



Risk Management

1. Background

Abbeyfield The Dales (ATD) recognises the value and importance of Risk Management. This policy is part of a risk management framework and draws key elements from it. Through implementing this policy ATD can identify, evaluate and control risks that may help or hinder the ability to meet its strategic objectives.

The risk management framework includes elements such as: Control Self- Assessments (CSA), SMT structured Service Visits and follow up actions, alerts to the business and to the Board, detailed operational Risk Assessments, Action Logs, Key Performance Indicators, mandatory training for all staff and Board Members including specific risk training where necessary.

To embed risk management across the organisation we need to:

- Understand key risks facing the organisation;
- Quantify and record such risks in an agreed format;
- Develop action plans and put in place appropriate controls to manage risks; and
- Monitor report and review regularly.

Risk Management is a continuous process that requires involvement of Board Members, Senior Management Team, staff and other stakeholders, underpinned by a robust risk framework.

Risk is defined as the uncertainty of outcome, whether positive opportunity or negative threat, of action and events.

What is risk management? 'Risk Management' is the process by which risks are identified, evaluated, controlled, monitored and reported.

It is good practice to have a risk management policy and internal controls assurance framework and this also meets regulations such as those specified by the Homes and Communities Agency (HCA) and the Charities Commission.

ATD also produces a statement on 'Risks and Uncertainties' which is included in its' Annual Report and Accounts and signed by the Chair of the Board.

Effective Risk Management is a key element in the successful delivery of ATD's corporate priorities, and will:

- Inform choice and support decision-making;
- Improve understanding of risk faced by ATD;
- Enable effective risk management across operations, finance, legal and regulatory risk categories;
- Assist corporate and service planning;
- Improve resource allocation;
- Enhance performance management;
- Enable us to achieve our strategic and operational objectives; and
- Assist in limiting our financial and legal exposures.

This policy provides a framework for the effective management of potential opportunities and threats to ATD. The policy outlines how ATD intends to manage risk.

It is acknowledged that risk is not simply concerned with events that can have a negative effect but also encompasses opportunities.

Successful risk management will lead to more creative solutions to service delivery where risk is evaluated and managed to support innovation and assist in developing alternative ways of working.

2. Objectives

Abbeyfield The Dales Ltd. (ATD) is committed to providing services that enhance the quality of life for older people and developing services that will meet the needs of future generations. This commitment is based on the Mission and Values of ATD. ATD will also comply with all relevant and current legislation.

3. Scope

Board members, Senior Management team, staff and other stakeholders.

4. Policy

4.1. Definitions

The identification, forecast and evaluation of key business risks together with formulating procedures to avoid or minimise their impact.

4.2. Aims & Objectives

The Risk Management policy outlines the risk approach to achieve the following key aims and objectives:

- Integration of risk management into the culture of ATD
- Raise awareness of the need for risk management.
- Enable ATD to anticipate and respond to changing social, environmental and legislative conditions.
- Minimise injury, damage, loss or inconvenience to residents, employees, volunteers, stakeholders and assets connected to the delivery of services.
- Introduce a robust risk framework
- Minimise the cost of risk.
- Provide evidence to support decision making and the reporting requirements of sound governance.
- Measure of performance against the regulatory requirement.
- Inform the 'Internal controls assurance statement' in the Financial Statement.
- Provide assurance about the effectiveness of internal controls and risk management.

4.3. Roles & Responsibilities

The risk appetite and culture are set by the Board of Trustees and the Executive Senior Management Team.

Responsibility for managing risk is not restricted to any one person or group. It is the duty of every employee, Board Member, volunteer and stakeholder to assist in the identification and management of risk.

The involvement of Board Members is a key element of sound corporate governance. The Regulatory Framework for Social Housing in England from April 2012 requires that 'Boards are responsible and accountable for delivering their organisation's social housing objectives. Boards need to set clear objectives and develop a forward-looking strategy that enables the organisation to make the most of future opportunities and mitigate potential risks.'

