

Veterans' Growth Risk Policy

Purpose of the document

Risk Management Policy

1. This risk management policy forms part of Veterans' Growth internal control and governance arrangements.
2. As a registered charity the trustees are required under the Accounting and Reporting for Charities – Statement of Recommended Practice (SORP) 2015 to make a positive statement in the annual report 'confirming that all major risks to which the charity is exposed, as identified by the trustees, have been reviewed and that systems have been established to mitigate those risks'.
3. The need to disclose our arrangements for risk management is not the sole driver for this policy. We recognise that putting in place effective arrangements for the management of risk is best business practice and brings with it a number of significant benefits.
4. This policy sets out the principles underpinning risk management, outlines our risk management methodology and defines the responsibilities of trustees in relation to risk management.
5. In addition it describes how Veterans' Growth will evaluate the effectiveness of its risk management arrangements.

Commitment

6. Veterans' Growth acknowledges that efficient and effective management of risk is important in achieving its charity and business objectives. This policy reflects our commitment to sound risk management principles and practices. Furthermore we would not wish to take undue risk and all significant risk decisions will be based on fully informed Management Board discussions.

Policy principles

7. Veterans' Growth policy on risk management is to:

1. Meet the requirements of the Charities SORP 2015.
2. Consider best practice in designing our risk management procedures.
3. Encourage well-managed taking of risk to deliver business objectives, which involves weighing the benefits of an opportunity against the risks involved to minimise any negative impact.
4. Provide staff with the policies and procedures necessary for effective risk management.
5. Embed risk management in the day-to-day business.
6. Identify and prioritise risk using the risk management methodology.
7. Regularly monitor major risks at Controller, deputy controller and director level.
8. Achieve continuous improvement in risk management.

Responsibilities

The CEO has overall responsibility for the implementation of this policy.

The policy is executed through key personnel who have been allocated specific responsibilities for managing risk.

Trustees

8. trustees, have overall responsibility for risk management and for the risk management statement required annually by the Charities SORP.

Audit & Risk Committee

9. The CEO has delegated oversight responsibility for risk management to its Audit & Risk Committee. The duties of the Committee are to:

a. Formulate Veterans' Growth risk management policy.
b. Review the high level risk registers.
c. Advise The CEO on the effectiveness of the risk management process.

10. The Trustees have a fundamental role to play in the management of risk. Its responsibilities are to:

a. Set the tone and influence the culture of risk management within Veterans' Growth.

b. Communicate Veterans' Growth's approach to risk to employees and volunteers.
c. Design and implement the policy on risk management.
d. Encourage good risk management practices.

Risk Manager

5. Identify and evaluate any significant risks faced by the charity for consideration by the Audit & Risk Committee.
6. Review the effectiveness of risk management arrangements.
7. Review the Management Board high level risk register quarterly.
8. Report regularly to the Audit & Risk Committee on the status and management of risks.
9. Satisfy itself that the less fundamental risks are being actively managed, with the appropriate controls in place and working effectively.
10. Keep the Risk Manager informed of any changes to the services offered by SSAFA or any major changes to legislation affecting departments.
11. The Risk Manager is responsible for:

1. Devising and developing this risk management policy.
2. Assisting with the categorising of risks.
3. Monitoring and reviewing the risk management arrangements.
4. Providing assistance to individuals and/or teams who have responsibility for specific risk management actions and ensuring they have received adequate training to carry out their role.
5. Maintaining the Management Board high level risk register.
6. Advising deputy controllers on the maintenance of high level risk registers and departments on the maintenance of operational risk registers.
7. Reporting regularly to the Management Board on risk management matters.

Risk management methodology

12. The risk management methodology will include the following key stages:

1. Identification and regular review of major risks directly linked to strategic aims and objectives and their mitigation.
2. Identification and regular review of other major risks and any possible mitigation.
3. Assessment of risks in terms of their likelihood and impact.
4. Evaluation of the action that needs to be taken.
5. Periodic monitoring of risks.
6. Monitoring the delivery of the control measures/mitigating actions set out in the risk register.

The risk management process is achieved through the following stages:

The assessment tool used is known as RAPID (Risk Assessment Probability and Impact Diagnostic).

PROBABILITY (P)		IMPACTS (can be amended to suit contract circumstances) Either TIME dependent	OR COST dependent	IMPACT (I)	
Very Likely >75%	5	>10 weeks added to planned completion date	>€1M	Very high	5
Likely 50-75%	4	>4 weeks added to planned completion date	€100K to €1M	High	4
Probable 25-50%	3	>4 weeks<1wk added to planned completion date	€10k to €100k	Medium	3
Unlikely 10-25%	2	1 to 4 weeks on activity: no change to planned completion date	€1k to €10k	Low	2
Negligible <10%	1	<1 week to activity: no change to planned completion date	<€1000	Very low	1

PROBABILITY (P)	IMPACT (I)					
		5	4	3	2	1
	5	25	20	15	10	5
	4	20	16	12	8	4
	3	15	12	9	6	3
	2	10	8	6	4	2
	1	5	4	3	2	1

13. All Veterans' Growth departments must maintain operational risk registers, and all deputy controllers must maintain registers of high level risks (including those escalated from the operational risk registers). If a deputy controller is unable to manage a risk they must escalate it to the Management Board high level risk register for action. A risk can be passed back to a departmental register once it has been reduced.

