



An Taisce

*The National Trust for Ireland*

## Risk Management Policy

Approved by board: 25<sup>th</sup> August 2015

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## Policy History

<b>Policy Version No.</b>	<b>Description of change</b>	<b>Proposed By</b>	<b>Date of Board Approval</b>
1.0	New policy	Treasurer	25.08.2015

## Introduction

This policy document has been prepared by the Treasurer of An Taisce and has been reviewed and approved by the Board of Directors. The policy should be read in conjunction with the:

- The Charities Act 2009
- Any guidelines issued by the Charities Regulatory Authority
- The most current risk register for An Taisce

The Board of An Taisce recognises that risk is a part of everyday life of charitable activity and that managing this risk effectively is essential to safeguarding the funding and assets of An Taisce.

By preparing this policy the Board is setting out the framework for:

- Identifying the major risks to our organisation
- Setting out how the identified risks will be mitigated
- Making an appropriate statement regarding risk management in our annual report

The board recognises that a positive risk management culture is vital at all levels of the organisation to ensure that a risk management system can operate effectively. The board requires that all staff/volunteers/interns should be made aware of this policy and fully understand the provisions contained within.

## Why we need to manage risk?

Identifying and managing possible risks to An Taisce is an integral part of strengthening the governance of An Taisce, as a charitable organisation. Being fully aware of the potential risks will:

- Enable us to monitor these risks and to react in a decisive and timely manner should a risk become prevalent
- An Taisce can take advantage of opportunities and develop them confidently knowing that risks are known and are being managed
- Forward and strategic planning will improve
- The objectives of an Taisce will become more transparent and can be achieved with more success
- An Taisce can fully demonstrate to our stakeholders that we have taken the necessary steps to identify and mitigate risk to the organisation

## Statement of the Risk Appetite of An Taisce

An Taisce is generally risk averse and adopts a prudent approach to risk management. Risk should be avoided where possible, although it is not possible to remove risk completely. Where there is risk involved steps should be taken to minimise the exposure that An Taisce may have to the risk. This will safeguard An Taisce from potential future damage.

## Roles and responsibilities

All staff/volunteers/interns/Directors of An Taisce play an active part in managing risk and fostering a positive risk management culture. This is achieved by:

- Adhering to the provisions of the policy
- Reporting in a timely manner any risk event or material gap in the system of internal control to the Risk Management Officer/Board
- Reporting in a timely manner any breach or suspected breach of this policy
- Establishing and adhering to controls designed to mitigate risk
- Participating in periodic reviews of risk exposure and control effectiveness if required

## Board of Directors

The board of directors has responsibility to:

- Approve this policy and all subsequent amendments to this policy
- Appoint and oversee the work of the Risk Management Officer
- Oversee the implementation and maintenance of the risk management systems as outlined in this policy
- Co-operate with the Risk Management Officer in the conduct of a bi-annual risk review
- Co-operate with the auditor to assist in their independent review of controls
- Review and respond to all reports received relating to risk management
- Approve all expenditure detailed in the risk mitigation plan

- Approve the annual risk mitigation plan
- Any other task which is deemed appropriate by the Chair and falls within the scope of this policy
- Take all necessary corrective action in a timely manner to deal with any prevailing imminent risk(s) which may seriously undermine the financial stability of An Taisce or the confidence of any stakeholders

## **Risk Management Officer**

The risk management officer has responsibility to:

- Draft and maintain a risk management system to be approved by the board
- Provide a quarterly written report to the board which provides an update of risk management activity, the status of the risk audit, changes to the risk register, a summary of risk events, suspected breaches of the risk management policy, progress on remedial work undertaken or any other material issue deemed relevant by the risk management officer or information requested by the board
- Report any material risk event to the board as soon as possible
- Conduct an bi-annual risk audit for An Taisce
- Maintain a risk register for An Taisce
- Collate the findings of the annual audit and present these to the board
- Draft a risk mitigation plan to be approved by the board
- Co-ordinate remedial action in line with the risk mitigation plan
- Review and document any reported risk event within An Taisce to include the action taken or recommended
- Update the risk mitigation plan in light of any significant risk event or emerging risk identified, notify the board of any changes
- Co-operate with the auditor to assist in their independent review of controls
- Continuously monitor the external environment for any changes that may materially affect the risk appetite or risk tolerance of An Taisce
- Conduct internal risk management training at least annually for all staff
- Maintain their own knowledge and skills in prevailing compliance issues and best practice in risk management
- Suggest on-going improvements to the risk management system to improve the efficiency and effectiveness of the system
- Report directly to the board
- Perform any other reasonable task assigned by the board when acting in compliance with this policy

The risk management officer is Paula Maguire.

