

## **Risk Management Policy**

### **1 Introduction**

- 1.1 [Insert name of company] is committed to ensuring effective risk management within the company and all staff have a role to play in ensuring we achieve this.
- 1.2 This policy sets out:
- 1.2.1 what risk is
  - 1.2.2 our approach to risk management
  - 1.2.3 who is responsible for risk management
  - 1.2.4 our processes for identifying, reporting and evaluating risk
  - 1.2.5 our risk management policies and procedures
  - 1.2.6 details of risk management training
  - 1.2.7 the steps we will take to monitor and update this Risk Management Policy
- 1.3 It also contains our:
- 1.3.1 Risk matrix—see clause 5—Identifying risk
  - 1.3.2 Risk register—see clause 8—Risk register below, and
  - 1.3.3 Internal risk report form—see clause 6—Reporting risk

### **2 What is risk?**

- 2.1 Risk is not easily defined but generally it is the possibility of an adverse or unwelcome outcome. This could be a financial loss but it could also be something less quantifiable, such as damage to our reputation.
- 2.2 We categorise the risks we identify under three heads:
- 2.2.1 strategic risk—risks that could affect our survival or profitability
  - 2.2.2 operational risk—risks that are associated with our day-to-day activities
  - 2.2.3 regulatory risk—the risks we face from non-compliance with our regulatory obligations
- 2.3 Some risks may fall into more than one category.
- 2.4 Identifying risks is more important than spending lots of time working out which category they are in. Please do all that you can to identify risks – do not worry if you do not know which category they fit into. The [Risk manager OR *other*] is responsible for categorising risks where possible. See clauses 4—Who is responsible for risk management? and 5—Identifying risk below.

### **3 Our approach to risk management**

- 3.1 We recognise there are risks involved in almost everything we do. We also appreciate that it is impossible to remove all risks.

3.2 Our aim is to comprehensively identify the risks we face in order that we can manage them. Where possible, we want to reduce the probability of those risks occurring and/or limit their impact if they occur.

#### **4 Who is responsible for risk management?**

4.1 We all have a part to play in effective risk management.

4.2 The [Board OR Senior management team OR *other*] is committed to achieving effective risk management and will ensure adequate resources are available to meet risk management needs.

4.3 We have assigned specific risk management responsibilities to the [Risk manager OR *other*] who is responsible for:

4.3.1 devising and developing this Risk Management Policy

4.3.2 categorising risks

4.3.3 monitoring and reviewing our risk management arrangements

4.3.4 building a risk-aware culture through training and education

4.3.5 providing assistance to individuals and/or teams who have responsibility for specific risk management actions

4.3.6 maintaining the Risk Register—see Appendix 2

4.3.7 reporting regularly to the [Board OR Senior management team OR *other*] on risk management

4.4 Different types of work can produce different types of risk. [Heads of departments OR Line managers OR *other*] are responsible for:

4.4.1 ensuring risk awareness within their [work area OR department OR team]

4.4.2 keeping the [Risk Manager OR *other*] informed of any changes to the services offered by the team or any major changes to legislation affecting the way the team operates

4.4.3 raising department specific concerns with the [Risk Manager OR *other*]

4.5 Everyone has a part to play in our risk management process. The success of our risk management process depends on your ongoing support. For more information see clause 6—Reporting risk.

#### **5 Identifying risk**

We use all available relevant sources to identify risks. These include:

5.1 meeting with relevant staff

5.2 looking at our claims and complaints records, and

5.3 Internal risk reports—see clause 6—Reporting risk

#### **6 Reporting risk**

6.1 Risks emerge and change all the time. We encourage you to report any risks that come to your attention to the [Risk manager OR *other*]. This helps us capture risks as they emerge and keep our risk management processes up-to-date and effective.

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