

		
<b>ISSUED BY:</b>  Head of EPA  Caroline Walton	<b>End-Point Assessment</b>  <b>POLICIES &amp; PROCEDURES</b>	<b>ISSUE DATE:</b>  OCTOBER 2022  <b>REVIEW DATE:</b>  OCTOBER 2023
	<b>EPA Risk Management</b> <b>Policy</b>	<b>ISSUE : V4</b>

## Terms and Definitions

- **Risk:** An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring and the magnitude of its impact on objectives.
- **Threat:** An uncertain event that could have a negative impact on objectives or benefits.
- **Opportunity:** An uncertain event that could have a favourable impact on objectives or benefits.
- **Issue:** A relevant event that has occurred, was not planned and requires management action. It could be a problem, query, concern, change request or risk that has occurred. Note: A risk that is forecast to occur i.e. is it known that it will definitely happen, is to be managed as an issue.
- **Management of Risk:** The systematic application of policies, methods and practices to the tasks of identifying, estimating and evaluating risks and then preparing and implementing risk response. This provides a disciplined environment for proactive decision-making.
- **Risk Appetite:** An organisation's unique attitude towards risk taking, which in turn dictates the amount of risk that it deems acceptable.
- **Risk Tolerance:** The threshold levels of risk exposure, which with appropriate approvals, can be exceeded, but which when exceeded will trigger some form of response.

## Scope and Purpose

The aim of this policy is to communicate why risk management should be undertaken in relation to the delivery of ELS EPA services. It is important for ELS to outline how we plan to articulate risk and the ownership of risk both internal and external to the company.

ELS will keep up to date Regulatory Documents on file and will incorporate them in its information management systems to ensure that they are part of the day-to-day management of the organisation. These documents form the core rationale for operating in a risk-based approach to awarding qualifications. ELS will abide by all documented requirements, it will take due notice of all recommendations and guidelines for good practice set out in regulatory documents. In cases where ELS has an undertaking with Ofqual, the Responsible Officer will ensure compliance and take personal responsibility and accountability for compliance.

## Responsibility

The Directors have overall authority and responsibility for internal control, including risk management. They will approve the implementation of appropriate policies that will safeguard the processes and procedures under the EPAO. The Directors are responsible for identifying, assessing and controlling financial and non-financial risks.

The Directors have decided to adopt the guidance documented within the publication “Management of Risk: Guidance for Practitioners” (the M\_o\_R© Guide) on the understanding that the principles within the publication are based on proven corporate governance. For risk management to be effective, risks need to be:

- **Identified:** This includes risks being considered that could affect the achievement of objectives within the context of a particular organisational activity; and then described to ensure that there is a common understanding of these risks.
- **Assessed:** This includes ensuring that each risk can be ranked in terms of estimated impact and immediacy; and understanding the overall level of risk associated with the organisational activity being studied.
- **Controlled:** This includes identifying appropriate responses to risks, assigning owners and then executing, monitoring and controlling these responses.

## Directors (Executive Team/Senior Officers)

- Approve funding for risk management
- Act as risk champions, driving risk management from the top down.

- Ensure all major strategic decisions are subject to a business risk assessment.
- Regularly review the most serious risks threatening strategic objectives.
- Undertake routine risk management assurance from the strategic perspective.

### **Heads of Department (Senior Management Team)**

- Regularly review the most serious risks threatening programme and project objectives.
- Undertake routine risk management assurance from the programme and project perspectives.
- Clarify and assign risk tolerances and thresholds at the programme and project perspectives.

### **EPA Scheduling Team**

- Understand the risk management policy, process and reporting requirements.
- Maintain risk reporting as required.
- Escalate risks as required in this policy.
- Support the risk audit process.
- Adopt Risk management procedures as a matter of routine.

### **Risk Manager**

- Reviews any reported risks
- Reports major concerns to the ELS Directors
- Summarises any risk updates during monthly management meetings

### **Risk Coordinator**

- Reviews any reported risks
- Updates the ELS Central Risk Log
- Updates the Risk Manager of any updates and changes

## **Risk Tolerance Thresholds**

Risk tolerance thresholds outline which risks ELS are willing to accept and not accept. They can be perceived as an acceptance difference percentage. They are there to understand the level of risk presented to ELS and what risks are perceived to outweigh the gain of the company. Any risk will be forecasted, which can include risks that will either outweigh the gain of the company or that can enhance the EPAO. The Director oversees the risks thresholds and will make informed decisions based on the referrals and information they receive. This is a continuous process all the way through the EPA lifecycle and these thresholds will be continuously monitored throughout. This is to prevent any unforeseen high level risk, causing disruption to the running of the EPAO and the company as a whole.

## **Risk Appetite and Capacity**

Risk appetite and capacity will be reviewed on a regular basis to determine how far ELS will accept to go with a risk to gain a specific objective. It is also identified during this process at what point action is required to nullify the risks being presented. ELS understand the market environment continuously changes, which is why during the EPA lifecycle, risk appetite levels are continuously monitored to match those of the market environment ELS is in. It is however required that risk appetite is applied so ELS can achieve objectives, which in turn enhance the running of the EPAO and continues the lifecycle journey.

The risk capacity of the EPAO is determined by the amount of learners coming through for EPA services, as more learners generates more revenue, which in turn boosts capacity. ELS' risk capacity is also determined by the ability to raise finance through capital investment, commercial loans and ongoing/completed business. On an annual basis the Director will review the data provided to determine the capacity available which can be reported back to the Head of EPA and the EPA team and across the board of the company.

## **Procedure**

Risk is inherent in any business activity. Risk management is therefore required to ensure that ELS adopts an effective risk management process that in turn will support more informed decision making through a greater understanding of risks and their potential impacts. Risk management is not a "one-off" exercise, it is a continuous process designed to underpin the continuous decision making process required through the EPA lifecycle.

The procedure for reporting a risk within the ELS EPAO is as follows:

1. If a member of the EPA Scheduling Team identifies a potential risk, they must report this to the Head of EPA.
2. The Head of EPA will make a record of the reported risk in the EPAO Risk Log. Every project/contract area under ELS will have its own internal Risk Log. The EPAO, as its own capability, therefore has an independent Risk Log, managed by the Head of EPA.
3. The Head of EPA will report the identified risk to the ELS Risk Coordinator, who will review the risk alongside the ELS Risk Manager. The Risk Coordinator will record the risk within the ELS Central Risk Log.
4. Any major concerns reported will be brought to the attention of the ELS Directors (Executive Team/Senior Officers). The Head of EPA (Responsible Officer) will need to report this immediately to Ofqual with details of the event, the adverse effects and what ELS will be doing to mitigate the adverse effects.
5. All logged risks will be reviewed weekly by the ELS Risk Manager. They will also be discussed at monthly management meetings.

## **Important Contacts**

Head of EPA (Responsible Officer) [cwalton@explosivelearningsolutions.com](mailto:cwalton@explosivelearningsolutions.com)

Risk Manager: [blawrence@explosivelearningsolutions.com](mailto:blawrence@explosivelearningsolutions.com)

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