



CMI Risk Management Procedure – Ref: AB/PRO/0009/Nov20/V7

Purpose

This procedure sets out guidance of how to identify a risk and the procedure to follow.

Introduction

CMI is committed to maintaining rigorous quality standards and ensuring that it complies with regulatory requirements and best practice. CMI manages this commitment through continual risk assessment and takes all reasonable steps to prevent incidents occurring and to prevent any adverse effect. CMI endeavours to adhere to the following:

General Condition A6 Identification and management of risks

Identifying risks

A6.1 An awarding organisation must take all reasonable steps to identify the risk of the occurrence of any incident which could have an Adverse Effect.

Preventing incidents or mitigating their effect

A6.2 Where such a risk is identified, the awarding organisation must take all reasonable steps to:

- (a) prevent the incident from occurring or, where it cannot be prevented, reduce the risk of that incident occurring as far as is possible, and
- (b) prevent any Adverse Effect that the incident could have were it to occur or, where it cannot be prevented, mitigate that Adverse Effect as far as possible.

A6.3 An awarding organisation must establish and maintain, and at all times comply with, an up to date written contingency plan.

A6.4 A contingency plan must be of sufficient detail and quality to allow the awarding organisation to mitigate, as far as possible, the Adverse Effect of any incident which has been identified by the awarding organisation as having a risk of occurring.

SQA Accreditation Regulatory Principle 3 & 4

3. The awarding body shall have clearly defined business planning processes which show evidence of management commitment, decision making and ongoing review.

4. The awarding body shall continually review the effectiveness of its business services, systems, policies and processes.

Scope

This policy applies to all CMI Awarding Body Staff and Quality Assurance Team.

Definition of a Risk

Uncertainty of outcome or likelihood of detrimental outcome, within a range of exposures arising from a combination of the impacts and the probability of potential event.

Risks are defined in these categories:

- Legislative
- Regulatory
- Business
- Economic
- Operational

CMI Risk Management Procedure

CMI takes all responsible steps to identify, monitor and mitigate against any risks that could have an Adverse Effect on CMI Qualifications our regulatory obligations and good practice. However, CMI recognises from time to time incidents could occur that have not been foreseen and this policy and procedure has been developed to identify the potential risks and to manage them in an effective manner, to safeguard CMI Learners and CMI qualifications.

CMI procedure for risk will involve the following actions:

1. Identification of a risk
2. The risk is reported to the appropriate person
3. Risk analysis
4. Intervention and action where appropriate
5. Risk monitoring and review
6. Communication and reporting

1. Identification of a Risk

There are various methods that can be used to identify risks, such as:

- Business risks (financial checking tools) and fraud risks (identified through financial sanction or information in the public domain)
- Typical risks in stages of the Centre Approval process
- Scenario planning as a risk assessment tool
- Risks identified during customer service activities and conversations, including formal Appeals and Complaints
- Process mapping
- CMI Centre visit reports, external quality reports (e.g., QAA, EFSA, Office for Students, Ofsted, Ofqual) and Centre audit reports

2. The risk alerted to the appropriate person

If you identify a risk it needs to be raised with the appropriate person in the first instance by informing:-

- Quality Manager and then as follows:
- Operational incident – Head of Awarding Body and Compliance
- Financial incident - Head of Financial Control
- Qualification incident – Qualifications & Assessment Coordinator
- Quality Assurance – Quality Manager or Quality Auditor
- Overseas incident – Head of Awarding Body and Compliance

Risks are captured on the Awarding Body Risk Register, and controls are agreed and reviewed at the monthly Quality Manager Meetings. Quality Managers are also required to review the Risk Register when completing their quarterly reports.

3. Risk analysis

The Head of Awarding Body and Compliance and the Quality Managers/Auditor meet on a monthly basis, there is a standard agenda item to analyse risks that have been identified during that month.

Risk analysis involves the consideration of the source of risk, the impact/consequence and likelihood to estimate the inherent or unprotected risk without controls in place. It also involves identification of the controls, an

estimation of their effectiveness and the resultant level of risk with controls in place (the protected, residual or controlled risk).
 Applying the risk matrix, it is required to define for each risk its profile using likelihood and consequences criteria.

CMI risk Matrix is as shown below.

		Impact/Consequence		
		Minor	Medium	Major
Likelihood	Unlikely	Low	Low	Medium
	Possible	Low	Medium	Medium
	Very possible	Medium	Medium	High
	Almost certain	Medium	High	High

Likelihood	
Unlikely	Very unlikely to occur - less than 5% chance of occurrence in any one year
Possible	Likely to occur in the medium term - 5-25% chance of occurrence in any one year
Very Possible	Likely to occur in the shorter term - 26-50% chance of occurrence in any one year
Almost certain	Almost certain to occur, could happen now - 51-100% chance of occurrence in any one year

Impact/Consequence	
Minor	Minor delay, inconvenience or impact. Very short term effect. No media interest or reputational damage
Medium	Significant impact on customer service and/or on operational function. Medium term effect with possible trade and local press interest
Major	Major impact on customer service and/or on operational function. Reputational damage, mid to long term effect. National and international media attention

Using the consequence criteria provided in the risk matrix, CMI will determine the consequences of the event occurring (with and without controls in place).

To determine the likelihood of the risk occurring, CMI will apply the likelihood criteria (again contained in the risk matrix). As before, the assessment is undertaken with and without current control activities.

To determine the level of each risk, CMI can again refer to the risk matrix. The risk level is identified by intersecting the likelihood and consequence levels on the risk matrix.

4. Intervention and Action where appropriate

The assessment and review will conclude on actions that will mitigate the risk and aim if possible, to resolve the issue completely. This could include direct action with the Centre/Learner requiring specific actions to be taken and sanctions to be applied if appropriate. CMI policy and procedures will also be reviewed and any appropriate change that might mitigate the risk be made.

Should the risk be assessed to be high and the action to mitigate does not reduce this, then the matter will be escalated to the Director of Partner Engagement or to the Chief Executive – the senior/responsible officers.

5. Risk monitoring and review

The Head of Awarding Body and Compliance and the Quality Managers/Auditor meet on a monthly basis. A standard agenda item is to monitor and review the current risks that are documented on the Risk Register. The quality team will review the following:

- If the risk is still relevant (using the CMI risk Matrix)
- The consequences are valid
- If the controls in place are effective
- The risk owner
- The control owner

If a new risk is identified then that risk will be added to the risk register by the Head of Awarding Body and Compliance/ SQMs and a log of the details recorded.

6. Communication and reporting

Risk management is an integral element of the CMI organisation. The risk register is reviewed monthly by the Awarding Body team and sent to the Director of Insight and Development. The Director of Insight and Development will share this information with the CMI Executive team as and when required. The Regulatory Compliance Committee will also review the Risk Register each time that they meet. This ensures a shared understanding and ownership of the risks being managed in the organisation and allows wider input into their active management and mitigation.