Risk Management Policy

Lead Officer (Post):	Vice Principal Operations
Responsible Office/Department:	Senior Management Team (SMT)
Responsible Committee:	Senior Management Group (SMG), Board of Management
Review Officer (Post):	Principal and CEO
Date policy approved:	22/06/2026
Date policy last reviewed and updated:	N/A
Date policy due for review:	01/06/2029

Accessible versions of this policy are available upon request.

Policy Summary

Overview	Establishes a structured and consistent approach to identifying, assessing, and managing risk across UHI Shetland, supporting informed decision-making and effective governance.
Purpose	Provides a framework for managing risk as part of organisational governance, ensuring risks and opportunities are understood, evaluated, and appropriately controlled to support strategic and operational objectives.
Scope	Applies to all staff, departments, and activities across UHI Shetland, with shared responsibility for risk management and the requirement for sections to maintain and review risk registers.

Consultation	Developed and reviewed through the Senior Management Group (SMG), with oversight from the Audit Committee and approval by the Board of Management.
Implementation and Monitoring	Implemented through organisational risk management processes and registers, with regular reporting to SMG, Audit Committee, and Board of Management to ensure ongoing monitoring and review.
Risk Implications	Failure to manage risk effectively may result in financial, operational, legal, and reputational impacts, and compromise the achievement of strategic objectives and compliance with regulatory requirements.
Link with Strategy	Supports UHI Shetland's Vision by enabling informed decision-making and maintaining a resilient, well-managed organisation. Reflects UHI Shetland's Values by: • **Working together** – embedding collective responsibility for risk management • **Working for Shetland** – ensuring sustainable and effective use of resources • **Working sustainably** – managing risks to support long-term organisational success • **Working to become resilient** – strengthening governance and organisational capability • **Working with partners** – aligning with UHI and external requirements to ensure robust risk management

1. Policy Statement

Risk is inherent in all activities. Risk management is important to ensure that all significant, relevant risks are understood and prioritised as part of normal management practices.

Information on risk must be organised in a way that is useful for management purposes and enables decisions to be taken based on the knowledge of risk versus reward. Identification and management of risk on a consistent, appropriate and timeous basis is a requirement of Scottish Funding Council (SFC), the college's principal funder.

UHI Shetland's general approach is to minimise its exposure to risk. It will seek to recognise risk and mitigate the adverse consequences. However, UHI Shetland recognises that in pursuit of its mission and academic objectives it may choose to accept an increased level of risk.

It will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

2. Definitions

2.1 'Risk' is the possibility that an event or action will affect the achievement of objectives. This includes both potential threats and opportunities arising from uncertainty.

2.2 Categories of risk may include:

- Strategic risks
- Operational risks
- Financial risks
- Health and safety risks
- Reputational risks
- Legal/regulatory risks
- IT and data security risks
- Safeguarding risks

2.3 'Common Risks': these are the risks detailed in Section 7 which are set by the University of the Highlands and Islands and that the academic partners have in common.

3. Purpose

This policy forms part of UHI Shetland's governance arrangements. A review of the implementation of the policy will inform the planning of internal audit work on an annual basis.

4. Scope

4.1 All staff at UHI Shetland, including postgraduate students and researchers.

4.2 This policy does not replace specific statutory or regulatory policies (e.g., safeguarding, health and safety, and data protection) but complements them as part of the organisation's overall risk management framework.

5. Notification

5.1 This policy and attached procedures will be readily available on SH Staff Resources > Quality Matters > Policies and Procedures.

5.2 This policy will also be available on the front facing UHI Shetland website.

6. Risk Appetite

UHI Shetland will take a portfolio approach to risk management i.e. whilst at any one time it may be carrying a high level of risks in one or more parts of its business, it will ensure that the number of areas exposed to high risk at any time are minimised and balanced with a low risk approach in other areas.

The portfolio of risk will be regularly reviewed by the Senior Management Group (SMG), Audit Committee and the Board of Management.

High risk areas will be very closely aligned to strategic priorities and aligned to high returns i.e. the university should not be exposed to high levels of risk if returns are likely to be minimal or if the activity is not business critical.

The elapsed time in which the university is exposed to a high level of risk in any area should be minimised as much as possible.