## Risk Management

There are four distinct steps to risk management:

1. Risk identification.
2. Risk analysis.
3. Response to each risk/mitigation plan.
4. On-going monitoring and review, including the early identification of emerging risks.

### Risk Identification

Identified risks are listed in a separate risk register. These are categorised under the headings:

- Governance risks
- Operational risks
- Finance risks
- Environmental and external risks
- Law and regulation compliance risks

The current risk register is not an exhaustive list and as further risks are identified or emerge these will be added to the risk register.

The risk register will be reviewed by the Risk Management Officer on a bi-annual basis as a minimum with an update presented to the board

### Risk analysis

Each risk identified in the risk register is assessed by the Risk Management Officer and scored for the impact it could potentially have on the organisation multiplied by the likelihood of the risk occurring. This process is highly subjective but will highlight to the board the major risks facing the organisation and assist with the risk mitigation planning process.

The scores are allocated in accordance with the following tables:

#### Impact

Description	Score	Impact on service and reputation
Insignificant	1	<ul style="list-style-type: none"><li>• No impact on service</li><li>• No impact on reputation</li><li>• Complaint unlikely</li><li>• Litigation risk remote</li></ul>
Minor	2	<ul style="list-style-type: none"><li>• Slight impact on service</li><li>• Slight impact on reputation</li><li>• Complaint possible</li><li>• Litigation possible</li></ul>
Moderate	3	<ul style="list-style-type: none"><li>• Some service disruption</li><li>• Potential for adverse publicity – avoidable with careful handling</li></ul>

		<ul style="list-style-type: none"> <li>• Complaint probable</li> <li>• Litigation probable</li> </ul>
Major	4	<ul style="list-style-type: none"> <li>• Service disrupted</li> <li>• Adverse publicity – Unavoidable</li> <li>• Complaint probable</li> <li>• Litigation probable</li> </ul>
Catastrophe	5	<ul style="list-style-type: none"> <li>• Service interrupted for significant time</li> <li>• Major adverse publicity – unavoidable (national media)</li> <li>• Major litigation expected</li> <li>• Resignation of senior management and board</li> <li>• Loss of beneficiary confidence</li> </ul>

## Likelihood

Description	Score	
Unlikely	1	It is highly unlikely that this risk will occur
Possible	2	There is a possibility that this risk could occur
Likely	3	It is more than likely that this risk could occur
Certain	4	There is a high degree of certainty that this risk will occur

## Risk Mitigation Planning

Based on the analysis of each risk the Risk Management Officer can propose a risk mitigation plan to the board which will ensure, as far as possible, that each risk is carefully managed to reduce the probability of the risk occurring.

## Risk Monitoring & Review

- The tolerance level of An Taisce to risk is set at 4 (Minor impact 2 x likelihood that the risk will possibly occur 2).
- The risk management officer to conduct a full review of the risks and analyse each risk per the criteria above to find the score.
- Any risk rating that is found to be above the stated tolerance level will be **red flagged** and decisive action taken to reduce the risk to an acceptable level.
- The risk management officer to provide the board with a bi-annual report on the risk management system progress, highlighting any risk events or issues of a material nature
- The board of An Taisce may decide to increase or reduce the tolerance level at any time on the advice of the Risk Management Officer or the auditor.
- It would be prudent to review the risks and ratings every six months to ensure that the risks identified are still relevant to An Taisce and/or to add further risks identified and to ensure that the risk ratings are still within tolerance.
- A full review of the risk register and risk management system to be conducted annually by the risk management officer and presented to the board for review and approval.
- The risk management officer to co-operate fully with the auditor to ensure the risk management system is operating effectively and efficiently in line with internal controls.