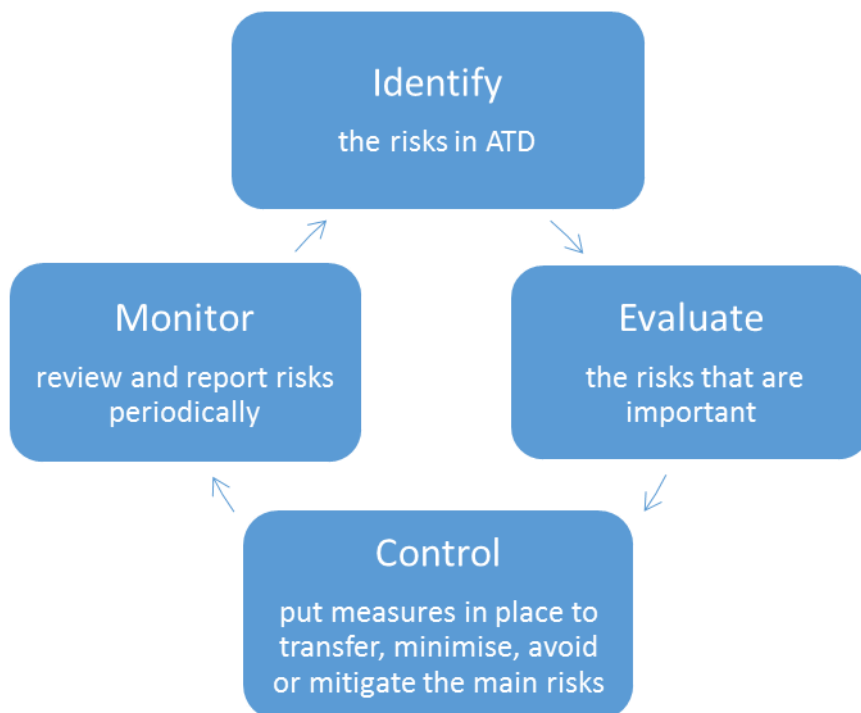
Each risk category requires a lead response through co-ordination by the Chief Executive. The Senior Management Team shall ensure that clear responsibilities for addressing risks are allocated and appropriate action plans established and monitored.

In most cases, responsibility for risk will follow line management arrangements, and certainly operational risks are best managed this way. It will be the responsibility of Managers to identify and control operational risk using established mechanisms and to reflect risk within reports, resource allocation, service planning and monitoring.

To provide and enhance the necessary linkages, all risks will be monitored through quarterly Risk Review meetings, which are chaired by the Chief Executive. An update will be provided to ATD's Board to provide assurance that risks are being managed effectively, to enable the Board to scrutinise the assessment and actions concluded from the latest risk review meeting, and monitor whether key control and risk reduction measures are effective and on track to be delivered.

4.4. Risk Management Cycle

Diagram 2 demonstrates the different stages that drive the risk management cycle.



4.5. Risk Appetite

Risk appetite is the level of uncertainty an organisation is willing to assume given the corresponding reward associated with the risk. Resources are limited, so ATD must ensure the most appropriate actions are taken to manage any risk. The appetite is the level of risk the organisation is willing and able to accept in executing its business strategy including the organisation's capacity for taking on risk.

It should be noted there is a zero tolerance for risk in the case of safeguarding, so the risk appetite in this area is zero.

ATD must ensure that any risks above the level of accepted tolerance are effectively prioritised and managed.

The Board and Executive Senior Management Team determines the risk appetite it is willing to accept in each risk area. It classifies the risk appetite for each risk area as High, Medium or Low. The Board reviews the risk appetite periodically.

The Board monitors and challenges the integrity of performance, using reports and KPIs, against the risk appetite.

The risk appetite is disclosed at Board level on a quarterly reporting cycle as well as shown in the Risk Register.

4.6. Risk Identification

A variety of methods are used to identify risks:

- Formal risk assessment;
- Audit recommendations;
- Ad-hoc workshops;
- Day to day operations; and/or
- Use of external consultants and contractors.

4.7. Risk Analysis

To ensure a comprehensive and consistent approach to the analysis and evaluation of risk, ATD adopts a standard approach to risk management.

The analysis and evaluation of each risk shall include reference to the following risk assessment matrix:

4.7.1. A Likelihood Score

A Likelihood Score is based on an informed judgement of the likely occurrence a key business risk will happen from a low to a high probability.

4.7.2. An Impact Score

An Impact Score will estimate the severity of the key business risk to the viability, reputation or continuation of a service or the business from a low to high impact.

4.7.3. Level or Risk

A Level or Risk will be calculated based on the product of the Likelihood Score and the Impact Score, which will be determined in accordance with the table above:

LIKELIHOOD	HIGH	MEDIUM	HIGH	INTOLERABLE
	MEDIUM	LOW	MEDIUM	HIGH
	LOW	LOW	LOW	MEDIUM
		LOW	MEDIUM	HIGH
		IMPACT		

There is a quarterly review of the risk register by the Executive Senior Management Team to review the following:

- Assess if an identified business risk remains relevant and can either be removed, updated or replaced;
- Consider whether any new business risks have emerged;
- Review the likelihood and impact of existing identified risks for changes to their risk scoring;
- Review progress made in implementing key control actions for existing identified risks, and identify other control actions that maybe necessary; and
- Assess the capacity of ATD’s Executive Senior Management Team to deliver the key control actions and manage the identified risks effectively.

