

ORGANISATIONAL RISK MANAGEMENT POLICY

The Policy:

Policy Statement:

It is EPA policy to:

- Have in place a robust risk management approach to identify, assess, respond to and report on opportunities and threats that affect the achievement of the organisation's objectives
- Use risk management processes to ensure services are delivered at cost, on time and to quality, as well as providing an early warning system before things go wrong.
- Involve staff and stakeholders as widely as possible in the assessment process in order to improve the management of organisational risk.
- Apply the risk 'appetite' or tolerance levels set out in Appendix A when measuring the level of response required for any given risk.

Purpose:

The purpose of this Policy is to:

- Identify, evaluate and manage significant risks to the achievement of objectives;
- Continually assess the likelihood, impact and acceptability of risks to which the Area is exposed:
- Deliver controls and mitigation to reduce the likelihood and impact of significant risks to an acceptable level;
- Integrate risk management activities at all levels of the organisation;
- Involve staff and partners in the risk management processes;
- Continually monitor the effectiveness of the management of significant risks
- Support the delivery of the required Statement on Internal Control and the Annual Assessment for the public statement of Internal Control;

Application:

This policy applies to all staff employed by Essex Probation Area, its Board members and partner agencies.

Definitions:

Organisational Risk - Risks are inherent in all activities and can be defined as the threat that an event or action will affect an organisations ability to achieve its business objectives and execute its strategies. Risks are measured in terms of consequence (impact) and likelihood.

Risk Management - Risk Management involves identifying, assessing and judging threats to the achievement of objectives; taking action to anticipate or manage them; monitoring and reviewing progress. Risk Management can help protect the Areas reputation, safeguard against financial loss and minimise service disruption.

Responsibilities:

Essex Probation Board has a responsibility to;

- Lead the Areas approach to Risk Management
- Have in place a process to develop and deploy Risk Management Policy and promote its application;
- Set the Area risk appetite
- Monitor and review the Risk Management process via the Audit Committee
- Assure themselves that decisions reached have been informed by adequate risk assessment

Essex Probation Audit Committee has a responsibility to:

- Advise on the development of the Risk Management policy
- Advise the Chief Officer on the effectiveness of Risk Management, internal control and governance within the Probation Area
- Review the risk register and report to the Board
- To review, check and identify sources of independent assurance to the Chief Officer in reviewing the Statement of Internal Control

The Chief Officer and Strategic Management Team have a responsibility to:

- Ensure risk is effectively managed
- Be fully conversant with the policy, procedures and responsibilities
- Ensure systems are in place to monitor compliance with policy and audit periodically.
- To establish the training requirements of managers and staff with regard to risk management
- Ensure risk assessment and mitigating actions plans are completed for all business cases, projects and policy submissions.
- Escalate critical risks where appropriate

The Director of Finance and Business Management has a responsibility to:

- Lead on organisational risk management issues
- Ensure systems are in place to develop and deploy Risk Management Policy
- To ensure appropriate training is available

Managers have a responsibility to:

- Lead locally in the application of this policy;
- Be fully conversant with the requirements of this policy
- Actively contribute to the Identification, evaluation and management of risks to the achievement of objectives
- Ensure that all staff are aware of this policy and follow requirements

All Employees have a responsibility to:

- Manage risk effectively in their job in liaison with their line manager
- To ensure that the skills and knowledge passed to them are pursued effectively
- Identify potential benefits or lost opportunities to the organisation

Internal Audit has a responsibility to:

- Provide an independent annual opinion on the effectiveness of risk management for inclusion in the Statements of Internal Control.
- Provide up to date, practical advice on risk management

External Audit has a responsibility to:

- Report if the Statement of Internal Control does not meet the requirements for disclosure specified by Treasury, or if the statement is misleading or inconsistent with other information of which they are aware from their audit of the financial statements.
- Provide up to date, practical advice on risk management.

Partner Agencies have a responsibility to:

- Support the Area in the effective management of risk
- To comply with Essex Area practice and procedures, including Health and Safety and other risk related requirements
- To identify new or changing risks in their interaction with Essex Area Probation and feed these back as appropriate
- To ensure risk management processes are in place within their own areas of operation and to provide this information to Essex Area as required

RISK APPETITE

The following categorisation will be applied when considering the seriousness of any identified risk. This will determine what level of action will be necessary in order to manage the risk.

RISK LEVEL	
Critical	The Board feels most concerned about this risk. Disastrous impact on the Areas reputation and business continuity. Comprehensive action is required immediately.
Severe	The Board feels concerned about carrying this risk. The consequences of the risk materialising would be severe but not disastrous. Some immediate action is required plus the development of a comprehensive action plan.
Material	The Board is uneasy about carrying this risk. Consequences of risk not severe and can be managed via contingency plans. Action plans developed later and budget bids mobilised. Status of risk should be monitored regularly.
Manageable	The Board is content to carry this risk. Consequences of risk relatively unimportant to business. Status of risk should be reviewed periodically.