Risks need to be evaluated in a controlled manner and the uncertainties involved need to be minimised. The approaches available to managing risk include:

- Terminate: avoid risk by doing something else
- Transfer: risk passed on to someone else e.g. outsourcing, insurance, subcontracting
- Treat: reduce risks by management action
- Tolerate: accept risk and manage appropriately

7. Partnership Approach to Risk Management with UHI

As an academic partner of the University of the Highlands and Islands, UHI Shetland follows the standardised risk template and common risks developed by UHI.

The University uses a standardised risk template. The template and the methodology for recording risks was developed and agreed through the Finance Directors Practitioners Group and the process for completing and sharing risk registers was endorsed by Academic Partners Principals.

A separate risk template is provided for each academic partner and reporting of risks. The criteria for measuring the likelihood of risks occurring and the gross impact of risks is in the Risk Management Procedure, Appendix 2.

8. Roles and Responsibilities

8.1 **The Vice Principal Operations is the Policy Owner**.

The Policy Owner is responsible for overseeing the development, implementation, and review of the Risk Management Policy. This includes ensuring the policy remains effective, up to date, and aligned with organisational objectives and regulatory requirements.

The Policy Owner will:

- Ensure the policy is communicated and understood across the organisation
- Monitor compliance with the policy and escalate significant issues

- Review and update the policy at appropriate intervals or in response to changes in legislation or organisational structure
- Report on the effectiveness of risk management arrangements to Audit Committee or Board of Management.

8.2 Board of Management

The Board of Management has a fundamental role to play in the management of risk. Its role is to:

- Set the tone and influence the culture of risk management within the institution. This includes determining the risk appetite of the institution i.e. determining what risks are acceptable and which are not, and to provide a framework within which the appropriate level of exposure to risk can be determined in particular circumstances; and;
- Approve major decisions affecting the university's risk profile or exposure.
- Submit an annual corporate governance statement to Scottish Funding Council following advice from the Audit Committee, senior management, external and internal audit.

8.2.1 Board Committees

All Board of Management committees 'own' and have oversight of UHI Shetland's common risks. Each Board Committee will set a tolerance level for each of the common risks allocated to that particular Committee and will review this once a year to ensure that the Committee remains content with their tolerance level.

Board Committees are there to robustly challenge the Senior Management Team regarding risk management, especially if a common risk is scoring outwith the committee's acceptable tolerance level.

8.3 Audit Committee

The Audit Committee is responsible for monitoring the college's general arrangements for risk management.

The Audit Committee will also annually review the university's approach to risk management and, if appropriate, recommending changes or improvements to key elements of its processes and procedures.

The Audit Committee is responsible for oversight of the portfolio risk appetite as detailed in Section 6, and having oversight of all the common risks and their tolerance levels as set by the Committee(s).

8.4 Senior Management Team (SMT)

The Senior Management Team is responsible for:

- Implementing the College's risk management policy and ensuring compliance.
- Identifying, evaluating and managing common, strategic, and operational risks in the university and bringing emerging corporate risks to the attention of the relevant Committee.
- Communicating college policy and information about the risk management programme to all staff, subsidiary organisations and external partners as appropriate.

8.5 Senior Management Group (SMG)

Reviewing the common risks regularly and provide rigorous challenge when reviewing and/or approving the scoring of risks on the common risk register.

Supporting the SMT with identifying, evaluating and managing operational risks in the college.

Ensuring that everyone in their area of responsibility understands their risk management responsibilities making clear the extent to which staff are empowered to take risks.

8.6 All Staff

The recognition and management of risk is the responsibility of everyone who allocates and/or uses resources so all members of staff should have an awareness of the risk management policy of the organisation.

8. Legislative Framework

This policy operates within a framework of relevant legislation and regulatory requirements, including but not limited to:

- Health and Safety at Work etc. Act 1974 and associated regulations
- Further and Higher Education (Scotland) Acts 1992 and 2005
- Public Finance and Accountability (Scotland) Act 2000
- Equality Act 2010
- Data Protection Act 2018 and UK GDPR
- Freedom of Information (Scotland) Act 2002
- Protection of Vulnerable Groups (Scotland) Act 2007
- Children and Young People (Scotland) Act 2014
- Environmental Protection Act 1990
- Fire (Scotland) Act 2005

The policy also aligns with guidance from the Scottish Funding Council and other relevant regulatory bodies.

9. Related Policies, Procedures, Guidelines, and Other Resources

- Risk Management Procedure
- Risk Management Impact and Scoring Criteria (Appendix 2)

10. Version Control and Change History

Version	Date	Approved by	Amendment(s)	Author
0	22/06/26	Board of Management	New Policy	Vice Principal Operations