# NAME OF ORGANISATION

Risk Management Policy

Name of Organisation as a registered charity and company is subject to certain risks that could affect our ability to operate, serve our third and public sector clients and protect our assets.

This document, taken together with the appended Name of Organisation Risk Assessment and Management Plan, assesses the possible and probable risks that the organisation may face and is a key part of the effective governance of Name of Organisation.

Through managing risk effectively, the Directors can help ensure that:

* Significant risks are known and monitored, enabling Directors to make informed decisions and take timely action
* The organisation makes the most of opportunities and develops them with the confidence that any risks will be managed
* Forward and strategic planning are improved
* The organisation’s aims are achieved successfully

Responsibility for risk management within the organisation rests with the Board of Directors. Whilst aspects of this will realistically be delegated to paid members of staff eg the Chief Officer, it is important that information is both shared and accurate to allow the Directors to feel confident and able to make the necessary decisions and review the assessment and management plan as required.

**Categories of risk**

The risks faced by the organisation and which the Board needs to consider, will be categorised to help group those risks according to the various aspects of the organisation and its activities.

The categories are:

* Strategic
* Operational
* Financial
* People
* Regulatory
* Governance

**Strategic**

These are the broader, external risks which may affect the organisation, such as changes in the landscape in which we operate eg **s**ocial, **t**echnical, **e**nvironmental, **e**conomic, **p**olitical, **l**egal or **e**thical (STEEPLE).

It will also allow the Board to look at the organisational objectives and ensure it sets the right ones and then meets them.

**Operational**

These are the risks which arise from the services the organisation delivers or the activities the company carries out.

**Financial**

This covers financial risks facing the organisation in terms of internal systems, planning, funding and funding requirements, income and expenditure etc.

**People**

This reviews risks associated with both the employment of staff and recruiting sufficient and valuable directors for the board.

**Regulatory**

This category looks at the legislative framework risks within which the organisation operates.

**Governance**

This category allows the Board to review the risks, which are part of the management of the organisation.

The appended Name of Organisation Risk Assessment and Management Plan template should be used to identify, assess and manage the risks in the organisation.

**Evaluating action that needs to be taken**

Where moderate or high risks are identified, the Directors need to make sure that appropriate action is being taken to manage each risk. The Directors will need to make a decision about what additional action needs to be taken to manage the risk, either by lessening the likelihood of the event occurring, or lessening its impact if it does. The following are possible actions that could be considered:

* The risk may need to be avoided by ending the activity
* The risk could be transferred to a third party (eg a sub-contractor)
* The organisation’s exposure to the risk can be limited (perhaps by establishing a larger financial reserve)
* The risk can be reduced or eliminated by establishing or improving control procedures
* The risk may need to be insured against
* The risk may be accepted as being unlikely to occur and/or of low impact and therefore will just be reviewed annually

**Monitoring and assessment**

Name of Organisation will undertake to monitor risks on an annual basis. As part of an ongoing process, the Board and staff will consider:

* New risks that need to be identified, assessed and managed
* Existing risks and whether they still exist
* Significant failures in risk management over the course of the previous year
* Changes in circumstances and external factors in the course of the year which did not require an immediate reassessment
* Training and skill levels necessary to action the management of risk are sufficient within the organisation
* That the assessment still matches the organisations purpose and objectives