Risk Management

Policy

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1.1	5 May 2017	Amendment of role titles and Audit Committee re-naming

Alternative Formats

This documentation can be made available in alternative formats such as large print, Braille, disk, audio tape or in an ethnic-minority language upon request. Requests for alternative formats can be made to the Probation Board using the following contact information:

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1. Rationale

Risk management is the process whereby an organisation adopts a proactive approach to the management of future uncertainty and facilitates the evaluation and management of risk. PBNI, as a public service, is committed to providing the highest standard in working to reduce reoffending and changing lives for safer communities. Therefore the process of risk management is essential in maintaining and improving the service we deliver.

The Probation Board is committed to the principles endorsed by HM Treasury in its guidance Management of Risk – Principles and Concepts "The Orange Book" and therefore:

a) supports responsible well thought through risk taking and innovation;
b) rejects the concept of a blame culture by providing support when things go wrong;
c) encourages staff at all levels to raise concerns;
d) supports the concept that 'Risk Management is good management' and forms part of the everyday activities of all staff;
e) provides guidance, training and tools to skill staff in managing risk and ensuring that responsibilities are clear.

2. Aim

The aim of this policy is to have a comprehensive and cohesive risk management system in place underpinned by clear responsibility and accountability arrangements.

3. Objectives

The objectives of this policy are:

- To make the effective management of risk an integral part of overall management practice.
- To raise awareness of the need for risk management by all within PBNI
- To have a policy in place to support the Statement on Internal Control, and corporate governance arrangements.

4. Procedures

There are PBNI procedures in place to support the application of this policy.

5. Responsibilities

5.1   Chief Executive

The Chief Executive, as Accounting Officer, has overall responsibility for managing the risks faced by PBNI. There is a requirement for the Accounting Officer to sign off an annual Statement on Internal Control which accompanies the annual accounts. In order to fulfil this responsibility there is a need for a risk management system to be fully embedded and operational within PBNI. The Accounting Officer will champion the risk management system and ensure that appropriate commitment is given from across the organisation.

5.2   The Board

The Board is responsible for determining the appropriate level of risk that PBNI will carry, monitoring the management and control of significant risks and ensuring that appropriate controls are in place and working effectively.

The Board should annually review its approach to risk management and approve changes or improvements to key elements of its processes and procedures.

5.3   Audit and Risk Assurance Committee

The Board of PBNI has agreed that the Audit and Risk Assurance Committee should hold the Chief Executive, as Accounting Officer, to account, on behalf of the Board, for the risk management framework.

The Audit and Risk Assurance Committee should oversee internal audit, external audit and the risk management framework and should report to the Board on the internal risk controls and alert them to any emerging risk issues.

5.4   Audit and Risk Management Group (ARM)

The Audit and Risk Management Group will oversee the policy and procedures for the management of risk, including identification and assessment of risk in operational and corporate risk areas, along with measures to reduce risk and monitor effectiveness.

The Audit and Risk Management group will take forward the programme of work for the management of risks, including the risk management policy, the risk management guidance, the Strategic Risk Register and Departmental Risk Registers, and from any other matters relevant to the management of risk in PBNI.

The membership of the Audit and Risk Management group will be determined by the Chief Executive.

5.5   Senior Management Team

Each member of the Senior Management Team will be responsible for ensuring that risk management processes are embedded and fully operational within their area of responsibility.

5.6   Employees

All employees are expected to work within PBNI's Risk Management Policy and Guidance and to alert management to emerging risks or control weaknesses and to assume responsibility for risks and controls within own areas of work.

5.7   Internal Audit

Internal Audit's primary objective is to provide independent assurance on the effectiveness of the risk management internal control framework (and therefore risk management) to both the PBNI management and the Board through the Audit and Risk Assurance Committee. It does this by carrying out audits across the departments focused on the key risks in the business area.

Internal Audit also has a key role to play in strengthening the overall process by monitoring, reporting and providing assurance on the effectiveness of the risk and control mechanisms in operation.

6. Resources

The review of this policy will not incur any additional cost.

7. Communication and Training

The Senior Management Team should ensure that staff at all levels in the organisation are aware of the Risks identified in PBNI's Strategic and Departmental Risk Registers and ensure that annually Risk Management is on the Agenda at all team meetings.

8. Monitoring and Evaluation

There will be an on-going process to formally update and review on a quarterly basis, the Strategic and Departmental risk registers. This will be monitored by the Audit and Risk Assurance Committee through the Audit and Risk Management Group and form part of its Annual Report to the Board.

9. Review

This policy will be reviewed at least four years from the date of approval. Interim reviews may also be prompted by feedback, and or identified changes in practice.

10. Non compliance

Breach of the Board's Policy by employees may merit consideration under the Board's Disciplinary Policy.