergent risk areas, advising ARSC as appropriate;
- oversee the development and maintenance of Metanoia's overall risk management framework, ensuring consistency of practice and reporting, and making recommendations to ARSC as appropriate;
- ensure the adequacy, relevance and strategic alignment of the Institutional Strategic Risk Register;
- oversee Metanoia's risk exposure, keeping under review new and emergent risks, ensuring appropriate horizon scanning (both within and outside the HE sector), reporting to ARSC as appropriate;
- Within the Exec, the Head of Governance and Compliance (HoGC) is the designated officer for the operationalisation of the Risk Management Framework.
- Facilitate regular updates and discussion on business continuity planning and ensure the regular review of the Metanoia's Business Continuity Plans and their alignment with related plans and policies (e.g. emergency planning, disaster recovery).
- Consider regular deep dives into particular emergent institutional or local risk areas or areas with a trend that is identified as not aligned with the target risks set by BoT.

4.13 The HoGC will:

- consider Institutional Risk Appetite and potential differences between different business areas and institutional activities, making recommendations to the Executive for amendments to the risk management approach as appropriate;
- review the Local and Strategic risk registers, ensuring that they are kept up to date and provide a comprehensive and current assessment of risk, aligned to key performance indicators and institutional strategy, with appropriate risk mitigation actions;
- assess specific highly rated local risks and identifying any further local risks not previously documented and considering the escalation or de-escalation of issues to the Institutional Strategic Risk Register;
- consider and follow-up on events where a risk or detrimental incident has materialised unexpectedly or where existing controls were inadequate, in order to reduce the likelihood of future occurrences of this risk and to identify gaps in Metanoia's risk profile.

Project Risks

- 4.14 Executive is responsible for the approval of projects likely to have a significant impact on institutional risk scores.
- 4.15 The HoGC will ensure the project is assigned to a relevant Function Lead and that the project is added as a risk to the relevant local (departmental) risk register.

Risk Management Process

- 4.16 The management of risk at Metanoia is achieved through the creation and regular review of the following Risk Registers (as updated from time to time):
- Local (Departmental) Risk Registers for the following departments:
 - Marketing and Communications
 - Operations and Technology
 - Academic
 - Registry (including Student Support and Admissions)
 - Governance and Compliance
 - Clinical Training and Innovation

- Finance
 - People and Culture
 - Strategic Risk Register
- 4.17 The HoGC will quarterly review all Local Risk Registers and draw together a report for the Executive and then ARSC.
- 4.18 The Strategic Risk Register is reviewed and approved quarterly by ARSC and by the BoT annually.
- 4.19 ARSC reviews and approves the 'prompt list' used in the creation of local risk registers.
- 4.20 As Metanoia's risk management activity matures, further developments will be embedded into Metanoia's Risk Management Framework.

5. Monitoring and review

- 5.1 All local risk registers are owned by a member of Exec or a nominee from the SMG.
- 5.2 Senior managers are charged with reporting to the HoGC any issues arising from this process.
- 5.3 All staff are expected to escalate all known risks to a level of management that can effectively respond.
- 5.4 This policy will be formally reviewed on at least a three-yearly basis with Risk Appetite being approved annually by BoT.

6. Related policies and standards / documentation

- 5.5 OfS Regulatory Framework for higher education in England (Annex B: Public interest governance principles):
- "V. Risk management: The provider operates comprehensive corporate risk management and control arrangements (including for academic risk) to ensure the sustainability of the provider's operations, and its ability to continue to comply with all of its conditions of registration."
- 5.6 OfS Accounts Direction, paragraph 27.

Appendix 1 - Risk Appetite and Risk Target Scores

1. Agreed Risk Appetites by Risk Area

- a. Finance – Minimalist
- b. People and Culture – Minimalist
- c. Operations – Cautious
- d. Compliance and governance – Averse
- e. External – Cautious
- f. Strategy – Cautious
- g. Academic – Cautious

2. Risk Appetite Descriptors and Agreed Target Scores

Risk Appetite	Description	Target Score
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk	2-4
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.	5-7
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.	8-10
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may	11-13

	potentially carry, or contribute to, a high degree of residual risk.	
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.	14 and above

Appendix 2 - Risk Management Prompt List

1. Finance Risk Management

- What financial risks (e.g., cash flow, funding changes, recruitment trends) could impact the institution's ability to deliver services?
- How does the institution assess its financial health and sustainability, including financial forecasts?
- What contingency plans are in place for unforeseen financial challenges (e.g., funding cuts or an economic downturn)?
- Is the institution's funding model diversified (e.g., student fees, government funding, research grants, endowments)?

2. People and Culture Risk Management

- How does the institution ensure compliance with employment laws and regulations related to staff rights and conditions?
- How does the institution address challenges in recruiting and retaining qualified staff across academic and support roles?
- What strategies are in place to reduce staff turnover and ensure continuity of expertise within the institution?
- How does the institution monitor and manage staff wellbeing, including mental health and stress levels?
- What measures are in place to ensure effective workload and performance management?
- How does the institution promote a culture of diversity and inclusion?
- Is there a clear succession plan for key leadership roles, and how transparent are decision-making processes at all levels?
- How does the institution ensure all staff act in alignment with the stated values of Metanoia?