A matrix is used to guide the register owners to analyse and evaluate identified risks consistently. When using the risk matrix, register owners estimate the likelihood against the severity of impact in relation to service provision, financial loss, reputation, legal and other identified criteria.

Risk control and further treatment measures plans are developed and implemented by the risk owner who then monitors their progress to ensure all actions are completed and/or the risk is managed to an acceptable level.

At Board risk review meetings, the risk owner may either suggest the risk is removed from the register because it has been reduced or that it remains on the register for further monitoring. As part of this review process the risk status, actions taken to date and

outstanding risk treatment actions are communicated to the Risk Manager. The Risk Manager then ensures the registers are amended accordingly.

The amended Management Board high level risk register is then reviewed, challenged, consolidated and prepared for quarterly reporting to the Audit & Risk Committee, which has oversight on behalf of CEO.

Annual review of effectiveness

14. In reviewing the effectiveness of risk management the following sources will be considered:

1. The adequacy of the controls as evidenced by reports from external auditors, internal auditors and third parties.
2. Veterans' Growth performance in achieving its objectives and its financial and non-financial targets.
3. Assurances provided by risk owners, the CEO and Trustee's that all risks to Veterans' Growth have been considered, prioritised and that control methods are effective.

Risk management strategy

15. In implementing our risk management policy Veterans' Growth will:

1. Provide an annual risk management workshop for the Management Board to identify the strategic risks to achieving the business objectives.
2. Ensure the Management Board reviews the major risks quarterly.
3. Ensure the Management Board reports quarterly to the Audit & Risk Committee on the status and management of major risks.
4. Annually assess the effectiveness of controls over major risks.
5. Periodically review the risk management policy.

Examples

Risk Register

Project Name:
Project Manager:
Date:

Risk	Probability	Impact	Exposure	Mitigation	Contingency
Supplier does meet the delivery deadlines	Medium	High	High	- Supplier is providing weekly interim releases, which we integrate, test, and track. - Supplier deliveries are prioritized, so highest priority items will be received first.	- Higher priority outstanding items will be moved in-house. - Lower priority outstanding items will be descoped. - Progress of supplier's interim deliveries will feed back into the project plan.
Customer does not provide timely feedback on interim releases	Low	Medium	Low	- Project manager and account manager are communicating closely with the customer to ensure that they understand the project's dependency on their deliverables. - For each interim release to the customer, we are tracking how quickly they progress through their evaluation.	- If the feedback is not received in a timely manner, further customer requests will be handled in future releases. - Identify other sources for product feedback. - Customer response time will feed back into the project plan.
Project is delayed because of insufficient test resources	Medium	Medium	Medium	Project manager is arranging to borrow staff from other project teams.	If no other testers are available, developers will be assigned as coding ramps down.

Notes:
Once a risk materializes, it should be moved to your issues tracking list.
A risk is a specific event that could happen at some point in the future, ie:
"Insufficient test resources" is not a risk.
"Project is delayed because of insufficient test resources" is a risk.
Mitigation: What we're doing to avoid the risk.
Contingency: What we'll do if it happens.

Risk exposure is from the following table:

		Probability		
		L	**M**	**H**
Impact	**L**	L	L	M
	M	L	M	H
	H	M	H	H

RISK LOG

Project:	Building Services Replacement DLO System		
Produced By:	Glenn Tatton revised by Sue McPherson		
Given To:			
Version:	7	**Date:**	2/11/09

Text in red has been changed since last version. Risks highlighted in grey have been closed.

No.	Author	Date Raised	Risk Description	Probability (P)	Impact (I)	Risk Factor (PxI)	Proximity	Financial Impact	Managed Response			Current status
									Action	Responsibility	Last Review Date	
Risks in going live:												
1	GT	2/7/09	System may go live with key functionality not working / in place causing major disruption to service.	4	5	20	Now		Ensure acceptance testing plans include requirements for KNH, D&PS and KD and all acceptance testing is completed before go live. Reps from key stakeholder groups should be involved in the acceptance testing.	PW	12/10/09	Open – Outstanding issues on Build. Svcs. issues log: 4 High priority, 1 Medium, 18 with unclassified priority
2	GT	2/7/09	Operatives will not be able to deal with calls from tenants and update the system effectively.	2	5	10	Now		Ensure all user training is completed before go live.	PW	14/9/09	Open – Training of KD & KNH staff in progress.
3	GT	2/7/09	Productivity levels will diminish; staff may reject system as unusable due to unacceptably slow system response times.	2 ↓	5	10 ↓	Now		Intech to provide physical servers for Total databases and Opti-time live system for Build Svcs to go live on. InTech to work closely with third party support companies to identify and resolve system response	Intech	2/11/09	Open – New physical server for Total databases has been built. Consilium to build systems on this machine. New physical Opti-time server expected to