

RISK MANAGEMENT POLICY

DEFINITIONS

- 1.1 Risk is the danger that an organisation is/will be obstructed in the achievement of its objective or the successful implementation of its strategies.

Risks are not expressly restricted to unexpected negative developments or events. It also includes the missing of positive developments and opportunities.

- 1.2 Risk Management embraces the whole spectrum of activities and measures addressing risk which taken together support the achievement of the organisation's objectives, including:

1.2.1 risk identification

1.2.2 risk analysis/quantification

1.2.3 risk control/management

1.2.4 risk acceptance and funding, elimination or transfer.

- 1.3 Corporate Governance is the system or process by which organisations are directed and controlled.

The principles of corporate governance for the OISC compromise:

Accountability - meaning that everything done by those who work for the OISC must be able to stand the test of parliamentary scrutiny, public judgments on propriety and professional codes of conduct.

Probity - meaning that there should be an absolute standard of honesty in dealing with the assets of the OISC: integrity should be the hallmark of all personal conduct in decisions affecting the public, staff and other stakeholders, and in the use of information acquired in the course of duties.

Openness - meaning that there should be sufficient transparency about activities to promote confidence between the OISC and its staff, its stakeholders, including advisers, the Home Office and the public.

PHILOSOPHY

- 2.1 The key features in the successful implementation of Risk Management are:

2.1.1 the achievement of a positive attitude and culture

2.1.2 commitment from all staff

- 2.2 The culture should be one of openness and willingness to admit mistakes, without fear of blame or punishment.
- 2.3 Procedures will be developed in line with best practice that will assist in the implementation of the Policy.

POLICY

- 3.1 It is the OISC's policy to:
 - 3.1.1 Understand the risks it faces, their causes and control, and their cost.
 - 3.1.2 Manage exposure to an acceptable level at minimum cost.
 - 3.1.3 Focus management action on priority areas.
 - 3.1.4 Encourage discussion about risk at all levels

RESPONSIBILITY

- 4.1 The Accounting Officer has executive responsibility for Corporate Governance.
- 4.2 Co-ordination of Corporate Governance within the OISC, including risk management activity, is the responsibility of the Finance and Administration Manager.
- 4.3 The team managers are responsible for the implementation of the policy in their area including facilitating the discussion of risk at team meetings. New risks identified by the teams should, where appropriate, be referred to the relevant SMT member for upward discussion at SMT.
- 4.4 It is the corporate and individual responsibility of every member of the OISC to manage individual risks that they and the OISC are exposed to as a result of the pursuit of their duties.

10th March 2005