



**Archives & Records
Association**
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Archives and Records Association

Risk Management Policy

This Document was

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| Prepared by: | Elizabeth Thompson-MacRae & David Powell | May 2023 |
| Reviewed by: | ARA Board | Nov 2023 |

Document Distribution

External

Amendment Suggestion

Any suggestions for amendments should be made through ARA Chief Executive

Status Control

| Version | Date | Status | Prepared by | Reason for Amendment |
|---------|------------|--------|--|--|
| 0.1 | 10/5/2023 | Draft | Elizabeth Thompson-MacRae & David Powell | Draft- for sign off to published from ARA Board |
| 0.2 | 12/11/2023 | Draft | Elizabeth Thompson-MacRae and David Powell | Insertion of organisation's overall risk statemen, individual statements for areas of risk, alongside operational definitions and measures |
| 1.0 | 9/01/2024 | Final | Elizabeth Thompson-MacRae and David Powel | Published to Final |

Purpose

ARA recognises risk management as the cornerstone of effective governance and decision making.

The purpose of this policy is to define the agreed risk management arrangements for ARA and provide guidance in the implementation, monitoring and review of these arrangements.

ARA defines risk as,

'the uncertainty surrounding events and their outcomes that may have a significant impact, either enhancing or inhibiting any area of a charity's operations'.¹

Scope

All board trustees, paid staff, contractors and volunteers will adopt a risk-based approach for any significant activity carried out on behalf of ARA.

This approach will inform decision making in identifying any threats (as well as opportunities) in meeting ARA's strategic objectives.

ARA's Approach to Risk (Risk Appetite)

We take a risk based approach to decision making that may have a significant impact on ARA's strategic objectives.

We take a cautious approach to risks relating to governance, financial and operational activities. We are careful to consider the context of external factors on

¹ [Charities and risk management \(CC26\) \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101226/Charities_and_risk_management_CC26.pdf), Accessed on 16th April 2023

our organisational activities and recognise opportunities as well as threats. For compliance related activities we take additional care with an adverse approach to risk.

| Table of individual risk statements covering each area of risk with operational definitions and measures | Governance | Compliance | Finance | Operational | External Factors |
|--|--|--|--|---|--|
| Statements | We take a cautious approach by maintaining clear and defined organisational structures and responsibilities that support effective decision making and oversight at all levels | We are averse to any action that would see ARA failing in its legal and charitable obligations | We take a cautious approach to investment and budgetary management to ensure we meet our strategic objectives and member's needs | We take a cautious approach in our operational activities to safeguard resources and maintain core processes whilst allowing controlled strategic development | We carefully consider external factors that may affect our operational effectiveness and strategic direction, so we maintain our credibility and positive reputation with stakeholders |
| Definitions | Decision making follows defined policies and processes. Uncertainty is escalated to ARA operational staff for additional support | All compliance related activity is tightly controlled by ARA senior management team | Controlled budget allocation from Board with some delegation of financial decision making to groups and regions | Maintain staffing levels for paid staff and Trustees with accountability for core business functions and provide | Horizon scanning is factored into decision making to consider strengths, weaknesses, opportunities and threats (SWOT) based on the most up to |

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|-----------------|---|-----------------------|--|---|---|
| | | | | necessary training | date information available, considering political, sector and regulatory contexts |
| Measures | Regular two-way reporting across organisation | External Audit review | Financial monitoring via regular reporting and projected expenditure | Annual training plans linked to workforce monitoring/planning and business continuity | Monitoring of stakeholder feedback from planned and ad hoc sources |

Risk Management Roles and Responsibilities

Risk management is everyone's responsibility and all decision-making should be informed by a risk-based approach.

