FFURFLEN MANYLION POLISI
POLICY IDENTIFICATION FORM/FRONTSHEET

Policy Title:	Risk Management Policy	
Policy Owner:	Executive Director Corporate Services	
Responsible Executive Director:	Executive Director Corporate Services	
Review Cycle:	Bi-Annually	
Approval Checklist (to be instigated by Owner):	Actioned by:	Date:
● Impact Assessments completed	26/03/2024	
● Final draft presented to TS	18/03/2024	
● Policy presented to ARC Committee*	17/04/2024	
● Policy presented to Board	25/04/2024	
● Policy translated and uploaded to Grŵp Portal	26/04/2024	

Risk Management Policy

1. **Introduction**

   1.1 This risk management policy (the policy) forms part of Grŵp Llandrillo-Menai's internal control and corporate governance arrangements.

   1.2 The policy explains the Grŵp's underlying approach to risk management and documents the roles and responsibilities of the Board of Governors, Tîm Polisi, Tîm Strategol and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

   1.3 In addition, it describes the process the Board of Governors will use to evaluate the effectiveness of the Grŵp's internal control procedures.

2. **Underlying approach to risk management**

   2.1. The following key principles outline the Grŵp's approach to risk management and internal control:

   ● The Board of Governors has responsibility for overseeing risk management within the Grŵp as a whole.
   ● The overall aim of managing risk is to prevent injury, loss or failure to meet educational expectations for learners, employees and members of the Public. As a result the Financial Health of the Grŵp is improved by reducing the cost of risks within the context of promoting a culture of continuous improvement, innovation, enterprise and accountability for the use of public funds.
   ● An open and receptive approach to solving risk problems is adopted by the Board of Governors who will ensure a proactive approach to risk management is embedded into the culture of the Group.
   ● Tîm Polisi and Tîm Strategol support, advise and implement policies approved by the Board of Governors.
   ● Principals and Executive Directors are responsible for encouraging good risk management practice within their area of responsibility.
   ● Statutory requirements, funding regulations, awarding body requirements etc. of the Grŵp are met and where possible exceeded.
   ● Key risk indicators are identified and regularly monitored.

3. **Role of the Board of Governors Role:**

Set the tone and influence the culture of risk management within the Grŵp. This includes:

● Determining whether the Grŵp's risk appetite is for the whole or on any relevant individual issue,
● Determining what types of risk are acceptable and which are not,
● Setting the standards and expectations of staff with regards to conduct and probity;

Responsibilities

● Determine the appropriate risk appetite or level of exposure for the Grŵp
● Approve major decisions affecting the Grŵp's risk profile or exposure.
● Monitor the management of significant risks to reduce the likelihood of unexpected outcomes.
● Satisfy itself that the less significant risks are being actively managed, with appropriate controls in place which are working effectively.
● Annually review the Grŵp's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

4. **Role of Tîm Polisi and Tîm Strategol Role**

● To ensure that the Grŵp manages risk systematically, economically and effectively through the development of a comprehensive Grŵp strategy.
● To support the Grŵp in the development, implementation and review of the risk management strategy.
● To share experience on risk, risk management and strategy implementation across the Grŵp.

Responsibilities

● To acquire a knowledge of risk management and its benefits.
● To continually develop the risk management strategy and communicate it across the Grŵp.
● To promote and oversee the implementation of the strategy across the Grŵp.
● To assist in monitoring and reviewing the risk management strategy, including an annual review of its effectiveness and a written report of this to the Board of Governors.
● To agree the inputs and resources as appropriate to support the implementation of the strategy.

5. **Assistant Principals/Directors/ Departmental Heads Role**

To manage risk in each particular curriculum/functional area.

Responsibilities

● To disseminate the detail of the Risk Management strategy and allocate responsibilities for implementation of the strategy in each curriculum or service area.
● To recommend the necessary training on risk management for the employees in the section.
● To share relevant information with other curriculum or service sections.
● To identify any risk management issues in their curriculum or service area and ensure

appropriate recording and actioning takes place by regularly reviewing as standing items in each meeting.
● To provide feedback to Tîm Polisi and Tîm Strategol on their experience of implementing the strategy and their perceptions of the effectiveness of the strategy.

6. Employees Role

The management of risk in their own work.

