

Approved by:	Board of Trustees
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chiefImplementation date:	1 August 2024
Review date (<i>no later than</i>):	1 August 2027
Responsible for implementation:	Chief Executive
Responsible for interpretation:	Board of Trustees

Risk Management Policy

1.0 Risk Policy Purpose

- 1.1 This policy:
- (a) Is a formal acknowledgement that the Board of Trustees is committed to maintaining a strong risk management framework. The aim is to ensure that the Union makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse affects of risks.
 - (b) Should be used to support the internal control systems of the Union, enabling the Union to respond to operational, strategic and financial risks regardless of whether they are internally or externally driven.

2.0 Risk Policy Objective

- 2.1 To confirm and communicate the Union's commitment to risk management.
- 2.2 To establish a consistent framework and protocol for determining appetite for and tolerance of risk and for managing risk.
- 2.3 To assign accountability to management and staff for risks within their control and provide a structured process for risk to be considered, reported and acted upon throughout the organisation.

3.0 Risk Policy Statement

- 3.1 The trustees and senior management of the Union believe that sound risk management is integral to both good management and good governance practice.
- 3.2 Risk management should form an integral part of the Union's decision-making and be incorporated within strategic and operational planning.
- 3.3 Risk assessment will be conducted on all major new activities and projects to ensure they are in line with the Union's objectives and mission.
- 3.4 Any risks or opportunities arising will be identified, analysed and reported at an appropriate level.
- 3.5 A risk register covering key strategic risks will be maintained and updated at least once a year and more frequently where risks are known to be volatile.
- 3.6 All staff will be provided with adequate training on risk management and their role and responsibilities in implementing this.
- 3.7 The Union will regularly review and monitor the effectiveness of its risk management framework and update it as considered appropriate.

- 3.8 Reports will be made to the Board of Trustees every 6 months on continuing and emerging high concern risks and those where priority action is needed to effect better control.
- 3.9 Individual error and incident reports will be required from individual staff where a reportable event is identified.

4.0 The Role of the Board of Trustees

- 4.1 To ensure that a culture of risk management is embedded throughout the Union.
- 4.2 To set the level of risk appetite and risk tolerance for the Union as a whole and in specific circumstances.
- 4.3 To communicate the Union's approach to risk and set standards of conduct expected of staff.
- 4.4 To ensure risk management is included in the development of business plans, budgets and when considering strategic decisions.
- 4.5 To approve major decisions affecting the Union's risk profile or exposure.
- 4.6 To satisfy itself that less fundamental risks are being actively managed and controlled.
- 4.7 To regularly review the Union's approach to risk management and approve any changes to this.
- 4.8 To receive reports when required from internal audit, subcommittee's (if applicable), external consultants and any other relevant parties and to make recommendations on this.

5.0 The Role of the Chief Executive and the Senior Management Team

- 5.1 To ensure that risk management policy is implemented throughout the Union.
- 5.2 To anticipate and consider emerging risks and to keep under review the assessed level of likelihood and impact of existing key risks.
- 5.3 Provide regular and timely information to the Board of Trustees on the status of risks and their mitigation.
- 5.4 To implement adequate corrective action in responding to significant risks; to learn from previous mistakes and to ensure that crisis management plans are sufficiently robust to cope with high level risk.

6.0 The Role of Union Staff

- 6.1 Union staff are responsible for managing project specific operational risks and for ensuring that risks are reported upon in a timely fashion through designated lines of reporting.

7.0 Interaction with Internal Control Systems

- 7.1 Risk management forms part of the Union's system of internal controls and should be read in conjunction with the relevant policies, including the Financial Regulations.
- 7.2 In addition the Union expects to meet minimum standards required by legislation and best practice in operational areas.
- 7.3 The risk of falling short of these standards is mitigated as far as possible by ensuring that appropriate policies and working practices are adopted in each of these key areas and that staff are adequately experienced and trained to manage this. Where necessary, external advice is sought to supplement internal expertise.