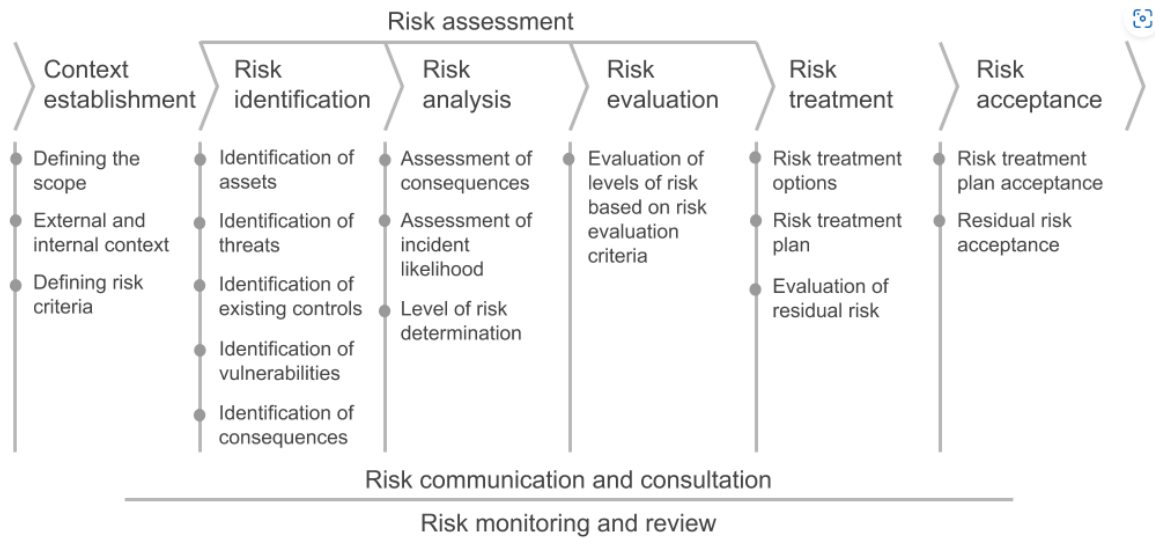
However, to ensure that ARA's risk management arrangements run effectively, specific roles and responsibilities have been defined:

| Role | Responsibility |
|--------------------------------|---|
| The Board | <ul style="list-style-type: none"> - Holds overall responsibility for risk management arrangements - Manages and monitors ARA's strategic risk register - Quarterly reviews risk management arrangements at strategic level - Sets and annually appraises ARA's risk appetite - Provides scrutiny and challenge to the management of risk at strategic level |
| Chief Executive Officer | <ul style="list-style-type: none"> - Ensures risk management is embedded into all processes across the organisation - Prepares and maintains operational risk register - Reviews risk management statement as part of the annual reports and accounts to ensure that it aligns with ARA's risk management arrangements |
| Honorary Officers | <ul style="list-style-type: none"> - Holds delegated authority in ARA's risk management - Reviews operational risk across the organisation and escalates risks exceeding ARA's risk appetite to The Board |

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|--|--|
| <p>Risk Owners</p> | <p>Named individual recorded on ARA’s risk register (strategic, operational or project level) for an identified risk</p> <p>Risk owners are accountable for ensuring a risk is managed appropriately by:</p> <ul style="list-style-type: none"> - Ensuring risks are identified, assessed, managed and monitored - Clearly recording risks within ARA’s risk register (either strategic, operational or project level, depending on the activity) - Applying suitable risk controls/treatments to mitigate the likelihood/impact of risks exceeding ARA’s risk appetite |
| <p>All paid staff and volunteers carrying out activities on behalf of ARA</p> | <ul style="list-style-type: none"> - Familiarised with ARA’s risk management policy and processes - Undertakes relevant training as part of on-boarding process/on-going activity within ARA |
| <p>Third Party Auditors</p> | <ul style="list-style-type: none"> - Provides assurance that ARA is compliant with all relevant financial legislative requirements |
| <p>Whistleblowing</p> | <p>In the event that ARA’s risk management policy isn’t being followed or risks being deliberately overlooked, concerns can be reported to ARA’s Chief Executive and/or The Chair of the ARA Board</p> |