3. Operations Risk Management

- What operational risks might impact the institution's day-to-day functioning (e.g., IT system failures, infrastructure challenges, staffing shortages)?
- How are business continuity and disaster recovery plans developed and maintained?
- What is the institution's approach to managing risks in teaching delivery (e.g., remote learning, hybrid models)?
- What processes are in place for managing crises, emergencies, or incidents (e.g., natural disasters, cyberattacks, public health emergencies)?
- What health and safety risks does the institution face, and how are they managed?
- How does the institution address risks related to the physical campus environment (e.g., buildings, fire safety, accessibility)?
- What sustainability risks are associated with the institution's operations, and how are these risks managed?

4. Compliance and Governance Risk Management

- What are the key governance structures in place to oversee risk management in the institution?
- How is the role of the board of governors and senior leadership team defined in relation to risk oversight?
- Are there clear lines of accountability and responsibility for managing risk within the institution?
- What is the process for reviewing and updating risk management policies at the institutional level?
- What are the key regulatory and compliance requirements that the institution must adhere to (e.g., Office for Students, Charity Commission, GDPR, financial regulations)?
- How does the institution ensure compliance with evolving legal and regulatory frameworks?
- How does the institution handle the risk of non-compliance with research-related regulations (e.g., ethical review boards, data security)?

- How does the institution manage risks related to data protection, student privacy, and cyber security?
- How does the institution track and monitor identified risks on an ongoing basis?
- What key performance indicators (KPIs) or risk indicators are used to assess risk mitigation efforts?
- How does the institution communicate risk management updates and reports to relevant stakeholders (e.g., board, staff, students)?

5. External (Reputation and Brand) Risk Management

- How does the institution monitor and mitigate risks to its reputation (e.g., media relations, student experience, alumni feedback)?
- What steps are taken to maintain positive relationships with stakeholders, including students, staff, government, and the local community?
- How does the institution handle crisis communication in the event of a major incident or controversy?
- How does the institution ensure effective coordination across departments during a crisis?
- What is the process for post-crisis evaluation and improving future risk management practices?

6. Strategy Risk management

- How does the institution manage competitor analysis?
- How does the institution manage horizon scanning in relation to strategic plans
- How does the institution monitor strategic implementation plans
- What are the governance arrangements for managing strategic discussions and are they effective?

7. Academic Risk Management

- How does the institution ensure the quality of its academic offerings and maintain compliance with regulatory requirements (e.g., the Office for Students, Quality Assurance Agency)?
- What measures are in place to assess the effectiveness of teaching and learning?
- How does the institution manage the risk of underperforming academic departments or courses?
- What systems are in place to monitor and respond to student satisfaction and success rates?
- How does the institution assess and manage risks associated with student support services (e.g., mental health services, disability support, student safety)?
- What measures are in place to ensure the wellbeing of students and staff, particularly in response to societal or global events (e.g., pandemics, protests)?
- How does the institution manage the risk of student dissatisfaction, including dropout rates or poor student outcomes?
- How does the institution assess and manage risks in research activities (e.g., research funding, ethical considerations, academic integrity)?
- What steps are taken to mitigate risks related to research partnerships and collaborations (e.g., conflicts of interest, intellectual property issues)?

Risk Details			Risk Assessment				Current Risk				Target Risk				Monitoring	
Strategic Risk Area	Local Key Risk	Risk Description	Appetite	Likelihood	Impact	Gross Risk	Controls	Likelihood	Impact	Residual Risk	Actions to reduce risk	Likelihood	Impact	Risk score	Trend	Owner
Finance	<i>e.g. insufficient funding for capital projects or maintenance</i>	<i>Disruption to estate development and maintenance, financial strain</i>					1.				1.					
People and Culture	<i>e.g. high staff turnover in key facilities management roles</i>	<i>Loss of expertise, operational inefficiency</i>					1.				1.					

Operational	<i>Poor management of routine maintenance leading to estate deterioration</i>	<i>Increased costs, operational disruption</i>					2.				2.			
Governance and Compliance	<i>e.g Failure to comply with health, safety, and environmental regulations</i>	<i>Legal penalties, reputational damage, accidents</i>					1.				1.			
External	<i>Unforeseen changes in local or national regulations (e.g., zoning laws, sustainability standards)</i>	<i>Operational delays, need for costly upgrades</i>					1.				1.			

Strategic	<i>Misalignment between estate development plans and institutional strategic goals</i>	<i>Wasted resources, ineffective use of estate</i>					2.				2.				
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**The italic text above refers to generic sample risks that might relate to an operations department or function at an HE provider.*

Please complete the register with your own local risks as you see them, aligned roughly to the Strategic Risk Areas as defined and specific enough to relate to granular day-to-day business as usual.