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ARLIS UK and Ireland Risk Management Policy

Purpose

The purpose of this policy is to define the four key areas of risk that as an organisation and as employees we will encounter, and the elements within each of the four areas that we will need to address.

Scope

This policy applies to all ARLIS UK and Ireland trustees, volunteers and members on ARLIS business (and staff when applicable).

General

Risk management is not just for corporations or public organisations but for any activity whether short or long term. The benefits and opportunities should be viewed not just in the context of the activity itself but in relation to the many and varied stakeholders who can be affected.

Risk is defined by the International Standards Organisation (ISO) as the combination of the probability of an event and its consequences.

In all types of undertaking, there is the potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside).

Risk Management

Risk management is the process of measuring or assessing risk and developing strategies to manage it. Strategies include:

- the risk to another party
- avoiding the risk
- reducing the negative effect of the risk
- accepting some or all of the consequences of a particular risk

Risk management is a key element in supporting ARLIS UK & Ireland to meet its strategic objectives and to ensure the continuation of service. Each part of the Society will at one time or another encounter risks and these risks need to be identified, assessed and mitigated where possible.

Risk management must be a continuous and developing process which runs throughout the Society's strategy and implementation of that strategy. It should address methodically all the risks surrounding the organisation's activities past, present and future. Risk management must be integrated into the culture of the society with an effective policy and programme.

Risk Categories

The organisation will encounter risk in four key areas:

1. Strategic – these concern the strategic objectives of the organisation. They can be affected by such areas as capital available, legal and regulatory changes, reputation and changes in the physical environment.
2. Operational – these concern the day-to-day issues that the organisation is confronted with as it strives to deliver its stated objectives.
3. Financial – these concern the effective management and control of the finances of the organisation and the effects of external factors.
4. Compliance – these concern the effective management and control of health & safety, environmental, trade descriptions, consumer protection, data protection, employment practices and regulatory issues.

Within each of these four key areas there are three key elements that need to be addressed:

1. Identification -
 - What is the risk?
2. Risk Management –
 - How critical is this to business continuity?
 - Can/should, the risk be accepted?
 - How would this risk impact on the organisation?
3. Mitigation –
 - What procedures are/should be in place to mitigate the risk?
 - How could the impact of the risk be minimised?

Risk management involves identifying risks and devising strategies and procedures to deal with these. Such strategies need to be regularly reviewed by Council to ensure they remain relevant in meeting the needs of day-to-day operations.

Risk Profile

The result of the risk analysis process can be used to produce a risk profile which gives a significance rating to each risk and provides a tool for prioritising risk treatment efforts. This ranks each identified risk so as to give a view of the relative importance.

This process allows the risk to be mapped to the operational/service area affected, describes the primary control procedures in place and indicates areas where the level of risk control investment might be increased, decreased or reappointed.

Accountability helps to ensure that "ownership" of the risk is recognised and the appropriate management resource allocated.

Risk Reporting and Communication

It is recognised that there will always be areas of risk which can never be entirely eliminated. Volunteers, trustees (and staff when applicable) are all responsible in identifying, assessing and mitigating the risk where possible.

1. Volunteers, trustees (and staff when applicable) have a duty of care to ensure that risks are considered and the appropriate action taken. If in doubt they should seek advice from the Society Chair.

2. The Chair and Council are responsible for the governance and control of ARLIS UK and Ireland, their participation in the key aspects of the Risk Management process is essential.

Volunteers (and staff when applicable) must:

- Understand their accountability for individual risks
- Understand how they can enable continuous improvement of risk management response
- Understand that risk management and risk awareness are a key part of the organisation's culture
- Report systematically and promptly to management any perceived new risks or failures of existing control measures

Risk should be included as part of all induction and supervision programmes, and meetings where appropriate.

Trustees must:

- Know the most significant risks facing the organisation
- Ensure appropriate levels of awareness throughout the organisation
- Know how the organisation will manage a crisis
- Know how to manage communications with the media
- Be assured that the risk management process is working effectively
- Endorse the risk management policy covering risk management philosophy and responsibilities
- Comply with the Charities Commission Statement of Recommended Practice (SORP)

Monitoring and Review

- A risk register will be created, that will be reviewed annually by the Chair and Council.

Policy revision history

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