Responsibilities

● To liaise with their manager to assess areas of risk in their job.
● To identify and alert their manager of new or changing risks in their job.
● To effectively use skills and knowledge that they have gained through training.
● To carry out their job within the risk management guidelines set down by their manager.

7. Risk management as part of the system of internal control

This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Grŵp to respond to a variety of operational, financial, and commercial risks. These elements include:

a) Policies and procedures
Attached to significant risks are a series of policies that underpin the internal control process. The policies are set by the Board of Governors and implemented and communicated by senior managers to staff.
Written procedures support the policies where appropriate.

b) Strategic planning and budgeting
The strategic planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting strategic objectives is monitored regularly.

c) Strategic level risk framework
This framework is compiled by Tîm Polisi and helps to facilitate the identification, assessment and ongoing monitoring of risks significant to the Grŵp. The document is formally appraised twice a year but emerging risks are added as required, and improvement actions and risk indicators are monitored regularly.

d) Tîm Polisi and Tîm Strategol
Every meeting of Tîm Polisi and Tîm Strategol will have risk as a standing item where key risks will be reviewed, this provides a focus for senior staff within the Grŵp to review and reflect on organisational risk. At least twice a year Tîm Polisi will undertake a major review of all risks, which will provide an opportunity to look at each risk in detail. Tîm Polisi will report on their findings via the Audit and Risk Committee to the Board of Governors on the identification, assessment and monitoring of strategic risks. In particular, new risks should be reported when they arise. Any risks identified at Committee should be added immediately by the appropriate manager.

e) **Audit and Risk Committee**

The Audit and Risk Committee is required to report to the Board of Governors on internal controls and alert Governors to any emerging issues. In addition, the committee oversees internal audit, external audit and risk management as required in its review of internal controls. The Committee is therefore well placed to provide advice to the Board on the effectiveness of the internal control system.

f) **Internal Audit Programme**

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the organisation.

g) **External Audit**

External audit provides feedback to the Audit and Risk Committee on the operation of the internal financial controls reviewed as part of the annual audit.

h) **Third Party Reports**

From time to time, reports will be produced by Welsh Government and HEFCW which will require consideration. In addition external consultants may be required to review and report upon the reliability of the internal control system.

8. **Risk Appetite**

The Grŵp reviews its risk appetite which varies according to the potential gains and losses from each activity, and the auditors consider the organisation has a "mature" risk appetite.

9. **Response to Risks**

As most risks cannot be eliminated altogether, judgements have to be made as to what level of risks are acceptable. There are four categories of response – transfer, treat, terminate and tolerate. Details of each response can be found in the following table:

Response	Description
Transfer	Risks are transferred to an insurer, e.g., legal liability. However, it must be remembered that this is not possible for all risks. Some service delivery risks can also be transferred to a partner or contractor by way of a formal contract or written agreement. Some risks however cannot be transferred, for example, reputational risks.
Treat	Risks need additional treatments (controls) to reduce the likelihood and impact levels. This response is most likely where the risk has been identified as a high risk due to the likelihood and impact levels.
Terminate	A risk is identified as being so serious that there is no other option than to terminate the activity generating the risk.
Tolerate	The controls in place reduce the likelihood and impact levels to a tolerable level. It is therefore decided to tolerate the risk.

10. Annual review of effectiveness

10.1. The Board of Governors is responsible for reviewing the effectiveness of internal control of the Grŵp, based on information provided by the senior management team. Its approach is outlined below.

For each significant risk identified, **the Board will**:

▪ Review the previous year and examine the Grŵp's track record on risk management and internal control.
▪ Consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.

In making its decision the Board will consider the following aspects.

a) Control environment:

● The Grŵp's objectives and its financial and non-financial targets.
● Organisational structure and calibre of the senior management team.
● Culture, approach and resources with respect to the management of risk.
● Delegation of authority.
● Public reporting.

b) On-going identification and evaluation of significant risks:

● Timely identification and assessment of significant risks.
● Prioritisation of risks and the allocation of resources to address areas of high exposure.

c) Information and communication:

● Quality and timeliness of information on significant risks.

- Time it takes for control breakdowns to be recognised or new risks to be identified.

d) Monitoring and corrective action:

- Ability of the Grŵp to learn from its problems.
- Commitment and speed with which corrective actions are implemented.

