

**SP11 – Risk Management Policy**

<b>Policy Name - Number</b>	Risk Management Policy – SP11
<b>Date of approval</b>	13 February 2023
<b>Review date</b>	February 2023
<b>Next Review</b>	February 2025
<b>Owner</b>	Finance Director
<b>Reviewing Body</b>	Board of Trustees

**1. Policy objective**

Risk in this policy describes the uncertainty surrounding events and their outcomes that may have a significant impact, either enhancing or inhibiting, on any area of the charity’s operations.

The Charity Commission strongly recommends that charities have a clear risk management policy and process. The charity should have a structured approach to risk management which is appropriate for its size and complexity.

The objective of this policy is to provide guidance on managing organisational risk to support the achievement of strategic objectives, protect beneficiaries, staff and business assets and to ensure business operation and financial sustainability.

**2. Risk governance**

<b>Role</b>	<b>Responsibility</b>
Trustee Board	<p>Trustees are required to identify and review the major risks to which the organisation is exposed and to assess the likelihood of such risks and the possible level of impact they would have.</p> <p>Trustees must be satisfied that risk management is embedded in the organisation and adequate systems are in place to monitor, manage and, where appropriate, mitigate the charity’s exposure to the major risks.</p> <p>They delegate the identification of risk and risk management to the Chief Executive.</p>

Finance and Audit Committee	The Finance and Audit Committee monitor and review top-level risks against financial and operational targets within the committee's Terms of Reference, bringing any significant issues to the attention of the Board and, if necessary, recommending appropriate action.  The Committee also review the effectiveness of the charity's overall risk management process.
Practice and Standards Committee	The Practice and Standards Committee will monitor and review top-level quality, clinical and operational risks within the committee's Terms of Reference, bringing any significant issues arising to the attention of the Board and, if necessary, recommending appropriate action
School Governing Body	The School Governing Body will monitor top level education and school related risks bringing any significant issues arising to the attention of the Board and, if necessary, recommending appropriate action
Managers and staff	Managers and staff must comply with risk management policy and processes and foster an environment where risks can be identified and escalated.
Executive Team	The Executive Team regularly review of the risk register and related actions; discuss these to decide on the prioritisation of risks and whether risk lines need to be added, amended or replaced in light of external events or operational challenges.
Operational Management Group	Operational Management Group members will promote risk management processes throughout the charity and encourage transparency in reporting, to engender a culture of risk awareness.
Risk owner	A risk owner is designated for each risk and is responsible for the remediation strategy. They are responsible for ensuring action owners are in place and for following up on their progress with actions agreed.
Action owner	An owner is designated for every mitigating action and is responsible for completing each agreed action.

### 3. Principal risk identification

Risk management is factored into business planning, performance management, audit and assurance, business continuity management and project management. All major projects look at risks specific to their particular context. Enterprise-wide risks that could have a major impact on Autism Unlimited as a whole are those reviewed by the Trustee Board and management.

The following categories are used to classify risk. The purpose of categories is to stimulate thinking and ensure that a comprehensive list of potential risks is developed. Most risks will fall into more than one category.

- Reputational

- Financial
- Operational
- Compliance
- People

The highest 10-15 risks are prioritised in terms of those considered by management and trustees as the most relevant and important at that point in time. They are recorded in the charity risk register.

Operational managers also have regard to the risk within their area of responsibility and maintain risk registers of their own. Department heads are responsible for raising any new risks arising in their areas to the Executive Team for consideration or inclusion in the organisational risk register. These could arise from repeated near misses ('good catches') or complaints.

#### **4. Assess priority risks**

Each priority risk is included on the risk register. The risk is assessed by considering the following dimensions:

- Likelihood of risk occurrence (scale of 1-5, where 5 is the most probable)
- Potential impact of the risk (scale of 1-5, where 5 is the most significant)

A target likelihood and impact is also derived considering both what is deemed achievable and the acceptable level of risk.

The risk register is prioritised according to which risk are furthest away from their target status.

The 'direction of travel' is also noted, identifying whether the overall risk has been assessed as static since the previous review or is changing for better or worse.

#### **5. Risk mitigation**

Each risk has an owner responsible.. The key elements of the mitigation plan are noted on the risk log. Risk owners are responsible for ensuring that:

- existing mitigations continue to operate as expected and updating the Executive Directors if this should change along with any associated change in risk;
- additional actions required have action owners and target completion dates and that progress is regularly monitored;
- a recommendation is made to the Executive Directors to reduce the risk rating once sufficient progress has been made on the mitigation plan to merit it.

Where it is not possible to treat, terminate or tolerate a risk, it may be appropriate to transfer a risk via taking out insurance against a particular scenario. The charity's insurance arrangements take account of the level of unmitigated risk in deciding on the appropriate level of cover and these arrangements are reviewed on an annual basis by the Finance and Audit Committee.

## **6. Risk monitoring and review**

The Trustee Board is ultimately responsible for the system of risk management and internal control and it delegates the review of the system's effectiveness to the Finance and Audit Committee.

Every year the Finance and Audit Committee considers in more detail the nature and extent of the principal risks that Autism Unlimited is willing to take to achieve its strategic objectives. As part of the planning process, risk appetite is assessed to balance opportunities for business development and growth in areas of potentially higher risk, while maintaining reputation and financial stability. The level of financial risk taken is reviewed in conjunction with the Reserves Policy.

All Committees will review the risks in their area of responsibility at each meeting.

The Executive Directors will review the risk register on a regular basis to assess whether:

- the assessment of any of the risks has changed;
- mitigation plans are on track or need additional support;
- any new risks have arisen that need to be recorded and managed through the risk register

In addition, operational managers are responsible for monitoring and reviewing risk in their operational areas.

## **7. Risk communication and reporting**

In accordance with the Charities SORP – Accounting and Reporting by Charities: Statement of Recommended Practice, a risk systems adequacy statement and the highest level risks are described in the Trustees' Annual Report.