

# Risk Management Policy and Procedure

## Scope of Risk Management

Summit Qualifications UK defines risk as:

- The possibility of something happening (an event) that impacts on Summit Qualifications UK's objectives; such an event may have a positive or negative effect and is measured in terms of likelihood and impact.

Risk is not about undesirable outcomes, difficulties, or poor performance.

Risk management is an important function and all Summit Qualifications UK staff will have some input to risk management.

Staff teams will hold a risk register and consider risks in the following operational areas:

- Quality assurance and compliance
- Qualifications and assessment development
- Finance and IT

The Senior Management Team (SMT) will review the risk registers kept by their teams. They will also keep a strategic risk register, which may also include those operational risks recorded in team risk registers.

The strategic risk register will go to each meeting of Summit Qualifications UK Awarding Governing Body.

## Identifying Risks and Risk Management Responsibilities

The identification of risks is a responsibility of every staff member. Risk is to be discussed at team meetings where decisions on whether to add, modify or remove risks from the risk register are made.

A review of the strategic risk register is carried out at every SMT meeting.

The Governing Body may add risks, adjust risk ratings and suggest mitigations. Interim of meetings the Managing Director will update the risk register.

The Governing Body receives and considers the strategic risk register at each meeting.

Identified risks need to be put into perspective in terms of the potential severity of their impact and likelihood of their occurrence. The process of assessing risk should challenge and establish whether the risk should be on the risk register or not.

Summit Qualifications UK risk management methodology considers both the impact of a risk and the likelihood of it occurring, giving them equal importance.

## **Risk Appetite**

Summit Qualifications UK's attitude to risk is that:

- Anything which may lead to the organisation not being able to comply with legal or regulatory requirements is controlled to avoid exposure
- Anything that presents as a business opportunity is managed within guideline limits for the project, in terms of agreed financial or other resource time commitment.

## **Risk Register**

Summit Qualifications UK risks and their key controls are set out in a risk register.

The risk register:

- Describes the risk
- Lists the key controls in place, or that need to be put in place
- Says who is responsible for managing the risk
- Gives the likelihood and impact of the risk and an overall risk rating.

Risks can be removed from the register when the risk has been realised (the event has happened), or it is no longer relevant. New risks are added when identified.

High impact risk is important; however, lower impact risk is important to consider too where it could change to a high risk and trigger the realisation of other risks.

The matrix below provides guidance on the risk and acceptability of any proposed activity.

	High	Amber	Red	Red
Likelihood	Medium	Green	Amber	Red
	Low	Green	Green	Amber
Impact		Low	Medium	High

## Managing Risk

For each risk identified additional action could be considered to manage the risk, either by lessening the likelihood of the event occurring or lessening its impact if it does. The following are examples of possible actions:

- The risk may need to be avoided by ending that activity e.g. pulling out of delivering a particular qualification
- The risk could be transferred to a third party e.g. use of a trading subsidiary, outsourcing or other contractual arrangements with third parties
- The risk could be shared with others e.g. a joint venture project
- The exposure to the risk can be limited e.g. establishment of reserves against loss of income, or phased commitment to projects
- The risk can be reduced or eliminated by establishing or improving control procedures e.g. internal financial controls, controls on recruitment, HR policies etc
- The risk may need to be insured against e.g. employer's liability, key staff
- The risk may be accepted as being unlikely to occur and/or low impact and therefore will just be reviewed annually.

## Support on Risk Management

Please talk to your line manager with any request for guidance or training or speak to the AO Manager.