Tîm Polisi will prepare a report of its review of the effectiveness of the internal control system for consideration by the Audit and Risk Committee for ratification and recommendation of approval by the Board of Governors.

11. Reporting Procedures

11.1. The effective management and control of risk will inevitably involve all main sub-committees of the Board and the Grŵp's main operational committees.

11.2. The infrastructure supporting the risk management process will include defined responsibilities for the following:

- The Grŵp Board
- Tîm Polisi
- Tîm Strategol
- The Audit & Risk Committee
- Finance and Resources Committee
- Curriculum, Student and Standards Committee

11.3. **The Board** has the main responsibility for the management of risk. It is charged with developing a climate which is capable of managing risk and monitoring and reviewing on a systematic basis the control mechanisms to effectively manage the Grŵp.

11.4. **Tîm Polisi** will report to the Board and is charged with establishing and maintaining the Risk Register. This task will involve assessing and monitoring the strategic risks faced by the Grŵp at any point in time. Tîm Polisi will be expected to manage risk by maintaining a close working relationship with the Senior Management of the Grŵp. Tîm Polisi's main reporting line is to the Audit and Risk Committee who make recommendations to the Board.

11.5. **The Audit and Risk Committee** will be expected to oversee and provide an annual opinion on risk management and advise the Board accordingly. The management of both Strategic, Operational and Project risks will be a standing item on all meeting agendas. As the Committee draws on a range of independent opinion represented by both External and Internal Audit, in addition to specific Risk Assessments its advice and opinion is regarded as an essential component of the overall risk management of the Institution. The Audit and Risk Committee will have standing agenda 'risk' to review.

11.6. **The Finance and Resources Committee** – This committee will independently review all areas which fall within its remit and will review all areas of defined high risk within its financial and strategic planning remit. It is planned that a systematic risk review will take place every six months **and any major risks will be referred to the Board and the Audit and Risk Committee.**

11.7. **The Curriculum, Student and Standards Committee** – This committee will independently review all areas of high risk which falls within its remit as indicated by the Risk Register of the Grŵp. It is planned that a systematic review will take place every six months **and any major risks will be referred to the Board and the Audit and Risk Committee notified.**

11.8. **The Chairs Committee** - This committee can independently review all areas of high risk as indicated by the Risk Register of the Grŵp. It is planned that a systematic review will take place every six months **and any major risks will be referred to the Board and the Audit and Risk Committee.**

12. **Risk Management Framework**

12.1. Risks will be documented within the 4 Risk system. Risks will be divided into three key areas- Strategic, Operational and Project Risks (All projects over £2m will have a separate risk register which must be agreed by Tîm Polisi prior to the project commencing.) See detailed Guidelines of the definitions of risks for the organisation- attached.

12.2. All risks are linked to one of the Grŵp's five Strategic Goals

12.3. All the above risks will be categorised under the relevant headings:

- Bilingual
- Curriculum Service
- External Relations
- Facilities and Resources
- Finance
- Health & Safety
- Human Resources
- Information Management
- Management and Governance
- Regulatory / Legal
- Student Recruitment and Enrolment
- Student Safeguarding and Welfare
- Student Performance and Quality/Teaching and Learning

Each of the above categories will be overseen by a member of Tîm Polisi who will be responsible for reviewing risks in their categories, at least twice a year, to see if there are fundamental issues to be noted.

Each of the above categories will be considered in relation to equality and protected characteristics (as defined by the Equality Act 2010), where necessary.
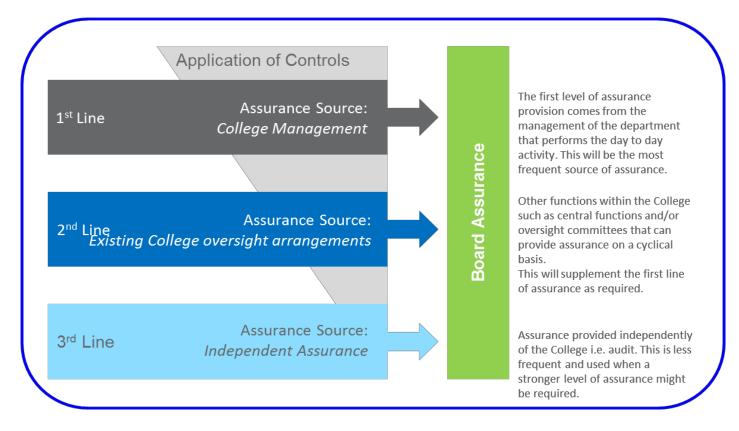

12.4. All risks will have an owner who will be responsible and accountable for updating and reviewing their risks as necessary but as a minimum on a quarterly basis.

12.5. All risk registers are intended to capture reasonably significant risks which could negatively impact on the Grŵp as outlined in 2.1. The Operational plan is integrated into the Risk Register.

This will help focus attention on those risks that cause most concern.

12.6. The detailed Risk Clarification Matrix and the Risk Definitions are spelt out below and should be used to assess the risk before and after controls are applied.

12.7. A representational diagram of the interrelationships of the various meetings and Committees managing the organisation is attached.

12.8. The Strategic Risk Register has been reviewed and assurance levels have been introduced. Assurance is defined as a positive declaration intended to give confidence. A view of gaps in the control framework will identify additional actions that need to be taken to ensure risks are managed. Below is a description of the different assurance levels.

Application of Controls

1st Line — Assurance Source: *College Management*

The first level of assurance provision comes from the management of the department that performs the day to day activity. This will be the most frequent source of assurance.

2nd Line — Assurance Source: *Existing College oversight arrangements*

Other functions within the College such as central functions and/or oversight committees that can provide assurance on a cyclical basis.
This will supplement the first line of assurance as required.

3rd Line — Assurance Source: *Independent Assurance*

Assurance provided independently of the College i.e. audit. This is less frequent and used when a stronger level of assurance might be required.
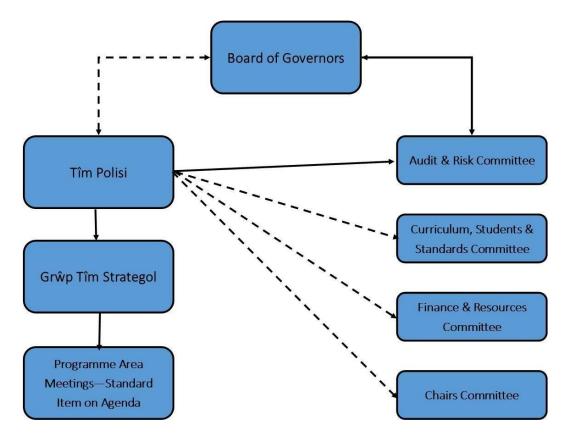
Board Assurance

The frequency and volume of assurance will reduce down from the first line of assurance through the second line of assurance and culminate in a lower level of third level independent assurance. All three levels are important and the College needs to ensure that an appropriate balance of assurance is received across the three levels for all risks in its register.

THE REPORTING PROCESS

HEATMAP REPORT

Impact ↑ / Likelihood →	Rare	Unlikely	Possible	Likely	Almost Certain
Critical	High (5) R: 1	High (10) R: 1	High (15) R: 1	Very High (20) R: 1	Very High (25)
Major	High (4)	High (8) R: 8	High (12) R: 6	Very High (16)	Very High (20)
Serious	Medium (3)	Medium (6) R: 2	High (9) R: 1	High (12)	High (15)
Significant	Low (2)	Medium (4)	Medium (6) R: 1	High (8)	High (10)
Moderate	Low (1)	Low (2)	Medium (3)	High (4)	High (5)

IMPACT

1. Moderate	FINANCIAL: SERVICE QUALITY: HEALTH & SAFETY: REPUTATION: SAFEGUARDING: OPPORTUNITY:	Loss of up to £250k income or increased costs; Minor disruption to effective service delivery i.e, Staff in unplanned absence for short period; Minor injury: no requirement for professional medical treatment; Slight reputation damage arising. N/A £250k
2. Significant	FINANCIAL: SERVICE QUALITY: HEALTH & SAFETY: REPUTATION: SAFEGUARDING: OPPORTUNITY:	Loss of up to £500k income or increased cost; Delays in effective service delivery i.e, adjustments to timetables required or staff long term absence; Injury to an individual(s) requiring professional medical treatment; Reputation damage is localised for the organisation. Occasional non-compliance with procedure. £500k
3. Serious	FINANCIAL: SERVICE QUALITY: HEALTH & SAFETY: REPUTATION: SAFEGUARDING: OPPORTUNITY:	Loss of up to £1m income or increased cost; Effective service delivery is disrupted in specific educational areas of a Campus; Multiple serious injuries requiring professional medical treatment; Reputation damage occurs with Key Stakeholders. Repeated non-compliance with procedure. £1m
4. Major	FINANCIAL: SERVICE QUALITY: HEALTH & SAFETY: REPUTATION:	Loss of up to £5m income or increased cost; Effective service delivery is severely interrupted in one or more of our Campuses Single fatality; Significant reputational damage occurs with Key Stakeholders.