Risk Management Model

The ARA board has adopted the ISO 31000 risk management model as a framework to manage risk.²

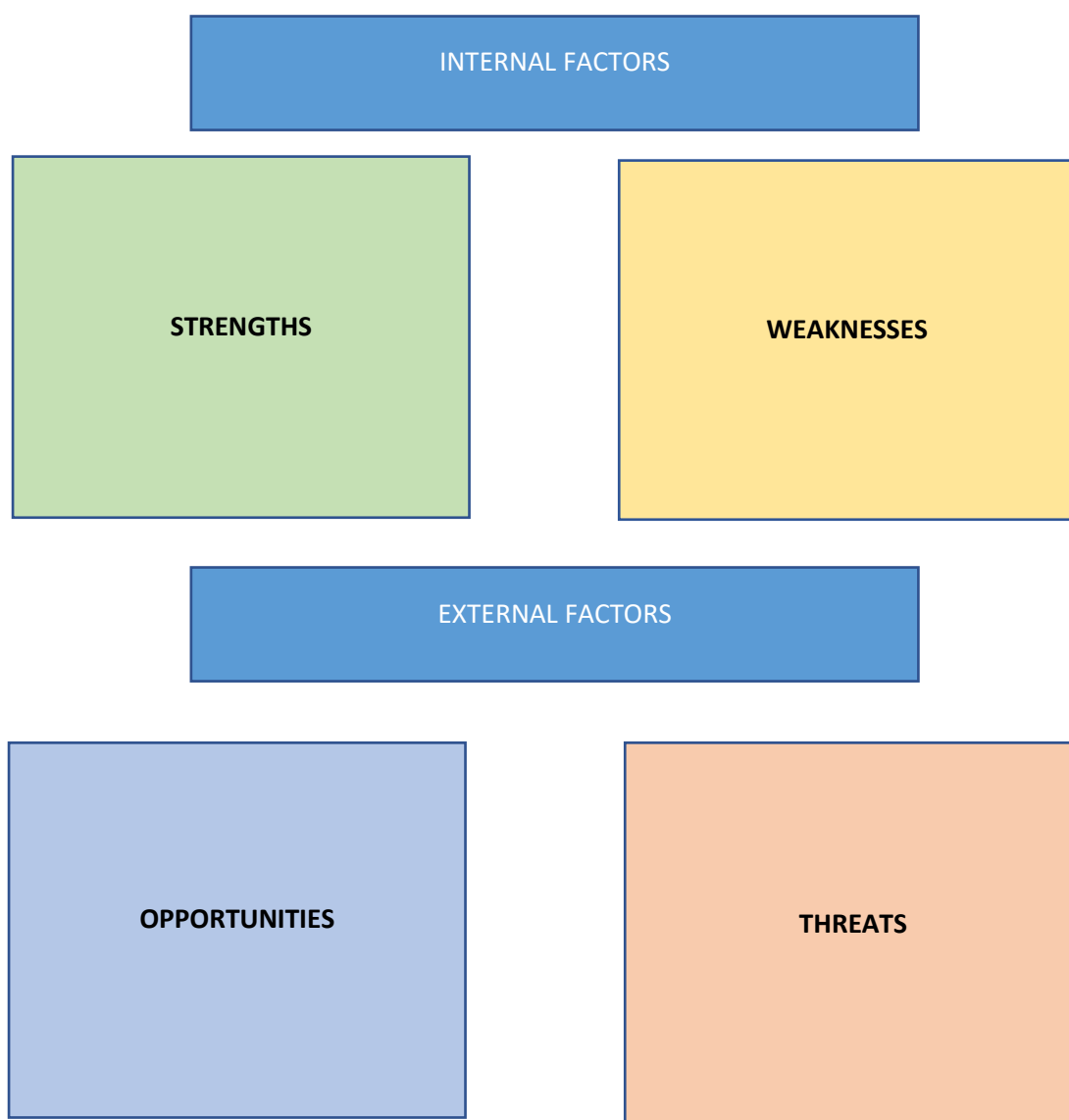


Detailed risk management guidance and procedures based on the ISO 31000 risk management model will be developed and approved by the Board.