The Board will review all risks from the main risk register with either a High or Medium overall level of risk each quarter to ensure they agree with the assessment made by the

Executive Senior Management Team, and gain assurance the risk is being managed to an acceptable level.

The Board will review the entire risk register annually as part of their assurance in forming their opinion that influences their assessment of risk in the Trustees Report contained in the financial accounts

4.8. Risk Control

The result of the risk analysis process will be used to produce a risk profile that provides a tool for prioritising risk controls. The process will allow risks to be mapped, control measures identified, and responsibility allocated to an appropriate manager to ensure ownership.

4.9. Reporting

The management of risks is reported to monitor whether the risk profile is changing and to gain assurance that risk is being managed effectively across the organisation.

4.10. Assurance

The Risk Management Framework is a key part of the whole system of internal control. It provides a picture of whether ATD has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives. Assurance is also provided from other sources such as external audit, inspections by regulators and key stakeholders, health & safety audits, external advisors, accreditations, Board Members and Executive Management.

4.11. Embedding Risk Management

Risk needs to be addressed at the point at which decisions are taken and resources allocated. When the Board is asked to make key decisions, they should be advised of the risks associated with the recommendations under consideration.

Risk assessment should be used in all options appraisals, and whilst this may not guarantee success it will provide vital evidence, assurance, and transparency to enable an informed decision to be taken.

Risk management is incorporated into the strategic planning process through the maintenance of a Risk Register for both strategic and operational risk.

Risk is considered within the cycles of financial planning and resource allocation and features in both budget submissions and budget monitoring arrangements.

Risk management techniques are also embedded into major projects or new business opportunities and include clear monitoring and reporting mechanisms.

All new partnerships and key procurement arrangements shall have an assessment of risk at the development stage to ensure all reasonable measures are put in place.

Risk management techniques are used to inform and or support any Value for Money decisions made in relation to the delivery of the Value for Money Strategy.

4.12. Training, Skills & Expertise

ATD must ensure that it has the necessary skills and expertise to deliver the Risk Management policy. This is achieved through a programme of risk management training and awareness sessions that address the individual needs of Board Members and employees at all levels.

4.13. Communication

ATD takes appropriate steps to communicate its Risk Management policy to all employees and stakeholders.

5. Finance, Value for Money & Social Value

A robust assessment of key business risks and the associated risk management control processes are a key part of sound corporate governance. Through the review and management of key business risks, ATD can ensure that services remain viable and the business as a whole is able to continue to operate through good business stewardship and financial management. A review and management of risk will enable key decisions to be taken that will enable the business to operate as a going concern and in the best interests of its customers and stakeholders.

6. Supported Appendices

Risk Register (Example)

7. Linked Policies

N/A

8. Legislation/Regulation

HCA

Care Quality Commission

Companies Act

Charities Commission Regulations, or international equivalent.

9. Review

Every 3 years, subject to any regulatory or legislative updates.

10. Procedure/Guidance

N/A

APPENDIX1: Risk Register Example

V.12 (21.02.2020)

Abbeyfield The Dales Ltd - Risk Register



Owner Key	C - Chair of Trustees	DOC - Director of Care	RAG VOLUMES (RATING IS IN GRID AT BOTTOM OF TABLE)		REVIEW PERIODS	
	B - Board	DOH - Director of Housing	HIGH	1	Last Review Date	27/09/2019
	CE - Chief Executive	BSM - Business Support Manager	MEDIUM	35	Date Reviewed by Exec Team	12/02/2020
	DOF - Director of Finance	SMT - Senior Management Team	LOW	29	Board Meeting Date	28/02/2020
	DOSS - Director of Operations & Shared Services					

Risk ID	Originator	Key Business Risk "where is a risk there.."	Consequences to ATD "the consequences to the business could be..."	Inherent Risk Likelihood	Inherent Risk Impact	Level of Risk	Risk Response in Place	Owner
1	Board of Trustees	...the skill mix of the Trustee Board is inadequate to effectively discharge the Board's duties and responsibilities	Poor Quality Decisions by the Trustee Board. Missed opportunities for new business. We operate outside our memorandum & Articles of Association or the requirements of the Companies Act. Damage to Reputation.	L	M	L	Recruitment and Selection process for trustees is produced at Board meetings. Corporate governance training is provided within a year of taking up role. Review of Board skills mix when a vacancy arises. Trustee handbook. Trustee Responsibilities in place. Programme of trustee briefing and training at start of each meeting. Articles of Association and Terms of Office to be put in place. National Housing Federation (NHF) code of Governance to be followed. Trustee Performance Review. Save the day planning. New Board. Skills Audit. ASB Committee and Remuneration Committee support work of the main Board. New Board member with care experience recruited.	C