	SAFEGUARDING: OPPORTUNITY:	Isolated safeguarding incident. £2m
5. Critical	FINANCIAL: SERVICE QUALITY: HEALTH & SAFETY: REPUTATION: SAFEGUARDING: OPPORTUNITY:	Loss of more than £5m income or increased costs; Service delivery is no longer possible at one of the major campuses; Multiple fatalities; Reputation damage is irrecoverable i.e, Regulatory body intervention. Multiple and related safeguarding incidents. £5m

LIKELIHOOD

1. RARE	This will probably never happen/occur. 10 years or less frequency
2. UNLIKELY	Do not expect it to happen/recur but it is possible it may do so Once every 5 years
3. POSSIBLE	Might happen or reoccur occasionally Once every 2 years
4. LIKELY	Will probably happen/recur but it is not a persistent issue Annually
5. ALMOST CERTAIN	Will undoubtedly happen/recur, possibly frequently At least annually

Equality Impact Assessment				
Assessment completed by:	Siân Pritchard		**Dated:**	26/03/2024
Assessment approved by:	Angharad Mai Roberts		**Dated:**	26/03/2024
Consideration	**Response**		**Special requirements / controls**	
Which protected groups might be disadvantaged by the policy/process?	The policy protects all staff, learners and other stakeholders.		Suggest addition to section 12.3 - "Each of the above categories will be considered in relation to equality and protected characteristics (as defined by the Equality Act 2010), where necessary."	
Which protected groups might benefit from the policy/process?	The policy aims to ensure that potential risks are identified to prevent or manage threats to the organisation. For learners it ensures that systems are in place to ensure the learning environment is safe and effective. It ensures that should a crisis occur there is a plan in place and a system to follow and that consideration is given to all groups of people. For example, how would a significant risk be communicated to different groups of people? Examination of risk data will provide a means of examining if risks are disproportionately affecting certain groups and for changes to be implemented to prevent further risks.		Ensure that procedures of risk management allow for detail on protected characteristics, especially disability.	
Does the policy advance equality and foster good relations?	Yes, as it identifies and manages risks that can affect staff and learners, with the aim of preventing harm, loss or failure to meet the educational expectations of learners, employees or members of the public.			
Could any part of the process discriminate unlawfully?	Not if the policy is fully adhered to.			
Are there any other policies that need to change to support the effectiveness of this one?				
Conclusion	Amend and continue the policy or procedure			

Llofnod:	Angharad Mai Roberts	**Dyddiad:**	26/03/2024

Welsh Language Impact Assessment			
Assessment completed by:	Siân Pritchard	**Date**	26/03/2024
Assessment approved by:	Angharad Roberts	**Date**	26/03/2024
Consideration	**Response**	**Special requirements / controls**	
What positive effects will the implementation of the policy or procedure have on the use of Welsh language?	The policy supports the consideration of risk in relation to bilingualism (as seen in section 12.3). It is considered that this will have a positive effect on the use of Welsh language as it will support mitigation against any potential risk to the use of Welsh and Welsh speakers.		
What negative effects will the implementation of the policy or procedure have on the use of Welsh language?	It is not anticipated that the policy will have any negative effect on the use of Welsh.		
Are there sufficient Welsh speaking staff available to implement the policy or procedure? If not, what steps will be taken to ensure that sufficient staff are available, and by when?	There are sufficient Welsh speaking staff within the Grŵp to support the implementation of this policy through the medium of Welsh where required/needed. In addition, the Grŵp's translation team are available to provide written and simultaneous translation into Welsh should this be needed.		
Does the policy or procedure comply with Grŵp Llandrillo Menai Welsh Language Scheme / Language Strategy?	Yes		
Conclusion	Continue the policy or procedure		

Llofnod:	Angharad Roberts	**Dyddiad:**	26/03/2024