² [Risk management based on ISO 31000 — KRUCEK](#), Accessed 14 April 2023.

Risk Identification

Risk Identification will be undertaken via SWOT analysis, to identify the key strengths, weaknesses, opportunities and threats before any significant activity is undertaken by ARA.³



³ Significant activity is understood to mean a planned activity that, ' may have a significant impact, either enhancing or inhibiting any area of a charity's operations. [[Charities and risk management \(CC26\) \(publishing.service.gov.uk\)](#), Accessed on 16th April 2023]

Assessing Risk

Risks must be assessed **before and after risk treatment**, consulting with staff/ARA members who hold expertise within the subject matter/context that a risk being assessed for.

Each risk must be evaluated for it's:

- a) Impact- The **effect** on the organisation when a risk becomes realised
- b) Likelihood- **how often** a risk is likely to occur

Impact

| Descriptor | Score | Impact on Service and Reputation |
|-----------------------------|-------|---|
| Insignificant | 1 | <ul style="list-style-type: none">• no impact on service• no impact on reputation• complaint unlikely• litigation risk remote |
| Minor | 2 | <ul style="list-style-type: none">• slight impact on service• slight impact on reputation• complaint possible• litigation possible |
| Moderate | 3 | <ul style="list-style-type: none">• some service disruption• potential for adverse publicity - avoidable with careful handling• complaint probable• litigation probable |
| Major | 4 | <ul style="list-style-type: none">• service disrupted• adverse publicity not avoidable (local media)• complaint probable• litigation probable |
| Extreme/Catastrophic | 5 | <ul style="list-style-type: none">• service interrupted for significant time• major adverse publicity not avoidable (national media)• major litigation expected• resignation of senior management and board• loss of beneficiary confidence |

Likelihood

| Description | Score | Example |
|-----------------|-------|--|
| Remote | 1 | May only occur in exceptional circumstances |
| Unlikely | 2 | Expected to occur in a few circumstances |
| Possible | 3 | Expected to occur in some circumstances |
| Probable | 4 | Expected to occur in many circumstances |
| Highly probable | 5 | Expected to occur frequently and in most circumstances |

Risk Appetite and Acceptance

The ARA Board will review the organisation's risk appetite on an annual basis and communicate this to its stakeholders. All risks that exceed this set level **after treatment, MUST** be immediately escalated to the delegated authority of the Honorary Officers Board for scrutiny.

Projects and Working Groups

Before any project is launched it must be demonstrated to The Board that a risk based approach has taken to inform decision making. The Board has the right to request any documentation used to inform the risk management assessment.

All ARA working groups and projects must hold a risk register that is accurate and up to date, providing reports to the Board on a quarterly basis/ The Board reserves the right to review risk registers out with this rota if requested.

Monitoring and Reporting

ARA will implement appropriate monitoring and reporting to support the organisation's risk management arrangements.

All risks that exceed ARA's risk appetite **after treatment, MUST** be immediately escalated to the delegated authority of the Honorary Officers Board for scrutiny. Risks that can be managed via alternative means will be accepted and/or escalated to the Board for discussion.

Evaluation and Review

The Board welcomes feedback on ARA's risk management framework from ARA staff and membership. Any recommendations/comments can be made to ARA's Chief Executive.

The Board shall monitor and review ARA's risk management process on a 12 monthly cycle to evaluate its effectiveness in meeting the organisations objectives. Any amendments will be agreed at a strategic level and changes clearly communicated to ARA staff and membership.

The Board shall complete a full review ARA's Risk Management Framework (covering policy, process and associated documentation) on a three-year cycle. Any amendments will be agreed at a strategic level and clearly communicated to ARA staff and membership.