

LAINÉ

THEATRE ARTS

Policies

Risk Management Policy and Strategy

RISK MANAGEMENT POLICY AND STRATEGY

1. PURPOSE

This policy and strategy forms part of Laine Theatre Arts' internal control and governance arrangements. It sets out the approach to risk management and documents the roles and responsibilities of the Board of Directors, the Audit and Risk Committee, and the Senior Management Committee. It also outlines key aspects of the risk management process, and the College's risk reporting procedures.

2. RISK APPETITE

Laine Theatre Arts has a Risk Appetite Statement that sets out the amount and type of risk that the College is willing to take to meet its strategic objectives. This Risk Management Policy should be read in conjunction with Laine Theatre Arts' Risk Appetite Statement.

3. PRINCIPLES OF RISK MANAGEMENT

Effective risk management informs strategic development through the identification and treatment of risk so that strategic objectives are more likely to be achieved, damaging events are avoided or minimised and opportunities are maximised.

The following key principles outline Laine Theatre Arts' strategy for risk management and internal control:

- There is an effective and embedded system of risk management in place approved by the Board of Directors and overseen by the Senior Management Committee.

- The Board of Directors is provided with regular updates by the Audit and Risk Committee on the risk landscape and the current and potential level of the College's exposure.
- There is a documented institutional approach to *risk appetite* which is approved by the Board of Directors and reviewed annually.
- There is an *Institutional Risk Register* which is maintained by the Senior Management Committee and reviewed by the Audit and Risk Committee at each quarterly meeting and is reviewed annually by the Board of Directors.
- Each risk on the institutional risk register is assigned a risk owner, who develops and documents appropriate actions to mitigate the level of any exposure to align with Laine Theatre Arts' *Risk Appetite Statement*.
- The whole Laine Theatre Arts community accepts responsibility for ensuring that appropriate risk management processes are in place and are implemented effectively.

4. REPORTING ROLES AND RESPONSIBILITIES

The following Laine Theatre Arts Limited boards and committees have the primary responsibilities for the development, implementation, and review of the College's risk management processes.

The Board of Directors (Laine Theatre Arts Limited Board)

The Board of Directors has overall responsibility for risk management within Laine Theatre Arts and ensures that the College has a robust, comprehensive, and effective system of risk management in place and that it is reviewed regularly. It approves the Risk Appetite Statement and the Risk Management Policy within which the College's risk management processes

are undertaken. In determining its opinion on the effectiveness of the College's risk management processes, it is advised principally by the Audit and Risk Committee.

Audit and Risk Committee

The Audit and Risk Committee is responsible for monitoring the effectiveness of Laine Theatre Arts' risk management processes. The Committee is chaired by a member of the Board of Directors and receives a risk management report from the Senior Management Team at each meeting.

The Committee reviews the Institutional Risk Register at each meeting, including updates on the agreed actions to mitigate the College's exposure to the identified risks, and advises the Board of Directors of any significant adverse changes in exposure to currently identified risks and the identification of new risks.

Senior Management Committee

The Senior Management Committee has responsibility for developing Laine Theatre Arts' approach to risk management for the approval of the Board of Directors and for implementing arrangements that deliver effective risk management. The Committee:

- Advises the Audit and Risk Committee, and the Board of Directors as appropriate, when a new strategic risk is identified or when a strategic risk is no longer valid and may be archived.
- Reviews the Institutional risk Register at least once a term and provides an update to the Audit and Risk Committee at each meeting.
- Oversees the implementation of agreed actions to mitigate the identified risks.

- Reviews the Risk Management *Policy* every three years and the *Risk Appetite Statement* annually and recommends amendments for the consideration by the Audit and Risk Committee and approval by the Board of Directors.

5. OFFICE FOR STUDENTS REPORTABLE EVENTS

The College has a regulatory duty to notify the Office for Students of any event that falls within the definition of a Reportable Event and acknowledges that the materialisation of a risk associated with activities assessed as having a high likelihood of materialising and/or a high impact on the College may fall within the definition of a Reportable Event.

As part of its consideration of institutional risk at each quarterly meeting, the Audit and Risk Committee will consider whether any risks have materialised, or are highly likely to materialise, that may constitute a Reportable Event. Should the Committee consider that it may be necessary to submit a Reportable Event report to the Office for Students, the Chair of the Audit and Risk Committee will request an urgent extraordinary meeting of the Board of Directors to consider the Committee's recommendation and, if appropriate, approve the submission of a Reportable Event report to the Office for Students.

Should the Principal and Artistic Director, as Accountable Officer, identify the materialisation or likely materialisation of a risk that may constitute a Reportable Event between scheduled meetings of the Audit and Risk Committee and/or the Board of Directors, the Chair of the Board of Directors and the Chair of Audit and Risk Committee will determine whether an urgent extraordinary meeting of the Board of Directors is required or whether a decision to submit a Reportable Event report can be taken on Chair's Action on behalf of the Board of Directors in accordance with the Board's Standing Orders.

6. DATE OF INTERNAL AUDIT ASSURANCE OF RISK MANAGEMENT

The Audit and Risk Committee will ask the internal auditors to consider risk management as part of any specific audit topic and will periodically include institutional risk management as part of the internal audit programme.

DOCUMENT CONTROL

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