**Risk Register**

**Of**

**ABC Youth Service Limited**

**Company Number: xxxxxx**

**CHY Number: CHYxxxxxx**

**Date of adoption by Board: xx/xx/xx**

**Date of last review by Board: xx/xx/xx**

**CONTENTS**

SECTION ONE

Overview

Introduction 3

Category of Risk 3

Risk Identification 5

Risk Assessment 5

Treatment of Risk 7

SECTION TWO

Risk Register

Introduction 8

Sample Register 9

Blank Template 10

OVERVIEW

Introduction

A risk management system is defined according to the Code of Practice for the Governance of State Bodies, 2009 as:

*“An effective risk management system identifies and assesses risk, decides on appropriate responses and then provides assurances that the chosen responses are effective”*

**ABC Youth Service Limited** recognises that an effective risk management framework is a key element of effective governance and internal control within organisations in the voluntary and community sector. Indeed, the need for formal risk management processes have been formalised through best practice codes such as the ‘Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland’ and the ‘Code of Practice for the Governance of State Bodies’.

This risk management framework provides management, staff, funders and other stakeholders with assurances that the major organisational risks that threaten the organisation are identified and appropriately managed on an ongoing basis.

Category of Risk

The types of risk that we have identified as threats to our organisation include:

1. Managerial

Failure to implement organisational structures and staff development

1. Financial

Failure to maintain effective financial management and accountability; in terms of budgetary and financial resources – reflecting the challenges to meet both pay and non-pay obligations

1. Resources / Personnel

Relating to the availability of appropriately qualified staff with necessary knowledge and skills

1. Operational

Failure to implement adequate processes, appropriate staffing, systems

1. Legislative / Regulatory

Reflecting concerns in relation to non-compliance with statutes and regulations across all areas of activity

1. Business Continuity

Fire, flood, major utility failure, loss of key personnel

1. Young People

Failure to meet expectations

1. Contractual

Failure to meet the terms of any contracts entered into

1. Legal

Claims against the organisation

1. Social

Changes in demographic trends that impact on the ability to deliver quality services

1. Physical

Health and Safety of Staff, Volunteers, Young People etc. Failure to safeguard physical assets

1. Strategic

Failure to develop and implement Strategic and Annual Plans

1. External Dependency

Relating to dependence on and involvement of external bodies / institutions, Government Departments and agencies

1. Reputational

Relating to the tarnishing of the public reputation, profile and image of the organisation with the public at large and with key stakeholders

Risk Identification

Risks are identified within the different areas of the organisations operations; risk identification is delegated to the appropriate persons within these areas.

Risk Assessment

**Risk is measured in terms of:**

* likelihood or probability
* consequences or impact

**Probability / Likelihood of Occurrence**

* What is the chance that this risk is going to happen
* Measured on a scale from low to high

**Consequences / Impact of Occurrence**

* If it does occur, what will be the likely impact on the organisation?
* Measured on a scale from low to high

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Ranking of Risk - "Traffic Lights" | | | |  |  |
|  |  |  |  |  |  |
| **Consequence / Impact** | High |  |  |  |  |
| Medium |  |  |  |  |
| Low |  |  |  |  |
|  |  | Low | Medium | High |  |
|  |  |  |  |  |  |
|  |  | **Probability / Likelihood** | | |  |

Consequence / Impact Scoring

Low

Medium

High

Likelihood / Probability Scoring

Low

Medium

High

Treatment of Risk

Risks are treated according to the four T’s as follows:

Tolerate – accept the risk (Risks that are low and require no further action)

Treat – controls to address problems (Manage and contain the risk to an acceptable level)

* Reduce – likelihood of occurrence
* Reduce – consequences of occurrence

Transfer – e.g. insure / outsource (Transfer the risk to a third party e.g. insurance company or payroll management service)

Terminate – withdraw from activity (Where the only appropriate way of managing the risk is to terminate it)

Risk Register

Introduction

The Risk Register is the primary tool used to support the risk management process. It is used to record risks, to identify current controls, to allocate ownership of the risk and controls to the best placed individual and to identify future actions for the management of risks.

The Risk Register captures the following:

* Risk Number
* Risk Category
* Risk Description
* Controls
* Likelihood Score
* Impact Score
* Risk Owner
* Future Action

Review

The Risk Management Process and the Risk Register are subject to at least an annual review by the board and the senior management team.

SAMPLE RISK REGISTER – Broad Examples actual risks will be detailed and relate to the specific

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk**  **No.** | **Risk**  **Category** | **Risk Description** | **Controls** | **Likelihood**  **Score** | **Impact Score** | **Risk**  **Owner** | **Future Action** |
| 1 | Financial /  Operational | Mismanagement of funds | Management Accounts  Financial Policies and Procedures  System of control for authorisation of expenditure | **Low** | **Medium** | Board/Management | Review / amend as necessary system of control for authorisation of expenditure every 6 months |
| 2 | Financial  Liquidity | Inability to access funding in good time | Financial Reporting  Drawdown procedures  Training new/existing staff in procedures required to access grants allocated to organisation | **Medium** | **High** | Management | Review system annually to ensure it is fit for purpose  Review cash flow requirements & drawdown requests at every board meeting |
| 3 | Financial  Credit | Bank overdraft charges  Creditor payment delays | Forecasting, monthly bank rec & cash monitoring | **Low** | **Medium** | Youth Service Manager / Treasurer | Put in place calendar of key dates for board and management review |
| 4 | Annual Grant allocations | Failure to forecast pay and non-pay costs in advance | Preparation of draft budgets based on information to hand – to be reviewed and amended monthly by the board | **Medium** | **High** | Board | Advance preparatory planning – make adjustment as necessary |
| 5 | Legal | Litigation from a third party due to inadequate insurance cover | Suitable policy reduces the consequences resulting from a successful prosecution | **Medium** | **High** | Board & Management | Ensure appropriate insurance policies are in place, reviewed and paid up annually |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk**  **No.** | **Risk**  **Category** | **Risk Description** | **Controls** | **Likelihood**  **Score** | **Impact Score** | **Risk**  **Owner** | **Future Action** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk**  **No.** | **Risk**  **Category** | **Risk Description** | **Controls** | **Likelihood**  **Score** | **Impact Score** | **Risk**  **Owner** | **Future Action** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Risk**  **No.** | **Risk**  **Category** | **Risk Description** | **Controls** | **Likelihood**  **Score** | **Impact Score** | **Risk**  **Owner** | **Future Action** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |