



Risk Management Policy and Procedures

Introduction and overview

This document details the Employ My Ability risk management policy and procedure. It should be read by all staff and discussed and explored through individual inductions.

What is risk?

“Risk” is:

An event or cause leading to uncertainty in the outcome of Employ My Ability’s operations.

Risks can be opportunities as well as threats.

Why we need to manage risk

We manage risk daily without describing this as “risk management”. We consider what might go wrong and take steps to reduce the impact if things do go wrong. However, EMA cannot rely on informal processes. EMA have Risk Assessments to support the management of known hazards, both for the company and individuals.

Who should think about risk?

The main responsibility for identifying corporate risks lies with Senior Management Team (SMT) who should consider both existing risks and seek to identify new risks.

Staff have a role in identifying risks. The corporate risk register is available to view and staff are encouraged to contribute; risk management is included in new staff induction.

When to consider risk

Risk should be considered when making decisions. In particular, as plans for the forthcoming year develop during the spring, SMT members need to re-consider existing corporate risks; looking at our aims for the next few years and identifying what might stop us achieve these aims. Timing is important if mitigating actions are to be included in business plans.

Project and departmental risks

Managers may identify risks to departmental aims. Mitigating actions should be included in business plans if considered serious enough

Acceptable Risk

“Acceptable Risk” is an expression of how much risk an organisation is prepared to take. It can vary over time and by work area. If the acceptable risk is clearly stated staff can take this into account when making decisions. So, when considering risk, SMT should discuss and express the acceptable risk level.

To help in this, the risk register steers risk owners into considering acceptable risk when updating an entry. They need to consider not only the risk status before and after existing mitigating action but also the final tolerable risk status; ie what they are aiming for in terms of status for that particular risk.

Options for dealing with risk

There are various options for dealing with risk.

Tolerate – if we cannot reduce a risk (or if doing so is out of proportion to the risk) we can tolerate the risk; ie do nothing further to reduce the risk.

Treat – if we can reduce the risk by identifying mitigating actions and implementing them, we should do so. For most of the risks on the corporate risk register this is what we do.

Transfer – risks can be transferred to other organisations, for example by use of insurance or by contracting out an area of work.

Terminate – this applies to risks we cannot mitigate other than by not doing work in that specific area. So if a particular project is very high risk and these risks cannot be mitigated we might decide to cancel the project.

Communicating risk

During the spring, once corporate risks have been identified and agreed, the risk register will be made available. Staff will be advised that it is available and it will be discussed at team meetings. The register will also come to SMT quarterly for any comments members might have.

It has been decided that the corporate risk register should not routinely be published.

Risk Status

“Risk status” is an assessment of the risk’s seriousness based on: The **probability** of the risk actually arising; and The **impact** on EMA if a risk does actually arise. We assign a status so that risks can be prioritised.

A traffic light and numerical indicator is used to show the level of risk.

Four assessments of risk status are needed.

Risk status before existing mitigation – an assessment of the risk happening and its impact if no action is taken; eg what is the risk that we receive an increase in complaints without taking any action to address increasing backlogs?

Risk status after existing mitigation – an assessment of the risk happening and its impact, taking into account existing actions aimed at reducing the risk. For example, we receive an increase in complaints and streamline procedures to make the process faster; what do we now think the risk status is?

Risk status after future mitigation – an assessment of the risk level we will reach after all the mitigating actions identified have been done.

Aimed for risk status – where do we want to get to at the end of the process.

If, after existing mitigation, we think the risk status is acceptable then the risk should be tolerated; there is nothing more we can do. But if the status remains unacceptable we should identify further mitigating actions.

Management summary

The risk register includes a one page management summary listing all of the risks and the risk status. In addition it indicates whether or not the risk status after existing mitigation is improving.

Updating the risk register

SMT formally review the risks on the risk register annually in the spring.

Governance. The team will liaise with risk owners and managers over risk status and mitigating actions.

The register will also come to SMT, MB and AC quarterly for comments. Comments made at these meetings can then be incorporated into the next version.

Where changes are made to the register these will be tracked. Comments will be added to explain the reason behind the changes. The track changes and the comments can be hidden in the background by changing the Word view when necessary – eg when placing on ICON or when the changes are major and confuse the presentation.

Risk Register Template

Risk area	Status			When final risk status is expected by	Trend in status after existing mitigation

	Risk area:		Risk owner:		
Risk description					
Risk status before existing mitigation	Probability	Impact	Overall		
Existing mitigating actions			Existing assurances		
□			□		
Risk status after existing mitigation	Probability	Impact	Overall	Acceptable	
Future mitigating actions	Owner	Due	Notes		
Risk status after future mitigating actions	Probability	Impact	Overall	When to be achieved by	
Aimed for risk status					

Risk Probability setting

Probability	Criteria
Very low	0-5% - extremely unlikely or virtually impossible
Low	6-20% - low but not impossible
Medium	21-50% - fairly likely to occur
High	51-80% - more likely to occur than not
Very high	81-100% - almost certainly will occur

Risk Impact setting

Impact	Criteria
Very low	Likely to have minor impact in one or a few areas of the EMA.
Low	Likely to have minor impact in many areas of the EMA.
Medium	Likely to have major impact in one or a few areas of the EMA.
High	Likely to have major impact in many areas of the EMA.
Very high	Likely to have major impact on the whole EMA.

Traffic light scoring

Probability						Impact
Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)		
Amber (5)	Amber (10)	Red (15)	Red (20)	Red (25)	Very High (5)	
Green (4)	Amber (8)	Amber (12)	Red (16)	Red (20)	High (4)	
Green (3)	Amber (6)	Amber (9)	Amber (12)	Red (15)	Medium (3)	
Green (2)	Green (4)	Amber (6)	Amber (8)	Amber (10)	Low (2)	
Green (1)	Green (2)	Green (3)	Green (4)	Amber (5)	Very Low (1)	

